2024

ANNUAL REPORT

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INTRODUCING EPV ENERGY

EPV Energy in brief

EPV has over 70 years of experience in responsible energy generation. We are determinedly investing in emission-free generation and operational reliability. In recent years, we at EPV have greatly improved our energy generation portfolio, resulting in significant reductions in carbon dioxide emissions.

EPV Energy Ltd (EPV) is a Finnish energy company that generates and acquires both electricity and heat as well as supplies them for its shareholders, i.e. Finnish energy companies, at a production cost price. This is known as the Mankala principle. It enables shareholders to participate in extensive energy projects that have low production costs.

According to our strategy, EPV's energy generation will become carbon neutral by 2030. In 2024, the share of emission-free energy sources in our electricity production was 96 per cent.

EPV's strategy is called New Electricity Revolution. At its centre is zero-emission electricity, whose production, storage and use are controlled with new technologies. The current state of our planet requires many great changes, including the way energy is produced, and the pace of reducing emissions must be accelerated. As a socially responsible company, EPV will continue to speed up these measures.

EPV's strategy models the modernisation of the entire society's energy generation system. In the future, new electricity will be generated using zero-emission energy sources, such as solar, wind, hydro and nuclear power – the sources at the heart of our strategy. In addition, we utilise carbon neutral raw material flows, such as forest energy, as well as circular economy products like industrial producer gases. With new electricity, we are also helping other operators to become emission-free, thereby mitigating climate change.

As more and more electricity is generated by renewable wind and solar power, the need for balancing power, flexibility and energy storage solutions is growing significantly. Different energy storage solutions, such as electric boilers, thermal energy storages, engine power plants, and electrical batteries, support and create flexibility in the electricity system. EPV continues to work tirelessly to develop clean electricity generation as well as the flexibility and storage solutions needed to support it. We plan to continue investing heavily in such projects in the future.

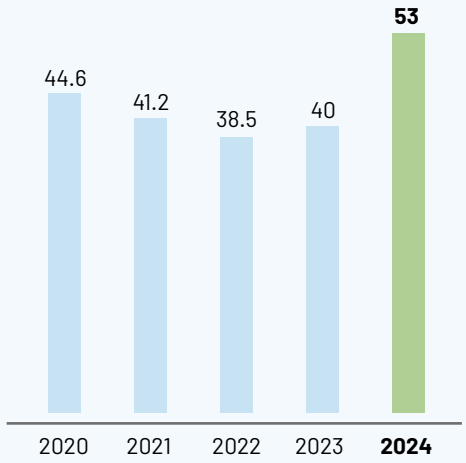
EPV's strategy emphasises our desire to be at the forefront of progress and to lead the way in the energy transition. The company also intends to continue following the development of essential new technologies as a basis for new projects. In the last few years, we have invested significantly in new electricity and will continue to do so.

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 wind farms tie up a large amount of capital for decades. We plan our investments with great care.

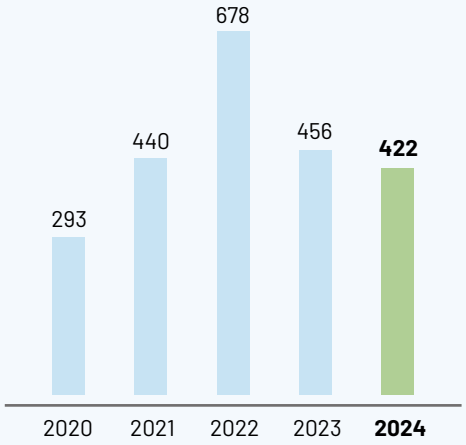
The EPV Energy Group has subsidiaries and affiliated companies in whose governance and supervision EPV actively participates. Nevertheless, the Group's subsidiaries and affiliated companies have their own administrative bodies. The Group is divided into four business areas.

EPV Energy Group's key figures 2024

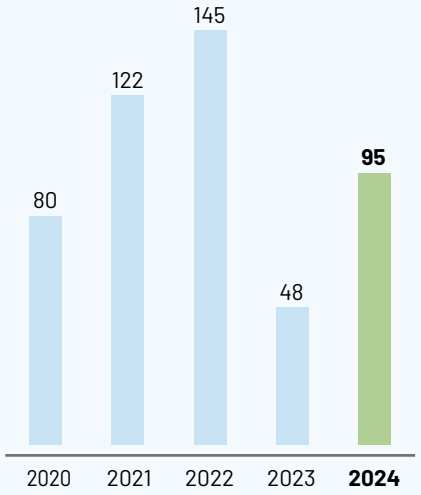
Equity ratio %
(FAS: 2020-2023, IFRS: 2024)



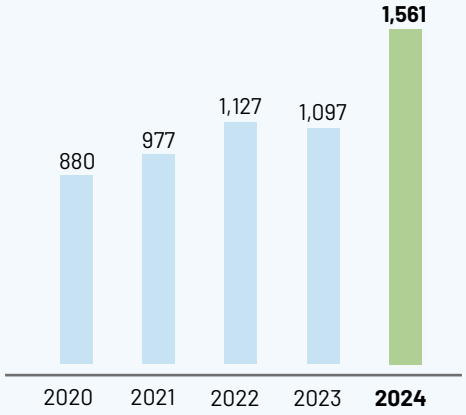
Turnover M€
(FAS: 2020-2023, IFRS: 2024)



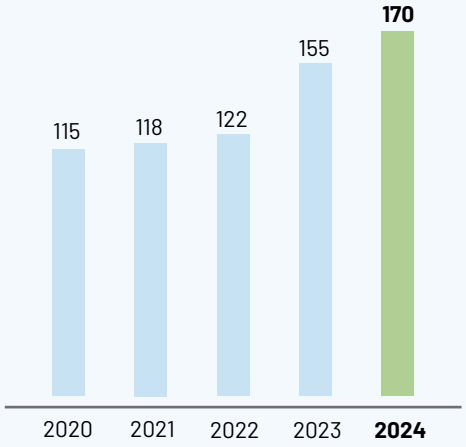
Investments M€



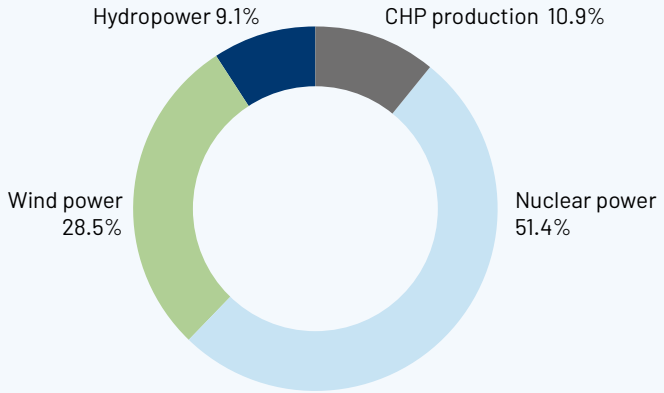
Balance sheet total M€
(FAS: 2020-2023, IFRS: 2024)



Average number of staff during the financial year



EPV Energy's electricity generation %



CEO's statement

In 2024, uncertainties around electricity prices and their development increased, emphasising the need to further improve flexibility capabilities in the future. EPV advanced many large-scale projects, and investment decisions made during the year exceeded the 100 million euro milestone.

An exceptional year for the electricity market

The year 2024 was unusual for Finland's electricity market. Price fluctuations increased significantly, with approximately 10 per cent of all hours throughout the year having negative electricity prices. A key factor behind this development was the growing role of wind power in the Nordic energy system. Wind power generation is entirely weather-dependent, and when combined with relatively limited price elasticity of consumption, this leads to the observed price fluctuations.

Although the short-term outlook for the electricity market remains challenging, we are heading toward better times. Major data center investments already made and underway in Finland, along with large-scale industrial projects such as GigaVaasa and the planned aluminum plant in Kokkola, will drive a substantial increase in electricity consumption in the coming years. The profitability of electricity generation will also improve with the electrification of heating, as heat produced by combustion is partially replaced by electrically generated heat. The growing demand for electricity will accelerate the implementation of EPV's energy production projects in the future.

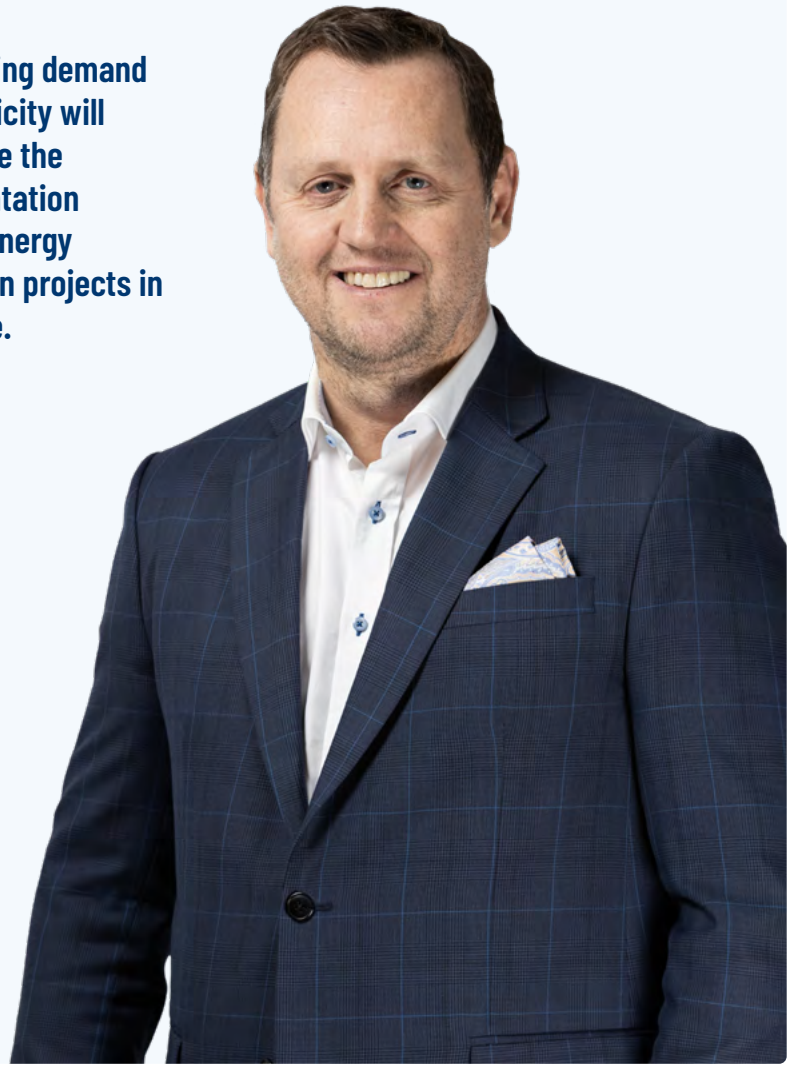
In the autumn, we carried out a broad update to EPV's carbon neutrality roadmap for its combined heat and power plants. In line with previous plans, EPV's goal is to produce heat and electricity carbon neutrally by 2030. Guided by the roadmap, the path toward carbon neutral production at our power plants has become clearer. In 2025, we intend to make decisions to further reduce the plants' emissions.

The Vaasa and Seinäjoki power plants operated at record-low levels in the past year. Despite their reduced use, maintaining the plants is critically important from the standpoint of national security of supply. We therefore want to retain these plants and preserve their operations to ensure reliable energy supply for our owners, even in challenging circumstances.

Seeking changes to the system protection and monitoring model

Discussions regarding the system protection of OL3 continued throughout the year. Fingrid has limited the unit's power output through its system protection requirements, which has resulted in lower electricity generation volumes. EPV and other OL3 owners aim to implement significant changes to system protection, as the current restrictions negatively impact production capacity and, consequently, electricity prices. From the perspective of Finland's investment environment, it does not set a good example that

The growing demand for electricity will accelerate the implementation of EPV's energy production projects in the future.



the largest industrial investment in the country's history cannot operate at full capacity.

EPV takes a critical stance on the regulatory model of the Energy Authority, which has been in effect since 2024. In our view, the model jeopardizes the realization of the clean transition. Together with other energy companies, we have sought changes to the model by filing an appeal to the Market Court. Securing network investments and achieving clean transition goals are widely recognized as priorities at national energy companies.

Large-scale projects

During 2024, several major projects made progress within the Group. These projects enable us at EPV to continue expanding our renewable energy production while also enhancing our flexibility.

The construction of EPV's first industrial-scale solar farm has been advancing at a good pace in Heinineva, Lapua. Scheduled for completion at the end of 2025, the solar farm will have approximately 123,000 solar panels, generating over 80 gigawatt-hours of electricity annually. The substation and transmission connections built in conjunction with the solar farm have already been completed.

In Vaasa, a significant investment decision was made in the autumn regarding the Vaskiluoto thermal energy storage. The storage temperature will be increased from the current 95°C to a temperature above the boiling point, raising the total storage capacity by over 50 per cent to 17 gigawatt-hours. Additionally, the investment includes a new 60 MW electric boiler suitable for steam production, an upgrade of the process network to accommodate the higher temperature level, and the addition of a buffer tank. The project will be completed at the end of 2025.

In Tornio, an investment decision was made to construct a gas engine power plant, representing a completely new form of production for EPV. This plant will balance the electrical system as well as enhance flexibility in preparation for disruptions and unpredictable weather conditions, as it can be operated when needed. The power plant will generate electricity for the parent company – EPV Energy – and its owners. Preliminary construction work began in the autumn, with the goal of commencing operations at the 43 MW power plant in early 2026.

> **Our proactive investments in electric boilers and the Vaasa power plant area's thermal energy storage have shown their value in the evolving market.**

Investing in increased flexibility

According to our strategy, the most flexible player is the star of the pitch, a fact that has been proven true during 2024. Our proactive investments in electric boilers and the Vaasa power plant area's thermal energy storage have shown their value in the evolving market. With increasing uncertainties, our investment focus is shifting towards enhancing flexibility. This enables us to more efficiently adjust our energy balance and store energy for various needs through sector coupling solutions.

Investments in flexibility align well with EPV's New Electricity Revolution strategy. Electric boilers and thermal energy storages represent a modernised approach to energy production, effectively replacing heat generated through combustion. As a result, we are making strong progress toward emission-free heat and electricity production.

Progress in the financial structure reform

2024 marked the first year EPV implemented reporting in accordance with the IFRS (International Financial Reporting Standards). We have also been preparing for the sustainability reporting requirements mandated by the EU's Corporate Sustainability Reporting Directive (CSRD) and the EU taxonomy.

Over the past year, we also conducted a comprehensive strategic review of data management and artificial intelligence. As reporting requirements continue to increase, ensuring that processed data is clear and reliable is becoming essential for many tasks. AI will also play an increasingly important role as a tool in reporting. We aim to be a frontrunner in leveraging AI within our business operations and will continue exploring its potential applications.

High level employee satisfaction

The Vaasa and Helsinki offices were extensively renovated in 2024 to make their premises more pleasant. This is important, as we want to create better conditions for our staff to work on-site, which strengthens a sense of community.

Employee satisfaction at EPV remained at a high level, as evidenced by the excellent results of the personnel survey conducted in the autumn. The response rate for the entire Group was exceptionally high at 85 per cent. Our employer recommendation score was an outstanding 68, compared to the energy industry benchmark result of 23. However, we do not take the achieved results for granted; we will continue to invest in employee well-being, a safe and supportive work environment, and the professional development of employees.

Thank you to our team for the past year

A heartfelt thank you to the entire EPV team and our partners for the year 2024. Thanks to our highly skilled and dedicated professionals, we were able to advance key projects that are crucial for the years ahead. These initiatives will increase the share of renewable energy and enhance the flexibility of the energy system. With confidence, we look forward to 2025.

Rami Vuola
CEO
EPV Energy Ltd

Strategy and objectives: New Electricity Revolution

New electricity is the key enabler on the road to a new zero-emission world. This idea is highlighted in our company's New Electricity Revolution strategy. By 2030, the energy we produce will be carbon neutral. This is how we build a sustainable future.

The current state of our planet calls for significant changes, and we need to cut emissions faster. Energy production plays a crucial role in combating climate change. As a socially responsible company, EPV has taken action to speed up these efforts. That is why we have plans for investments worth hundreds of millions of euros in new electricity. Along the way, we will also relentlessly develop the more traditional forms of energy production to keep reducing their emissions.

Our strategy models the transformation of the entire society's energy production system. In the future, new electricity will be generated solely from zero-emission energy sources – solar, wind, hydro, and nuclear power – which are at the core of our strategy. In addition, we utilise emission-free raw material streams, such as forest energy, as well as circular economy products like industrial producer gases. Through these efforts, we are not only making our own operations emission-free but also helping society achieve its emission reduction targets.

New solutions and business models

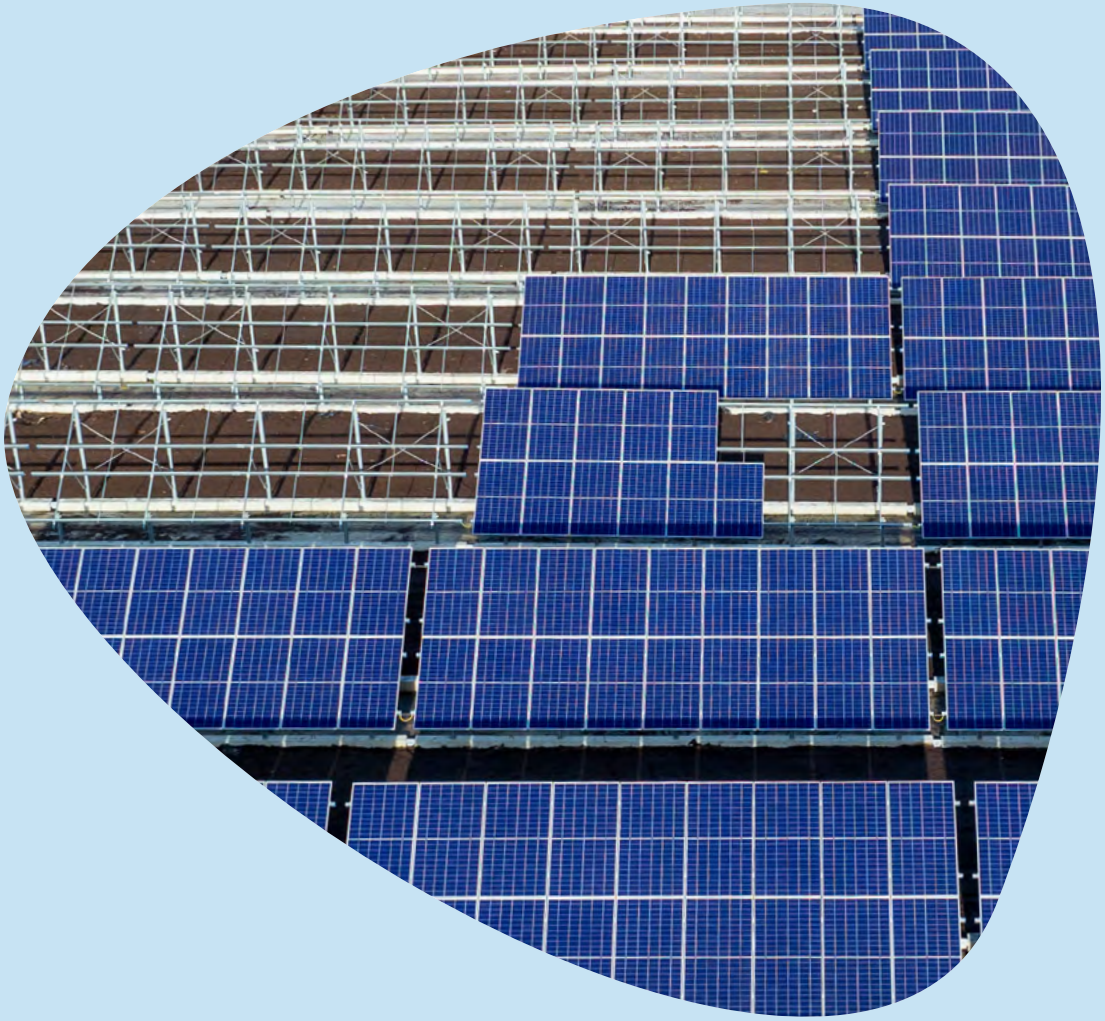
In the future, we will also apply business models that are different from those currently used. We will form alliances and work in collaboration with various partners. We will develop solutions based on new electricity in areas such as heat production and industrial processes. Our goal is to use this new electricity production to connect the energy needs of different industries.

Towards a zero-emission world as one team

We make sure that every member of our team has the opportunity to be involved in building a zero-emission world. The success of our goal is determined by how well our professionals succeed in the face of growing challenges. What is required now is open-minded thinking, new learning, a culture of experimentation without fear of failure, and bold action. This will create an enthusiastic EPV team where every employee can develop, keep learning new things and be proud of what we achieve together.

Secure returns on investments

Together with our shareholders, we will be a com-petitive player, bigger than our size would indicate, in the field of renewable energy. Our owners will continue to receive increasing returns on their investments. They can be confident that we are agile, efficient, reliable and service-minded. We will leverage diverse and innovative solutions as well as smart technologies to balance supply and demand. We are open-mindedly involved in solutions that, for the present, are just a figment of some dreamer's imagination.



BUSINESS REVIEWS

Nuclear power
Wind power
Solar power
Hydropower
Electricity storage
Heat generation
Energy management
Electricity transmission

Nuclear power supports the future clean energy system

The year 2024 was the first in which Olkiluoto 3 generated electricity for a full operational year. Nuclear power is a significant form of energy production on a national level and for EPV as we advance the clean transition.

At the Olkiluoto nuclear power plant, a total of 23.26 terawatt-hours (TWh) of electricity was produced last year, accounting for approximately 30 per cent of Finland's total electricity consumption. In its first full year of operation, Olkiluoto 3 generated around 9.69 TWh of electricity.

Nuclear power has a key role in ensuring electricity supply security in Finland. It is also an essential part of the future energy system, which will be based entirely on emission-free and renewable energy production solutions. Nuclear power fits well into EPV's New Electricity Revolution strategy that highlights the company's aim to achieve carbon neutral energy production by 2030.

EPV's nuclear power procurement is based on ownership shares in Pohjolan Voima and Teollisuuden Voima. In 2024, nuclear power was EPV's largest form of energy production, accounting for nearly half of the company's total electricity generation. To improve the profitability of nuclear power, EPV, along with other stakeholders, sought to influence the Energy Authority to require the transmission system operator to develop a more cost-efficient system protection for OL3. Additionally, nuclear power faces a financial burden due to a restricted interest deduction limitation. While there is political will to resolve this issue, no decision was reached during the past year.

Aiming to extend the lifespan and upgrade the power of OL1 and OL2

The total production at Olkiluoto was lower than the previous year, primarily due to longer-than-planned maintenance outages at the OL1 and OL3 units, as well as a generator fault detected at OL2 in September. The OL2 unit was out of operation during the repair work, after which its production continued at a lower-than-normal power level for the remainder of the year.

OL1 and OL3 operated well during the year when in production. OL1 remained in operation throughout the year, except for its annual maintenance. OL3 also had a good year, with only two unplanned production interruptions in addition to its first annual maintenance.

TVO is currently investigating the potential power upgrade and lifespan extension of the OL1 and OL2 plant units by 10–20 years. At present, the operating licenses for the units are valid until 2038. TVO submitted an environmental impact assessment report on the lifespan extension and power upgrade of the units to the Ministry of Economic Affairs and Employment last December.

Finland's electricity demand is expected to increase significantly as the clean transition progresses. The lifespan extension and power upgrade of the OL1 and OL2 plant units would strongly support this transition by providing the necessary emission-free, weather-independent electricity.

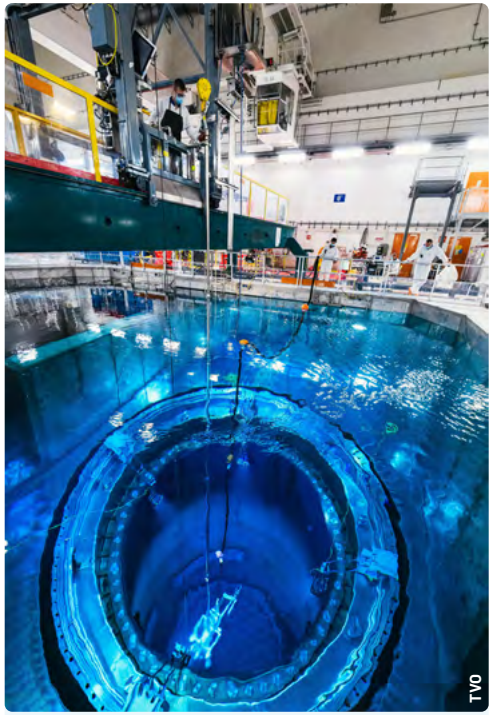
Both units are in good condition thanks to regular annual maintenance and investments.

Spent nuclear fuel disposal project moved to the trial run stage

Preparations for the final disposal of spent nuclear fuel progressed during 2024. The final disposal is carried out by Posiva, a company partly owned by Teollisuuden Voima. Posiva is constructing a disposal facility in the 455-meter-deep ONKALO®, excavated into the bedrock in Olkiluoto.

Posiva began the trial run of the final disposal facility at the end of August to test the functionality of equipment, systems, processes and the organisation. The final disposal of spent nuclear fuel is tested without actual fuel. In the first phase, the operation of the encapsulation plant is evaluated, while the second phase focuses on the disposal facilities located approximately 430 meters underground. The trial run lasts several months and ensures the safety of the final disposal before the start of actual operations.

Finland is the first country where the development of spent nuclear fuel's final disposal has progressed to the implementation phase. The disposal is scheduled to begin in the mid-2020s. This will make Posiva and Teollisuuden Voima the first companies in the world to commence final disposal.



Nuclear power

With a 51.4 per cent share, nuclear power is the largest form of energy production in EPV's portfolio. EPV generates nuclear power through Pohjolan Voima and Teollisuuden Voima. We own approximately 10% of the production of TVO's Olkiluoto 3 and more than 8% of the production of Olkiluoto 1 and 2.

Wind power generation continues to grow

Despite fluctuating production periods, wind power experienced a historic year. EPV's wind power generation reached yet another record.

In 2024, wind power reached a historic milestone: it surpassed hydropower and became the second-largest form of electricity generation in Finland. The total wind power capacity increased by as much as 20 per cent during the year. Like in previous years, domestic construction remained highly active, with a total of 235 new wind turbines completed.

Wind power has become a significant part of Finland's energy system, which was reflected in fluctuating electricity prices over the past year. There were many periods of both low and high wind, leading to adjustments in production levels to maintain the overall balance of the electricity system and meet energy demand.

EPV's six wind farms generated more electricity than ever before. In line with the national trend, EPV's production year was characterised by fluctuating periods of strong and weak winds, as well as low electricity demand. However, thanks especially to favourable winds towards the end of the year, overall production once again reached a new record. Currently, more than a quarter of the electricity generated by EPV comes from wind power.

As wind power capacity continues to grow, additional flexibility solutions are needed to enable the storage of wind-generated electricity when necessary. One such solution is electric boilers, in which EPV has made significant investments in recent years. Electric boilers provide flexibility to the power grid in situations where there is an oversupply of electricity.

Wind power plays an important role in the future energy system, where an increasing share of energy is generated from non-fossil sources. It is also essential for meeting the rapidly growing electricity demand. Investments in data centers, large-scale industrial projects and expanding flexibility solutions ensure that wind power investments will continue in the coming years.

EPV plans three new wind farms

EPV is currently planning three major new wind farms in Laihia, Simo and Kuusamo. These projects aim to meet the future's growing electricity demand. The implementation of wind power projects requires extensive and long-term preparatory studies well in advance.

- The infrastructure construction for the Rajavuori wind farm in Laihia began in 2022. The investment decision regarding wind turbines is expected at a later stage.
- The Simo wind farm is planned to include up to 24 turbines. The investment decision for the project is planned to be made in the next few years.
- The Nuunajärvi wind farm in Kuusamo is set to include around 26 turbines. Initiated in 2014, the project underwent rezoning in 2022. The project has faced delays due to challenges in balancing reindeer herding and wind power development.

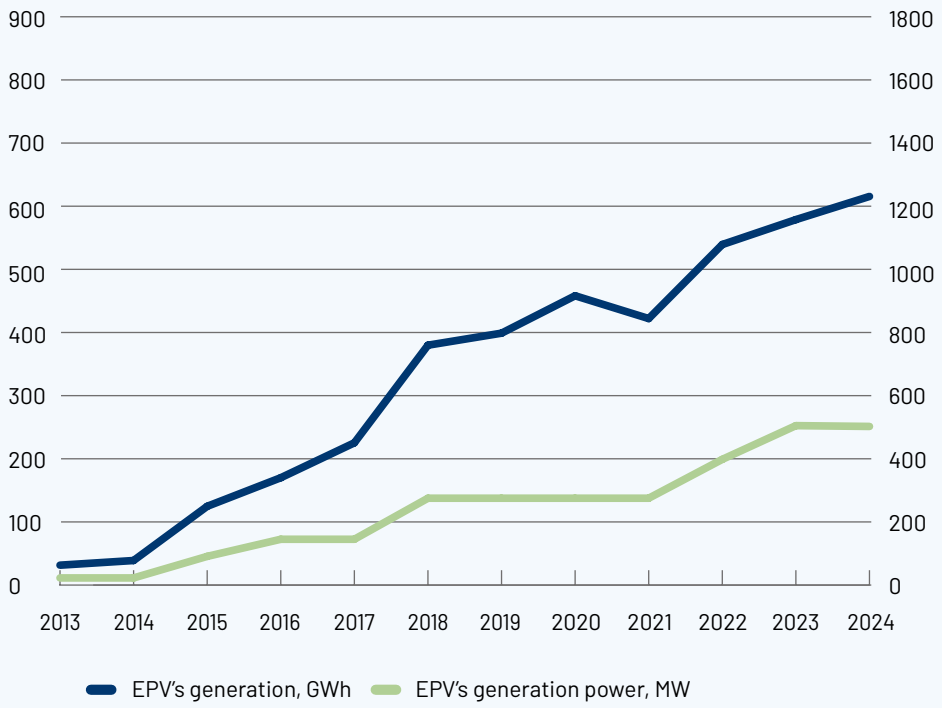
Wind power

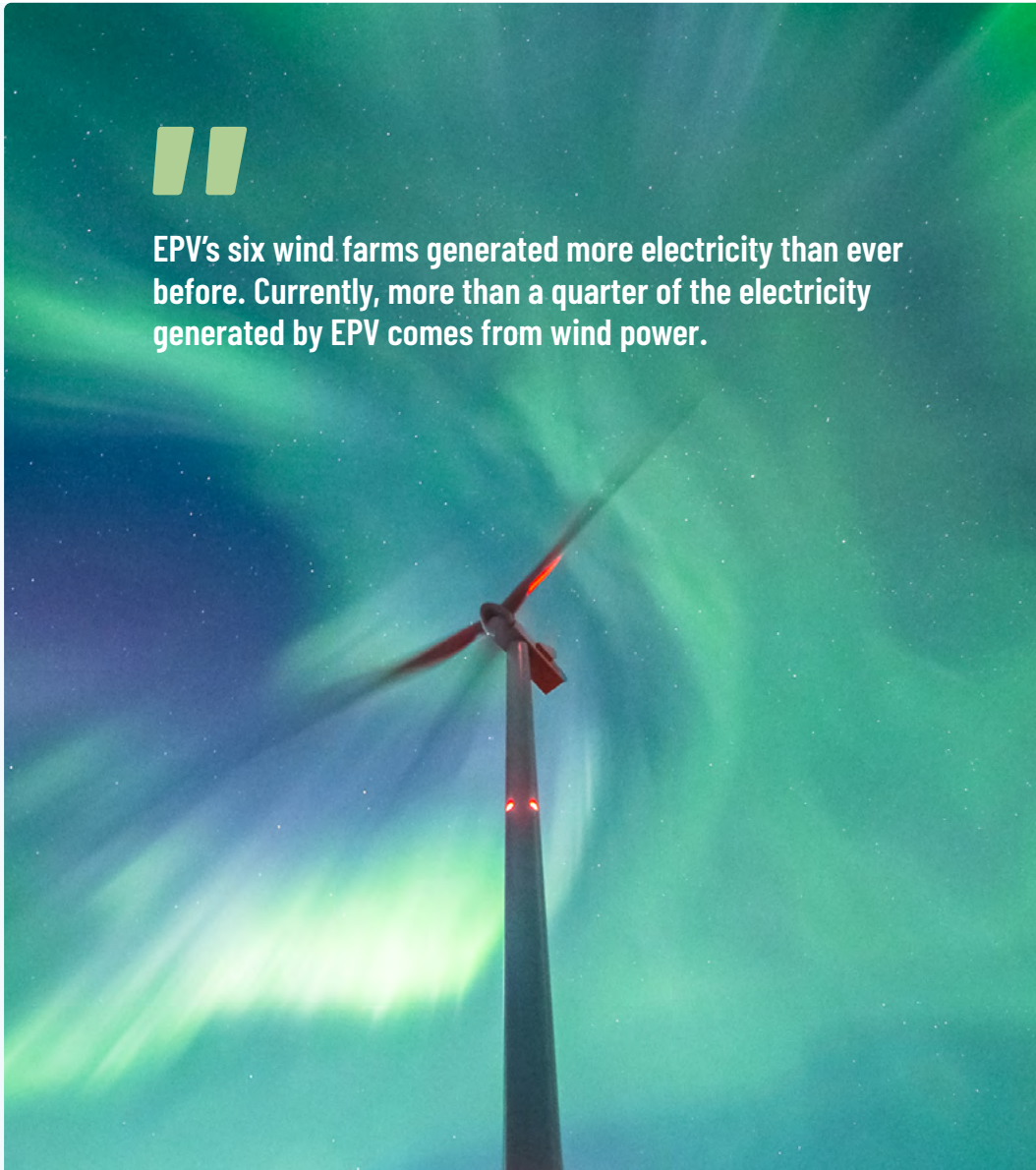
EPV is one of the largest producers of wind power in Finland. In 2024, approximately 28.5% of our electricity generation came from wind power. We currently have wind farms in Tornio, Vaasa, Ilmajoki, Kristiinankaupunki, Teuva and Närpiö. We plan and build our wind power projects ourselves as well as handle the permit processes. In addition to onshore wind power, we also plan offshore wind power projects.

Preparations for offshore wind power continued

EPV's subsidiary Rajakiiri Oy has two legally binding offshore wind power component master plans: one for the Maanahkiainen area in the waters of Raahe and Pyhäjoki, and another off the coast of Röyttä in Tornio. Both plans are undergoing revision processes, which aim to update the zoning regulations so that they are in line with the significantly advanced offshore wind power technology. This will enable us to use more efficient and reliable turbines during the construction phase.

Development of EPV's wind power generation 2013–2024





EPV's first solar farm is being built in Lapua

When completed at the end of 2025, the Heinineva solar farm will be one of the largest in Finland and the first to be built on a former peat production area. EPV also plans to construct its future solar farms on decommissioned peat production sites.

The construction of EPV's first industrial-scale solar farm has progressed as planned in Heinineva, Lapua. The first section was completed and became production-ready last autumn, and trial production runs have already been carried out during December 2024.

In the first phase of the project, a production unit with a capacity of 86 megawatt (MW) is implemented. The annual production of the Heinineva solar farm will then exceed 80 gigawatt-hours (GWh). The total capacity of the plant area can be expanded later to 100 MW.

This is the first solar farm in Finland to be built on a former peat production area. For EPV, the project marks an important step into a new form of energy production. The construction of solar power is expected to accelerate nationwide in the coming years, and EPV already has numerous new sites permitted.

Construction has minimal environmental impact on peat production areas

Peat production areas offer several technical advantages for solar power generation. The terrain of peatlands is typically already flat, reducing the need for extensive land modifications. These areas are also free of shading, so sunlight naturally covers the entire solar farm. Additionally, existing drainage ditches can be improved if necessary without causing significant environmental impact.

Thanks to these favorable conditions, constructing solar farms on former peat production areas does not cause significant disruptions to surrounding operations or local ecological values. No forests or agricultural lands are replaced, nor does the construction require tree felling to make way for solar power. As a result, the environmental impact of the Heinineva project remains minimal.

In the Heinineva project, foundation solutions and construction methods suitable for peat production areas have been developed in collaboration with long-term peat production partners. The implementation model of the project resembles the approach previously used in wind power projects, enabling the involvement of local operators and workforce in various phases within the project.

Increasing renewable energy production

Solar power provides a valuable addition to EPV's seasonal energy generation. While solar power contributes primarily during the summer months, wind power production is more prominent in winter.

EPV has planning requirement decisions in the permitting process for solar farms totaling 1,000 MW. The most advanced among them are Kortes-Salvianneva in Ilmajoki and Kampinneva in Lapua. The final decisions on project implementation will be made separately by EPV's owners.

Lapuan Heinineva

- *Solar farm's total output: 86 MW (megawatt, megawatt peak power)*
- *Number of panels: about 123,000*
- *Output per panel: about 700 W (watt peak power)*
- *Solar farm's average output during its life cycle: over 80 GWh per year*
- *Length of panel mounts: about 80 km*
- *Area size: 120 hectares*

Solar power

EPV's industrial-scale solar power generation is starting. Several former peat production areas will be utilised to expand our solar power generation. We are building solar power for ourselves and working with a long-term perspective. We develop, construct, invest in, operate and manage the power balance and balancing power.

Hydropower brings balance to the electricity system

Electricity prices fluctuated significantly over the past year. Hydropower served as a stabilising element in the volatile electricity market.

EPV's hydropower generation saw no significant changes in output compared to the previous year. In Finland, hydropower was generated more than usual through Pohjolan Voima's holdings, while in Sweden, generation through Voimapiha was slightly lower than normal.

The year was characterised by major fluctuations in electricity prices. The flexibility and balancing capabilities of hydropower played a crucial role in managing the entire electricity system. Hydropower production remains essential for stabilising the electricity system, especially as the share of weather-dependent wind and solar power continue to grow.

EPV's partly owned company, Voimapiha Oy, generates electricity from hydropower in Sweden. Through its wholly-owned subsidiary, Voimapiha AB, the company holds 25.7 per cent of Vattenfall Kraftgården AB's share capital. Kraftgården's hydropower plants are located on the Indalsälven river, one of Sweden's major hydropower reserves. Voimapiha has approximately 160 megawatts (MW) of generation power, corresponding to an average annual output of about 0.9 terawatt-hours (TWh). In 2024, Voimapiha supplied EPV with a total of about 0.3 TWh of electricity.

EPV holds a five per cent ownership stake in Pohjolan Voima, which entitled it to approximately 0.1 TWh of hydropower electricity.

Pohjolan Voima explores the possibility of constructing a pumped storage hydropower plant

Pohjolan Voima is investigating the feasibility of constructing a 500 MW pumped storage hydropower plant in the Kemijärvi area. Designed for electricity storage, this plant would operate by utilising height differences in hydropower generation. When there is a lot of electricity available, water would be pumped from Kemijärvi to an upper storage reservoir. During electricity shortages, the stored water would be released back through a turbine into Kemijärvi. This mechanism would provide efficient additional capacity to help balance the electricity system.

If implemented, the pumped storage hydropower plant is expected to be operational in the 2030s.

Hydropower

EPV produces hydropower in Finland through Pohjolan Voima and in Sweden through Voimapiha.

EPV invests in the development of electricity storage solutions

In 2024, EPV advanced electricity storage projects and continued its planning efforts to innovate future production solutions.

The transition towards a carbon neutral energy system is progressing as electricity generation increasingly relies on renewable sources such as wind and solar power. At EPV, storage and flexibility solutions are developed alongside renewable production to ensure the stability of the energy system in various situations.

EPV's 12-megawatt electric battery has been completed in the Paskoonharju wind farm area in Teuva. The battery is currently awaiting connection to the grid, after which commercial use is expected to begin in early 2025.

The electric battery provides valuable balancing and flexibility resources for the weather-dependent electricity system. In addition to mitigating the effects of unstable weather conditions, the battery also stabilises the electricity system during other network disturbances.

The H-FLEX-E hydrogen project, planned in collaboration with Wärtsilä and Vaasan Sähkö, was discontinued in December 2024. The project costs exceeded initial estimates, and a viable and profitable solution could not be developed with the current concept. The planned hydrogen engine power plant was intended to be located in the Vaskiluoto power plant area.

Despite its discontinuation, the project – which had been underway since 2021 – advanced the development of a hydrogen concept. EPV recognises hydrogen's potential as part of the clean transition and its role in the future energy system. We believe that hydrogen will play a crucial part in enhancing the flexibility of the electricity system. Therefore, we will continue exploring the possibilities of hydrogen in energy production. We have continued our investigations with Wärtsilä and Vaasan Sähkö regarding the possibilities of using hydrogen for electricity production at the Vaskiluoto power plant area.

New technology team established

In 2024, a new technology team was established with the primary tasks of monitoring both emerging and developing technologies that support flexibility needs in the electricity market as well as assessing the potential and profitability of these technologies. The team's focus areas include electricity and heat storage, hydrogen technology as well as peak and reserve power. The technology team supports business units in identifying new technologies and projects while also assisting in decision-making.

During the year, the technology team continued its research in an electricity storage technology project where carbon dioxide phase transitions are used for energy storage. We see this emerging technology as a highly promising option for future electricity storage solutions.

Technology team collaboration is one of EPV's strategic approaches to staying at the forefront of the energy transition. The teamwork can initially lead to pilot projects, which may later evolve into large-scale industrial projects. For example, EPV's investment decisions over the past year regarding the Tornio gas engine power plant and the expansion of the Vaskiluoto thermal energy storage facility have also been prepared with the support of the new technology team.

Electricity storage

EPV seeks investment opportunities in projects focused on electricity storage, including electric batteries and hydrogen technology. As more and more electricity is generated by renewable wind and solar power, there is a great need for solutions for balancing power, flexibility and energy storage. Different energy storage solutions support the electricity system and bring flexibility to it.

Large investments in emission-free heat generation

During the year, the Group made major investment decisions to further strengthen the flexibility and balancing capabilities of thermal power generation. Already, EPV's electric boilers, the district heating battery in Seinäjoki and the thermal energy storage facility in Vaasa effectively replace traditional heat generation.

EPV's past year in thermal power was characterised by investments and development efforts aimed at improving production flexibility and sector coupling solutions. Due to volatile electricity markets and fluctuating weather conditions, sector coupling played a key role in the production portfolio. Investments made during the year in new projects will further increase the significance of sector coupling in heat generation in the future.

One of the most significant news of the year was Tornion Voima's investment in a new 43-megawatt (MW) gas engine power plant. Once completed, it will be the first modern engine power plant in Finland. The plant that is being built in Röyttä, Tornio will be capable of rapidly increasing electricity generation during disturbances and unpredictable weather conditions. For EPV, this project represents an investment in a new form of production. The plant can be deployed quickly and its production can be adjusted according to different situations. The gas engine power plant is set to be completed in early 2026.

Low production volumes at CHP plants

The past year was historically significant for EPV's combined heat and power (CHP) plants in Vaasa and Seinäjoki, as their production levels were the lowest in their entire operational history. This development was primarily driven by low electricity market prices and EPV's extensive electric boiler capacity, which effectively replaced traditional heat generation.

Electric boilers enable a substantial reduction in heat generation based on combustion. The heat generated by electric boilers can also be stored in the district heating battery and thermal energy storage. EPV has made large-scale investments in developing these production solutions over the past few years.

EPV's CHP portfolio has a total capacity of approximately 420 MW, accounting for around 10 per cent of Finland's total CHP production capacity. Although the production volumes of the CHP plants have declined, they continue to play an essential role in ensuring national security of energy supply.

Focusing on sector coupling in investments

In addition to carrying out the gas engine power plant project, Tornion Voima was selected during the year to convert the heating systems of two fresh air shafts at Outokumpu's Kemi chrome mine from propane to electric. Outokumpu aims to make production at the Kemi mine carbon neutral by the end of 2025, and the new heating systems support this goal. At the same time, the collaboration between Tornion Voima and Outokumpu in advancing emission-free operations is expanding further.

In the spring, a 40 MW electric boiler was commissioned at Tornion Voima. Located in Röyttä, Tornio, the new boiler produces process steam and district heating for Outokumpu and the city of Tornio. With this addition, the Group's total electric boiler capacity increased to 240 MW.

In the autumn, Vaasan Voima made a major investment decision to expand the Vaskiluoto thermal energy storage facility. The total storage capacity will increase by over 50 per cent, reaching 17 giga-

watt-hours (GWh). The investment also includes a new 60 MW electric steam boiler, which will be integrated into the existing sector coupling solutions. These investments will enable the company to further reduce combustion-based heat generation and ensure heat supply with stored energy even during midwinter. The Vaskiluoto sector coupling solution as a whole serves as a highly efficient flexibility element.

A reduction station for the main boiler was also commissioned during the year in Vaskiluoto. The station allows the generation of heat alone when electricity prices are low. This further increases the flexibility of the Vaasa CHP plant and enhances the security of heat supply.

In the past year, the district heating battery's operation process was optimised at Seinäjoen Voima. In addition, the company made several interesting new investments. It launched a 5 MW wastewater heat pump project, the first of its kind within the Group. An investment was also made in a district cooling system.

Annual maintenance impacted Raahen Voima's production

For Raahen Voima, the year was unusual due to an extended annual maintenance period. Although production volumes were lower than normal as a result, overall production remained stable.

Raahen Voima supplies steam, heat and electricity to the steel manufacturer SSAB's industrial site. Additionally, the company generates electricity for EPV and provides the majority of the city of Raahe's district heating.

Emphasis on thinning

The fuel needs of the Group's CHP plants were significantly lower due to reduced operation. The recession in the mechanical wood processing industry persisted, leading to continued low by-product flows. EPV maintained its thinning operations in its own procurement areas.

The fuel logistics for EPV's biomass and peat reserves are managed by EPM Metsä and EPV Aluevarannot.

EPV updated its carbon neutrality roadmap for power plants

In 2024, we updated our company's carbon neutrality roadmap, which aims to clarify how the carbon neutrality targets will be achieved by 2030. The extensive review was driven by the changing conditions in the energy market and the increasing share of renewable energy in electricity generation. These factors require the system to respond quickly and efficiently to fluctuations in supply and demand, a capability that will become even more critical as we transition toward fully carbon neutral production solutions.

As part of the review, we developed carbon neutrality measures for our combined heat and power (CHP) plants. Currently, EPV's production portfolio is virtually carbon neutral, with the exception of our CHP plants, which account for the majority of EPV's carbon dioxide emissions. At the same time, these CHP plants represent a large share of EPV's total production capacity and the vast majority of its balancing capacity. With the existing CHP plants – that can provide both significant and flexible power capacity – we can ensure that our energy production meets the carbon neutrality targets and responds to the challenges of electricity network volatility in the future as well.

The carbon neutrality roadmap clarifies the long-term plans for our CHP plants. As part of these plans, we assessed emission-free fuels and identified suitable options for use in our facilities. The possibilities of utilising alternative, cost-effective and emission-free fuels in existing CHP plants create the conditions for maintaining major flexible and high-capacity power capacity.

Nationally, CHP plants account for approximately one-third of the total electricity generation capacity in Finland during peak load periods, that is, in midwinter. Therefore, these plants will remain essential also in the future, as electricity consumption is expected to increase considerably to achieve the clean transition goals.

The profitability of CHP has declined in energy markets, leading to capacity closures, a trend that is expected to continue. In the coming years, we cannot afford to lose more reliable electricity generation capacity. Immediate measures are needed in Finland to improve the profitability of CHP and ensure the security of supply.

Combined heat and power & thermal energy storage

EPV generates electricity and heat in its combined heat and power (CHP) plants in Vaasa, Seinäjoki, Tornio and Raahe. In addition, we produce peat to ensure security of energy supply and acquire wood-based fuels for the generation of electricity and district heating in the Seinäjoki, Vaasa and Tornio regions. We are also investing more and more in thermal energy storage and increasing flexibility. EPV currently has five electric boilers, a large thermal energy storage facility and a district heating battery.

Demand for flexibility in energy management continues

EPV's electric boilers and thermal energy storage provide flexible electricity consumption and storage solutions as electricity demand increases. The newly operational control centre complements EPV's monitoring operations. EPV continued advocating for changes in collateral calculation.

In January 2024, the electricity market experienced record-high spot prices during an exceptionally cold period. However, prices decreased after the cold spell, resulting in the annual average price for Finland's price area ultimately being lower than in 2023.

Renewable energy production is expected to grow significantly in the coming years based on the number of power plants currently under construction, with strong growth predicted to continue even beyond that. As wind and solar power generation increases, Fingrid forecasts that reserve requirements will also rise substantially by the end of the decade. Consequently, the demand for flexible electricity consumption provided by electric boilers, as well as the need for various storage solutions, are expected to continue.

Flexibility for the reserve markets

Fingrid's reserve needs are connected to maintaining the power balance of the electricity system. Fingrid procures reserves from electricity market participants and uses them to balance production and consumption in real time.

In addition to their primary role in power plants, electric boilers can be offered to Fingrid's reserve markets, allowing them to contribute to managing the power balance of Finland's entire electricity system.

The three electric boilers and thermal energy storage facility at the power plant in Vaskiluoto, Vaasa were successfully utilised throughout the year. This was done by leveraging the increasing fluctuation in electricity market prices, while simultaneously reducing heat generated by combustion.

EPV's electric boiler capacity in Vaskiluoto is 160 megawatts (MW), with the thermal energy storage capacity at 11 gigawatt-hours (GWh). In Seinäjoki, the electric boiler capacity is 40 MW, while the thermal battery has a capacity of 400 megawatt-hours (MWh). Additionally, the Tornio power plant has a 40 MW electric boiler.

Electric boilers, thermal energy storage and the thermal battery increase the opportunities for optimising energy production. Optimisation is done by scheduling power plant operations, storage charging and discharging as well as electric boiler use. This approach generates significantly greater added value for both electricity and heat customers compared to relying solely on the power plant itself.

As demand in the reserve markets grows, the need for advanced multi-market optimisation also increases. This optimisation aims to allocate available resources to the markets expected to yield the highest returns within each imbalance settlement period. Implementing such optimisation requires new information systems, and AI-based solutions are set to be introduced during 2025.

EPV Operointi began operations

EPV Operointi Oy commenced operations on January 1, 2024. Some of its services were previously provided under EPV Tase Oy, and the company continues to offer these unchanged services to the same EPV Tase customers.

In addition to an energy trading analytics team and a 24/7 electricity trading operations centre, a new unit has been organised within the company: a 24/7 control centre providing services related to the monitoring, control and other operational activities of the electricity network. The operational activities of the control centre commenced on 1 October 2024.

Services related to electrical grid monitoring and control are provided using the control centre's SCADA system (Supervisory Control and Data Acquisition). This system allows the supervision and management of electricity generation, transmission and distribution, as well as of industrial-scale electricity consumption sites.

In addition to electrical grid monitoring, the system enables the integration of electric boilers and other controllable assets into energy management services. It also makes it possible to connect various types of flexible electricity consumption resources to Fingrid's fastest reserve markets.

In December 2023, EPV made an investment decision to construct its first solar farm in Heinineva, Lapua. Electricity generation is set to begin in late 2025 in the entire plant site. The solar farm was integrated into the company's energy management, enabling a level of operation beyond the commissioning phase as soon as feasible.

Positive change in collateral calculation

EPV actively advocated for reasonable collateral requirements set by eSett Oy, which manages imbalance settlement in the wholesale electricity market. Collateral levels were particularly high in 2022. It is essential to ensure that energy production companies like EPV can operate even during market disruptions when their production is most needed to secure electricity availability and affordable prices.

In November 2023, the Energy Authority ruled that eSett must consider the production included in the electricity balance of the balance responsible party when calculating collateral requirements. Although this change has not yet been implemented in the collateral model, other model adjustments have already helped reduce collateral requirements.

EPV has played a central role in advocacy efforts aimed at ensuring that collateral requirements better reflect actual counterparty risk. The company continues to push for the inclusion of the balance responsible party's production in the collateral model. Implementing this change would have a significant positive impact on the operating conditions of the entire energy sector and help reduce financing costs.

Energy management

At EPV, we provide energy management services to our shareholders and energy companies owned, entirely or partly, by us. We also buy and sell electricity on the Nordic Power Exchange as well as plan and manage the production of the Group's companies.

EPV conducted a comprehensive AI study

In 2024, we carried out an extensive strategic study on data and artificial intelligence. The goal was to clarify our organisation's opportunities and objectives for effectively utilising data and AI across all our business operations.

As a key conclusion of the study, we determined that EPV will leverage ready-made AI solutions from responsible software and service providers. This approach will enable the rapid and controlled adoption of AI throughout the organisation. To support broad implementation, we identified three strategic focus areas for AI: generative AI, specific use cases within control room operations, and reporting.

We intend to use generative AI across the entire Group to accelerate problem-solving, enhance analytical processes and support reporting. In specific use cases within control room operations, the goal is to develop new AI-driven forecasts and tools in collaboration with partners to improve, for example, predictive accuracy and analytics. In reporting, AI will streamline the process by, for instance, enhancing data collection and processing.

Monitoring of the electricity network was transferred to EPV

EPV's electricity transmission organisation was strengthened during the year. The electricity network was systematically developed through new projects and investments. EPV continued its efforts to drive changes in the Energy Authority's reasonable return regulatory model to enable investments that support the clean transition.

The electricity transmission organisation was strengthened during the year with new recruitments. As a result, the company gained additional resources for focusing on financial matters, deepening the understanding of the new regulatory model and developing tools for investment profitability analysing.

The monitoring of the electricity network and the management of network connections were transferred in early October from a third-party operator in Porvoo to EPV's own control centre in Seinäjoki. This was a significant investment for the entire company. In addition to network operations, the control centre is also utilised in managing EPV's wind and solar power generation.

Reasonable return regulatory model causes operational changes

The Energy Authority monitors the reasonable return of electricity distribution network companies in accordance with the Electricity Market Act. At the end of 2023, the authority published new methodologies for the 6th and 7th regulatory periods, which pose challenges in responding to the clean transition. The electrification of society and the goal of carbon neutrality require major investments from electricity companies to increase transmission capacity.

However, the investments required for the clean transition slow down, as the new regulatory methods considerably reduce the profitability of electricity network investments and unreasonably extend their payback periods. These drawbacks stem from the freezing of network asset values (the company's profit base), the accuracy of the price list for network components and changes in the handling of depreciation differences.

Along with many other network companies, EPV Alueverkko is seeking changes to the regulatory model through the Market Court. Hearings were held at the end of 2024. The company is actively monitoring how the situation develops.

Despite the current regulatory model, strengthening and development of the network continues. Investment profitability is analysed more rigorously using various tools before final investment decisions are made. New opportunities for investments may arise from the changes proposed by the Ministry of Economic Affairs and Employment's working group. If implemented, these changes would allow high-voltage distribution network companies to build 400 kV networks to connect new production and consumption. The network assets would be included in the company's profit base.

Numerous projects and investments

In 2024, EPV Alueverkko managed nearly 900 kilometers of network infrastructure. Several important projects were carried out during the year.

The most significant transmission line project was the renewal of the Sänkiaho–Alajärvi transmission line. This project improved the network's transmission capacity towards Fingrid.

The substation for the Heinineva solar farm, which is currently under construction, was completed in July 2024. Full-scale electricity generation at the solar farm is set to begin in 2025. Generation has already been successfully tested towards the grid.

Significant development in the Vaasa area continues. The first phase of the GigaVaasa area's substation is set to be completed by the end of 2025. Additionally, the Finne–Laajametsä 1 and 2 (110 kV) transmission lines in the area are expected to be completed in the spring of 2025.

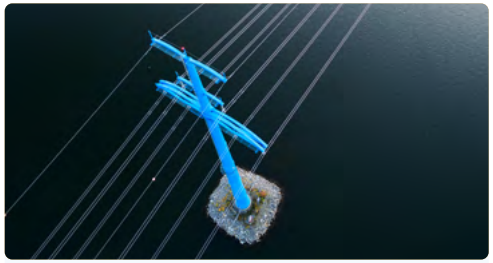
Over the coming year, we will implement new network arrangements in collaboration with major local industrial operators. Additionally, we are building a new Vikby substation in cooperation with Vaasan Sähköverkko Oy to ensure a reliable electricity supply for the upcoming industrial establishments in the area.

The number of network connection requests have remained high. Within the limits of transmission capacity, we continue to offer opportunities for new production to be connected. Solar power is increasingly emphasised in the recent connection requests, with typical connections being hybrid facilities that combine a solar farm with battery storage.

Preparedness measures amplified

EPV takes the growing threats of hybrid influence in society seriously and has implemented extensive security measures for network infrastructure over the past year. Monitoring operations have also been enhanced with the support of the new control centre.

Our substations maintain NC ER (Network Code for Emergency and Restoration) readiness around the clock. NC ER refers to the efficient and rapid restoration of the system in emergency or major disturbance situations.



Electricity transmission

We provide services mainly for the Group's own companies, and for the electricity distribution companies and end-users that are our transmission customers. EPV Alueverkko Oy is the largest high-voltage (110 kV) distribution network company in Finland. It transmits electricity in Ostrobothnia, South Ostrobothnia, Kokkola and the Tornio region, as well as from Pohjolan Voima's lijoki hydropower plants to the main grid. EPV Teollisuusverkot Oy is a network company owned by EPV Energy and Outokumpu. It owns the 400 kV and 110 kV transmission lines from the Keminmaa substation on the main grid to the Röyttä factory site in Outokumpu, Tornio. It also owns the 400/110 kV Röyttä's Sellee substation that is important for the entire factory site.

CORPORATE SUSTAINABILITY

General information
Environmental information
Social information
Business conduct

GENERAL INFORMATION

Sustainability reporting principles
Sustainability governance
Double materiality assessment

Sustainability reporting principles

Sustainability reporting principles

Basic information

The core of EPV Energy's business operations is its clean energy vision and strategy, named The New Electricity Revolution. At the heart of the strategy is emission-free electricity – the production, storage and use of which are managed with new technologies.

The strategy models the renewal of the entire society's energy production system. In the future, new electricity will be generated using exclusively zero-emission energy sources such as solar, wind, hydro and nuclear power, which are central to EPV's strategy. In addition, EPV utilises renewable raw material flows, like forest energy, circular economy products and industrial producer gases. Through these actions, the company not only makes its own operations emission-free but also helps society achieve carbon neutrality goals and mitigate climate change.

EPV Energy Ltd is a domestic energy company that produces and procures about 5 per cent of all electricity consumed in Finland. The company produces and procures both electricity and heat for its shareholders, that is, domestic energy companies.

EPV is also a significant electricity transmission company. It transfers electricity from the main grid and power plants to electricity distribution companies and large end-users. EPV's subsidiary, EPV Alueverkko Oy, is Finland's largest high-voltage (110 kV) distribution network company. It transfers electricity in Ostrobothnia, South Ostrobothnia, Kokkola and the Tornio region, as well as from Pohjolan Voima's Iijoki hydropower plants to the main grid. EPV continuously invests in electricity network infrastructure to enable the transmission of increasing amounts of wind-generated energy. Investments and modernisations further strengthen the security and reliability of electricity supply. Electricity network maintenance is carried out according to the lifecycle of the equipment.

As a company, EPV does not aim to make a profit from its operations. This approach is known as the Mankala principle, where electricity and heat are generated for shareholders at cost price. It enables EPV's shareholders to participate in large-scale energy projects. EPV Energy's primary goal is to ensure the competitiveness of the electricity and heat it supplies. This requires continuous monitoring of the operating environment and influencing the development of existing production resources. Additionally, the company maintains and develops its preparedness for new investments as the operating environment evolves.

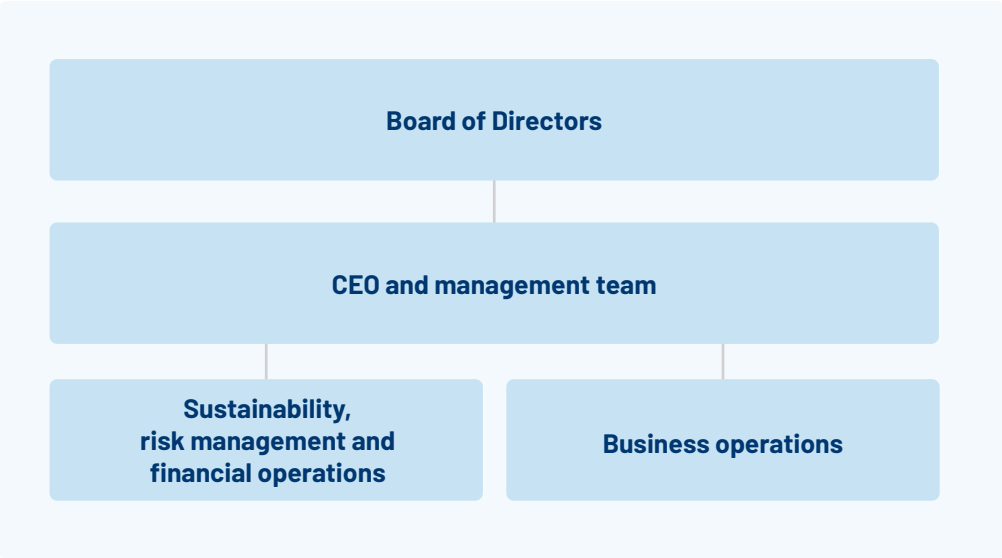
EPV Energy and its subsidiaries form the EPV Energy Group. EPV is a limited liability company whose line of business, according to its Articles of Association, is to procure energy for its shareholders and engage in other related operations. The EPV Board of Directors and the Group's management team make strategic decisions related to the Group's operations. As the parent company, EPV Energy participates in the management and supervision of its subsidiaries and affiliated companies through representatives appointed to these companies' governing bodies. The Group's subsidiaries and affiliated companies have their own governing bodies, committees and corporate documents.

This report covers the EPV Energy Group to the same extent as the financial statements. The information presented in the report is based on EPV's internal data and calculations. EPV Energy's sustainability report also includes subsidiaries that are 100 per cent owned by EPV Energy. The sustainability report is published annually as part of other reporting. The reporting period is the same as the financial reporting period, that is, the financial year from 1 January 2024 to 31 December 2024.

EPV's sustainability reporting follows the company's common statutory reporting and risk management principles and processes. The implementation of sustainability reporting is the responsibility of EPV Energy's Vice President of Sustainability, supported by the sustainability and finance departments.

Sustainability governance at EPV Energy

At EPV Energy, sustainability is the foundation of business, reflected in the company's operations, way of thinking and management. Together with its employees and partners, EPV builds a cleaner world. The company is committed to emission-free and reliable energy production, energy storage solutions that support production and electricity transmission. The Board of Directors, the CEO and the management team are responsible for sustainability matters. EPV's operations are guided by the Code of Conduct and policies – such as competition, cybersecurity, personnel, risk management and financial policies – approved by the Board of Directors, along with more detailed guidelines based on them. These guidelines define the Group's



principles for sustainable business and serve as a framework for operational activities to ensure that strategic goals and objectives are achieved in line with the mission statement. EPV's Code of Conduct determines the way all employees and management operate without exception.

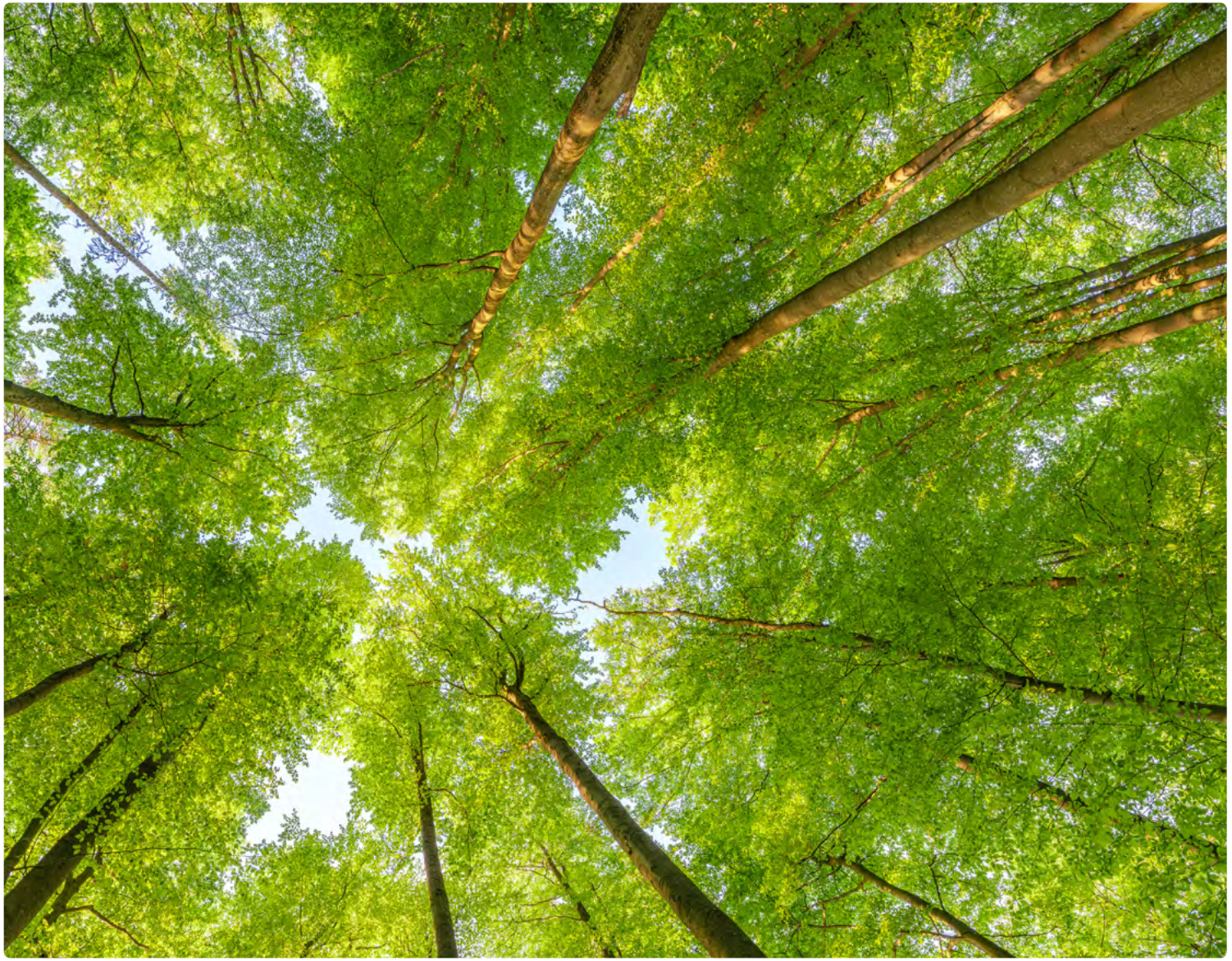
Sustainability as a major part of EPV's reward system

Sustainability is strongly integrated into EPV's reward system and included as part of the company's business performance indicators. The metrics influencing rewards include concrete targets related to, for instance, achieving carbon neutrality, occupational safety, employee satisfaction, financial responsibility, energy supply security, biodiversity and cybersecurity.

Material sustainability impacts, risks and opportunities

Identification and assessment of material impacts, risks and opportunities

EPV Energy's material sustainability impacts, risks and opportunities have been identified through a double materiality analysis based on the company's risk management process principles. EPV's risk management applies the ISO 31000:2018 standard in its operations. The key objective is to identify and assess the risks, threats and opportunities that may affect the implementation of the company's values and strategy and the achievement of short- and long-term goals. The objective is also to recognise and evaluate the company's impacts on society and the environment. The identification and assessment of impacts, risks and opportunities cover the company's own operations as well as, in part, the upstream and downstream of the value chain and other stakeholders affected by the company's operations. EPV's risk management process and its responsibilities are described in more detail in the section Corporate governance statement.



Key stakeholders' sustainability materiality analysis

In 2022, EPV launched a sustainability reporting development project, which also included updating the company's materiality matrix. To do this thoroughly, the company carried out a materiality assessment in collaboration with an external partner.

EPV interviewed representatives of its various key stakeholders and its own experts internally. In addition, the company carried out a comprehensive materiality analysis, which involved assessing the operating environment, sustainability frameworks, industry trends and regulations. The impacts of the sustainability themes identified through the analysis and stakeholder interviews were evaluated in relation to stakeholders, the environment and people. The assessment was based on the intensity, scope and remediability of the impacts. In other words, how significant the impact is, how large an area or number of people are affected and how easy, time-consuming or resource-intensive it is to repair the damage. Impacts were assessed across three stages of the value chain: the supply chain, EPV's own operations and the operations of customers or partners.

The materiality assessment highlighted the sustainability factors that are important for a company like EPV from the perspective of key stakeholders.

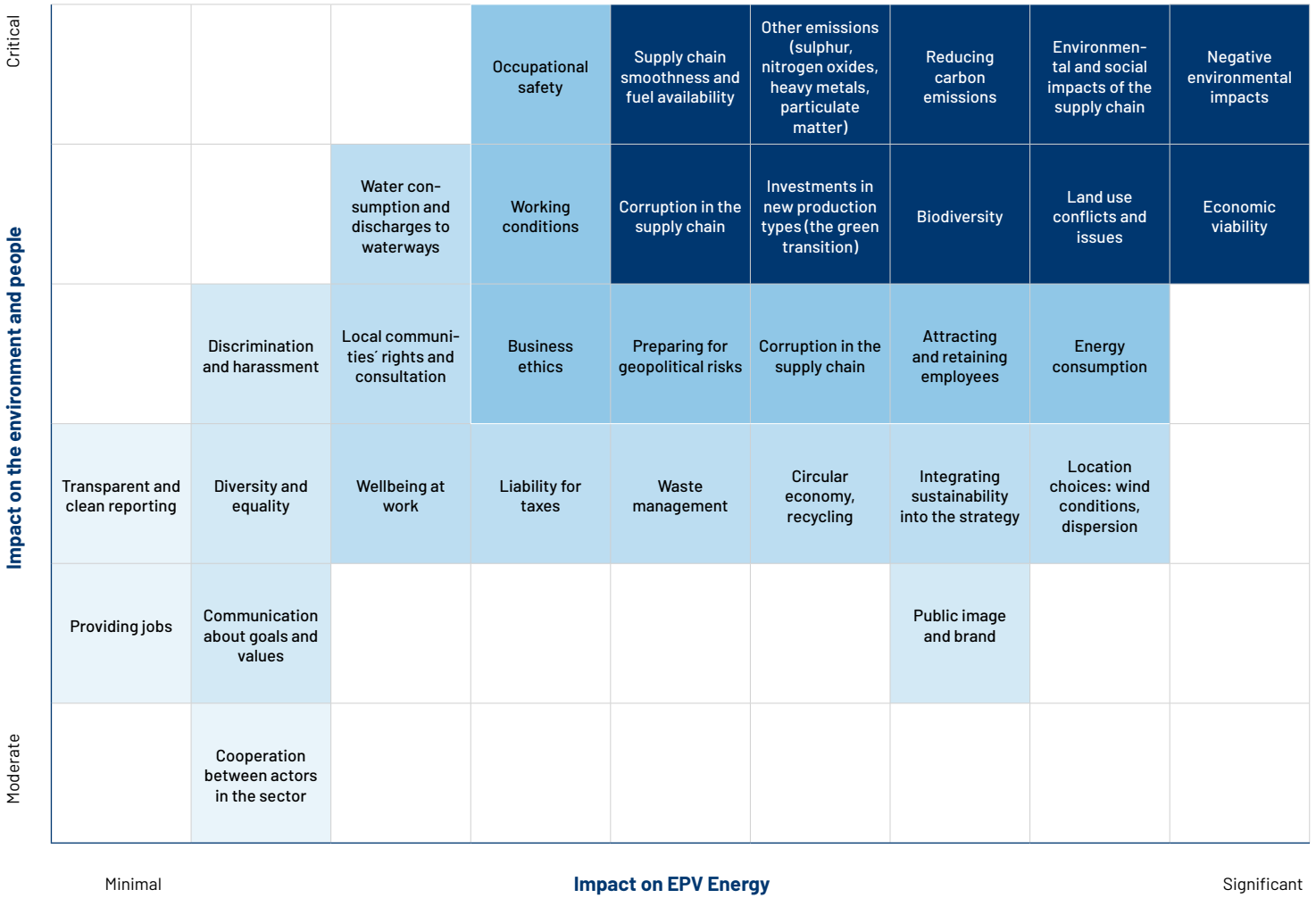
These included several traditional and anticipated factors:

- **Mitigating climate change and reducing emissions**
- **Occupational safety and employee well-being**
- **Environmental protection**
- **Energy pricing**

Financial responsibility also emerged as a highly important theme. While profitability was seen as an obvious necessity, financial responsibility was also strongly linked, especially in the current environment, to social responsibility:

- **The company's ability to produce affordable energy**
- **Ensuring the availability of energy**
- **Providing employment opportunities**
- **Even contributing to maintaining the functionality of society as a whole**

EPV Energy's key stakeholders' sustainability materiality matrix



Double materiality assessment

EPV updated its sustainability materiality analysis during 2023–2024 in collaboration with different experts, business area representatives and the finance department. The prioritisation was based on double materiality. The workshops considered the company's impacts on the environment, society, personnel and other stakeholders. They also took into account the sustainability-related qualitative and financial risks and opportunities for the company's business operations. The likelihood and magnitude of impacts, risks or opportunities were considered in the prioritisation.

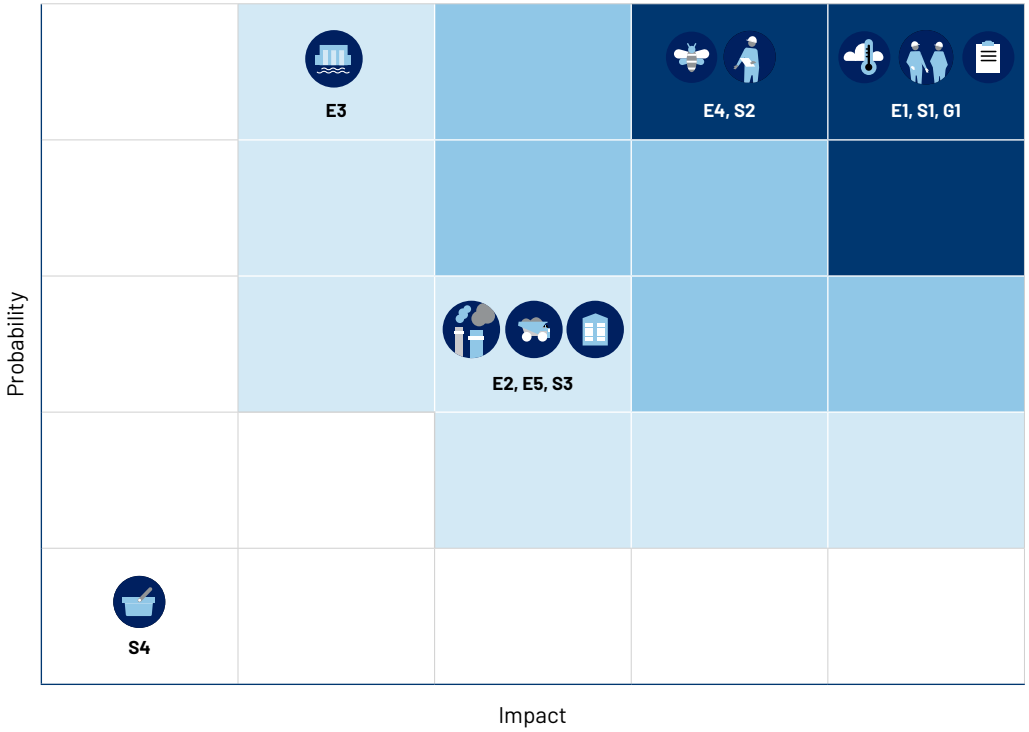
To prepare for EPV's CSRD reporting, the company has conducted a double materiality assessment in accordance with the ESRS and EFRAG guidelines. EPV has renewed sustainability reporting processes and data management while, where applicable, utilising previously established sustainability reporting processes.

Based on the results of the double materiality analysis, EPV's key sustainability topics are climate change, biodiversity, occupational safety of its own workforce and value chain employees, and governance. Topics and subtopics that received a score of 12 or higher have been defined as material.

The results of the double materiality analysis and the annual comprehensive risk assessment process guide the management of sustainability risks. EPV Energy's ESG accounting and reporting are conducted in close collaboration between the sustainability and finance organisations. This ensures that EPV's ESG accounting and reporting teams work together with its finance teams regarding processes, deadlines, tools, documentation models and reporting outputs.

In 2024, EPV further refined its double materiality assessment process and methodologies based on the final ESRS and guidelines. The company has identified its environmental and social impacts (impact materiality assessment) as well as the sustainability-related risks to which it is exposed (financial materiality assessment). The results have been compiled according to ESRS topics, highlighting that E1, E4, S1, S2 and G1 are EPV's key sustainability areas.

Material sustainability topics



Reportable sub-areas of material sustainability topics

E1 Climate change	E4 Biodiversity and ecosystems	S1 Own workforce	S2 Workers in the value chain	G1 Business conduct
• Adaptation to climate change • Mitigation of climate change • Energy	• Direct drivers of biodiversity loss • Impacts on the extent and condition of ecosystems	• Working conditions • Equal treatment and equal opportunities for or all • Other work-related rights	• Working conditions • Equal treatment and equal opportunities for all • Other work-related rights	• Corporate culture • Protection of whistleblowers • Political engagement and lobbying • Relationships with suppliers and service providers, including payment practices • Corruption and bribery

ENVIRONMENTAL INFORMATION

EU taxonomy reporting
E1 Climate change
E4 Biodiversity and ecosystems

EU taxonomy reporting

The EU taxonomy was first published in 2020, with additional criteria for nuclear and gas added in 2022. The taxonomy focuses on activities that either mitigate climate change and/or adapt to it. The EU taxonomy aims to create a common classification system that defines when economic activity can be considered sustainable. Its objective is to promote sustainable investments to achieve the goals set in the European Green Deal. The taxonomy requires non-financial corporations to report their taxonomy-eligible and taxonomy-compliant turnover, capital expenditure and operating expenses.

In 2024, EPV estimated that the majority of the turnover, capital expenditure and operating expenses from EPV's operations are taxonomy-eligible and meet the technical criteria set out in the Climate Delegated Act (Commission Delegated Regulation [EU] 2021/2139) and the Complementary Delegated Act concerning nuclear power and natural gas (Commission Delegated Regulation [EU] 2022/1214). EPV's operations are focused on climate change mitigation.

EPV has identified the following main taxonomy-eligible activities in the Climate Delegated Act:

4.3. Electricity generation from wind power
4.5 Electricity generation from hydropower
4.9 Transmission and distribution of electricity
4.20 Cogeneration of heat/cool and power from bioenergy
4.28 Electricity generation from nuclear energy in existing installations

For all taxonomy-eligible activities, see the tables on turnover, capital expenditure and operating expenses for key performance indicators on pages 30–32.

In 2024, EPV Energy transitioned from FAS reporting to IFRS reporting at the Group level. This transition has caused changes in the reporting of figures under the taxonomy and therefore the data is not directly comparable with the 2023 figures.

Assessment of taxonomy eligibility and compliance

The assessment of taxonomy eligibility and taxonomy compliance was carried out as a Group-wide project, analysing the Group's entire production portfolio. The taxonomy covers the same activities as EPV's other financial reporting.

To be reportable, economic activities must meet the technical criteria of the Delegated Regulation on climate (EU 2021/2139). In addition, activities may be taxonomy-compliant if they contribute significantly to at least one environmental objective, do not cause significant harm to other environmental objectives and comply with minimum requirements concerning ethical labour and human rights principles. Compliance with ethical labour and human rights principles has been assessed at the Group level, while environmental objectives and the absence of significant harm to other environmental objectives have been assessed separately for each economic activity.

All of EPV's assessed taxonomy-eligible economic activities have been evaluated based on the criteria for substantial contribution to climate change mitigation. Some activities may also contribute to climate change adaptation, but to avoid double reporting, all activities have been reported in the same way.

Cogeneration of electricity and heat using bioenergy results in at least 80 per cent verifiable greenhouse gas emission savings compared to the greenhouse gas saving methods and fossil fuel comparators defined in Annex VI of Directive (EU) 2018/2001.

Electricity generation from wind and solar power is by default considered taxonomy-compliant.

Electricity distribution and transmission have been assessed as taxonomy-compliant, as the total emissions of the networks are below 100 gCO2e/kWh.

EPV has hydro and nuclear power plant holdings (under the Mankala model) in its production portfolio. The operations of these plants relate to activities CCM 4.28 and CCM 4.5. EPV does not have direct operational control, but is able to influence operations through the Board. The producers of hydro and nuclear power have independently verified their taxonomy compliance. Taxonomy-compliant electricity generation from hydropower reported under turnover includes shares that, in the financial statements, are segmented under services and other operations rather than renewable energy production.

Do no significant harm

Adapting to climate change

Climate-related risks are integrated into EPV's risk management process and are assessed according to the internal annual cycle alongside other significant risks. From the perspective of the taxonomy, the company must demonstrably understand what kind of physical risks climate change poses to its operations, both chronically and acutely. Adaptation plans must be identified for the most significant risks. EPV's climate risks are presented on page 37.

The sustainable use and protection of water and marine resources, as well as the protection and restoration of biodiversity and ecosystems

International and national legislation guide the requirement to avoid significant harm to the environment regarding water resources and biodiversity. EPV complies with the requirements set by competent authorities and valid permit conditions that meet both water resource and biological diversity requirements. Compliance is monitored through audits, actions by competent authorities and official standards. EPV's impacts on biodiversity are managed and monitored through a separate biodiversity program.

Transition to a circular economy

EPV takes into account lifecycle and resource efficiency in its new projects. Requirements for devices and components related to recyclability are part of the procurement process. In its operations, the company strives to utilise and reuse byproducts and waste generated in its production to reduce waste going to landfills.

In partially owned nuclear power plants, radioactive waste is generated in addition to conventional industrial waste. Nuclear power company Teollisuuden Voima Oyj bears the financial and safety-related responsibility for nuclear waste management. In the operational activities of the nuclear power plant, the amount of generated radioactive waste is reduced through a waste management plan and careful waste handling.

EU taxonomy reporting

Pollution prevention and control
Compliance is ensured through national laws and inspections carried out by competent authorities. All power plants use the best available technology (BAT) and adhere to relevant legislation. Environmental management systems require regular audits, which ensures annual monitoring and maintains consistently high operational standards.

Minimum safeguards

The EPV Code of Ethics describes EPV's commitment to respecting human rights. The Code of Ethics is based on the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises. In the Code of Conduct for Suppliers, EPV requires its value chain to work towards these goals as well. EPV does not accept corruption, bribery, child labour or other human rights violations in its own operations or in its supply chain.

Changes in reporting since 2023:

CCM 4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat has been combined with CCM 4.28 Electricity generation from nuclear energy, as the partially owned power plant under construction was commissioned during 2023.

During 2024, EPV Energy transitioned from FAS reporting to IFRS reporting at the Group level. This transition has caused changes in the reporting of figures in the taxonomy and, for that reason, the data is not directly comparable to the 2023 figures.

A.1 Environmentally sustainable (taxonomy-aligned) activities

EPV Energy Ltd's taxonomy-aligned and eligible activities turnover under the classification system is based on ownership shares in subsidiaries and power plants. The economic activities of combined heat or cooling and power generation using bioenergy represent the share of turnover that is taxonomy-aligned and eligible.

A.2 Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned)

EPV Energy Ltd's taxonomy eligible but not aligned activities include the share of turnover from combined heat and power generation that is taxonomy-aligned but not eligible.

B. Non-taxonomy-eligible activities

EPV Energy Ltd's turnover not eligible under the classification system consists of economic activities not described in the EU taxonomy. EPV Energy's activities not eligible under the classification system include trading on electricity and commodity markets, the operations of EPV Aluevarannot and general administrative expenses of the Group.

Operating expenses

Operating expenses include the operating costs of all production facilities as well as the procurement of materials and supplies required for safe operation. The operating expenses of combined heat, cooling and power production facilities are classified as eligible or non-eligible depending on the nature of the expense.

Capital expenditure

Capital expenditure includes capitalised investments and intangible assets. The largest capital expenditures in 2024 were related to electricity transmission and distribution, as well as combined heat, cooling and power generation using bioenergy. In addition, capital expenditure includes additions to electric boiler capacity.

Turnover MEUR				Criteria for significant contribution						"No significant harm" criteria									
Economic activities	Code	Turnover (MEUR)	Turnover share, 2024 (%)	Climate change mitigation	Climate change adaptation	Water	Pollution prevention	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution prevention	Circular economy	Biodiversity	Minimum safeguards	Share of taxonomy-compliant (A.1) or taxonomy-eligible (A.2) activities in turnover, 2023	Category enabling activities	Category transitional activities
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable (taxonomy-aligned) activities																			
Forest management	CCM 1.3	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from wind power	CCM 4.3	47.7	11%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Electricity generation from hydropower	CCM 4.5	51.6	12%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	38.5	9%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of electricty	CCM 4.10	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of hydrogen	CCM 4.12	0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Cogeneration of heat/cooling and power from bioenergy	CCM 4.20	89.1	21%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from nuclear energy in existing installations	CCM 4.28	95.0	23%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
High-efficiency cogeneration of heat/cooling and power from fossil gaseous fuels	CCM 4.30	5.1	1%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
Turnover from environmentally sustainable (taxonomy-aligned) activities (A.1)		327.0	78%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-		
Of which enabling activities		86.2	26%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-	E	
Of which transitional activities		100.1	31%	100%						Y	Y	Y	Y	Y	Y	Y	-		T
A.2 Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned) activities																			
Cogeneration of heat/cooling and power from bioenergy	CCM 4.20	46.7	11%	100%	0%	0%	0%	0%	0%								0		
Turnover from taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned) activities (A.2)		46.7	11%	100%	%	0%	0%	0%	0%								%		
A. Turnover from taxonomy-eligible activities (A.1+A.2)		373.7	89%	100%	%	%	%	%	%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover from non-taxonomy-eligible activities		48.3	11%																
TOTAL		**422.1**	**100%**																

CapEx, MEUR				Criteria for significant contribution						"Do no significant harm" criteria									
Economic activities	Code	Capital expenditure (MEUR)	Share of capital expenditure, 2024 (%)	Climate change mitigation	Climate change adaptation	Water	Pollution prevention	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution prevention	Circular economy	Biodiversity	Minimum safeguards	Share of taxonomy-compliant (A.1) or taxonomy-eligible (A.2) activities in capital expenditure, 2023	Category enabling activities	Category transitional activities
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable (taxonomy-aligned) activities																			
Forest management	CCM 1.3	0.3	1%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from photovoltaic technology	CCM 4.1	0,0	1%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from wind power	CCM 4.3	3.0	11%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Electricity generation from hydropower	CCM 4.5	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	9.0	33%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of electricty	CCM 4.10	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of hydrogen	CCM 4.12	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Cogeneration of heat/cooling and power from bioenergy	CCM 4.20	12.7	47%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from nuclear energy in existing installations	CCM 4.28	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
High-efficiency cogeneration of heat/ cooling and power from fossil gaseous fuels	CCM 4.30	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
Capital expenditure on environmentally sustainable (taxonomy-compliant) activities (A.1)		25.3	93%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-		
Of which enabling activities		12.0	47%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which transitional activities		0	0%	100%						Y	Y	Y	Y	Y	Y	Y	%		T
A.2 Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned) activities																			
Capital expenditure on taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned) activities (A.2)		0.1	0%	100 %	%	%	%	%	%								%		
A. Capital expenditure on taxonomy-eligible activities (A.1+A.2)		25.4	94%	100 %	%	%	%	%	%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Capital expenditure on non-taxonomy-eligible activities		1.7	6%																
TOTAL		**27.1**	**100%**																

OpEx, MEUR

Economic activities	Code	Operating expenses (MEUR)	Share of operating expenses, 2024 (%)	Criteria for significant contribution: Climate change mitigation	Criteria for significant contribution: Climate change adaptation	Criteria for significant contribution: Water	Criteria for significant contribution: Pollution prevention	Criteria for significant contribution: Circular economy	Criteria for significant contribution: Biodiversity	"Do no significant harm" criteria: Climate change mitigation	"Do no significant harm" criteria: Climate change adaptation	"Do no significant harm" criteria: Water	"Do no significant harm" criteria: Pollution prevention	"Do no significant harm" criteria: Circular economy	"Do no significant harm" criteria: Biodiversity	Minimum safeguards	Share of taxonomy-compliant (A.1) or taxonomy-eligible (A.2) activities in operating expenses, 2023	Category enabling activities	Category transitional activities
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable (taxonomy-compliant) activities																			
Forest management	CCM 1.3	0.1	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from photovoltaic technology	CCM 4.1	0.0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from wind power	CCM 4.3	11.8	40%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Electricity generation from hydropower	CCM 4.5	0,0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	2.8	10%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of electricty	CCM 4.10	0.0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Storage of hydrogen	CCM 4.12	0.0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	E	
Cogeneration of heat/cooling and power from bioenergy	CCM 4.20	8.0	27%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Electricity generation from nuclear energy in existing installations	CCM 4.28	0.0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
High-efficiency cogeneration of heat/ cooling and power from fossil gaseous fuels	CCM 4.30	0.0	0%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		T
Operating expenses on environmentally sustainable (taxonomy-aligned) activities (A.1)		22.7	77%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-		
Of which enabling activities		14.6	43%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-	E	
Of which transitional activities		0.0	0%	100%						Y	Y	Y	Y	Y	Y	Y	-		T
A.2 Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned) activities																			
Operating expenses on taxonomy-eligible but not environmentally sustainable (non-taxonomy-compliant) activities (A.2)		3.8	13%	100%	0%	0%	0%	0%	0%								%		
A. Operating expenses on taxonomy-eligible activities (A.1+A.2)		26.5	77%	100%	0%	0%	0%	0%	0%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Operating expenses on non-taxonomy-eligible activities		2.8	10%																
TOTAL		**29.3**	**100%**																

	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) Turnover (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	95.0	23%	95.0	23%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.1	1%	5.1	1%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomyaligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	226.9	54%	226.9	54%	0	0%
8.	Total applicable KPI	327.0	78%	327.0	78%	0	0%

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) CAPEX (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	25.4	94%	25.4	94%	0	0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	25.4	94%	25.4	94%	0	0%

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) OPEX (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated egulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	22.7	77%	22.7	77%	0	0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	22.7	77%	22.7	77%	0	0%

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) Turnover (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	95.0	29%	95.0	29%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.1	2%	5.1	2%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0%	0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	226.9	69%	256.5	69%	0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	327.0	100%	327.0	100%	0	0%

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) CAPEX (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	25.4	100%	25.4	100%	0	0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	25.4	100%	25.4	100%	0	0 %

	TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) OPEX (MEUR)	Amount and proportion					
		Climate change mitigation + climate change adaptation		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22.7	100%	22.7	100%	0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	22.7	100%	22.7	100%	0	0%

E1 – Climate change

Material impacts, risks and opportunities related to climate change mitigation and energy

Topic	↑↓	Impact	O/R	Risks and opportunities	Management
Climate change mitigation	↑	EPV is investing extensively in renewable energy and reducing emissions in accordance with its strategy.	O	Investments in production facilities enable the reduction of emissions and the usage of new solutions. The changes strengthen EPV's energy production portfolio.	• Controlled reduction of the use of fuels that generate emissions • Investment in new technology in accordance with the strategy • Carbon neutrality assessment • Active monitoring of regulations and active dialogue
	↓	EPV's operations generate emissions that contribute to global warming.	R	Regulations in the energy sector are tightened or changed in ways that are unfavourable to EPV's operations and investments.	
Energy	↑	Fuel consumption can be reduced by investing in the generation and storage of renewable electricity with new technologies.	O	Investments in line with the strategy enable carbon neutrality by 2030.	• Controlled reduction of the use of fuels that generate emissions. • Investment in new technology in accordance with the strategy • Carbon neutrality assessment
	↓	The use and transportation of fuels cause emissions both in EPV's own operations and in the value chain.	R	Indirect emissions can be challenging to reduce, and they have a negative impact on the climate.	

↑ Positive impact ↓ Negative impact R Risk O Opportunity

Physical risks related to climate change adaptation and their management

Acute risks	Management
Extreme weather events caused by climate change, such as storms, forest fires and floods, can affect energy production and electricity distribution.	EPV has prepared for extreme weather events at each energy production facility by, for instance, ensuring electricity distribution during storms and forest fires. The diverse operational methods of the production facilities enable the continuation of production even during exceptional weather conditions. Fuel storage areas are spread out across different locations to ensure fuel availability, even if a wildfire or forest fire threatens an individual storage.
Chronic risks	**Management**
A long-term deviation in the temperature of cooling water or a deterioration in its quality can affect the production efficiency of a plant.	• The operational methods of power plants can be adjusted to match the condition of cooling water and the climate. • Investment in new technology that adapts to climate change and reduces the need for cooling water.
The increasing cloudiness in autumn and winter affects the efficiency of solar power generation.	• EPV manages a diverse production portfolio, which reduces the impact of fluctuations in the production of individual energy sources on the energy system.

Identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to climate change have been identified in a double materiality analysis based on the principles of the company's risk management process. The double materiality analysis is described on page 26.

Climate change mitigation is the most material aspect concerning EPV's operations. By investing in renewable energy and sector integration, the amount of gases that contribute to global warming is significantly reduced.

EPV's sustainability goals

EPV is on the path towards carbon neutral electricity generation. As an energy production company, EPV has a key role in helping the increasingly electrified society achieve its emission targets. According to its strategy, EPV's goal is to achieve carbon neutral electricity generation by 2030. This goal is pursued through various projects and changes in the fuel mixture. In 2024, 96.4 per cent of EPV's electricity generation was emission-free.

The strategy's main guidelines have remained largely unchanged, and our policy is to make EPV's energy production carbon neutral by 2030. In the future, new electricity will be generated using the emission-free energy sources of solar, wind, hydro and nuclear power, which are key to our strategy. In addition, we will utilise carbon neutral 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.

To prepare for various exceptional usage situations and societal crises, the company maintains fuel reserves for delivery and security of supply reasons, the use of which would result in carbon dioxide emissions. If these fuels need to be used under the aforementioned conditions after 2030, the resulting emissions will be compensated primarily through the company's own emission compensation measures and secondarily by purchasing market-based compensation units.

Comprehensive carbon neutrality assessment for combined heat and power plants

EPV's CO_2 emissions originate from the use of fossil fuels in energy production. Achieving carbon neutrality depends on the measures and fuel solutions implemented at the company's three combined heat and power (CHP) plants. In 2024, EPV Energy carried out a comprehensive carbon neutrality assessment to clarify the company's path to achieving its carbon neutrality targets by 2030. This extensive study was driven by changing energy market conditions and the increasing share of renewable energy in electricity generation. These factors require the energy system to respond quickly and efficiently to fluctuations in supply and demand, a capability that will become increasingly important as the transition to emission-free production solutions progresses.

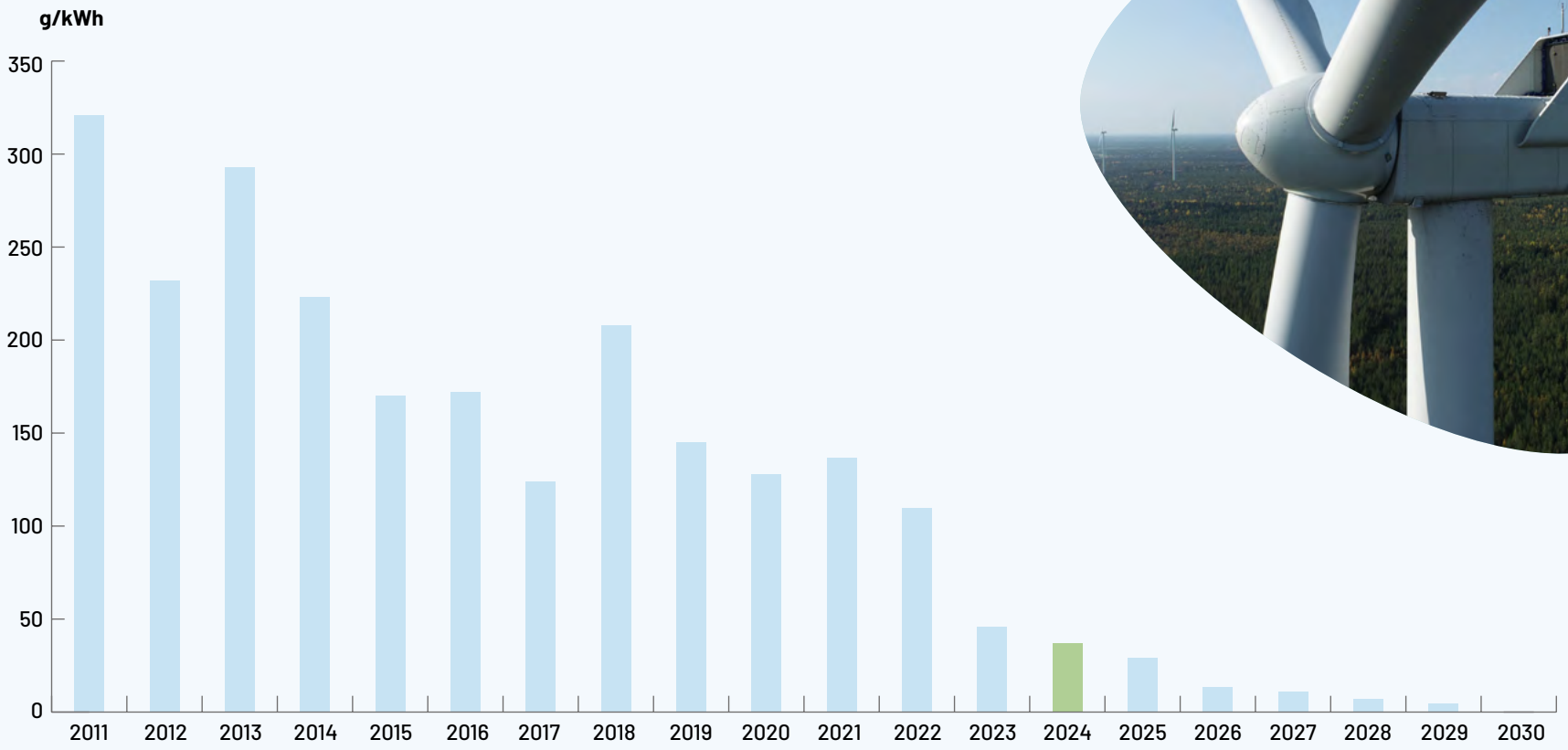
In its latest study, EPV considered both the development of Finland's energy markets and the evolution of the company's own production portfolio. Additionally, EPV conducted a comprehensive analysis on carbon neutral fuels and a computational scenario analysis on the company's power capacity reserve needs. This provided a broad overview of the current state of the market and helps to plan the future use of combustion plants.

EPV generates electricity and heat at its combined heat and power plants in Vaasa, Seinäjoki and Tornio. These plants are also the source of the company's Scope 1 emissions. The CHP plants constitute a large share of EPV's total production capacity and a dominant share of its flexible capacity. Additionally, the CHP plants' fuel storages function as seasonal energy reserves, helping to mitigate the risk of high electricity prices during prolonged disruptions and enhancing energy security.

As part of the plans, EPV mapped out emission-free fuels and identified suitable options for use in its plants. Utilising alternative, cost-effective and zero-emission fuels in existing CHP plants makes maintaining significant balancing capacity possible.

Based on the collected background information and the commissioned fuel study, a plant-specific plan has been developed. It acts as a foundation for project investigations aiming for investments to achieve the carbon neutrality targets in EPV's production portfolio. The addition of sector coupling solutions has also been considered as part of the plant-specific studies.

Carbon neutral electricity generation 2030



2011 Röyttä wind farm
2012 Biomass use increases in Tornio and Seinäjoki
2013 Vaasa gasification plant
2014 Hydropower from Sweden
2015 Torkkola wind farm and the expansion of the Röyttä wind farm; Coal condensing capacity decreases (Kristiina 2 and Tahkoluoto).
2016 Santavuori wind farm
2018 Metsälä wind farm
2019 The last coal condensing power plant is decommissioned (Meri-Pori)
2020 Norway's hydropower leasing ends
2022 Teuva wind farm
2023 Närpiö wind farm
2023 Olkiluoto 3
2026 Solar farm I, Heinineva

Permitted and pre-construction work partially completed
Increasing wind power capacity: Laihia
Solar farm II
Increasing wind power capacity: Kuusamo
Increasing wind power capacity: Simo
Increasing wind power capacity: Kiiri
Solar farm III
Increasing wind power capacity: Maanahkiainen

Actions

EPV's climate change mitigation plan includes an action programme that addresses the climate impacts of production. The plan supports the Paris Agreement's goal of limiting global warming to a maximum of 1.5 degrees compared to pre-industrial levels. It also facilitates the company's adaptation to a low-carbon future.

EPV has been working systematically to reduce emissions throughout the entire 2000s. The company has shut down condensing power plants and increased renewable energy production by building wind farms and acquiring shares in nuclear and hydropower. EPV's first solar farm is also currently under construction. The amount of emission-free energy is further increased by nuclear power, which already accounts for over 50 per cent of EPV's electricity generation portfolio. Additionally, the operations and energy efficiency of CHP plants have been continuously improved through new investments.

Investments that reduce emissions have been made annually. For example, over 500 million euros have been invested in wind power, and investments in thermal energy storage and electric boilers have been made for CHP plants, reducing the need to burn fuels. Electric boilers reduce emissions through their indirect operation. Additionally, continuous investments and measures have been undertaken at power plants to enhance operations and improve energy efficiency.

Greenhouse gas emissions and energy in EPV's own operations

EPV's climate change mitigation plan consists of investments and measures that help replace all fossil fuels used in the company's production and power plants with renewable fuels and fossil-free electricity. These measures concern power plant fuels and auxiliary fuels as well as process fuels used in production facilities.

According to EPV's strategy, the most flexible player is the star of the pitch. The company had a clear goal for 2024. As several major production projects have been completed, EPV wants to pay particular attention to increasing flexibility in its energy system. On a practical level, investing in flexibility means larger investments in energy storage. Electricity is increasingly generated with wind and solar power, and situations in the energy markets vary according to the weather. From a risk management perspective, more ways to store emission-free electricity are needed to utilise it for society's energy needs.

The company's key measures taken in 2024 to enhance climate change mitigation were:

1. EPV's first solar farm's construction continued

The construction of EPV Energy's first industrial-scale solar farm continued in 2024 in Heinineva, Lapua. Scheduled for completion at the end of 2025, this solar farm will be one of the largest in Finland and the first of its scale to be built on a former peat production area. The Heinineva solar farm will cover an area of about 120 hectares and have approximately 123,000 solar panels, with a total panel rail length of about 80 kilometres. The solar farm will generate over 80 gigawatt-hours of electricity annually, increasing the share of renewable electricity in EPV's total production.

2. Investment decisions were made in Vaasa to increase the thermal energy storage capacity and to add a fourth electric boiler

EPV Energy's subsidiary Vaasan Voima has made a significant investment decision to develop the Vaskiluoto thermal energy storage technology and enhance its flexibility. The investment will increase the storage temperature from the current 95 degrees to a temperature above the boiling point by utilising the static pressure formed by a waterspout. As a result, the total storage capacity will increase by over 50 per cent to 17 gigawatt-hours. The investment also includes a new 60 MW electric boiler suitable for steam production, an upgrade of the process network to a higher temperature level and the addition of a buffer tank. Raising the temperature will enable the storage of non-combustion-based energy and its supply to customers throughout the winter, including the coldest months. The capacity increase will significantly enhance flexibility and allow for the storage of larger amounts of renewable energy. The 60 MW electric boiler that will be added to the facility as part of the investment will be the fourth at the Vaskiluoto power plant area.

The investment project will double the charging and discharging power of the thermal energy storage to 220 megawatts. This process change will allow for the separation of heat generation and district heating supply, providing security and opportunities for both the producer and the customer. The Ministry of Economic Affairs and Employment has granted the project 5,815,240 euros in funding from the European Union's NextGenerationEU programme. The total investment exceeds 20 million euros, which also includes the share of the electric boiler not covered by the funding.

3. A new gas engine power plant received an investment decision

EPV Energy's subsidiary Tornion Voima is investing in a new gas engine power plant. It will enable a rapid increase in electricity generation during various disturbances and unpredictable weather conditions. The total capacity of the engine power plant will be about 43 MW. Once completed, it will be the first modern engine power plant in Finland. The engine power plant will begin operations in 2026. The investment decision is based on long-term planning and research. Finland increasingly needs this kind of fast-adjusting and high-output electricity generation to ensure electricity availability and sufficiency, regardless of weather conditions.

4. 12 MW electric battery at Teuva wind farm

As renewable energy production increases, more storage solutions are needed to support and stabilise the electricity system. In 2022, EPV made an investment decision to build an electricity storage in the Teuva wind farm. The storage has a power capacity of 12 megawatts and an energy capacity of 12 megawatt-hours. The commissioning of the electric battery was significantly delayed in 2024 due to the modelling required for commissioning tests and related challenges. The investment will be completed in early 2025 once the official operating permit is obtained and the final tests can be carried out.

Funded by the European Union - NextGenerationEU

Metrics

Energy production and procurement	MWh
Non-renewable energy sources, total	
Fossil	316,014.5
Heat generated with electricity	342,500.0
Nuclear power	2,084,921.9
Renewable energy sources	
Renewable energy sources	2,086,002.6
Total energy production and procurement	**4,486,939.0**
Energy consumption	**MWh**
Non-renewable energy sources: fossil	
Fuel consumption: peat, coal, oil	980,241.7
Purchased or otherwise acquired electricity, heat and steam from non-renewable sources	267,149.7
Renewable energy sources	
Fuel consumption: biofuel	958,138.9
Purchased or otherwise acquired electricity, heat and steam from renewable sources	64,219.3
Total energy consumption	**2,269,749.6**
GHG emissions (electricity and heat generation)	**tCO²-ekv.**
Scope 1 gross greenhouse gas emissions (tCO2eq)	444,290.99
Percentage of carbon dioxide emissions covered by regulated emissions trading systems (%)	100%
Percentage of carbon dioxide emissions covered by regulated emissions trading systems (%)	92%
Scope 1, biogenic (tCO2eq)	382,457.6
Location-based Scope 2 gross greenhouse gas emissions (tCO2eq)	13,089.1
Market-based Scope 2 gross greenhouse gas emissions (tCO2eq)	183,877.2
Total greenhouse gas emissions (location-based) (tCO2eq)	457,380.1
Total greenhouse gas emissions (market-based) (tCO2eq)	628,168.2

EPV Energy's nitrogen, sulphur and particulate emissions from production	mg/kWh
Nitrogen oxide emissions	31.5
Sulphur dioxide emissions	25.9
Particulate emissions	1.2
GHG intensity	**g/kWh**
Location-based	219.1
Market-based	301.0
Revenue-based intensity	**määrä**
Energy intensity, MWh/€	0.005
Location-based, g/€	1,030.1
Market-based, g/€	1,414.8

Principles for preparing metrics

Energy production and consumption data have been obtained from the power plants' information systems. Data on purchased or otherwise acquired electricity, heat, and steam have been divided into non-renewable and renewable based on the latest residual mix from the Energy Authority for 2023. Fuel consumption has been verified by a third party.

Greenhouse gas emissions include the equivalent emissions of all EPV Energy's CHP power plants. The reporting boundary is based on operational control. Greenhouse gas emissions are calculated following the GHG Protocol. The calculation includes all greenhouse gases covered by the GHG Protocol (CO2, CH4, N2O, HFC compounds, PFC compounds, SF6 and NF3) as equivalent emissions. Carbon dioxide amounts are calculated for each power plant and verified by a third party.

All Scope 1 carbon dioxide emissions are subject to emissions trading and are therefore verified separately. Equivalent emissions are not subject to emissions trading.

Equivalent emission calculations utilise the IPCC's latest emission factors for the energy industry, published in 2006. Scope 1 total emissions include equivalent emissions from fossil fuels as well as CH4 and N2O equivalent emissions from biofuels. Biogenic CO2 emissions are reported separately in accordance with the GHG Protocol and ESRS standard.

Scope 2 emission calculations are based on the energy consumption of CHP power plants. These power plants account for over 99 per cent of EPV's total energy consumption. The Group's other energy consumption is minimal compared to the consumption of CHP plants.

The location-based Scope 2 calculation uses Finland's specific equivalent emission factor from the year preceding the reporting period, as equivalent emission factors for the reporting period are not available at the time of reporting.

The market-based Scope 2 calculation uses the Energy Authority's latest residual mix for electricity generation. At the time of reporting, the latest data is from 2023. Since May 2024, the energy consumed in Vaasan Voima's electric boilers has been produced from renewable sources. For this portion, the market-based Scope 2 emissions are zero.

Energy intensity is calculated based on production under operational control. Energy intensity compares total emissions to the production volume. In this report, it refers to Scope 1 and Scope 2 emissions.

Revenue-based intensity is calculated by relating consumed energy to revenue. This calculation includes energy consumption under EPV's operational control, including the energy density of fuels used, in accordance with ESRS requirements. Revenue-based intensity is also presented in g/€, based on location and market.

E4 – Biodiversity and ecosystems

Identification and assessment of material impacts, risks and opportunities

Material impacts, risks and opportunities related to biodiversity and ecosystems have been identified in a double materiality analysis based on the principles of the company's risk management process. The double materiality analysis is described on page 26.

All energy production operations inherently impact biodiversity. EPV's operations affect biodiversity primarily through land use and emissions. EPV strives to consider biodiversity in its land use, seeking ways to enhance it.

Paying attention to biodiversity in EPV's operations

EPV pursues long-term business operations, with the preservation of a safe, healthy and diverse living environment as a fundamental prerequisite. EPV considers it essential that energy production, electricity transmission and the use of raw materials are efficient and environmentally sustainable as a whole.

The consideration and enhancement of biodiversity are an important part of the company's operations impacting nature. Personnel must be aware of the environmental aspects as well as potential impacts related to their work and act responsibly and professionally.

EPV recognises the environmental impacts of its business operations and strives to prevent negative impacts by, for instance:

- reducing emissions generated by its operations
- considering land use and environmental impacts as well as opportunities to mitigate them
- placing particular emphasis on assessing environmental impacts and proactively preparing for environmental risks in accordance with the precautionary principle
- promoting biodiversity through projects included in the company's biodiversity programme
- engaging suppliers and service providers in environmentally responsible practices
- identifying environmental risks and opportunities
- paying attention to the sustainability of the fuel supply chain
- enhancing energy and water consumption, as well as taking care of waste sorting and recycling.

EPV's efforts to enhance biodiversity are guided by internal operating principles, environmental impact assessments and cooperation with authorities and other stakeholders. EPV's guidelines and operating instructions require both its own personnel and partners to take sustainability and environmental matters seriously. The safe utilisation and handling of by-products and waste, as well as the prevention of environmental pollution when accidents and disruptions occur, are also an important part of overall management.

EPV has developed a biodiversity action plan that incorporates the objectives of the EU's biodiversity strategy, such as increasing carbon sinks by afforesting former peat production areas. The action plan is updated annually while the implementation and effectiveness of previous measures are assessed. A Group-level indicator has been established to monitor the programme, ensuring that EPV carries out projects promoting biodiversity.

EPV strives to take biodiversity into account in all its energy production methods' land use as well

Material impacts, risks and opportunities related to biodiversity and ecosystems

Topic	↑↓	Impact	O/R	Risks and opportunities	Management
Direct drivers of biodiversity loss	↓	All energy production operations inherently impact biodiversity. Emissions (Scope 1, 2, 3) have a negative impact on biodiversity.	R	Climate change-related risks are addressed in section E1.	• Investing in emission-free energy production. • Changing the operational methods of power plants to achieve carbon neutrality targets, reducing the need for cooling water. • Continuous monitoring of water use.
	↓	The use of cooling water can locally affect biodiversity through factors such as currents or slight temperature differences.			
Impacts on the extent and condition of ecosystems	↓	During construction, habitats may become fragmented and the extent of the ecosystem may decrease.	R	Land use and location selection may cause land use disputes for EPV if a new investment is located near a valuable natural area.	• Extensive environmental assessments are conducted in connection with new investments, enabling better decisions regarding biodiversity. • Utilising areas already poor in biodiversity to preserve more valuable areas. • Local biodiversity is considered when selecting locations for new investments, along with ways to minimise the investment's impact on biodiversity.

↑ Positive impact ↓ Negative impact R Risk O Opportunity

as to consider how biodiversity can be enhanced.

Location selection for new power plants

The aim is to choose areas with already fragmented habitats or low environmental value for new solar and wind farms to minimise environmental impacts. Constructing solar farms on decommissioned peatland areas enables the smallest possible environmental impact.

Domestic biofuels

The wood used in EPV's power plants is primarily domestic local wood. Fuels are mainly sourced within a 100-kilometre radius of the power plant. EPV has its own experienced wood procurement organisation, supported by a supplier network built over the years. Currently, the availability of wood fuel is good.

Regular forest management thinnings are conducted in EPV's own forests. Other forest management operations, such as tending staplings and ash fertilisation, are also carried out to enhance forest growth on peatland soils. In 2024, 47 hectares were fertilised with ash, and a total of 209 hectares underwent diverse forest management. The forests have valid forest management plans, with planned harvesting and maintenance measures for the next 10-year period. EPV's forests are PEFC certified.

Management projects for young forests

Young forest management projects are increasing, as these forests contain untrimmed wood suitable for energy production. Sturdier wood from first thinning sites is increasingly used as raw material in the pulp industry.

RED III and EUDR are set to take effect in 2025

All the fuels EPV uses meet the requirements of the EU's RED II sustainability criteria. The purpose of the RED II sustainability criteria is to ensure good forest management and reliable information about the origin of the wood, ensuring it does not come from illegal logging sites.

The supplied biomass fuel must meet the sustainability criteria outlined in Chapter 2 of the Act on Biofuels, Bioliquids and Biomass Fuels (393/2013), and the supplier must be able to demonstrate the origin and sustainability requirements of the biomass fuel upon request. The Energy Authority supervises compliance with the requirements. The operator has a self-monitoring and reporting obligation to the Energy Authority.

This year, the RED III Directive and the EU's new Deforestation Regulation (EUDR) will come into effect. In relation to these, EPV is improving information flow between different programmes within the procurement chain.

Biodiversity promotion project: Afforestation site in Ohraneva, Kauhava

As part of EPV Energy's biodiversity promotion programme, an afforestation project was launched in 2024 on a former peat production site in Kauhava. Planting and soil cultivation were carried out last June on an area of approximately 21 hectares. The development of the afforestation site will be monitored annually. The plantings aim to restore the previously utilised area to its natural state. The basic drainage of the site – located on EPV's land – was already in good condition, making it an ideal location for post-production planning. Peat production ended a couple of years ago on the plot designated for afforestation.

Preliminary work began in spring 2024. After the snow melted, both ditching and spot mounding as well as secondary tillage were carried out in the area to improve the growth substrate. In early June, pine seeds and ash fertiliser were sown, and pine saplings were planted. Additionally, some parts of the afforestation area were left to regenerate naturally. The goal of diverse cultivation and planting is to support the return of broad forest vegetation to the area.

Naturally regenerating areas already have birch and pine growing, which are typically the first tree species to establish on former peat production sites. These areas have undergone supplementary planting, and in the future, first thinning will also be performed. In some parts of the area, additional sowing with pine saplings has been carried out. In other parts, early tending of the young staplings will be necessary to achieve optimal growth density.

A nutrient analysis and fertility maps have been made for the afforestation test sites to monitor nutrient behaviour. The nutrient analysis will be repeated five years after the establishment phase. Drainage, soil preparation, establishment and maintenance of the test sites have been carried out according to the latest forest management recommendations. During afforestation, different forest establishment methods for pine (seed and seedling) are examined. The afforestation tests will provide diverse insights and experience for future projects. Afforestation has also been previously carried out on EPV's former peatlands.

SOCIAL INFORMATION

S1 Own workforce

S2 Workers in the value chain

S1 – Own workforce

Material impacts, risks and opportunities related to own workforce

Topic	↑↓	Impact	O/R	Risks and opportunities	Management
A reliable and equal employer					
Equal employer	↑	Equal treatment of personnel increases employee job satisfaction as well as commitment, and enables career development.	O	Energy production is a stable business activity. The stability of the industry can strengthen employee commitment to the employer and enable the employer to offer jobs also in the future. An innovative and fair work environment attracts young talent, thus ensuring future development in the industry and increasing the diversity of the organisation.	• Enabling and encouraging diverse training for personnel to help them develop in their roles and careers. • Offering good employee benefits and equal salaries. • Providing regular training for supervisors. • Supervisors regularly hold so-called Energy Discussions with their team members.
	↓	Failure in ensuring equal treatment could decrease job satisfaction and weaken career development opportunities.	R	If employee job satisfaction decreases, it can negatively affect EPV's employer reputation and operations.	• EPV conducts an annual employee survey to monitor job satisfaction. • Employees can report deficiencies, for example, to the occupational safety system or an anonymous reporting channel.

Topic	↑↓	Impact	O/R	Risks and opportunities	Management
A safe workplace					
Employment security	↑	EPV invests in flexible and fair working conditions, which have a positive impact on employee well-being, work ability and job satisfaction.	O	Employees commit to the employer and job satisfaction remains high. EPV maintains its reputation as a good employer.	• Ensuring that salaries are competitive. • Maintaining flexible working conditions to balance work and leisure.
Safety and health	↑	EPV invests in occupational safety and health, which has a positive impact on employees and their work ability.	R	Employee work ability and job satisfaction decrease, which can negatively affect EPV's operations.	• Assessing risks related to occupational health and safety as well as preventing accidents and injuries. • Providing training and guidance related to occupational health and safety, as well as personal protective equipment. • Committing to developing a safe work environment with the collective effort of the entire work community. EPV's goal is zero accidents.
	↓	Incorrect or inadequate measures can negatively affect employee safety or health.			

↑ Positive impact ↓ Negative impact R Risk O Opportunity

Identification and assessment of material impacts, risks and opportunities

The EPV Group offers its employees interesting and diverse work tasks as well as opportunities to develop in their work and profession. For EPV's operations, it is essential that the personnel are motivated and committed.

The material impacts, risks and opportunities concerning the personnel have been assessed to cover the entire staff. These impacts, key risks and opportunities have been identified in a double materiality analysis based on the company's risk management process principles. The materiality analysis is described on page 26.

Operating principles

In the EPV Group, personnel and remuneration policies, as well as operating principles, guide personnel management and ensure that EPV's operations comply with international and national legislation and agreements. The operating principles reinforce EPV's ethical principles and responsible practices in personnel matters.

The EPV Group aims to take exemplary care of its personnel's occupational safety. Occupational safety operations at EPV are guided by internal guidelines and principles.

Equality

Equality is an important value for the EPV Group. In accordance with its operating principles, all employees are treated fairly and equally, regardless of the employee's identity, gender, age, religion, health, sexual orientation or any other reason related to personal identity. Personnel have the opportunity to familiarise themselves with guidelines, policies and operating principles through the intranet or by requesting additional information from human resources.

EPV does not accept child or forced labour, human trafficking or any other activities that violate human rights in its own or partners' operations. Suppliers are also expected to adhere to the same principles.

EPV complies with labour legislation and collective agreements in the energy sector, and the Group upholds freedom of association. Policies concerning personnel emphasise the importance of equality.

Gender, age, beliefs, family situation or any other personal reason must not cause inequality between individuals in remuneration, rewards, organisational changes, training, recruitment or any other workplace activities. Discrimination in any form is not accepted, and equality is continuously assessed by HR. The equality and non-discrimination plan is included in the Group's common Workplace Development Plan. The plan is reviewed and updated annually in collaboration with employee groups. An individual's salary is determined individually based on the employment contract, taking into account the job's requirements, the individual's qualifications and the provisions of collective agreements in the energy sector.

Cooperation

The goal of cooperation is to maintain and improve the company's operations and the working conditions of the personnel. In EPV's group companies, cooperation is carried out through continuous dialogue. Each company's cooperation groups meet in formal meetings and engage in informal open discussions outside the meeting cycle. In accordance with the requirements of the Cooperation Act, discussions are held on topics such as the operating environment, workplace regulations and the skills needs of the personnel.

Occupational safety committee

Occupational safety work and planning as well as statutory occupational safety operations are carried out by each group company's occupational safety manager and occupational safety committee.

The occupational safety committee of EPV Energy Ltd consists of seven members, four of which are occupational safety representatives and deputy representatives elected by the personnel. The other members of the committee include the sustainability director, the occupational safety manager and the HR manager. The main task of the committee is to strengthen occupational safety throughout the Group.

Wellbeing at work and personnel events

All companies within the EPV Group provide their personnel with comprehensive occupational health services and insurance coverage. Active attention is given to wellbeing at work, and discussing wellbeing with a supervisor is an essential part of Energy Discussions.

Energy Discussions are held twice a year with one's supervisor. These discussions involve setting and monitoring personal goals and development opportunities. Energy Discussions provide an excellent opportunity to give feedback and engage in deeper conversations about topics such as wellbeing at work, motivation and commitment.

In 2024, a comprehensive cultural, sports and wellbeing benefit was introduced to enhance wellbeing at work. This benefit also enables personnel to access services such as dental care and massage according to their individual needs.

Events, occasions and lectures related to wellbeing at work are organised locally. For instance, a diverse wellbeing day was held in the Vaasa region in May 2024, focusing on brain health, nutrition and exercise.

CEO review sessions are also organised throughout the year. In these sessions, the Group's operations and the status of objectives are discussed. Personnel can submit questions anonymously in advance and participate freely in discussions during the session. Companies and teams also monitor operations from the perspective of achieving objectives.

Personnel survey

EPV's goal is to ensure personnel commitment, motivation and continuous development. The EPV Group continuously works to promote the wellbeing and satisfaction of its personnel. As part of monitoring job satisfaction, an annual personnel survey is conducted. The most recent survey was carried out in autumn 2024 in collaboration with Promenade Insight. The majority, 85 per cent, of the Group's personnel responded to the survey. A significant finding was that employees find their jobs highly meaningful. Development opportunities, occupational safety, collegial support and investments in wellbeing at work also stood out as clear strengths. Particularly positive changes were noted in supervisory work, the monitoring of goal achievement and communication. Additionally, resources were perceived to be clearly more sufficient than before. Overall, the employee satisfaction at EPV Energy is significantly better than the average in energy sector organisations. The excellent overall result has risen from the previous year to 4.25 (2023: 4.14).

As in the previous year, the EPV Group continues to be strongly perceived as reliable and stable. Compared to the 2023 survey, perceptions of innovation and sustainability are now more prominent. Key strengths to be nurtured include employer image, supervisory work, wellbeing at work and team spirit. Among all the statements, those related to supervisory work showed the most significant positive change. The personnel survey also included a question on employer recommendation using the Employee Net Promoter Score (eNPS), and the result of 68 (2023: 60) was excellent. Feedback from the surveys is utilised in

operational development to reduce negative impacts on personnel wellbeing, as well as to identify positive factors and strengthen them.

Processes for correcting negative impacts and channels for the company's own workforce to raise concerns

EPV receives feedback from its personnel through employee surveys, safety observations and open discussions. Feedback, observations and responses are used in operational development to reduce negative impacts on personnel well-being as well as to identify positive aspects and strengthen their development.

Personnel have access to the occupational safety information system, where they can submit information about accidents and observations related to occupational safety, working conditions, work equipment and the hazards of working methods. Positive observations can also be recorded in the system. Reports can be made from one's workstation when logged in or via a QR code displayed at worksites without logging in using a phone. This also enables visitors and external workers to report observations. All observations are processed by the location's responsible person. Corrective actions are determined for the observations as needed. The person who makes the report can also suggest corrective actions. The processing status is visible to all registered users, and everyone can track the progress of their own report. In 2024, the personnel received extensive training on the use of the information system, and its instructions are available on the Intranet for all employees.

The number of observations recorded in the occupational safety system and the progress of their processing are monitored through audits and by the occupational safety manager. Deviations can be recorded during audits if reported issues have not been corrected within the set timeframe or if there are open deviations at the site that have not been addressed at all. Additionally, deviations are reviewed at site-specific team meetings.

If an employee wishes to remain anonymous, they can also use EPV's Whistleblowing channel to raise their concerns. Reports submitted through the reporting channel are processed through a separate procedure. The reporting channel is available to personnel via internal channels. EPV is committed to ensuring that individuals who, in good faith and with honest intent, report suspected misconduct through the reporting channel do not suffer negative consequences as a result of their report. No retaliatory actions may be taken against the reporter, nor may they be placed at a disadvantage due to the report. It is also prohibited to prevent or attempt to prevent the disclosure of information regarding suspected misconduct.

The broad expertise of the entire Group is valued

In line with its strategy, EPV aims to make sure that it keeps up with the industry's transformation and changes, and ideally stays among the frontrunners. Maintaining the competence of EPV Group's personnel plays a key role in ensuring business profitability and supporting the continuous development of operations.

The technology teams established around key technology areas in 2021 were created to bring together employees from across the entire Group, crossing organisational boundaries. This enables EPV to gather the best expertise from each area around specific topics. The aim is also to optimise the utilisation of competence as well as to promote the sharing of knowledge and best practices between teams.

In 2024, EPV's technology teams underwent a significant reform. As part of this, three teams were merged into one, forming the Flexible Technologies and Solutions technology team. The change was driven by clarified operating methods and the reflection of market development trends in the objectives.

The new technology team is involved in the preparation of almost all of EPV's new flexible investment projects. The team's integrated way of working is a great example of how collaboration between different EPV functions generates added value for the company. Similar cooperation, based on combining the strengths of various functions, will be further enhanced in other EPV operations to continuously improve competitiveness.

EPV encourages its personnel to pursue training and participate in events that support their professional development. Training opportunities can be planned, among other ways, through Energy Discussions, which are held with each employee at least twice a year.

0

Accident frequency, own employees

68 eNPS

Employee Net Promoter Score 2024

Metrics

Personnel	
Entire personnel	**168**
Number of employees, permanent	**158**
Men	119
Women	39
Number of employees, temporary	**1**
Men	1
Women	0
Number of employees, part-time	**7**
Men	3
Women	4
Number of zero-hour employees	**9**
Average age of personnel	**45**
Under 30 y/o	18
30–49 y/o	83
Over 50 y/o	67
Employee turnover	
Group employees on average	170
Average length of service, years	13
Inflow turnover	12
Outflow turnover	3
Number of retirees	2
Average age of retirees	62
New employees	**16**
Men	12
Women	4
Parental leaves	
Number of employees on parental leave	8
Men	5
Women	3

Home regions of employees	
Ostrobothnia	86
South Ostrobothnia	41
Uusimaa	7
Lapland	27
Other	7
Top-level management	
Board of Directors	
Men, number	13
Men, %	92.9
Women, number	1
Women, %	7,1
Management team	
Men, number	5
Men, %	83.3
Women, number	1
Women, %	16.7
Training	
Total training hours	930
Men	466
Women	464
Equality	
Reports of discrimination	0
Whistleblower reports	0
Amount of fines, penalties and compensations resulting from violations related to work-based discrimination and harassment	0
Corruption	
Corruption or bribery incidents	0

Occupational safety	2024
Accident frequency rate	13.1
Number of accidents	0
Number of absence days	0
Number of fatal accidents	0
Number of accidents involving service providers	8
Audits 2024	**Amount**
Internal audits	13
External audits	3

Principles for preparing metrics

Figures related to EPV's own workforce include the entire EPV Energy Group. The personnel count used for calculations is reported as the number of employees at the end of the reporting period (31 December 2024). The personnel count also includes individuals on parental leave.

Seasonal workers, such as summer employees, are not included in the personnel count at the end of the reporting period, as their employment ends before the close of the reporting period. However, seasonal workers are included in the section "Group employees on average".

Employee turnover is calculated by dividing the number of permanent employment contracts by the total number of employees. New employees include permanent, temporary and framework agreement employees who joined the Group during the year.

The proportion of women in leadership includes women who are members of EPV Energy's management team or Board of Directors.

The number of occupational accidents is reported separately for EPV's own personnel and service providers' employees. Accident frequency includes all occupational accidents that resulted in at least one day of absence for EPV's own personnel, and service providers, excluding commuting accidents. EPV's own personnel Accident frequency rate was 0. Frequencies are calculated per one million working hours. The number of fatal occupational accidents includes both EPV's own personnel and service providers' employees.

S2 – Workers in the value chain

Material impacts, risks and opportunities related to the workers in the value chain

Topic	↑↓	Impact	O/R	Risks and opportunities	Management
Reliable and equal employer					
Employment security Working conditions Health and safety	↑	EPV supports employment in Finland by using local companies whenever possible.	R	EPV may unknowingly participate in activities that contradict its principles and values. EPV's reputation as a responsible actor is at risk.	• EPV has ethical principles (the Supplier Code of Conduct), which define the basic legal, ethical, employee-related and environmental standards required of EPV's suppliers. • Higher-risk suppliers are audited. • Suppliers are selected carefully. Domestic suppliers are assessed using, among other things, the contractor's obligations and liability tool.
	↑	EPV's monitoring model can utilise the working conditions of employees outside Finland.	O	As a responsible client, it may be possible to influence the working conditions of employees in the value chain.	• Suppliers are required to comply with EPV's ethical principles (Supplier Code of Conduct) in their operations. • Suppliers can be audited.
Human rights	↓	Despite the monitoring model, there may be poor working conditions, employment security and occupational safety.	R	EPV may unknowingly participate in activities that contradict its principles and values. EPV's reputation as a responsible actor is at risk.	• EPV has ethical principles (the Supplier Code of Conduct) that suppliers and other participants in the value chain are expected to comply with. • Higher-risk suppliers are audited. • Suppliers are selected carefully. Domestic suppliers are assessed using, among other things, the contractor's obligations and liability tool.
	↓	Human rights violations in the value chain undermine the quality of life of individual workers and can lead to inequality.	R	EPV may unknowingly participate in activities that contradict its principles and values. EPV's reputation as a responsible actor is at risk.	• EPV has ethical principles (the Supplier Code of Conduct) that suppliers and other participants in the value chain are expected to comply with. • Higher-risk suppliers are audited. • Suppliers are selected carefully. Domestic suppliers are assessed using, among other things, the contractor's obligations and liability tool.

↑ Positive impact ↓ Negative impact R Risk O Opportunity

Identification and assessment of material impacts, risks and opportunities

Material impacts, key risks and opportunities concerning the employees in the value chain have been identified in a double materiality analysis based on the principles of the company's risk management process. The materiality analysis is described on page 26.

Together with its personnel and partners, EPV is creating a cleaner world. Responsible procurement is one of the company-wide focus areas of sustainability.

EPV is committed to respecting labour and human rights in its own operations and supply chain, and strives to identify related risks. The company sets environmental and social responsibility requirements for its subcontractors and supply chain as well as monitors the implementation of these requirements.

An important partner network

EPV engages in close and open cooperation with various stakeholders. In addition to its own personnel, EPV annually employs hundreds of entrepreneurs and professionals. Years of active collaboration has enabled the company to build expert partner networks for different forms of energy production. Good and reliable suppliers, subcontractors and service providers are vital to EPV's operations. EPV strives to utilise local partners.

The company's sustainability requirements apply to the entire supply chain. EPV has established group-wide procedures that are applied in its cooperation with suppliers or potential suppliers.

In accordance with the operating principles, EPV requires its partners to, among other things

- comply with applicable local and international laws and regulations
- ensure the proper implementation of employee rights
- oppose discrimination
- pay special attention to occupational safety
- consider environmental matters in partners' operations.

The purpose of the Supplier Code of Conduct

The purpose of the Supplier Code of Conduct is to define the basic legal, ethical, employee-related and environmental standards set for EPV's suppliers. EPV's suppliers must comply with the principles set out in this Code of Conduct in all their business activities as well as in their relations with their employees and authorities.

EPV requires suppliers to share its corporate sustainability values and contributes to establishing high standards in the energy industry, particularly in terms of climate and human rights protection.

Suppliers play an important role in EPV's sustainability efforts. In addition to their own operations, suppliers must ensure that their suppliers, subcontractors, consultants and business partners involved in providing products, materials, components or services to EPV comply with the principles of this Code of Conduct. EPV requires suppliers to consider the economic, social and environmental impacts of their operations to all their stakeholders, taking into account the supplier's size and carbon footprint.

Working conditions

Health and safety

The Supplier Code of Conduct obliges suppliers to provide their employees with a safe and healthy working environment to prevent accidents, injuries and illnesses. Suppliers also need to ensure that their employees are aware of and have received adequate training on the requirements of the operating principles.

A general safety induction that covers workplace hazards and risks is mandatory for service providers working at EPV's production facilities and construction sites. Service providers participate in EPV's safety walks and risk assessments. Workplace accidents involving service providers at EPV are recorded in the HSE system.

Accidents and reported safety observations are continuously monitored. In construction projects, the safety performance of different service providers is tracked, and identified safety deviations are actively addressed.

The supply chains of solar farm components are closely monitored

The Heinineva solar farm's panels and their mounting structures are manufactured in China. China is currently the leading country in solar power technology, and production on a similar scale is not available elsewhere in the world. EPV has monitored the quality and traceability of supply chains with the help of an external consultant. Consultants hired by EPV first visited the factory that manufactures the Heinineva panels and mounting structures during the panel supplier selection process. The consultancy work has been carried out by Sinovoltaics, a globally leading auditor in the solar power industry.

The consultants prepared an ESG report after visiting the factory. Among other things, the report included information about what the panel supplier needed to improve in its production processes before starting production. Additionally, the factory has been extensively examined for environmental and safety matters.

The reporting and regular inspections have continued even after production started. In production monitoring, special attention has been paid to the quality and origin of raw materials used in the solar panels. With the help of raw material tracking, the aim is to determine, for example, which regions of China the materials used in the panels come from. The origin of the raw materials is verified through documentation. The purpose of reporting and tracking is to ensure that EPV's sustainability requirements are met in production and supply chains in accordance with the contracts. The contracts specify that raw materials or other components must not come from certain geographical areas. If any deficiencies or issues related to traceability arise, the respective delivery batch is rejected.

BUSINESS CONDUCT

G1 Business conduct

Report on the governance system 2024

G1 – Business conduct

Impacts, risks and opportunities related to business operations

Topics	↑↓	Impact	O/R	Risks and opportunities	Management
Ethical corporate culture	↑	EPV's measures to prevent corruption and bribery help maintain its reputation as a responsible and reliable partner.	R	Corruption may occur in the value chain regardless of and without EPV's knowledge.	• EPV requires its suppliers to maintain zero tolerance for bribery, extortion and all other forms of corruption in all business relationships. • Competition law guidelines tailored to EPV's operations.
	↑	EPV has a reliable whistleblowing channel.	R	Failing to protect the whistleblower's identity would negatively impact EPV's reputation as a trustworthy entity.	• A written process for handling observations received through the whistleblowing channel confidentially.
Public image	↑	A good dialogue with stakeholders can be maintained by communicating factual and timely information on current issues.	O	Successful communication and stakeholder dialogue strengthen EPV's reputation as a responsible actor.	• Only fact-checked information is communicated. • A low-threshold communication approach is maintained, and societal communication needs are addressed.
			R	Unsuccessful communication or stakeholder dialogue may jeopardise EPV's reputation.	
	↑	Lobbying ensures safe and reliable energy production and transmission in the future.	O	Successful lobbying ensures a favourable operating environment for energy investments and production as well as electricity transmission.	• Active participation in industry organisations' activities. • Monitoring of the regulatory environment. • Implementation of the lobbying strategy.
			R	Regulation may become inconsistent and could weaken the operating environment for energy production and transmission.	

↑ Positive impact ↓ Negative impact R Risk O Opportunity

Identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to good governance and corporate culture have been identified in the double materiality analysis, based on the principles of the company's risk management process. The double materiality analysis is described on page 26.

Supplier evaluations and audits, the lobbying strategy and the whistleblowing channel are key elements in identifying, analysing and managing the impacts, risks and opportunities related to good governance and corporate culture.

Mechanisms for identifying, reporting and investigating concerns

Whistleblowing channel

EPV has a whistleblowing channel that offers employees, suppliers, customers and other stakeholders the opportunity to report potential misconduct. The purpose and goal of the channel is to help EPV conduct its business correctly and responsibly.

Employees and stakeholders are encouraged to report any observed legal violations and ethical misconduct related to EPV's operations.

EPV takes all suspicions of misconduct seriously and encourages reporting whenever there is a justified reason. All reports submitted through the whistleblowing channel are handled confidentially and impartially by the EPV Energy Group's Whistleblowing team.

Protection of whistleblowers

It is possible to submit a report to EPV Energy's whistleblowing channel completely anonymously. Reports are handled confidentially by EPV Group's Whistleblowing team in accordance with the whistleblowing channel's management process. The whistleblowing procedure is guided by a Group policy.

EPV is committed to ensuring that individuals who report suspected misconduct in good faith through the whistleblowing channel do not face any negative consequences as a result of their report. No retaliatory actions may be taken against the whistleblower, nor may they be placed in a disadvantageous position due to their report.

EPV's procurement process is the same for all acquisitions, regardless of the financial value of the collaboration. The process is described in internal policies and guidelines. EPV ensures that invoices are paid on time, provided that the billing information is correct. Payments are made according to the billing details, with the most common payment term being two weeks.

No cases of corruption or bribery have been identified in EPV's operations or among its contractual partners.

Operating principles

EPV's operations are guided by the Code of Conduct – approved by the company's Board of Directors – which defines the principles of sustainable business within the Group. These principles serve as a guideline for operational activities to ensure that strategic goals and objectives are achieved in accordance with the company's mission statement.

Additional policies and internal guidelines have been developed, approved and communicated to relevant parties to support operational activities. Their purpose is to strengthen EPV's corporate culture and core mission, that is, sustainable energy production, while maintaining a competitive cost price.

Public relations

EPV strives to be a good corporate citizen by managing its relationships with various actors in society responsibly.

The company works closely with its stakeholders on many sustainability-related issues and maintains an open dialogue to further develop EPV's operations.

EPV's key stakeholders include:
- Shareholders
- Employees
- Investors
- Decision-makers
- Authorities
- Landowners
- Local residents
- Local entrepreneurs and partners
- Local communities
- Educational institutions

Good and effective cooperation with decision-makers and authorities creates a better framework for business activities and streamlines projects, which is essential for implementing EPV's New Electricity Revolution strategy. The strategy calls for investments in clean electricity and heat generation as well as in energy transmission. Decision-makers and authorities play a crucial role in creating a favourable investment environment and enabling EPV's projects, from zoning to permitting processes.

EPV's strategic lobbying priorities promote the clean energy transition

EPV implements the company's lobbying strategy to promote a sustainable energy future more systematically. The strategic focus of lobbying is to create the conditions for new energy projects, which are a key part of the clean transition. EPV emphasises the importance of technology-neutral and long-term energy policy, as well as efficient permitting processes, in accelerating investments.

The transition to a cleaner energy system must be well-managed to ensure security of supply. Alongside new investments, it is essential to safeguard the viability of existing production capacity. During the transition period, EPV's goal is to ensure a controlled reduction in CHP generation and fuel use to maintain sufficient energy production and business profitability. Furthermore, operating conditions for nuclear, wind, hydro and solar power generation are important to EPV.

In addition to electricity generation, a strong electrical grid is at the core of the clean transition, enabling the seamless transmission of electricity to consumers. EPV Alueverkko Oy is a nationally licensed network operator with a 110 kV high-voltage distribution network. Through lobbying, EPV aims to enhance the capabilities of its electricity transmission business and support the company's investments in clean energy solutions.

Comprehensive risk management is part of EPV Energy's leadership, in which lobbying remains a key risk management tool. The role of lobbying is to manage political risks, reputational risks and regulatory risks affecting projects.

EPV's lobbying is managed by the Public Relations Manager. The key projects outlined in the lobbying strategy are reported regularly to the management team and the Board of Directors according to the annual clock.

EPV operates within the network to influence the industry's development

In political advocacy, EPV primarily relies on industry associations. Nevertheless, EPV has registered in the transparency register maintained by the National Audit Office of Finland (NAOF) and committed to the recommendations for good lobbying practice approved by its Advisory Board. The Group's guidelines have been established and communicated to the personnel.

EPV does not give gifts that could influence decision-making or create any degree of dependency between the parties.

As a member of industry associations, EPV takes part in public discussion and advocacy. The key organisations guiding the development of the energy sector are Finnish Energy, Urban Energy Finland, the Bioenergy Association of Finland and Renewables Finland. EPV is a member of all these organisations, and its personnel hold positions of responsibility within them. Membership in the World Energy Council (WEC) Finland also provides valuable information, as does participation in the Hydrogen Cluster Finland, a collaboration network for companies and industrial organisations. Thanks to EPV's active involvement, it stays up to date with the latest developments in the sector and operating environment.

The development of the electricity market is part of the energy sector's sustainable development, in which EPV participates not only through industry associations but also through working groups of Fingrid and e-Sett.

Additionally, to ensure Finland's security of energy supply, EPV is an active member of the National Emergency Supply Agency. EPV is a member of the committees of the Energy Supply Sector as well as the Electricity and Heat Pool.

Investments in cybersecurity

Energy has a strategic role in society, which makes it an attractive target for various actors. The energy transition is boosting digitalisation, which means that systems and devices are integrating into ever-larger real-time operational entities. These require strong operational reliability. The role of small-scale consumers as part of this entity is also increasing during this decade, with electricity consumption becoming integrated into the management of the electricity system.

Cybersecurity is closely linked to all of EPV's operations and their development. It must be taken into account already in the planning phase as well as maintained and improved during the operational phase. It is a necessary and critical field of operation, to which EPV has paid special attention during the past operational year.

EPV is well prepared for securing energy systems, and its substations are NC ER-ready (Network Code for Emergency and Restoration) around the clock. NC ER refers to the efficient and rapid restoration of the system in emergency or major disturbance situations. In addition to improving cybersecurity, measures have been taken to protect critical infrastructure.

Financial responsibility

EPV's financial responsibility means careful planning and monitoring of economic development. The company anticipates factors that will affect its operations in the future and strives to consider the changes they bring when managing finances, even in the long term.

EPV's main task is to ensure sustainable energy production and maintain a competitive cost price well into the future. The energy sector is the most capital-intensive industry in Finland, with power plants, wind and solar farms, energy storage solutions and the electricity distribution network tying up a large amount of capital for decades. That is why EPV plans its investments carefully.

The goal is to ensure that the Group has access to market-based and continuous financing that supports the achievement of its strategic and financial objectives. In addition, financial policies are applied to manage and reduce the risks associated with financing. The objective of the financing strategy is to maintain the financial position of the Group and the Group companies in a way that allows for the financing and refinancing of the company's investments and operations as cost-effectively as possible, regardless of market conditions, while considering risks. Risk management is at the core of the financing strategy.

Successful operating activities have positive effects on society as a whole and especially on the company's stakeholders, such as:

- **shareholders**
- **employees**
- **partners.**

The effects of well-considered and successful operating activities can be seen in the form of:

- **jobs**
- **investments**
- **tax revenue.**

EPV's financial success creates the prerequisites for fulfilling the company's social and ecological responsibilities.

As a company, EPV does not aim to make a profit through its operations. EPV Energy's most important task is to ensure the competitiveness of the electricity and heat it supplies to its shareholders. This requires continuous monitoring of the operating environment and influencing the development of existing production resources.

Additionally, the company maintains and develops its readiness to make new investments as the operating environment evolves.

Direct economic impacts in 2024

366.5 MEUR
Purchases

12.9 MEUR
Wages, salaries and other remuneration for personnel

4.4 MEUR
Taxes and social expenses

2.6 MEUR
Total property taxes

13.1 MEUR
Net financing costs to creditors

95 MEUR
Investments

Corporate governance statement 2024

Principles of administrative practice

The EPV Energy Group consists of EPV Energy Ltd and its subsidiaries. The registered office of the Group's parent company, EPV Energy Ltd, is in Vaasa. EPV Energy Ltd is a limited liability company whose business, according to its Articles of Association, is to purchase energy for its shareholders and to engage in other related activities.

According to its Articles of Association, EPV Energy builds power plants and the transmission equipment they require, and engages in energy production or procurement using the power plants and equipment or the production resources it owns, and supplies the energy thus generated or acquired to its shareholders at a production cost price (the Mankala principle). EPV Energy supplies the energy it has produced or acquired to its shareholders in proportion to their ownership of each series of shares. Each shareholder of the series of shares in question is responsible for the annual variable and fixed costs defined in more detail in the Articles of Association. The parent company's administration costs are covered by charging them as part of the fixed annual costs in a manner specified in more detail in the corporate documents.

According to the Articles of Association, the liability of each shareholder for the annual costs is always limited to the amount corresponding to the proportion of their shareholdings in all the shares in the series in question. Any default by another shareholder does not extend the non-defaulting shareholder's liability based on their shareholding.

The parent company's Board of Directors and the Group's management team discuss the main principles of the Group's operations. The parent company participates in the management and supervision of its subsidiaries and associated companies through its representatives appointed to the governing bodies of these companies. The Group's subsidiaries and associated companies have their own governing bodies as well as their own task forces and corporate documents.

EPV Energy's governance is based on legislation and its corporate documents.

Internal control mechanisms and risk management systems related to financial reporting

Control mechanisms

The Board of Directors of EPV Energy Ltd ensures that the EPV Energy Group's administration and operations are appropriately organised. The CEO of EPV Energy Ltd is responsible for organising the control mechanisms for internal control, risk management, accounting and financial management with the support of the Group's management team. The guidelines cover the entire EPV Energy Group. The control mechanisms aim to ensure the legality of the company's operations, compliance with the rules and the reliability of financial reporting.

Internal control

The Board of Directors and the management are responsible for the organisation and adequacy of the company's internal control. The purpose of internal control is to ensure the efficiency and effectiveness of the operations, the reliability of information, as well as compliance with the regulations and operating principles. EPV Energy's governance system and internal control are based on the corporate documents and policies approved by the Board of Directors, such as Corporate Governance Policy and other company guidelines.

The Group's management team usually meets approximately 10 times a year and monitors and discusses the implementation of the Group's operations. Additionally, each unit monitors the achievement of their business objectives. EPV Energy Ltd's economic review is discussed at the Board of Directors' meetings. At the Board meetings, the CEO of EPV Energy Ltd presents the company's financial figures, as well as the main events and trends related to the Group's business and its development.

Risk management

The purpose of risk management is to provide support for the achievement of the strategy and objectives and to ensure that operating conditions are maintained despite changes in the operating environment. Comprehensive risk management enables anticipation and resilience, and is an essential part of monitoring the achievement of strategic objectives.

EPV Energy's integrated risk management is based on the SFS-ISO 31000 standard and good governance. EPV Energy's risk management is guided by a risk management policy approved by the Board of Directors. In it, the objectives, principles, roles and responsibilities of risk management are specified. The company's risk management is an ongoing process aimed at supporting the achievement of the strategy and business objectives, maintaining the operating conditions and ensuring business continuity. Risk management is a systematic activity covering the whole Group. Risk management is therefore part of EPV Energy's management system and is integrated into the company's strategy process and decision-making.

In principle, risk management is decentralised to all levels of the organisation. Every employee is encouraged to identify, assess and report risks. The Vice President, Sustainability, is responsible for maintaining and developing risk management methods as well as for risk reporting. The Group's management team discusses risks regularly, revises risk reporting when necessary and reports key risks to the Board of Directors of the parent company.

The subsidiaries and group units are each responsible for their own risk management and reporting.

EPV Energy's risk management team oversees the effectiveness of the risk management process and its implementation. In implementing risk management, it is important to take into account changes in the operating environment and global trends.

The risk management policy is reviewed annually to ensure that it is up to date. The policy is available to all staff and is also part of the induction process for new colleagues. Further information on risk management is provided to employees, for instance, through the Group's Intranet pages.

The same process is used at EPV Energy to identify and manage all risks. EPV Energy's risk management policy includes a description of the risk management process at Group level. The purpose of the process is to ensure systematic treatment of operational uncertainties and their effective management. The aim is to treat the risk at hand according to its significance and thus ensure that the risk is within the limits of tolerance. Identified risks are presented in a Group-wide risk register. Reports on risks are created based on the information in the register and these are reported to the relevant parties according

to the annual planning cycle. The company's most significant risks are discussed by the management team and the Board of Directors.

In 2024, the role of risk management in the company was strengthened, and the level of risk management was assessed in collaboration with an external party. The assessment concluded that EPV's risk management is well-established. Risk management development will continue according to plans in the coming years to further elevate the risk management level.

In line with the ISO 31000:2018 standard, EPV also utilises a risk management framework to develop its operations. The aim of operational development is to engage, develop and support management activities within the Group.

Financial control and reporting

The objective of internal control related to the financial reporting process is to ensure that the management has reliable, up-to-date information to help them in decision-making and that the financial statements are prepared in compliance with laws and regulations.

The Group's own finance unit is responsible for the preparation of annual financial statements for EPV Energy Ltd and its Group companies, as well as for reporting internal calculations such as monthly reports, profit estimates and analyses. The companies' financial reporting is regularly reviewed by the Boards of the companies.

In general, shared systems are used for reporting. The Group's own finance unit also handles financial administration, accounting and ledger processes. Development and monitoring of the financial reporting processes and control systems is a continuous activity.

The separate financial statements of the parent company and other Group companies follow Finnish accounting practice.

The decision-making order for expenses, investments and financial commitments is determined in the corporate documents. The approval rights are specified step by step for different organisational levels in the policy approved by the Board. Most significant decisions are submitted separately to the Board of the individual Group company and to the Board of the parent company for approval.

Auditing

According to the Articles of Association of EPV Energy Ltd, two (2) regular auditors and two (2) deputy auditors are elected as the company's auditors. One of the regular auditors and deputy auditors shall be an auditor approved by the Finland Chamber of Commerce or a Chamber of Commerce. The Ordinary General Shareholders' Meeting annually appoints an auditor. On 27 March 2024, the Annual General Meeting of EPV Energy Ltd elected Ernst & Young Oy as the company's Ordinary Auditor for the period until the Annual General Shareholders' Meeting in 2025. Appointed by Ernst & Young Oy, the main responsible Auditors during the financial year were Mikko Rytilahti (Authorised Public Accountant) and Kristian Berg (Authorised Public Accountant), while the Deputy Auditors were Anders Svennas (Authorised Public Accountant) and Marja Huhtala (Authorised Public Accountant). The Auditors report their findings to the Board of Directors and the General Meeting of Shareholders of EPV Energy Ltd. The principal task of statutory audit is to verify that the financial statements give a true and fair view on the Group's results and financial position.

In 2024, Ernst & Young's aggregate audit fees for the Group as a whole amounted to approximately EUR 225,000 (EUR 199,000 in 2023). Other fees paid by the Group to Ernst & Young's amounted to approximately EUR 265,000 (EUR 223,000 in 2023).

General Shareholders' Meeting

The Annual General Meeting is the company's highest decision-making body. The General Meeting of Shareholders decides on matters stipulated by law and the Articles of Association, elects the members of the Board of Directors in accordance with the procedure specified in the corporate documents, confirms the fees of Board members and names an auditor. Other important matters that the Annual General Meeting has the power to decide include the adoption of the financial statements, the distribution of profits, the discharge of the members of the Board of Directors and the CEO from liability and any amendments to the Articles of Association. If necessary, the Annual General Meeting also issues binding directives to the Board on major investments of the subsidiaries and other matters specified in the Articles of Association.

The Annual General Meeting must be held yearly by the end of June. An invitation to the Annual General Meeting will be sent to the shareholders no earlier than four weeks and no later than one week before the meeting.

At the Annual General Meeting on 27 March 2024, the shareholders of EPV Energy approved the financial statements, including the consolidated financial statements, of EPV Energy Ltd for 2023. In addition, the members of the Board of Directors and the CEO were granted discharge from liability, and members and deputy members of the Board were elected for a new term. 19 shareholders were present at the meeting, representing a total of approximately 99.36 per cent of the company's total voting rights. The members of the Board of Directors attended the meeting. The meeting was also attended by the CEO and the Deputy CEO, as well as other members of management.

Extraordinary General Meetings may be called if necessary.

By unanimous decision of the shareholders on 31 January 2024, the S share class related to solar power project development was converted into a S1 share class. A new S2 share class was established, entitling EPV Solar Power Ltd to solar electricity generated at the Heinineva solar farm. At the same time, a directed share issue related to the S2 class investment was carried out to increase the share capital.

At the Extraordinary General Meeting on 3 July 2024, it was decided to reduce the share capital of the B, C, D2 and W3 share classes to purchase and cancel shares and to remove these classes from the company's Articles of Association. The activities of these "dormant" share classes had previously ended. Additionally, a new T3 share class was established, entitling holders to electricity generated at Tornion Voima Oy's Tornio engine power plant, and a directed share issue related to the engine power plant investment was approved. Furthermore, directed share issues for the D1 and S2 classes were approved to increase share capital.

Composition and duties of the Board of Directors and its committees

Composition and term of office of the Board of Directors

The members of the Board of Directors are elected annually at the General Meeting of Shareholders. According to the Articles of Association, the Board

consists of a minimum of 10 and a maximum of 12 ordinary members and five deputy members.

By unanimous decision of the shareholders at the Annual General Shareholders' Meeting on 27 March 2024, ten members and five deputy members were elected to the Board of Directors. Managing Director Esa Ala-Honkola, Director Olli Arola, Managing Director Stefan Damlin, Chief Legal Officer Jaana Eklund, CEO Jouni Haikarainen, Managing Director Vesa Hätilä, Director Riku Kananen, Managing Director Anders Renvall, Member of Parliament Joakim Strand 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 CEO Roger Holm, CEO Heikki Lappalainen, Director Kari Roos, Business Unit Director Markus Tuomala and CEO Jukka Ylitalo.

At the Board's organisational meeting, Member of Parliament Joakim Strand was elected as Chairperson of the Board of Directors, and CEO Jouni Haikarainen was elected as Vice-Chairperson. Chairperson Joakim Strand resigned from his position as a member and Chairperson of EPV Energy's Board of Directors as of 4 July 2024, following his appointment as Finland's Minister for European Affairs and Ownership Steering. Strand served on EPV Energy's Board of Directors for approximately 10 years, including two and a half years as Chairperson. EPV Energy's Board elected Vaasan Sähkö's Managing Director, Stefan Damlin, as the new Chairperson of the Board.

All of the Board members are independent of the company. The Board members do not own any shares of the company.

The procedure for the election and organisation of the Board is specified in detail in the corporate documents. The Chair of the Board is appointed by the company's largest shareholder from among the board members. The CEO is not a member of the Board of Directors.

Duties of the Board of Directors

The Board is responsible for the oversight and control of the company's administration and the appropriate arrangement of the company's operations. Furthermore, the Board must ensure that the company's accounting and financial controls are properly arranged. The Board oversees that EPV Energy's affairs are managed according to the corporate documents and the decisions of the General Meeting of Shareholders.

EPV Energy's Corporate Governance Policy defines the Board's main duties and the way it operates in more detail.

In order to perform its duties, the Board of Directors, among other things:

- appoints the CEO and the Deputy CEO
- directs and supervises the executive management of EPV Energy
- decides on the company's strategic objectives and operational guidelines
- decides on the Group's financial instruments
- decides on the Group's budget and action plan
- decides on remuneration system principles and approves the employment contract and other benefits of the CEO, unless it has authorised the Chairperson of the Board or the Remuneration and Nomination Committee to make these decisions
- appoints task force and workgroup members
- approves policies and other guidelines which create the basis for the management system and internal control, and which set limits as well as guide and monitor the operations of the subsidiaries
- supervises the Group's risk management
- compiles the Report of the Board of Directors and approves the financial statements
- approves the charge for the fixed costs for each series of shares and other principles for shareholder invoicing
- summons the general meeting.

Meeting practices

EPV Energy's Board of Directors usually meets about 10 times a year. In addition to the members of the Board of Directors, the company's CEO and CFO regularly attend Board meetings. Other members of the management team attend the meetings at the invitation of the Board. The Secretary of the Board of Directors is the Group's Vice President, Sustainability. The Board has not assigned specific business monitoring priorities to its members.

The meetings are usually chaired by the CEO of EPV Energy or, at his request, by another member of the Group's management team. According to the Rules of Procedure of the Board of Directors, the CEO is responsible for ensuring that the Board has access to sufficient information to assess the Group's activities and financial situation. In addition, the CEO supervises the implementation of the Board's decisions and reports to the Board on any shortcomings or problems in implementation.

The Board had 10 meetings in 2024. The average attendance rate of Board members was 97 per cent.

Remuneration of the Board of Directors

The Annual General Meeting of EPV Energy Ltd decides annually on the remuneration of the Board of Directors and the basis for reimbursement of expenses. The remuneration of the Board of Directors is paid in cash.

The remuneration to be paid to the members and deputy members of the Board of Directors of EPV Energy Ltd in accordance with the decision of the Annual General Meeting 2024 was as follows:

- Chairperson €1,400 per month
- Member (incl. Vice-Chairperson) €1,000 per month
- Deputy Member €800 per month
- Meeting fee, the same for everyone, €600 per meeting

Meeting fees are also paid to members of the committees and workgroups appointed by the Board.

Committees of the Board of Directors

To ensure that the issues within the responsibility of the Board of Directors are handled as efficiently as possible, the Board has appointed a Remuneration Committee that assists and reports to the Board of Directors. The Board of Directors appoints at least three members to the Committee annually from among its members, appoints the chair of the committee and approves its Rules of Procedure.

Remuneration Committee

The Remuneration Committee deals with matters concerning the appointment and remuneration of management as well as the remuneration systems for the management team and personnel. It also deals with proposals to be submitted to the Annual General Meeting regarding the remuneration of the members of the Board.

The Board's Remuneration Committee approves the company's remuneration systems. Incentive bonuses of the management team are based on a long-term remuneration system and the criteria determined in it. The remuneration system does not include shares or any derivatives.

Following a unanimous decision of the shareholders at the 2024 Annual General Meeting, the Board nominated Stefan Damlin as the Chair of the Remuneration Committee and Jouni Haikarainen, Vesa Hätilä and Jukka Ylitalo as the other members of the committee. The Remuneration Committee met two times in 2024. The attendance rate at the meetings was 100 per cent.

In addition to the Remuneration Committee, the Board of Directors may appoint task forces or workgroups to assist the Board and senior management. The Board approves the duties and principles of operation of the task forces and workgroups.

The members of the Board of Directors, the CEO or other members of the company's management do not own any of the company's shares.

CEO and other senior management

CEO

The Board of Directors of EPV Energy Ltd appoints the CEO of the parent company and defines the terms of the CEO's employment in writing. The CEO is responsible for the administration and day-to-day management of the company. He or she is accountable to the Board of Directors for the achievement of the objectives, strategy, plans, principles of operation and goals set by the Board. The CEO prepares matters to be decided by the Board of Directors of EPV Energy Ltd and implements the Board's decisions. The CEO chairs the Group's management team.

Rami Vuola has been the CEO of the company since 2003. The Deputy CEO is Mats Söderlund, who is also the Group CFO and the Vice President of Combined Heat and Power Production, as well as a member of the management team.

The personal details of the CEO and the Deputy CEO are given at the end of this report.

Management team

The Board of Directors has appointed a management team for the EPV Energy Group. The team supports the CEO in preparing strategic issues, dealing with significant or fundamental operational matters and ensuring internal communication.

The EPV Energy Group's management team prepares and directs the development of the Group's processes and business operations as well as the Group's common activities. In particular, the management team takes care of the company's strategy, budget, major acquisitions and projects, the Group's structure and organisation, as well as the main administrative guidelines and HR policy issues. The management team consists of the CEO and the representatives responsible for operations at Group level.

The management team is not an administrative body regulated by the Limited Liability Companies Act. The subsidiaries and plant managers report to the business area managers.

At the end of 2024, the members of the EPV Energy Group's management team were:

- Rami Vuola, CEO
- Mats Söderlund, Deputy CEO, Group CFO and Vice President of Combined Heat and Power Production and Energy Storage
- Frans Liski, Vice President, Renewable Energy Production
- Reima Neva, Vice President, Energy Management and ICT
- Niko Paaso, Vice President, Portfolio Optimisation and Business Development
- Maija Suutarinen, Vice President, Sustainability, Risk Management and Communications

The management team met 10 times in 2024, with Pia Oesch, Head of Public Affairs, acting as secretary.

Remuneration of the CEO and other members of senior management

The Board of Directors of EPV Energy Ltd, acting on a proposal from the Remuneration Committee, annually approves the principles of the bonus schemes for the entire Group's personnel. All regular staff are covered by a performance bonus system, which is determined and decided annually.

The Board of Directors of EPV Energy Ltd

Members of the Board

Stefan Damlin

Chairperson
Managing Director of Vaasan Sähkö
Member of the Board since 2018

Relevant work experience:
Wärtsilä Finland Oy, CEO 2012–2018, Wärtsilä Corporation, Business Development Director, Global Industrial Operations 2011–2012, Wärtsilä Corporation, CFO, Global Engine Division 2005–2010, Finn-Power, Group Business Controller 2004–2005.

Board memberships:
Comsel System Oy,
Neova Oy,
Pohjolan Voima Oy,
Suomen Energia-teollisuus,
WOIMA Finland Oy

Jouni Haikarainen

Vice-Chairperson
CEO of Lahti Energia
Member of the Board since 2020

Relevant work experience:
Gasum Oy, Senior Vice President, Portfolio Management and Trading (PMT) 2019–2020, Gasum Oy, Senior Vice President, Natural Gas Business 2015–2018, Fortum Oyj, Vice President, Heat Business 2006–2014, E.On Finland Oyj, Production Manager 2005–2006.

Board memberships:
Arenso Oy,
Mallasparkki Oy,
One1 Oy,
Oomi Oy,
Suomen Hyötytuuli Oy,
Tahkoluoto Offshore Oy

Esa Ala-Honkola

Member
Managing Director of Alajärven Sähkö and JärviS-Energia
Deputy member of the Board since 2023

Relevant work experience:
Caverion, Head of Business Development 2022–2023, Wind Controller Oy, Business Development Director 2020–2022, VEO Oy, Director, Expert Services 2018–2019, VEO Oy, Business Unit Director 2013–2018.

Board memberships:
Alajärven Lämpö Oy,
Vaasan Voima Oy,
Voimajunkkarit Oy

Olli Arola

Member
Vice President, Strategy & Corporate Social Responsibility at Vaasan Sähkö
Member of the Board since 2005

Relevant work experience:
Vaasan Sähkö Oy, Vice President, Electricity Trade 2002–2022, Vaasan Sähkö Oy, various positions in Electricity Network Business 1991–2001.

Jaana Eklund

Member
Chief Legal Officer, General Counsel and VP at Helen
Member of the Board since 2023

Relevant work experience:
In the Helen Group since 2007.

Board memberships:
Oy Mankala Ab,
Tuulipuisto Lakiakangas 3 Oy,
Kristinestad Tupaneva Oy,
Nurmijärven Sähkövarasto Oy

Vesa Hätilä

Member
Managing Director of Seinäjoen Energia
Member of the Board since 2018

Relevant work experience:
CEO of Koillis-Satakunnan Sähkö Oy, Sähkö-Virkeät Oy and Killin Voima Oy 2014–2017.
Sales work at Empower Oy 2002–2014, football referee activities for Football Association of Finland 2000–2014.

Board memberships:
Seinäjoen Voima Oy,
Voimajunkkarit Oy

Riku Kananen

Member
Investment Manager at Vantaan Energia
Member of the Board since 2024

Relevant work experience:
CEO of Svartisen Holding AS since 2022, Taaleri Energia Oy, Business Controller 2018–2019, Kymppivoima Oy, Production Manager and other roles 2012–2018, Rapid Power Oy, CEO 2016–2018, UPM Kymmene Oyj, Specialist, Energy Business Development, 2009–2011.

Anders Renvall

Member
Managing Director of Kymppivoima
Member of the Board since 2013

Relevant work experience:
Kymppivoima Oy, Production Director 2004–2013, TXU Nordic Energy, Chief of Property Management 2002–2004, Pöyry / Ekono, Business Management Consultant 1996–2002.

Board memberships:
Kosalankankaan tuulivoimapuisto Oy,
Pohjolan Voima Oyj,
Teollisuuden Voima Oyj,
Vattenfall Kraftgården Ab,
Voimapiha Oy Ab

Joakim Strand

Chairperson (until 4 July 2024)
Member of Parliament
Member of the Board since 2015

Relevant work experience:
Minister for European Affairs and Ownership Steering of Finland from 5 July 2024, Member of Parliament since 2015, UPC Konsultointi Oy, International Operations Manager 2009–2015, Vaasan Osuuspankki bank, Notary Unit 2004–2008.

Hans-Alexander Öst

Member
Vice President, Electricity Trade at Vaasan Sähkö
Member of the Board since 2019

Relevant work experience:
Vice President, Corporate Development at Vaasan Sähkö 2019–2022, in various positions in energy solution delivery projects, project management, sales and business development at Wärtsilä Energy 2009–2019.

Board memberships:
Comsel System Oy,
Oy Merinova Ab,
Vaasan Sport Juniorit Ry,
Tornion Voima Oy,
Voimapiha Oy

The Board of Directors of EPV Energy Ltd

Deputy members of the Board

Roger Holm

Deputy member
CEO of the Herrfors Group
Member / deputy member of the Board since 2019

Relevant work experience:
Oy Alholmens Kraft Ab, CEO 2011–2016, UPM Global Supply Chain, Business Control Director 2008–2011, UPM Speciality Papers, Business Development Director 2006–2008, UPM Packaging Papers, Business Controller 2002–2006, UPM, Development Engineer, Business Controller 1991–2001.

Board memberships:
Härjeåns Kraft AB,
JNT Ab,
Puhuri Oy,
Nordfuel Oy,
Kanteleen Voima Oy,
Power-Deriva Oy,
PD Power Oy,
Oy Alholmens Kraft Ab,
Piipsan Tuulivoima Oy,
Oy Katternö Kärnkraft Ab,
Paikallisvoima ry

Heikki Lappalainen

Deputy member
CEO of Imatran Seudun Sähkö, Kaakon Energia and Imatran Seudun Sähkönsiirto
Member / deputy member of the Board since 2023

Relevant work experience:
Management positions in various energy companies since 2017.

Board memberships:
Kaakon Energia Oy

Kari Roos

Deputy member
Vice President, Electric Power Unit at Seinäjoen Energia
Deputy member of the Board since 2018

Relevant work experience:
Electricity Sales Engineer 1998–2004, Information Systems Engineer 1994–1998, Development Engineer 1989–1994, Electrician 1986–1989, Entrepreneur 1980–1986.

Board memberships:
Vaasan Voima Oy

Markus Tuomala

Deputy member
Vice President, District Heating Unit at Vaasan Sähkö
Deputy member of the Board since 2022

Relevant work experience:
Senior positions in foreign power plant projects at Wärtsilä Finland 2011–2019, various managerial level positions at Wärtsilä Finland 2002–2011.

Board memberships:
Vaasan Voima Oy

Jukka Ylitalo

Deputy member
CEO of Jylhän Sähköosuuskunta
Member / deputy member of the Board since 2016

Relevant work experience:
Management positions at Jylhän Sähköosuuskunta 1991–2015.

Board memberships:
Seinäjoen Voima Oy,
Voimajunkkarit Oy

Management team of EPV Energy Ltd

Rami Vuola

CEO
At EPV Energy since 2003

Relevant work experience:
Management positions at TXU 2000–2003. Before that, executive, managerial and specialist positions at Fingrid.

Board memberships:
Pohjolan Voima Oyj, Teollisuuden Voima Oyj, Several subsidiaries of the EPV Energy Group

Mats Söderlund

Deputy CEO, Group CFO and Vice President of Combined Heat and Power Production and Energy Storage.
At EPV Energy since 2015

Relevant work experience:
CEO of several subsidiaries of the EPV Energy Group 2015–, Citec Group, Global Director and member of the management team 2011–2015, Citec Group, management positions, Project Manager and energy project development, 2004–2011.

Board memberships:
Teollisuuden Voima Oy, Financing Committee, Several subsidiaries of the EPV Energy Group

Frans Liski

Vice President, Renewable Energy Production.
At EPV Energy since 2004

Relevant work experience:
CEO of several subsidiaries of the EPV Energy Group, Manager 2006–, at TXU 2003–2004.

Board memberships:
Several subsidiaries of the EPV Energy Group

Reima Neva

Vice President, Energy Management and ICT.
At EPV Energy since 2008

Relevant work experience:
CEO of several subsidiaries of the EPV Energy Group 2013–, Head of Information Management at Tampereen Sähkölaitos 2003–2008, Management Consultant at Process Vision Oy 2000–2003, Head of Energy Auditing at Fingrid Oyj and IVO Voimansiirto Oy 1993–2000.

Board memberships:
FlexNergy Oy, Several subsidiaries of the EPV Energy Group

Niko Paaso

Vice President, Portfolio Optimisation and Business Development.
At EPV Energy since 2013

Relevant work experience:
CEO of Voimapiha Oy 2014–2024, numerous positions at Fortum in production hedging, trading, business development and acquisitions 1996–2013.

Board memberships:
Several subsidiaries of the EPV Energy Group

Maija Suutarinen

Vice President, Sustainability, Risk Management and Communications
At EPV Energy since 2018

Relevant work experience:
Communications Advisor at Danfoss Group 2014–2018, Group and IR Communications Specialist at Vacon Oyj 1999–2014.

Board memberships:
Several subsidiaries of the EPV Energy Group

Pia Oesch

Secretary of the management team
Head of Public Affairs
At EPV Energy since 2023

Relevant work experience:
National Emergency Supply Agency, Director and Lead Specialist of the Energy Supply Department 2019–2023, Finnish Energy, Director of Energy Production and Specialist 2005–2017, Energia-alan Keskusliitto ry FINERGY, Environmental Specialist 1999–2004, Fortum Power and Heat Oy, Environmental Specialist 1996–1999, VTT Energy, New Energy Technologies, Researcher 1992–1996.

Board memberships:
Bioenergia ry

FINANCIAL STATEMENTS 2024

Consolidated financial statements (IFRS)
Financial Statements of the Parent Company (FAS)
Financial Statements of EPV Alueverkko Oy

Report of the Board of Directors of EPV Energy Ltd

Business

EPV Energy Ltd (EPV) is a company specialised in energy procurement, operating on an absorption costing principle. Its goal is to supply competitively priced electricity to its owners and take care of affordable electricity procurement in a changing operating environment. The company's strategic objective is to ensure that energy procurement is both carbon neutral and competitive. In 2024, EPV acquired a total of 4,738 GWh (4,764) of electricity. This accounts for 5.7 (6.0) per cent of the overall electricity consumption in Finland.

Strategy

EPV's strategic focus is shifting towards balancing power, flexibility and storage solutions within the electricity system

In 2021, EPV Energy launched its new strategy, The 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 demands significant changes, and the reduction of emissions must be accelerated. As a socially responsible company, EPV will continue to speed up these measures. Its strategy models the modernisation of the entire society's energy production system.

The strategy's main guidelines have remained largely unchanged, and our policy is to make EPV's energy production carbon neutral by 2030. In the future, new electricity will be generated using the emission-free energy sources of solar, wind, hydro and nuclear power, which are key to our strategy. In addition, we will utilise carbon neutral raw material flows, such as forest energy 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.

To prepare for various exceptional usage situations and societal crises, the company maintains fuel reserves for delivery and security of supply reasons, the use of which would result in carbon dioxide emissions. If these fuels need to be used under the aforementioned conditions after 2030, the resulting emissions will be compensated primarily through the company's own emission compensation measures and secondarily by purchasing market-based compensation units.

Operating environment

The year 2024 was transformative for Finland's electricity market. At the European level, Finnish electricity had the third-lowest wholesale price. However, electricity price fluctuations increased significantly, with approximately 10 per cent of all hours throughout the year having either negative or zero prices. A key factor behind this price development has been the growing role of wind power in the Nordic energy system. Wind power generation is entirely weather-dependent, and when combined with inefficient wind power operation by some actors as well as relatively underdeveloped and weak price elasticity of demand, the result is the observed price fluctuations.

Last year, electricity consumption in Finland finally turned to growth, and the current outlook strongly suggests that the pace of growth is accelerating. Data centres as well as the electrification of heat production and traditional industries are advancing rapidly. Due to the AI boom, a big number of data centre projects are emerging, with several large-scale projects already under construction. Although the short-term outlook on the electricity market remains challenging, we are shifting towards improvement. Increasing electricity demand will primarily drive investments in flexibility solutions, but it will also accelerate the implementation of renewable energy projects in the future. Preliminary statistics indicate that electricity consumption in the Nordics in 2024 was 1.8 per cent higher than the previous year, reaching 389 (382) TWh. In Finland, electricity consumption in 2024 was 82.7 (80.0) TWh, marking a 3.4 per cent increase from the previous year. The industrial sector accounted for 41 per cent of total electricity consumption, with other consumption making up 59 per cent. Industrial electricity consumption increased by 0.2 per cent last year, while other consumption grew by 5.8 per cent. The losses accounted for approximately 4 per cent of total electricity consumption.

In 2024, 3.8 per cent of electricity procurement was covered by imports and 96.2 per cent by Finland's own production. Nuclear power accounted for approximately 37.6 per cent of electricity consumption, combined heat and power production for 14.3 per cent, hydropower for 17.1 per cent and other separate production for 1.7 per cent. The share of wind power, which continues to grow rapidly, was 24.0 per cent, while solar power's share was 1.4 per cent.

The Nordic snow and water reserves, or the hydrological balance, strengthened a lot during 2024. At the beginning of the year, the reserves were 11 TWh below the average level. However, by the end of the year, they were 12 TWh above the average level. At the turn of the year, the total Nordic water reserves amounted to approximately 98 TWh.

In 2024, Finland's electricity generation CO2 emissions amounted to 1.9 million tonnes, which was 25 per cent less than the previous year. The long-term downward trend in carbon dioxide emissions continued. The persistent investments made by companies in the sector are reflected in the development of emission levels. Last year, 95 per cent of the electricity generated in Finland was carbon dioxide-free. The share of renewable energy sources in electricity generation was 56 per cent.

The price of EU emission allowances fluctuated significantly during 2024, ranging between 52 and 77 euros per tonne. The average market price for the year was 67 euros per tonne, and at the end of the year, it stood at 73 euros per tonne. Emissions trading has proven to be an effective way to reduce emissions, and for its part, it limits the use of fossil fuels in high market price situations.

KEY FIGURES ON THE FINANCIAL POSITION

Year	2024	2023	2022
Finances			
Group (IFRS)			
Turnover	422.1 M€	440.6 M€	-
Business result	15.7 M€	19.9 M€	-
Equity ratio %	53%	54%	-
Balance sheet total	1,560.7 M€	1,797.2 M€	-
Parent company (FAS)			
Turnover	203,7 M€	220,5 M€	270,1 M€
Business result	-7,2 M€	-3,1 M€	-1,1 M€
Equity ratio %	66,8 %	65,8 %	65,7 %
Balance sheet total	556,3 M€	523,6 M€	529,1 M€
Production			
Electricity procurement	4,7 TWh	4,8 TWh	4,1 TWh
Electricity distribution	6,9 TWh	6,7 TWh	6,7 TWh
Heat supply	1,3 TWh	1,4 TWh	1,1 TWh

The EPV Group's turnover was 422.1 (440.6) million euros. The decline in turnover is mainly due to the significant decrease in the market price of electricity.

The Group's business result was 15.7 (19.9) million euros. The net financial expenses for the financial year amounted to 10.4 (13.3) million euros. The expenses for the year 2024 are reduced by a one-time dividend income of 2.7 million euros. The Group's consolidated financial statements showed a financial year result of 4.2 (5.6) million euros.

EPV operates on an 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, amounting to 1,560.7 (1,797.2) million euros. Non-current liabilities were 550.9 (681.5) million euros and current liabilities 187.8 (143.1) million euros. At the end of the year, the equity ratio of the Group was 53 (54) per cent.

The liquidity of the Group was good all year. At the end of the year, there was a total of 40.1 (54.1) million euros in liquid assets and investments. Unused stand-by credit amounted to 100 million euros at the end of the year. During the current year, the company has established a 100 million euros commercial paper program.

The net investments of the Group totalled 34.4 (42.9) million euros. The investments in tangible and intangible assets amounted to 43.1 (47.4) million euros. A total of 24.1 (11.3) million euros was raised from shareholders through share issues to finance investments in solar power, an engine power plant and heat storage.

The interest rate risk has been hedged through interest rate swap agreements.

EVENTS DURING THE FINANCIAL YEAR

Production

In 2024, 44.0 per cent of EPV's electricity supply came from nuclear power, 24.4 per cent from wind power, 9.4 per cent from combined heat and power (CHP) and 7.8 per cent from hydropower. The share of market price electricity in procurement was 14.4 per cent.

The CO_2 emissions of the company's electricity procurement were 0.31 million tonnes in 2024, which is 11 per cent less than the previous year. 96 per cent of the electricity generated by EPV and under EPV's generation shares last year was free from CO_2 emissions. The share of renewable energy sources was 41 per cent of the total electricity generated, with domestic energy sources covering 92 per cent of generation.

The total production volume of the Olkiluoto 1 and 2 nuclear power plants of the affiliated company **Teollisuuden Voima Oyj** was 13.6 TWh in 2024 (14.3 TWh in 2023). The production volumes of both plant units were lower than in the previous year. The decrease in OL1's production was due to an extended spring maintenance outage, which lasted 22 days longer than planned. This was primarily because of the repair of a generator fault discovered during maintenance. OL2's production in 2024 was particularly affected by a generator fault detected in September. The replacement of the generator rotor took 28 days, after which the unit resumed production at a lower power level to reduce the risk of rotor failure. The power limitation of OL2 is expected to last until the 2025 maintenance outage.

TVO has continued preparing its feasibility study on the possible extension of operating licences and power uprating for the OL1 and OL2 plant units. The project's environmental impact assessment (EIA) was submitted to the Ministry of Economic Affairs and Employment in December.

In its second year of operation in 2024, the Olkiluoto 3 plant unit produced 9.7 TWh (10.4) of electricity. The duration of OL3's annual maintenance exceeded the original plan; the maintenance, initially scheduled for 37 days, lasted approximately 74 days. The extended duration was due to a longer-than-planned preparation period for the unit's shutdown and fuel replacement, as well as technical issues discovered during maintenance and inspections of fuel elements. The most significant production disruptions at OL3 during the year were caused by a differential pressure measurement failure in June and a malfunction in the generator seal oil system in November. Additionally, limitations in system protection capacity and low market prices also impacted OL3's production volume.

At the end of December, the Energy Authority issued a decision on the cost-sharing of OL3's system protection between TVO and Fingrid Oyj. According to the decision, Fingrid, which is responsible for system protection, has the right to charge TVO for the majority of the costs incurred. TVO has announced that it is preparing to appeal the decision.

EPV's direct interest in Teollisuuden Voima is 6.6 per cent, and a total of 1.5 TWh (1.6) of nuclear electricity was acquired in proportion to this share.

EPV Windpower Ltd (100%) focuses on building wind farms and generating wind power in the coastal areas of Ostrobothnia and also inland. The operational wind farms 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 Norrskogen in Närpes (17 turbines). The Närpes wind farm was put into commercial operation in February 2023. EPV Windpower has continued its preparations for the Rajavuori wind farm in Laihia, though no investment decision has yet been made. Additionally, EPV Windpower holds legally valid building permits for new, unbuilt wind power plants. In 2024, the company's total electricity supply to EPV was 1,103 GWh (1,034).

Rajakiiri Oy's (60.2%) wind farm in Tornio generated a total of 114 GWh (104) of electricity, of which 55 (61) GWh was delivered to EPV.

EPV Solar Power Ltd (100%) was founded in 2022 to design and build industrial-scale solar farms for EPV. In 2023, EPV Solar Power made an investment decision to build its first industrial-scale solar farm in Heinineva, Lapua. The Heinineva solar farm covers approximately 120 hectares, and will have approximately 123,000 solar panels. The total panel rail length is approximately 80 kilometres. The solar farm is expected to generate over 80 gigawatt-hours of electricity per year. Scheduled

for completion at the end of 2025, Heinineva will be one of Finland's largest solar farms and the first of this scale to be built on a former peat production site. In December 2022, the Ministry of Economic Affairs and Employment granted the project 12 million euros in funding from the European Union's NextGeneration EU programme.

The affiliated 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 5.0 per cent, and a total of 560 (594) of nuclear electricity and 94 GWh (94) GWh of hydroelectricity was acquired accordingly.

Voimapiha Oy (17%) generates hydroelectricity 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 Kraftgården are located on the Indalsälven river, one of the major 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 2024, Voimapiha supplied EPV with a total of 276 GWh (261) of hydroelectricity.

Seinäjoen Voima Oy (100%) is a significant local generator of electricity and heat. The company's combined heat and power (CHP) plant in Seinäjoki uses local renewable biofuels and energy peat as fuel. In 2024, electricity generation at the Seinäjoki CHP plant was low, amounting to 114 GWh (135), while district heat generation was 134 GWh (150). Additionally, Seinäjoen Voima owns the Kapernaumi, Hanneksenrinne and Puhdistamonkatu heating plants and is responsible for the district heating in the main Seinäjoki area. Total district heat generation amounted to 514 GWh (536).

In June 2024, the company decided to implement an investment that utilises heat recovery from the Seinäjoki wastewater treatment plant. The Ministry of Economic Affairs and Employment had granted the project 1.2 million euros in funding. The total estimated cost of the project, excluding the subsidy, is 5.3 million euros. Additionally, the company decided on a district cooling investment in September 2024. The Ministry of Economic Affairs and Employment also granted 0.6 million euros in funding for this investment, with a total estimated cost of 2.4 million euros excluding the subsidy.

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 steel plant, Pirkkiö and the Kemi mine. Through effective collaboration with the steel plant and the mine, the company is developing future energy solutions and investments to move towards emission-free energy production. Tornion Voima focuses on meeting the energy needs of the steel company and the mine, allowing heating customers to concentrate on their own production with high operational reliability. Of the energy generated at the plant, CHP is supplied to EPV; district heating, process steam and district cooling to the Tornio steel plant; district heating and mine air heating to the mine; and district heating to Tornion Energia Oy. In winter 2024, Tornion Voima's new 40 MW electric boiler it had invested in was commissioned. The total electricity supply to EPV was 116 GWh (135) in 2024.

In 2024, Tornion Voima decided to invest in a 43 MW gas engine power plant, which, once completed, will be the first modern engine power plant in Finland. The plant that will be located in Tornio, Röyttä will enable a rapid increase in electricity generation during various disruptions and unpredictable weather conditions. This project represents an investment in a new production method that can be deployed quickly and adjusted according to different situations. The gas engine power plant is scheduled to be commissioned in early 2026. Additionally, Tornion Voima has been selected to convert the heating systems of two fresh air shafts at the Kemi chrome mine from propane to electric operation. This transition supports the goal of making the mine carbon neutral by the end of 2025. The planning and equipment manufacturing for the new heating systems began last autumn, with commissioning scheduled for 2025. The Kemi mine project received 1.4 million euros in funding from the Ministry of Economic Affairs and Employment under the NextGenerationEU programme.

Raahen Voima Oy (25%) is EPV's affiliated company, which generates electricity and heat in the area of the Raahe steel plant. Of the energy generated at the plant, CHP is supplied to EPV; electricity, district heating and process steam to the Raahe steel plant; and district heating to Raahen Energia Oy. Operationally, 2024 was a good year for Raahen Voima. The company's operations were certified in compliance with the ISO 14001 environmental management systems and the ISO 9001 quality management systems. Extensive maintenance work was carried out on the turbine and generator during the year. The total electricity supply to EPV in 2024 was 127 GWh (146).

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 addition to a CHP power plant and a biomass gasification plant, the company has built a thermal energy storage facility in Vaskiluoto, Vaasa. A former underground oil storage cavern was utilised in the construction. The storage facility has a charging and discharging capacity of approximately 110 MW and a total storage capacity of around 11 GWh. It became technically operational in spring 2020, initially with a storage capacity of 8 GWh. During summer, the thermal energy storage utilises excess heat generated in the Vaasa region. In winter, it has been used in conjunction with the CHP plant and sector coupling solutions.

Between 2021 and 2023, the company invested heavily in developing sector coupling solutions and built three electric boilers in Vaskiluoto, with a combined capacity of 160 MW. These electric boilers are a key component of the future clean heat generation system and an essential part of EPV's balancing capacity.

In 2024, the company made a significant investment decision to develop the Vaskiluoto thermal energy storage technology and enhance its flexibility. As part of this investment, the storage temperature will be increased, raising its total capacity by over 50 per cent to 17 gigawatt-hours. Additionally, the investment includes a new 60 MW electric boiler suitable for steam production, an upgrade of the process network to a higher temperature level and the addition of a buffer tank.

The company's electricity generation in 2024 was 87 GWh (234), while the total district heat generation amounted to 337 GWh (418). The exceptionally low electricity generation was impacted by the commissioning of a reduction station during the year. This station allows the main boiler to be used for heat production without generating electricity in situations where electricity market prices are low.

Transmission network companies

The subsidiary **EPV Alueverkko Oy** (100%) engages in electricity transmission and network operations in Ostrobothnia, South Ostrobothnia, Tornio, Kokkola and Iijoki, primarily using its own power transmission network. The amount of energy transmitted for consumption via EPA's transmission network in 2024 was 5,191 GWh (5,087). A total of 3,553 GWh (3,419) of electrical energy was received from production facilities into the company's network for transmission to consumption and to the main grid.

125 MW worth of new connection agreements were signed in 2024. Several projects are in the development phase, and their connection possibilities to the network are always assessed on a case-by-case basis within the limits of the existing transmission capacity. The first solar farm substation was completed in the Heinineva farm. Electricity generation will commence at full capacity during 2025, but the first test energies have already been transferred to the grid. Fingrid Oyj has previously announced that converter-interfaced (wind, solar, battery) generation cannot currently be connected to the west coast due to potential stability issues in the main grid. This is expected to be resolved by 2027–2028 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 initiated measures within the company to ensure that it provides the necessary services for the required electricity connections. The first phase of the battery technology hub's substation will be completed by the end of 2025. Additionally, the Finne–Laajametsä 1 and 2 power lines of 110 kV will be completed in the area in spring 2025. When completed, this future industrial hub will require a considerable volume of electricity distribution, up to several hundred megawatts.

In October 2024, EPV transferred the supervision of the electricity network and the operational management to its own control centre. This has been a major effort and investment for the entire company. In the future, this will enable even more efficient development of operations and the implementation of new projects.

The electrification of society and the pursuit of carbon neutrality require electricity transmission and distribution companies to make substantial investments in increasing transmission capacity. The profitability of these investments is uncertain following the Energy Authority's – which monitors the reasonable return of electricity distribution network companies – introduction of new regulatory methods for the 6th and 7th regulatory periods at the end of 2023. In accordance with the revised unit price list, the authority is freezing network asset values, the profit base of companies. For high-voltage distribution networks, unit prices are significantly lower than actual costs. Additionally, changes to the treatment of the depreciation difference have made its utilisation unprofitable. Distribution network companies, including EPV Alueverkko, have taken the matter to the Market Court to seek amendments to the regulatory model to make it more reasonable. The Market Court is expected to issue its decision by the summer of 2025.

During the financial year, the amount of energy transmitted to consumption by **EPV Teollisuusverkot Oy** (90%) via the transmission network was 1,670 GWh (1,648).

Other companies

The purpose of **EPV Tase Oy** (100%) is to provide services for EPV's owners and the energy production companies owned, entirely or partly, by EPV. Part of the company's service operations was transferred to EPV Operointi Oy. As of 1 January 2024, EPV Tase has operated solely as a balance responsible party and as an open supplier – defined under the Electricity Market Act – for its customers, serving as their trading channel on physical electricity marketplaces.

EPV Operointi Oy (100%) is responsible for the trading, monitoring and control services of EPV's shareholders, production companies, network companies and affiliated companies, as well as the development of these services. Within the framework of a separate company, operations can be extended to cover services provided by affiliated companies and, for example, cooperation in the supervision of electricity and district heating networks between shareholders. The company commenced operational activities on 1 January 2024. In October 2024, the responsibility for the operation of EPA Alueverkko Oy's electricity network was transferred to the Seinäjoki 24/7/365 control centre.

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 in the Teuva wind farm. The storage has a power capacity of 12 megawatts and an energy capacity of 12 megawatt-hours. As renewable energy production increases, more storage solutions are needed to support and stabilise the electricity system. The commissioning of the electric battery was significantly delayed in 2024 due to the modelling required for deployment tests and related challenges. The investment will be completed in early 2025 once the official operating licence is obtained and the final tests can be carried out.

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

EPV Aluevarannot Oy's (100%) main focus has been on the procurement of biofuels for the EPV Energy Group and the utilisation of the land owned by the company. During the summer, the company produced fuel peat, bedding and horticultural peat in accordance with weather conditions. Production will continue for the time being due to global instability and to ensure security of supply. From a security of supply perspective, peat remains an important fuel for EPV, but the post-use of peat production areas also plays a major role. Due to the challenging conditions in the summer and autumn, energy peat production achieved moderate success, whereas nearly all targets were met in environmental peat production. To support varying fuel needs, wholesale heat biofuels have enabled supply chains to function beyond the winter season. Looking ahead, the continued electrification of district heating presents challenges for preparedness. Collaboration among major players in the forestry industry and switching pulpwood to energy waste within the Group are part of optimisation that ensures the availability of biofuels and provides protection against market fluctuations. The seasonality of fuel demand and the stability of logistics remain key challenges, which are being addressed by developing terminal storage and drying biofuels during the summer to ensure their preservation.

Powerheat Solutions Oy (100%) was founded in 2022 and became fully owned by the Group during the reporting year. The company provides solutions for the electrification and optimisation of heat and steam production for industrial and district heating companies. Commercial operations commenced at the end of the reporting year.

The subsidiary **Vaskiluodon Teollisuuskiinteistöt Oy** (100%) engages in the rental of industrial, office and warehouse premises. The facilities are located in an area classified as a reserve zone for power production.

Manga LNG Oy (5%) aims to supply liquefied natural gas competitively to its shareholders over the long term.

THE SHAREHOLDERS, GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS

Shareholders

The shareholders' interests at the end of 2024 were as follows:

	2024, %	2023, %
Alajärven Sähkö Oy	1.43	1.48
Cumel Oy	0.33	0.32
Helen Oy	5.65	5.63
Imatran Seudun Sähkö Oy	0.38	0.36
Jylhän Sähköosuuskunta	4.00	4.10
JärviS-Energia Oy	1.67	1.67
Kaakon Energia Oy	0.37	0.36
KSS Energia Oy	0.64	0.64
Kymppivoima Oy	7.30	7.52
Lahti Energia Oy	8.46	8.43
Lehtimäen Sähkö Oy	0.52	0.54
Oulun Energia Oy	2.54	2.30
Outokumpu Oyj	0.40	0.27
Oy Perhonjoki Ab	1.64	1.64
Rauman Energia Oy	0.95	0.92
Seinäjoen Energia Oy	11.60	11.92
Vaasan Sähkö Oy	43.25	43.03
Vantaan Energia Oy	7.88	7.86
Vimpelin Voima Oy	0.44	0.47
Äänekosken Energia Oy	0.54	0.53
Total	**100.0**	**100.0**

General Shareholders' Meetings

By unanimous decision of the shareholders on 31 January 2024, the S share class related to solar power project development was converted into a S1 share class. A new S2 share class was established, entitling EPV Aurinkovoima Oy to solar electricity generated at the Heinineva solar farm. At the same time, a directed share issue related to the S2 class investment was carried out to increase the share capital.

The 2024 Annual General Meeting was held on 27 March 2024, during which the matters belonging to the annual general meeting were addressed.

At the Extraordinary General Meeting on 3 July 2024, it was decided to reduce the share capital of the B, C, D2 and W3 share classes to purchase and cancel shares and to remove these classes from the company's Articles of Association. The activities of the respective share classes had previously ended. Additionally, a new T3 share class was established, entitling holders to electricity produced at Tornion Voima Oy's Tornio engine power plant, and a directed share issue related to the engine power plant investment was approved. Furthermore, directed share issues for the D1 and S2 classes were approved to increase share capital.

Board of Directors

In accordance with the Articles of Association, the Board of Directors consists of 10–12 regular members and five deputy members. By unanimous decision of the shareholders at the Annual General Meeting on 27 March 2024, ten members and five deputy members were elected to the Board of Directors. The following individuals were elected as members of the Board, with their consent: Managing Director Esa Ala-Honkola, Director Olli Arola, Managing Director Stefan Damlin, Chief Legal Officer Jaana Eklund, CEO Jouni Haikarainen, Managing Director Vesa Hätilä, Director Riku Kananen, Managing Director Anders Renvall, Member of Parliament Joakim Strand and Director Hans-Alexander Öst. The following individuals were elected as deputy members: CEO Roger Holm, CEO Heikki Lappalainen, Director Kari Roos, Director Markus Tuomala and CEO Jukka Ylitalo.

At the Board's organisational meeting on 27 March 2024, Member of Parliament Joakim Strand was elected as Chairperson, and CEO Jouni Haikarainen was elected as Vice-Chairperson.

Chairperson Joakim Strand resigned from his position as a member and Chairperson of EPV Energy's Board of Directors as of 4 July 2024, following his appointment as Finland's Minister for European Affairs and Ownership Steering. Strand served on EPV Energy's Board of Directors for approximately 10 years, including two and a half years as Chairperson. EPV Energy's Board elected Vaasan Sähkö's Managing Director, Stefan Damlin, as the new Chairperson of the Board.

The CEO and management team

In 2024, the CEO of the company was Rami Vuola. The members of the Management Team as of 31 December 2024 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 General Shareholders' Meeting in 2025, with Mikko Rytilahti (KHT) and Kristian Berg (KHT) as the main responsible Auditors and Anders Svennas (KHT) and Marja Huhtala (KHT) as Vice Auditors.

SUSTAINABILITY

Sustainability is the basis of EPV Energy's operations, which is reflected 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 EPV's work is evident in decreasing emissions, growing use of renewable energy sources and reliable energy production. EPV Energy has more than 70 years of experience in sustainable energy production. The company focuses on emission-free and reliable energy production with determination and purpose. It aims to achieve carbon-neutral energy production by 2030.

EPV's primary task is to ensure responsible energy production and to maintain a competitive production cost price far into the future. The energy sector is Finland's most capital-intensive business sector, with power plants and energy infrastructure tying up a large amount of capital for decades. EPV carefully plans its investments, develops its ability to anticipate investment needs and models future investment needs. The company strives to fund its investments in a way that maintains operational reliability and a desirable equity ratio.

EPV's climate change mitigation plan includes an action programme that addresses the climate impacts of production. The plan supports the Paris Agreement's goal of limiting global warming to a maximum of 1.5 degrees compared to pre-industrial levels while also facilitating the company's adaptation to a low-carbon future.

EPV has been working systematically to reduce emissions throughout the entire 2000s. The company has shut down condensing power plants and increased renewable energy production by building wind farms and acquiring shares in nuclear and hydropower. EPV's first solar farm is also currently under construction. The amount of carbon neutral energy is further increased by nuclear power, which already accounts for over 50 per cent of EPV's electricity generation portfolio. Additionally, the operations and energy efficiency of CHP plants have been continuously improved through new investments.

EPV's climate change mitigation plan consists of investments and measures that help replace all fossil fuels used in the company's production and power plants with renewable fuels and fossil-free electricity. These measures concern power plant fuels and auxiliary fuels as well as process fuels used in production facilities.

EPV's CO_2 emissions originate from the use of fossil fuels in energy production. Achieving carbon neutrality depends on the measures and fuel

solutions implemented at the company's three combined heat and power (CHP) plants, where emissions are generated. In 2024, EPV Energy carried out a comprehensive carbon neutrality study to clarify the company's path to achieving its carbon neutrality targets by 2030. This extensive study was driven by changing energy market conditions and the increasing share of renewable energy in electricity production. These factors require the energy system to respond quickly and efficiently to fluctuations in supply and demand, a capability that will become increasingly important as the transition to emission-free production solutions progresses.

In its latest study, EPV considered both the development of Finland's energy markets and the evolution of the company's own production portfolio. Additionally, we conducted a comprehensive analysis on carbon neutral fuels and a computational scenario analysis on EPV's energy and power capacity reserve needs. This provided a broad overview of the current state of the market and helps to plan the future use of combustion plants.

EPV generates electricity and heat at its combined heat and power plants in Vaasa, Seinäjoki, Tornio and Raahe. These plants are also the source of the company's Scope 1 emissions. The CHP plants constitute a large share of EPV's total production capacity and a dominant share of its flexible capacity. Additionally, the CHP plants' fuel storages function as seasonal energy reserves, helping to mitigate the risk of high electricity prices during prolonged disruptions and enhancing energy security.

As part of the plan, EPV mapped out carbon neutral fuels and identified suitable options for use in its plants. Based on the collected background information and the commissioned fuel study, a plant-specific plan has been developed. It acts as a foundation for project investigations aiming for investments to achieve the carbon neutrality targets in EPV's production portfolio. The addition of sector coupling solutions has also been considered as part of the plant-specific studies. Utilising alternative, cost-effective and carbon neutral fuels in existing CHP plants makes maintaining significant balancing capacity possible.

Personnel

In line with its strategy, EPV wants to ensure that it keeps up with the changes in the industry and ideally stays among the frontrunners. Maintaining the expertise of the EPV 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 EPV, and the company wants to invest in it. The goal is to create an enthusiastic EPV team in which every employee can learn, develop and feel proud. The New Electricity Revolution strategy represents renewal for the company, as well as for individuals and the way they are led. EPV also aims to systematically improve its own leadership. Good leadership is the right of every EPV employee.

EPV Energy strives to take exemplary care of its personnel's occupational safety. The company's goal is to create a working environment for its employees and contractors where no workplace accidents occur. In power plants, wind farms, electricity transmission projects and peat production sites – as well as during maintenance shutdowns – the significance of foresight and cooperation is emphasised, especially when the goal is to achieve zero accidents. A safe working environment is the result of many factors. It does not happen by chance, but requires continuous upkeep and a shared commitment to common rules. The best outcomes are achieved when work practices are monitored and improved together as a team.

In 2024, EPV's own personnel had a workplace accident frequency rate of 0. This is a remarkable achievement by the company's employees. Occupational safety is emphasised in all operations, and it is great to see positive results. The recorded accidents in 2024 occurred among external contractors. EPV has set the bar very high for responsibility in occupational safety. Comprehensive accident reporting ensures that even the smallest incidents are recorded and that the necessary corrective actions are taken in the workplace.

EPV takes a proactive approach to occupational health and well-being. The company regularly assesses the state of the working environment and community through various surveys and studies, using the results to develop HR policies and workplace atmosphere. Job satisfaction levels are monitored through an annual employee survey conducted across the entire organisation. The overall results of EPV Group's employee survey have consistently remained high. In 2024, the Employee Net Promoter Score (eNPS) was once again at an excellent level, reaching 68.

Over the year, the Group's average number of employees was 170 (155). At the end of 2024, EPV Energy had 88 (78) employees, EPV Alueverkko 7 (6), Tornion Voima Oy 27 (27), Seinäjoen Voima Oy 25 (24) and Vaasan Voima Oy 21 (22) employees. The Group's total workforce comprised 79 managerial employees, 50 professional employees and 39 workers at the end of the year.

Environment

The current state of our planet requires great changes, and the reduction of emissions must be accelerated. Scientific research delivers a clear message: we can still mitigate climate change and the loss of biodiversity, but we need to act now. The energy sector has an important role to play in combating climate change. More than 70 percent of the EU's greenhouse gas emissions come from the processing of fossil fuels as well as combustion-based energy production and consumption in, for example, industry, households and transport. Therefore, tackling climate change requires changes in energy production and consumption. Meeting energy demand while simultaneously reducing greenhouse gas emissions is a major challenge for the EU and its member states.

As an energy production company, EPV plays a key role in achieving the emission targets of an increasingly electrified society. The company aims to reach carbon neutral energy production by 2030. Its New Electricity Revolution strategy focuses on the production, storage and management of carbon neutral electricity using new technologies. In 2024, the share of carbon neutral energy sources in EPV Energy's electricity generation was 96 per cent.

In 2024, EPV continued constructing its own projects and made investment decisions worth tens of millions of euros to support the green transition. The company's first solar farm's construction continued in Lapua, with completion expected in 2025 and commercial operation set to begin in 2026. An investment decision was made for a new gas engine power plant in Tornio. This facility will enable a rapid increase in electricity generation during various disruptions and unpredictable weather conditions. Once completed, it will be the first modern engine power plant in Finland. The country increasingly needs this type of fast-adjusting and high-output electricity generation to ensure electricity availability and sufficiency, regardless of weather conditions.

Additionally, EPV made a significant investment decision to develop thermal heat storage technology and flexibility at its facility in Vaskiluoto, Vaasa. This investment will increase the temperature of the storage beyond its current level. It includes a new 60 MW electric boiler suitable for steam production, an upgrade of the process network to a higher temperature level and the addition of a buffer tank. The general trend in heat generation is moving towards

non-combustion technologies, and electric boilers are part of this solution.

EPV is one of the leading players in industrial-scale wind power generation in Finland. Wind power is one of the company's most important forms of energy production. EPV ensures the functionality and safety of its wind farms throughout their entire lifecycle, including the reuse of wind farm areas and recycling. The company's strategy emphasises its ambition to be at the forefront of development and to lead the way in the energy sector's transformation.

EPV's power plants participate in the Energy Efficiency Agreements programme, which actively drives the company to seek out areas in which it can improve energy efficiency. These measures enhance the efficiency of power plants, resulting in reduced emissions and cost savings. Additionally, the majority of EPV's power plants are certified under environmental management systems (ISO 14001:2015) and the ETJ+ Energy Efficiency System.

Audits are used to monitor operational responsibility, and their results can be utilised to standardise practices across different companies. In 2024, a total of 13 internal and two external audits were carried out in EPV's Group companies. These audits focused on, for instance, the company's wind farms in production and under construction, electricity transmission, power plant energy efficiency, cleanliness, chemicals and peat production sites.

More detailed environmental information on EPV Energy is presented on the company's website in the Corporate Responsibility Report 2024.

CURRENT LEGAL PROCESSES

The company has no pending legal proceedings.

MOST SIGNIFICANT RISKS

EPV's business activities are exposed to several economic and strategic risks as well as risks related to energy policies and regulations. The energy sector is a highly regulated industry. Changes in regulation and taxation often reflect the prevailing political climate and may also alter the relative profitability of different production methods. Due to their political nature, these changes are partly difficult to predict and may therefore increase risks in specific production methods.

The development of the electricity market is an essential part of a sustainable energy industry. EPV participates in public discussions as a member of various industry organisations and in Fingrid's and eSett's working groups. Thanks to EPV's active participation, it stays up to date with the latest changes in the operating environment.

EPV is exposed to international geopolitical risks. Russia's attack on Ukraine in 2022 caused, for instance, fuel supply issues. The situation has since stabilised, and EPV has been able to secure sufficient fuel reserves for future production.

Geopolitical uncertainty is also reflected in investments through risks regarding supply and prices. Due to the uncertain geopolitical situation, no relief in delivery times or commodity prices is expected.

EPV has prepared for changes in the operating environment through active strategic planning and risk management. Using strategy and risk management as a basis, the aim is to ensure correct and timely investment decisions. Timely and well-planned investments take into account the risks of the operating environment and can create a reliable investment schedule based on these risks.

The most crucial factor affecting business profitability is the development of the wholesale electricity price in the Nordic countries. This price is influenced by various factors, such as weather conditions, production volume, CO2 emission allowance and fuel prices, as well as the hydrological balance.

New investments are being connected to the electrical grid, even though consumption has not increased correspondingly. This significantly affects the fluctuation and level of the wholesale electricity market price. EPV takes market conditions into account when planning investments.

It is of utmost importance for EPV to ensure energy production under all conditions. Production reliability may be threatened by factors such as weather conditions, disruptions in the electricity transmission network and unexpected outages in both EPV's own and partially owned power plants. EPV maintains a diverse production portfolio to mitigate these risks. In practice, this means that the energy procured by the company is produced using multiple different methods.

Personnel risks are related to the availability of expertise and employee well-being, which is actively invested in. EPV also strives to ensure exemplary occupational safety for its employees. The company conducts annual employee satisfaction surveys and develops its operations based on the feedback received.

EPV's operations depend on functional and secure information management systems and processes. The risk of cyberattacks and data security breaches has increased, particularly concerning critical infrastructure. Sabotage attempts targeting critical infrastructure are also possible, and their consequences could be significant if realised. EPV has prepared for the new NIS2 – the EU's cybersecurity directive – by improving internal processes and strengthening cooperation with critical partners. EPV also continuously organises cybersecurity training for its personnel.

RESEARCH AND DEVELOPMENT

EPV has continued its investments in research and development across various sections of electricity generation. The key areas of research are project opportunities related to renewable energy as well as zero-emission electricity and heat generation. EPV aims to be a forerunner in the energy sector and to connect the energy needs of different industries through new electricity. In 2024, the company's research and development activities focused particularly on industrial-scale solar power generation and flexibility components within the energy system. EPV has also explored the applicability of battery technologies in the changing Nordic electricity system and the opportunities presented by hydrogen technology for electricity generation.

EPV's strategy emphasises its desire to be at the forefront of development and to remain strongly involved in the energy sector's transformation. During the operational year, the technology teams established around all key technology areas continued their excellent work. These teams explore new technologies and the opportunities they offer for future carbon neutral energy production and flexibility, innovate new solutions and advance projects. To ensure the highest level of expertise in all teams, they include people from across the Group, beyond organisational boundaries.

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. In early February 2025, the Nordic hydrological reserves were approximately 17 TWh above the long-term average and 26 TWh higher than at the same time in 2024. The market price of emissions allowances for 2025 was about 82 euros per tonne of carbon dioxide. At the same time, the average electricity price on the derivatives market for the rest of 2025 was approximately 33

euros per megawatt-hour and approximately 37 euros per megawatt-hour for 2026. The regional price in Finland was respectively 41 and 46 euros 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 geo-political 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 margin requirements in Europe. Geopolitical tensions in the neighbouring regions are creating uncertainty in energy markets. Fluctuating renewable energy production continues to grow, increasing challenges in 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 managed with new technologies. In the future, new electricity will be solely generated using carbon neutral energy sources. EPV continues to invest heavily in increasing emission-free production and the use of various flexibility elements.

THE BOARD'S PROPOSITION FOR DISTRIBUTION OF PROFITS

The distributable equity of the parent company amounts to 349,635,754.99 euros, of which the financial year's profit is 282,107.72 euros. The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid.

EPV ENERGY'S CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Consolidated Statement of Financial Position (IFRS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, €1,000	Note	31.12.2024	31.12.2023	1.1.2023
Assets				
Non-current assets				
Intangible assets	4.2	6,071	6,153	4,885
Tangible assets	4.3	700,672	708,885	706,539
Investments in associated companies and joint ventures	4.1	29,022	28,968	30,123
Share investments at fair value	5.4, 5.3	546,126	750,970	815,179
Right-of-use assets	4.4	49,994	18,085	19,459
Loan receivables	4.6, 5.3	46,035	67,215	67,215
Other non-current receivables	4.6	18,766	18,711	28,132
Deferred tax assets	3.8	4,305	3,557	2,619
Total non-current assets		**1,400,992**	**1,602,544**	**1,674,152**
Current assets				
Inventories	4.5	37,749	42,879	49,175
Trade receivables	4.6	38,607	56,816	66,467
Other current receivables	4.6	43,280	40,853	45,800
Fund investments	5.3	10,562	8,135	0
Cash and cash equivalents	5.7	29,560	46,010	63,812
Total current assets		**159,758**	**194,694**	**225,254**
Total assets		**1,560,750**	**1,797,238**	**1,899,406**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, €1,000	Note	31.12.2024	31.12.2023	1.1.2023
Equity and liabilities				
Equity				
Share capital	5.8, 5.9	14,693	14,771	14,625
Share issue	5.8, 5.9	262	0	865
Fair value and other reserves	5.8, 5.9	690,391	843,646	904,517
Retained earnings	5.8, 5.9	109,378	106,458	100,663
Equity attributable to equity holders of the parent		**814,724**	**964,875**	**1,020,670**
Non-controlling interests		7,323	7,771	7,189
Total equity		**822,047**	**972,646**	**1,027,859**
Non-current liabilities				
Interest-bearing loans and borrowings	5.5	372,358	490,885	486,493
Other non-current liabilities	4.7, 5.5	6,809	5,139	2,836
Lease liabilities	4.4, 5.5	48,618	16,673	18,372
Contract liabilities	3.2	8,924	9,298	8,136
Deferred tax liabilities	3.8	114,154	159,487	172,448
Total non-current liabilities		**550,863**	**681,483**	**688,283**
Current liabilities				
Interest-bearing loans and borrowings	5.5	123,130	55,804	99,550
Trade and other payables	4.7, 5.5	33,293	44,862	36,699
Other current liabilities	4.7	29,118	40,369	45,605
Contract liabilities	3.2	374	374	321
Lease liabilities, short term	4.4	1,923	1,700	1,088
Total current liabilities		**187,839**	**143,110**	**183,263**
Total liabilities		**738,703**	**824,592**	**871,547**
Total equity and liabilities		**1,560,750**	**1,797,238**	**1,899,406**

Consolidated Statement of Profit and Loss and Other Comprehensive Income (IFRS)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS €1,000	Note	1.1.-31.12.2024	1.1.-31.12.2023
Revenue (net sales)	3.2	422,062	440,606
Other operating income	3.3, 3.4	23,589	20,655
Materials and services	3.5	-247,931	-269,803
Personnel expenses	3.6	-14,103	-13,094
Other operating expenses	3.3	-121,162	-113,210
Share of profit from associates and joint ventures	4.1	55	-551
Depreciations, amortisations and impairment	4.2, 4.3	-46,859	-44,740
Operating profit (EBIT)		**15,650**	**19,863**
Financial income	3.7	14,589	9,813
Financial expenses	3.7	-24,964	-23,148
Profit before tax		**5,276**	**6,528**
Income tax	3.8	-1,070	-944
Profit for the financial period		**4,206**	**5,584**

Other Comprehensive income

OTHER COMPREHENSIVE INCOME	1.1.-31.12.2024	1.1.-31.12.2023
Profit for the financial period		
Items that may be reclassified to profit or loss in subsequent periods (net of tax)		
Cash flow hedge - derivatives	-4,284	-5,573
Items that will not be reclassified to profit and loss in subsequent periods (net of tax)		
Fair value and other reserves	-177,282	-51,366
Other comprehensive income (loss) for the financial period, net of tax	**-181,565**	**-56,938**
Total comprehensive income for the financial period	**-177,360**	**-51,354**
Profit for the financial period attributable to		
Equity holders of the parent	4,581	6,165
Non-controlling interests	-375	-581
	4,206	**5,584**
Total comprehensive income attributable to:		
Equity holders of the parent	-176,985	-50,773
Non-controlling interests	-375	-581
	-177,360	**-51,354**

Consolidated statement of changes in equity

2024	Attributable to the equity holders of the parent								
€1,000	Share capital	Share issue	Fair value reserve	Hedge reserve	Fund for unrestricted equity	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1.1.2024	**14,771**	**0**	**521,923**	**17,498**	**304,226**	**106,458**	**964,875**	**7,771**	**972,646**
Profit for the period						4,581	4,581	-360	**4,220**
Other comprehensive income			-177,282	-4,284			-181,565		**-181,565**
Total comprehensive income	**0**	**0**	**-177,282**	**-4,284**	**0**	**4,581**	**-176,985**	**-360**	**-177,345**
Purchase of own shares	-346	0	0	0	-2,309	-1,661	-4,315	0	-4,315
Changes in ownership interests in subsidiaries								-87	-87
Other changes	268	262	0	0	30,619	0	31,149	0	31,149
Equity on 31.12.2024	**14,693**	**262**	**344,641**	**13,214**	**332,536**	**109,378**	**814,724**	**7,323**	**822,047**

2023	Attributable to the equity holders of the parent								
€1,000	Share capital	Fund for unrestricted equity	Fair value reserve	Hedge reserve	Retained earnings	Cash flow hedges	Total	Non-controlling interests	Total equity
Equity on 1.1.2023 before IFRS adjustments	**14,625**	**865**			**308,158**	**103,957**	**427,604**	**7,189**	**434,793**
Adjustments of IFRS 1 Translation differences			573,288	23,071		-3,293	593,066		**593,066**
Adjusted equity on 1.1.2023	**14,625**	**865**	**573,288**	**23,071**	**308,158**	**100,663**	**1,020,670**	**7,189**	**1,027,859**
Profit for the period						6,165	6,165	-551	**5,614**
Other comprehensive income			-51,366	-5,573			-56,938		**-56,346**
Total comprehensive income	**0**	**0**	**-51,366**	**-5,573**	**0**	**6,165**	**-50,773**	**-551**	**-50,732**
Purchase of own shares	-652	0	0	0	0	-415	-1,067	0	-1,067
Changes in ownership interests in subsidiaries	0	0	0	0	0	0	0	1,133	**1,133**
Changes in non-controlling interests	0	0	0	0	0	44	44	0	44
Other changes	797	-865	0	0	-3,932	0	-4,000	0	**-4,000**
Equity on 31.12.2023	**14,771**	**0**	**521,923**	**17,498**	**304,226**	**106,458**	**964,875**	**7,771**	**972,646**

Consolidated statement of cash flows

€1,000	2024	2023
Operating activities		
Profit before tax	15,650	19,863
Adjustments to profit before tax 1)	48,475	40,746
Changes in working capital 2)	-1,509	6,356
Interests and other finance expenses paid	-24,964	-23,148
Interests and other finance income received	14,589	9,813
Income tax paid	-1,759	-608
Net cash flow from operating activities	**50,482**	**53,022**
Net cash flow from investing activities		
Purchase of tangible and intangible assets	-43,074	-47,415
Proceeds from sale of tangible and intangible assets	126	25
Purchase of share investments	-21,252	-3
Changes in non-controlling interests	0	2,180
Investment grants received	6,000	544
Received capital refunds	2,646	1,772
Increase (+) Decrease (-) of loan receivables	21,180	0
Net cash flow from investing activities	**-34,375**	**-42,897**

€1,000	2024	2023
Net cash flow from financing activities		
Treasury shares acquired	-4,315	-1,067
Repayment of lease liabilities	-1,242	-1,087
Proceeds from borrowings	74,132	73,040
Repayment of borrowings	-125,282	-110,112
Share issue	24,149	11,300
Net cash flow from financing activities	**-32,558**	**-27,926**
Net increase in cash and cash equivalents	**-16,450**	**-17,802**
Cash and cash equivalents at 1.1.	46,010	63,812
Cash and cash equivalents at 31.12.	**29,560**	**46,010**
1) Adjustments to profit before tax		
Share of profit from associated companies	55	551
Depreciations, amortisations and impairment	46,859	44,740
Profit and loss on proceeds of non-current assets	1,725	-2,406
Other adjustment items	-164	-2,139
	48,475	**40,746**
2) Changes in working capital		
Increase (-) or decrease (+) in interest-free receivables	16,180	-6,125
Increase (-) or decrease (+) in inventory	5,130	6,296
Increase (+) or decrease (-) in interest-free liabilities	-22,819	6,186
	-1,509	**6,356**

1. Key accounting policies and consolidation

1.1. General information

Corporate information

EPV is a Finnish group specialised in acquiring energy at cost-price principle (Mankala-principle), consisting of the parent company EPV Energy Ltd and its subsidiaries (collectively, the Group or EPV). EPV engages in energy production, procurement and storage services, electricity distribution network operations, and it also provides other energy sector services to its customers.

EPV Energy Ltd (the Company or the parent company) is a limited company registered in Finland. The domicile of the Group companies is Finland and the registered office of the parent is located in Vaasa, Finland.

Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest 2024	2023
EPV Akkuhybridi Oy	Electricity storage	Finland	100,0	100,0
EPV Alueverkko Oy	Electricity distribution	Finland	100,0	100,0
EPV Aluevarannot Oy	Fuel procurement, properties	Finland	100,0	100,0
EPV Solar Power Ltd	Solar power	Finland	100,0	100,0
EPV Operointi Oy	Energy management services	Finland	100,0	100,0
EPV Siirtoverkko Oy	No operations	Finland	100,0	100,0
EPV Tase Oy	Energy trading services	Finland	100,0	100,0
EPV Teollisuusverkot Oy	Electricity distribution	Finland	90,0	90,0
EPV Wind Power Ltd	Wind power	Finland	100,0	100,0
Powerheat Solutions Oy	Energy trading services	Finland	100,0	70,0
Rajakiiri Oy	Wind power	Finland	60,2	60,2
Seinäjoen Voima Oy	CHP production, electricity and heat	Finland	100,0	100,0
Tornion Voima Oy	CHP production, electricity and heat	Finland	100,0	100,0
Vaasan Voima Oy	CHP production, electricity and heat	Finland	100,0	100,0
Vaskiluodon Teollisuuskiinteistöt Oy	Property leasing and management	Finland	100,0	100,0

Further information regarding EPV's related parties is presented in note 6.1

1.2. Basis of preparation

Basis of preparation and adoption of IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as adopted by European Union as of December 31, 2024. The notes to the financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies below. The consolidated financial statements are denominated in thousand euros, with all figures rounded to the nearest thousand, unless stated otherwise. Therefore, the sum of individual numbers may deviate from the presented sum figure due to rounding variations. Figures from the comparative year are enclosed in brackets and appear subsequent to the current year's financial data.

The consolidated financial statements as of December 31, 2024 are the Group's first financial statements prepared in accordance with International Financial Reporting Standards, the date of transition to IFRS being January 1, 2023. The consolidated financial statements as of December 31, 2024 contain comparative information for the period ended December 31, 2023. An additional statement of financial position as at January 1, 2023 is presented in these consolidated financial statements due to the first time adoption of IFRS. Previously the Group has applied Finnish Accounting standards. In the note 2. First Time Adoption of IFRS Standards it is disclosed the impact of the transition to IFRS on the Group's reported financial position and financial performance.

Consolidation principles

TheThe consolidated financial statements incorporate the financial statements of the Parent company and entities controlled by EPV Energy Ltd (its subsidiaries). EPV has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Acquired subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests are identified within the equity of the consolidated statement of financial position, separately from the equity that is attributable to the shareholders. Non-controlling interests are separately presented in the statement of other comprehensive income.

Associated companies, in which EPV has significant influence, are consolidated by applying the equity method.

Non-controlling interests

Transactions involving non-controlling interests are treated as transactions with owners of equity. In the case of purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets acquired in the subsidiary is recorded in shareholders' equity. Any gains or losses from disposals to non-controlling interests are also recorded in shareholders' equity.

Segment reporting

The Group has five reportable segment. See further information in the note 3.1.

Foreign currency items

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. EPV group has not operated in any other currency than Euro, and EPV does not have any foreign operations.

Cost-price principle

EPV Group companies engage in energy production, procurement and storage, distribution network operations, and other industry-related services primarily based on the cost-price principle (Mankala-principle), that is, they transfer the energy they produce or procure to their shareholders in proportion to the ownership of each share class. Each shareholder of a share class is responsible to the company for the variable and fixed costs presented in the articles of association.

1.3. Accounting estimates and judgements applied in the preparation of the financial statements

The preparation of the Group's consolidated financial statements requires management to use judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty within these assumptions and estimates could result in a material adjustments to the carrying amounts of related assets or liabilities, which impact the subsequent periods.

The management has made various judgments when applying the Group's accounting policies. Those which management has assessed to have the most significant impact on the amounts recognised in the consolidated financial statements are detailed in the individual notes sections of the related financial statements line items.

The most significant accounting policies requiring jugdement by the management and the key factors of uncertainty related to estimates are presented in the following notes:

- Revenue from contracts with customers (note 3.2)
- Intangible assets (note 4.2)
- Leases (note 4.4)
- Fair value measurement of level 3 share investments (note 5.4)
- Expected credit losses (note 4.6)

1.4. New and updated standards and interpretations

Below are disclosed the new and updated IFRS standards and interpretations that are issued but not yet effective at reporting date and that are considered material for the Group.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit and loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

The standard is effective for annual periods beginning on or after 1 January 2027.

EPV assesses the impact of the changes on the consolidated financial statements.

2. First-time adoption of IFRS standards

2.1. IFRS impact: The transition effects and exemptions applied

First-time adoption of IFRS

EPV has prepared its consolidated financial statements for the financial year ending 31 December 2024, in accordance with International Financial Reporting Standards (IFRS). In previous financial years, including 31 December 2023, the Group has applied Finnish Accounting Standards (FAS).

The transition date to IFRS standards is 1 January 2023. In connection with the transition to IFRS, EPV has prepared its consolidated financial statements in accordance with IFRS standards from the financial year ending 31 December 2024, along with the comparative information for the period ending 31 December 2023, as described in note 1. An additional statement of financial position as at January 1, 2023 is presented in these consolidated financial statements due to the first-time adoption of IFRS.

The accounting policies that have had the most significant impact on the financial statements of EPV Group as a result of the transition to IFRS have been summarised below. This note explains the principal adjustments made by the Group in restating its local GAAP financial statements, including the statement of financial position as at 1 January 2023 and the financial statements for the years ended 31 December 2023. The Group has applied exemptions of IFRS 1 First-time Adoption of International Financial Reporting Standards, as described below.

The letter of the headings (A-G) refers to the columns in the first-time adoption bridge calculation adjustment tables in the notes 2.2 and 2.3.

1. Leases - EPV as a lessee (A)

EPV's lease agreements mainly include leased land areas, power plant equipments, office premises, vehicles, and other leased assets. Under FAS, lease expenses have been recognised as other operating expenses in the statement of profit and loss during the lease term. EPV has not capitalised the leases under FAS and has thus not utilised the option to apply IFRS 16 leases standard in FAS. Under FAS, the commitments related to the lease agreements have been disclosed in the notes to the financial statements as off-balance sheet items.

In the adoption of IFRS 16 standard, EPV has applied the exemption of IFRS 1 to measure the lease liability and the right-of-use-asset at the date of transition to IFRS. The right-of-use asset and the corresponding lease liability have been recognised in the statement of financial position as of 1 January 2023, based on the discounted net present value of future lease payments. In applying IFRS 16, the lease expenses recognised under FAS have been replaced with the depreciation of the right-of-use asset and interest expenses of the lease liabilities. EPV has applied the exemption of IFRS 1 standard, which allows a first-time adopter that is a lessee not to apply the requirements of IFRS 16 standard for short-term leases (leases with a term of 12 months or less) and leases for which the underlying asset is low value. Additionally, EPV has used hindsight in determining the lease term for open-ended lease contracts in accordance with IFRS 1.

The lease liability of the opening balance at 1.1.2023 was EUR 19,459 thousand, of which EUR 18,372 thousand was classified as non-current liabilities and EUR 1 088 thousand as current liabilities. Similarly, the right-of-use-asset was EUR 19,459 thousand at 1.1.2023. Correspondingly, at 31.12.2023 the amount of lease liability was EUR 18 372 thousand, of which EUR 16,673 thousand was classified as non-current liabilities and EUR 1,700 thousand as current liabilities. At 31.12.2023 the amount of right-of-use asset was EUR 18,085 thousand. During the financial year 2023, adjustments recognised in the statement of profit and loss included EUR 1,776 thousand of lease expense reversals recognised in FAS, EUR 1,197 thousand of right-of-use asset depreciations and EUR 598 thousand of lease liability interest expenses.

During the financial year 2023, EPV has capitalised EUR 230 thousand of lease liability interest expenses for work-in-progress projects. The work-in-progress projects include e.g. investments in wind farms, where depreciations will begin once the investment is completed and put into commercial use.

The combined impact of the adjustment A. on the statement of profit and loss for the transition period 2023 was EUR -248 thousand, of which deferred tax was recognised EUR 50 thousand.

2. Fair value investments (B)

In IFRS, EPV made an irrevocable election to present the subsequent changes in the fair value of share investments through other comprehensive income (OCI). As a result, EPV has adjusted the valuation of investments in Pohjolan Voima Oyj and Teollisuuden Voima Oyj shares from the acquisition cost used in FAS to fair value measurement. The adjustment pertains to nuclear power shares (PVO B, B2; TVO A, B) and hydropower shares (PVO A).

In applying IFRS 9 and IFRS 13 standards, EPV has adjusted the acquisition cost recognised in FAS for PVO and TVO shares to the fair values of the share investments on the statement of financial position. EPV has recognised the unrealised change in fair value of the share investments measured at fair value through other comprehensive income in the fair value reserve of equity.

The opening balance of the share investments at the transition date 1 January 2023 amounted to EUR 716,610 thousand, which was divided into the fair value reserve within equity amounting to EUR 573,288 thousand and deferred tax liabilities of EUR 143,322 thousand. The unrealised change in fair value for the financial year 2023 recognised through other comprehensive income was EUR 51,366 thousand, with the amount of deferred tax being EUR 12,841 thousand. The impact of share investment item at 31 December 2023 was EUR 652,403 thousand, divided into the fair value reserve within equity amounting to EUR 521,923 thousand and deferred tax liabilities of EUR 130,481 thousand.

3. Hedge accounting (C)

On 1 January 2023 and subsequent periods, EPV has interest rate swap agreements used to manage EPV's risk exposures arising from floating-rate loans. At transition date EPV also had currency forward contracts used for the procurement of coal denominated in foreign currency (USD).

Under FAS, these interest rate swaps and currency forward contracts were not recognised in the

statement of financial position but were presented as off-balance sheet items. The interest income and expenses from the interest rate swaps were accrued in FAS over the contract period, allocated against the interest expenses of the loan being hedged. The currency forward contracts matured during the financial year 2023. When transitioning to IFRS, EPV made an irrevocable election to apply hedge accounting in accordance with IFRS 9 and to classify the hedging instruments held at fair value through other comprehensive income (OCI). EPV has recognised the unrealised change in the fair value of the hedging instruments in the hedging reserve within equity.

On 1 January 2023 the derivative receivables recognised in the statement of financial position amounted to EUR 33,362 thousand, of which EUR 8,168 thousand were current receivables. The derivative liabilities were EUR 4,524 thousand, of which EUR 1,856 thousand were current liabilities. The valuation of hedging reserve within equity was EUR 5,573 thousand. Correspondingly, as of 31 December 2023, the derivative receivables were EUR 26,657 thousand, of which EUR 10,810 thousand were current receivables, the derivative liabilities were EUR 4,784 thousand, of which EUR 1,952 thousand were current liabilities, and the valuation of hedging reserve within equity was EUR 17,498 thousand. The unrealised change of fair value for the financial year 2023 of EUR 5,573 thousand has been recognised through other comprehensive income, with the amount of deferred tax being EUR 957 thousand.

4. Revenue from contracts with customers (D)

EPV has assessed its contracts with customers in accordance with IFRS 15 during the transition to IFRS. Under FAS, EPV has recognised revenues from capacity reservation fees related to connection contracts at point in time. According to IFRS 15, the customers simultaneously receive and consume the benefits provided of the capacity reservation fees as the company performs over the entire lifecycle of the connection. Therefore, EPV has adjusted and recognised revenue from the connection contracts over the contract period in accordance with IFRS 15. The revenue recognition period applied is 30 years, which is based on management's judgement and the estimated economic useful life of the connections.

At 1 January 2023, EPV has adjusted the revenues from capacity reservation fees over the contract period and recognised a contract liability within the statement of financial position for the amount not yet recognised as revenue. At the transition date 1 January 2023, EPV's contract liabilities amounted to EUR 8,457 thousand, of which EUR 321 thousand will be recognised as revenue during the following 12 months. As of 31 December 2023, EPV's contract liabilities amounted to EUR 9,673 thousand, of which EUR 374 thousand will be recognised as revenue within the following 12 months. For the financial year ending 31.12.2023 EPV reversed connection fees recognised as revenue under FAS of EUR -1 590 thousand into contract liabilities, and recognised revenue of EUR 374 thousand from contract liabilities, resulting a net impact of EUR -1 216 thousand on profit before tax for the period 1.1.-31.12.2023.

5. Software expenses (E)

Under FAS, EPV has capitalised software expenses related to acquired software and cloud service agreements (SaaS) as intangible assets on the statement of financial position. The capitalised costs include implementation expenses and salary costs of own personnel.

The cloud service agreements do not meet the criteria for intangible assets under IAS 38 as EPV does not acquire control over the asset. Thus, the costs incurred are recognised as expenses in the statement of profit and loss at the time they are incurred. Therefore, in the consolidated IFRS financial statements, EPV has reversed the capitalised cloud service expenses from intangible assets to expenses in the statement of profit and loss. At IFRS transition date 1 January 2023, the impact of the adjustment was EUR 40 thousand in retained earnings. EPV adjusted expenses capitalised under FAS for the period 1.1.-31.12.2023 to the statement of profit and loss EUR 500 thousand, net of tax.

Software acquired and used on EPV's own servers, along with the related implementation expenses, meet the capitalisation criteria under IAS 38. Regarding the implementation expenses capitalised under FAS, the training expenses for its own personnel does not meet the criteria under IAS 38. In the IFRS transition, EPV has adjusted expenses related to training costs of its own personnel into personnel expenses in the statement of profit and loss. At 1 January 2023, the impact of the adjustment was EUR 26 thousand on retained earnings. As of 31 December 2023, EPV adjusted costs related to training of own personnel capitalised under FAS into personnel expenses in the statement of profit and loss by EUR 113 thousand.

6. Restoration obligations (F)

EPV has restoration obligations related to power plants and projects carried out in the leased land areas. Due to the applied Mankala principle and the significant uncertainty relating to the timing of the realisation of the restoration obligations as well as uncertainty in the reliable valuation, EPV has not disclosed restoration provisions in the statement of financial position or as off-balance sheet item under FAS. According to the Mankala principle, when restoration obligations are realised, the costs incurred are invoiced from the shareholders, meaning that EPV is not exposed to any impact on the statement of profit and loss.

As an exception, EPV has disclosed a restoration provision of EUR 3.5 million in the FAS statement of financial position, which was transferred to Vaasan Voima Oy as part of a business acquisition of a power plant. Due to Mankala principle, significant uncertainty, and the consistent treatment of corresponding items in the financial statements, EPV has reversed the provision when transitioning to IFRS at 1 January 2023, resulting in an impact of EUR +3.5 million in retained earnings.

7. Reclassifications (G, E)

Under FAS, EPV has recognised the obtained feed-in tariffs from the wind power operations as revenue. Due to the nature of these rather being government grants type of fees, EPV has reclassified the income related to the feed-in tariffs from revenue to other operating income in accordance with IAS 20. The reclassification from revenue to other income amounted to EUR -15 442 thousand for the financial year ending 31.12.2023. The reclassification did not impact the profit for the financial year ending 31.12.2023.

In FAS, EPV has recognised capitalised personnel costs under the production for own use in the statement of profit and loss, which have been reclassified to the personnel expenses in accordance with IAS 19. These accrued personnel costs relate to investments and software implementations (adjustment E). The reclassification from production for own use to personnel expenses was EUR 1 200 thousand during the transition period 2023.

The site and groundwork improvements have been reclassified from intangible assets in FAS to tangible assets in accordance with IAS 16 -standard. The amount reclassified was EUR 16,424 thousand as of 1.1.2023 and EUR 19,298 thousand as of 31.12.2013.

In FAS, EPV has recognised shareholdings in entities where it does not have direct or indirect significant influence as defined in IAS 28, within

the investments in associated companies and joint ventures in its statement of financial position. Upon transitioning to IFRS, EPV has reclassified these shareholdings as share investments. On 1 January 2023, the amount of reclassification between these items in the statement of financial position amounted to EUR 6,737 thousand. The valuation presented in FAS financial statements corresponds to the fair value as defined in IFRS.

8. Deferred taxes (A, B, C, D, E, G)

Under FAS, EPV has recognised deferred tax liabilities only in relation to depreciation differences. In the consolidated financial statements prepared in accordance with IFRS standards, deferred tax liabilities and assets are recognised on all IFRS adjustments resulting in temporary differences due to differences in accounting principles.

EPV has tax losses carried forward during the transition period, which are not recognised under FAS. Upon transitioning to IFRS, EPV has recognised deferred tax assets on the tax losses carried forward (G), which amounted to EUR 13 thousand as of 1 January 2023, and EUR 473 thousand as of 31 December 2023.

During the transition period, most significant deferred tax impacts arise from the application of IFRS 9 in the fair valuation of share investments (B) and in hedge accounting (C).

The deferred tax impacts of all IFRS adjustments have been presented in the adjustment tables in the statement of profit and loss (note 2.3.) and statement of financial position (note 2.2.).

2.2. IFRS impact: Consolidated Statement of Financial Position as at 31.12.2023 and 1.1.2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2023											
€1,000	**Note**	**FAS as at 31.12.2023**	**A. Leases**	**B. Investments at fair value**	**C. Hedge accounting**	**D. Revenue from contracts with customers**	**E. Software costs**	**F. Provisions**	**G. Other adjustments**	**Effects of IFRS adjustments, Total**	**IFRS as at 31.12.2023**
Assets											
Non-current assets											
Intangible assets	4.2	26,070					-618		-19,298	-19,917	6,153
Tangible assets	4.3	689,603	39				-56		19,298	19,281	708,885
Investments in associated companies and joint ventures	4.1	125,300		-89,595					-6,737	-96,332	28,968
Share investments	5.4,,5.3	2,234		741,999					6,737	748,735	750,970
Right-of-use assets	4.4	0	18,085							18,085	18,085
Loan receivables	4.6,,5.3	67,215								0	67,215
Other non-current receivables	4.6	2,865			15,847					15,847	18,711
Deferred tax assets	3.8	0	50		957	1,935	143		473	3,557	3,557
Total non-current assets		**913,288**	**18,174**	**652,403**	**16,803**	**1,935**	**-532**	**0**	**473**	**689,256**	**1,602,544**
Current assets											
Inventories	4.5	42,879								0	42,879
Trade receivables	4.6	56,816								0	56,816
Other current receivables	4.6	30,043			10,810					10,810	40,853
Fund investments	5.3	8,135								0	8,135
Cash and cash equivalents	5.7	46,010								0	46,010
Total current assets		**183,884**	**0**	**0**	**10,810**	**0**	**0**	**0**	**0**	**10,810**	**194,694**
Total assets		**1,097,172**	**18,174**	**652,403**	**27,613**	**1,935**	**-532**	**0**	**473**	**700,066**	**1,797,238**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2023

€1,000	Note	FAS as at 31.12.2023	A. Leases	B. Investments at fair value	C. Hedge accounting	D. Revenue from contracts with customers	E. Software costs	F. Provisions	G. Other adjustments	Effects of IFRS adjustments, Total	IFRS as at 31.12.2023
Equity and liabilities											
Equity											
Share capital	5.8, 5.9	14,771								0	14,771
Fair value and other reserves	5.8, 5.9	304,226		521,923	17,498					539,420	843,646
Retained earnings	5.8, 5.9	110,961	-199			-7,738	-540	3,500	473	-4,504	106,458
Equity attributable to equity holders of the parent		**429,958**	**-199**	**521,923**	**17,498**	**-7,738**	**-540**	**3,500**	**473**	**534,917**	**964,875**
Non-controlling interests		7,771								0	7,771
Total equity		**437,729**	**-199**	**521,923**	**17,498**	**-7,738**	**-540**	**3,500**	**473**	**534,917**	**972,646**
Non-current liabilities											
Interest-bearing loans and borrowings	5.5	490,885								0	490,885
Other non-current liabilities	4.7, 5.5	2,307			2,832					2,832	5,139
Lease liabilities	4.4, 5.5	0	16,673							16,673	16,673
Contract liabilities	3.2	0				9,298				9,298	9,298
Deferred tax liabilities	3.8	23,667		130,481	5,331		8			135,820	159,487
Provisions	4.8	3,500						-3,500		-3,500	0
Total non-current liabilities		**520,360**	**16,673**	**130,481**	**8,164**	**9,298**	**8**	**-3,500**	**0**	**161,123**	**681,483**
Current liabilities											
Interest-bearing loans and borrowings	5.5	55,804								0	55,804
Trade and other payables	4.7, 5.5	44,862								0	44,862
Other current liabilities	4.7	38,417			1,952					1,952	40,369
Contract liabilities	3.2	0				374				374	374
Lease liabilities	4.4	0	1,700							1,700	1,700
Total current liabilities		**139,083**	**1,700**	**0**	**1,952**	**374**	**0**	**0**	**0**	**4,026**	**143,110**
Total liabilities		**659,443**	**18,372**	**130,481**	**10,116**	**9,673**	**8**	**-3,500**	**0**	**165,149**	**824,592**
Total equity and liabilities		**1,097,172**	**18,174**	**652,403**	**27,613**	**1,935**	**-532**	**0**	**473**	**700,066**	**1,797,238**

2.2. Consolidated Statement of Financial Position as 31.12.2023 and 1.1.2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 1.1.2023											
€1,000	**Note**	**FAS as at 1.1.2023**	**A. Leases**	**B. Investments at fair value**	**C. Hedge accounting**	**D. Revenue from contracts with customers**	**E. Software costs**	**F. Provisions**	**G. Other adjustments**	**Effects of IFRS adjustments, Total**	**IFRS as at 1.1.2023**
Assets											
Non-current assets											
Intangible assets	4.2	21,334					-26		-16,424	-16,449	4,885
Tangible assets	4.3	690,140					-25		16,424	16,399	706,539
Investments in associated companies and joint ventures	4.1	126,455		-89,595					-6,737	-96,332	30,123
Share investments	5.4, 5.3	2,236		806,206					6,737	812,943	815,179
Right-of-use assets	4.4	0	19,459							19,459	19,459
Loan receivables	4.6, 5.3	67,215								0	67,215
Other non-current receivables	4.6	2,938			25,194					25,194	28,132
Deferred tax assets	3.8	0			905	1,691	10		13	2,619	2,619
Total non-current assets		**910,320**	**19,459**	**716,610**	**26,099**	**1,691**	**-40**	**0**	**13**	**763,832**	**1,674,152**
Current assets											
Inventories	4.5	49,175								0	49,175
Trade receivables	4.6	66,467								0	66,467
Other current receivables	4.6	37,632			8,168					8,168	45,800
Cash and cash equivalents	5.7	63,812								0	63,812
Total current assets		**217,086**	**0**	**0**	**8,168**	**0**	**0**	**0**	**0**	**8,168**	**225,254**
Total assets		**1,127,406**	**19,459**	**716,610**	**34,267**	**1,691**	**-40**	**0**	**13**	**772,000**	**1,899,406**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 1.1.2023

€1,000	Note	FAS as at 1.1.2023	A. Leases	B. Investments at fair value	C. Hedge accounting	D. Revenue from contracts with customers	E. Software costs	F. Provisions	G. Other adjustments	Effects of IFRS adjustments, Total	IFRS as at 1.1.2023
Equity and liabilities											
Equity											
Share capital	5.8, 5.9	14,625								0	14,625
Share issue	5.8, 5.9	865								0	865
Fair value and other reserves	5.8, 5.9	308,158		573,288	23,071					596,359	904,517
Retained earnings	5.8, 5.9	103,957				-6,766	-40	3,500	13	-3,293	100,663
Equity attributable to equity holders of the parent		**427,604**	**0**	**573,288**	**23,071**	**-6,766**	**-40**	**3,500**	**13**	**593,066**	**1,020,670**
Non-controlling interests		7,189								0	7,189
Total equity		**434,793**	**0**	**573,288**	**23,071**	**-6,766**	**-40**	**3,500**	**13**	**593,066**	**1,027,859**
Non-current liabilities											
Interest-bearing loans and borrowings	5.5	486,493								0	486,493
Other non-current liabilities	4.7, 5.5	168			2,668					2,668	2,836
Lease liabilities	4.4, 5.5	0	18,372							18,372	18,372
Contract liabilities	3.2	0				8,136				8,136	8,136
Deferred tax liabilities	3.8	22,454		143,322	6,672					149,994	172,448
Provisions	4.8	3,500						-3,500		-3,500	0
Total non-current liabilities		**512,614**	**18,372**	**143,322**	**9,340**	**8,136**	**0**	**-3,500**	**0**	**175,670**	**688,283**
Current liabilities											
Interest-bearing loans and borrowings	5.5	99,550								0	99,550
Trade and other payables	4.7, 5.5	36,699								0	36,699
Other current liabilities	4.7	43,750			1,856					1,856	45,605
Contract liabilities	3.2	0				321				321	321
Lease liabilities	4.4	0	1,088							1,088	1,088
Total current liabilities		**179,999**	**1,088**	**0**	**1,856**	**321**	**0**	**0**	**0**	**3,265**	**183,263**
Total liabilities		**692,613**	**19,459**	**143,322**	**11,196**	**8,457**	**0**	**-3,500**	**0**	**178,934**	**871,547**
Total equity and liabilities		**1,127,406**	**19,459**	**716,610**	**34,267**	**1,691**	**-40**	**0**	**13**	**772,000**	**1,899,406**

2.3. IFRS impact: Consolidated Statement of Profit and Loss and Other Comprehensive Income 1.1.-31.12.2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME 1.1.-31.12.2023											
€1,000	**Note**	**FAS 1.1.-31.12.2023**	**A. Leases**	**B. Investments at fair value**	**C. Hedge accounting**	**D. Revenue from contracts with customers**	**E. Software costs**	**F. Provisions**	**G. Other adjustments**	**Effects of IFRS adjustments, Total**	**IFRS 1.1.-31.12.2023**
Revenue (net sales)	**3.2**	**457,264**				**-1,216**			**-15,442**	**-16,658**	**440,606**
Production for own use		1,313					-113		-1,200	-1,313	0
Other operating income	3.3, 3.4	5,213							15,442	15,442	20,655
Materials and services	3.5	-269,803								0	-269,803
Personnel expenses	3.6	-14,406					113		1,200	1,313	-13,094
Other operating expenses	3.3	-114,093	1,546				-663			883	-113,210
Share of profit from associated companies and joint ventures	4.1	-551								0	-551
Depreciations, amortisations and impairment	4.2, 4.3	-43,582	-1,197				39			-1,158	-44,740
Operating profit (EBIT)		**21,354**	**349**	**0**	**0**	**-1,216**	**-624**	**0**	**0**	**-1,491**	**19,863**
Finance income	3.7	9,813								0	9,813
Finance expenses	3.7	-22,550	-598							-598	-23,148
Profit before tax		**8,617**	**-248**	**0**	**0**	**-1,216**	**-624**	**0**	**0**	**-2,088**	**6,528**
Income tax	3.8	-1,822	50			243	125		460	878	-944
Profit for the financial period		**6,795**	**-199**	**0**	**0**	**-972**	**-500**	**0**	**460**	**-1,211**	**5,584**
OTHER COMPREHENSIVE INCOME											
Profit for the financial period											
Items that may be reclassified to profit and loss in subsequent periods (net of tax):											
Cash flow hedges					-5,573					-5,573	-5,573
Items that will not be reclassified to profit and loss in subsequent periods (net of tax):											
Fair value and other reserves				-51,366						-51,366	-51,366
Other comprehensive income (loss) for the financial period, net of tax		**0**	**0**	**-51,366**	**-5,573**	**0**	**0**	**0**	**0**	**-56,938**	**-56,938**
Total comprehensive income for the financial period		**6,795**	**-199**	**-51,366**	**-5,573**	**-972**	**-500**	**0**	**460**	**-58,149**	**-51,354**

3.1. Segment information

ACCOUNTING PRINCIPLES

The Group has five reportable segments, which is in line with the internal reporting delivered to the chief operating decision maker. The chief operating decision maker (CODM) of EPV is the board of directors and each segment has its own business leader, who reports to the CODM. The Group's segments include the following business areas, which differ from each other by the nature of business and revenue model: renewable energy production, nuclear power, thermal power and energy reserves, distribution network and services and other operations.

Renewable energy production

The renewable energy production segment consists of the parent company's operations related to hydro, solar, and wind power production as well as the following Group entities: EPV Windpower Ltd, Rajakiiri Oy and EPV Solar Power Ltd.

Nuclear power

The nuclear power segment includes the share in the joint venture Teollisuuden Voima Oyj, which produces electricity at three nuclear power plant units: Olkiluoto 1, Olkiluoto 2, and Olkiluoto 3.

Thermal power and Energy reserves

The segment includes electricity and thermal power production and the energy reserve operations. The segment includes the following Group entities: Seinäjoen Voima Oy, Tornion Voima Oy, Vaasan Voima Oy, EPV Akkuhybridi Oy and EPV Aluevarannot Oy. In addition, the shareholdings in Raahen Voima Oy, EPM Metsä Oy and Woodtracker Oy belong to the thermal power and energy reserves segment.

Distribution network

The Group entities EPV Alueverkko Oy and EPV Teollisuusverkot Oy are in the distribution network business.

Services and other operations

The services and other operations segment includes mostly the energy services, operating center services and the balance services provided by the Group entities EPV Tase Oy, EPV Operointi Oy and Powerheat Solutions Oy. The segment includes also the parent entity's Group operations as well as other operations which have not been included in the other segments.

Please see more information on the Group's revenue in note 3.2. Revenue from contracts with customers.

SEGMENT REPORTING

The Group is in the energy business and renders energy related services to its shareholders at a cost price. The Group does not intend to maximise its profit on a Group, segment or entity-level. The Group structure has been set up in a way which supports its main line of business. For example, the service segment offers internal services to the other Group entities and its shareholders.

Internal transactions arising from the Mankala principle significantly impact the figures reported for profit and loss, as well as assets and liabilities by segment.

Please see more information on the impairment of the thermal power and energy reserves segment in note 4.3. Intangible assets.

SEGMENT STATEMENT OF FINANCIAL POSITION

31.12.2024						
€1,000	**Renewable energy production**	**Nuclear Power**	**Thermal Power and Energy reserves**	**Distribution network**	**Services and other operations**	**Total**
Assets						
Non-current assets	627,900	490,958	160,682	112,855	8,597	1,400,992
Current assets	49,565	15,629	71,858	9,192	13,515	159,758
Total assets	**677,465**	**506,587**	**232,539**	**122,047**	**22,112**	**1,560,750**
Liabilities						
Non-current liabilities and provisions	271,999	141,736	55,216	55,780	26,132	550,863
Current liabilities	59,756	33,259	64,087	24,197	6,540	187,839
Total liabilities	**331,756**	**174,995**	**119,303**	**79,977**	**32,672**	**738,703**

31.12.2023						
€1,000	**Renewable energy production**	**Nuclear Power**	**Thermal Power and Energy reserves**	**Distribution network**	**Services and other operations**	**Total**
Assets						
Non-current assets	615,710	709,367	158,841	110,405	8,220	1,602,544
Current assets	67,284	14,463	81,852	12,451	18,645	194,694
Total assets	**682,994**	**723,830**	**240,692**	**122,856**	**26,865**	**1,797,238**
Liabilities						
Non-current liabilities and provisions	288,027	200,269	96,264	70,818	26,105	681,483
Current liabilities	63,600	22,640	43,087	4,516	9,267	143,110
Total liabilities	**351,627**	**222,909**	**139,351**	**75,334**	**35,371**	**824,592**

SEGMENT STATEMENT OF FINANCIAL POSITION

1.1.2023						
€1,000	**Renewable energy production**	**Nuclear Power**	**Thermal Power and Energy reserves**	**Distribution network**	**Services and other operations**	**Total**
Assets						
Non-current assets	655,829	754,814	156,191	99,413	7,906	1,674,152
Current assets	72,525	13,373	101,659	5,823	31,875	225,254
Total assets	**728,354**	**768,186**	**257,850**	**105,236**	**39,781**	**1,899,406**
Liabilities						
Non-current liabilities and provisions	314,451	208,375	102,291	43,979	19,189	688,283
Current liabilities	62,780	21,323	58,205	17,830	23,126	183,263
Total liabilities	**377,231**	**229,698**	**160,496**	**61,809**	**42,315**	**871,547**

SEGMENT STATEMENT OF PROFIT AND LOSS

2024						
€1,000	**Renewable energy production**	**Nuclear Power**	**Thermal Power and Energy reserves**	**Distribution network**	**Services and other operations**	**Total**
Revenue, external	65,725	94,986	122,073	38,548	100,730	422,062
Revenue, internal						206,680
Eliminations						**-206,680**
Total revenue	**65,725**	**94,986**	**122,073**	**38,548**	**100,730**	**422,062**
Depreciation, amortisation and impairment	-26,122	-397	-14,052	-6,365	76	-46,859
Share of profit (loss) of associated companies and joint ventures	0	0	55	0	0	55
Operating profit and loss	**27,290**	**4,925**	**-1,138**	**3,958**	**-19,385**	**15,650**
Finance income	5,706	4,424	2,993	847	619	14,589
Finance expenses	-11,775	-4,434	-4,903	-2,473	-1,379	-24,964
Total finance income and expenses	**-6,069**	**-9**	**-1,910**	**-1,626**	**-761**	**-10,375**
Income taxes	-483	-9	122	-729	29	-1,070
Profit/loss for the year from continuing operations	**20,739**	**4,907**	**-2,926**	**1,604**	**-20,117**	**4,206**

2023						
€1,000	**Renewable energy production**	**Nuclear Power**	**Thermal Power and Energy reserves**	**Distribution network**	**Services and other operations**	**Total**
Revenue, external	62,862	90,953	150,954	29,438	106,400	440,606
Revenue, internal						207,147
Eliminations						**-207,147**
Total revenue	**62,862**	**90,953**	**150,954**	**29,438**	**106,400**	**440,606**
Depreciation, amortisation and impairment	-25,621	-280	-12,882	-5,910	-47	-44,740
Share of profit (loss) of associated companies and joint ventures	0	0	-551	0	0	-551
Operating profit and loss	**14,511**	**5,279**	**3,951**	**5,536**	**-9,414**	**19,863**
Finance income	4,771	3,757	169	607	509	9,813
Finance expenses	-11,220	-3,759	-4,969	-2,031	-1,170	-23,148
Total finance income and expenses	**-6,449**	**-2**	**-4,799**	**-1,424**	**-661**	**-13,335**
Income taxes	-297	16	-360	-536	233	-944
Profit/loss for the year from continuing operations	**7,765**	**5,293**	**-1,208**	**3,576**	**-9,842**	**5,584**

3.2. Revenue from contracts with customers

ACCOUNTING PRINCIPLES

The Group is in the business of generating and acquiring energy for its shareholders, Finnish energy companies, on a cost-price principle (the Mankala principle). Based on the cost-price principle, the shareholders are entitled to the energy generated and acquired by EPV in proportion to their ownership and, correspondingly, obligated to cover the costs of the company's operations.

In accordance with IFRS 15, revenue from contracts with customers is recognised when the control of the services is transferred to the customer. Revenue recognition occurs over time with EPV's customer contracts as the customer simultaneously receives and consumes the benefits provided by the entity's performance.

The Group's revenue is divided into three revenue streams based on the nature of the contracts, which are electricity and heat agreements, service agreements and connection agreements. The Group always acts as a principal in its contracts with customers, as EPV has control over the services and products produced and delivered until the control is transferred to the customer.

Segment information

EPV reports its business operations in five operating segments, which are distribution networks, thermal power and energy reserves, renewable energy production, nuclear power and services and other operations.

Revenue from the reporting segments of the distribution network segment is entirely derived from connection agreements. Thermal power and energy reserves, renewable energy production, and nuclear power together comprise the revenue generated from heat and electricity supply agreements. The revenue from services and other operations in the segment is entirely derived from service agreements.

Information regarding the operating segments is described in more detail in note 3.1. Segment information.

PERFORMANCE OBLIGATIONS AND THE SATISFACTION OF PERFORMANCE OBLIGATIONS

Electricity and heat supply agreements

Revenue generated from electricity and heat supply agreements consists of the production and delivery of energy to the customers. The heat and electricity supply agreements are primarily customer contracts with EPV's shareholders and are based on the cost-price principle.

The performance obligations of customer contracts relate to the delivery of heat or electricity, where the delivery of heat or electricity is a distinct performance obligation. In heat and electricity supply agreements, the monthly delivery can be separated, as the customer can benefit from the delivery of heat as a service either alone or together with other services readily available to the customer. EPV invoices the produced service regularly on a monthly basis and recognises the related revenue over time.

Energy sales revenue consist of fixed and variable charges. The revenue from variable charges is recognised based on the delivery of energy. Both variable and fixed charges are invoiced and recognised as revenue on a monthly basis.

Service agreements

Revenue generated from service agreements consists of the production of energy services, operating center services, and balance services to customers.

- Within the energy service agreement, EPV carries out projects related to the acquisition and sale of electricity.
- Within the operating center service agreement, EPV provides services related to the monitoring and management of the electricity network to its customers.
- With the balance service agreement, EPV acts as the balancing party in the electricity markets, fulfilling the legal minimum requirements for its customers operating in the electricity markets. Additionally, EPV serves as a trading channel for physical electricity markets.

Service agreements are primarily offered to EPV's shareholders and also to external customers in exceptional cases.

Each service offered under the service agreements is considered as a distinct performance obligation. The services produced under the service agreements are not dependent on each other. The content of energy and operating center services can be agreed upon separately with the customer, while the content of balance services is partially defined by law. EPV invoices each produced service regularly at least on a monthly basis and recognises revenue from the service agreements over time

Connection agreements

Revenue generated from connection agreements consists of connecting the customer's electrical installations to the electricity network managed by EPV. Connection agreements are individual agreements that consist of two separate performance obligations: the construction of the switchgear field and the assurance of the capacity as per the agreement (capacity reservation fee).

- EPV constructs a switchgear field for the customer's connection, which serves as the customer's connection point. Access rights are granted to the customer for this connection point.
- The capacity reservation fee is the actual connection fee to the electricity network managed by EPV, based on which EPV reserves capacity for electricity transmission. After connecting the customer, EPV also receives revenue from the transmitted electrical energy, i.e., electricity transmission.

The access rights granted to the customer for the switchgear field as part of the customer contract are treated as a lease in accordance with the IFRS 16 standard, as the customer receives access rights to the leased asset. The treatment of the access rights to the switchgear field is described in more detail in note 4.2. Leases.

Upon the customer's connection to the electricity network managed by EPV, EPV invoices the capacity reservation fee, i.e., the connection fee, which is based on the estimated useful life of the switchgear field, approximately 20-30 years. Capacity reservation fees are advance payments

for the future use of network capacity. Therefore, EPV recognises a contract liability from the capacity reservation fees, which are recognised as revenue over time during the contract period.

After the customer's connection to the electricity network, EPV receives revenue from electricity transmission, which is invoiced and recognised over time, primarily on a monthly basis, in accordance with the delivery during the contract period.

Variable consideration

EPV's contracts with customers do not include variable considerations. The Group does not recognise any incremental costs of obtaining a contract or fulfilling the contracts.

Significant financing component

EPV's contracts with customers do not include significant financing components, and the timing of payments does not provide EPV with significant financing benefits.The typical payment terms are 14 days and the contracts have a fixed monthly due date.

Warranties

The Group's contracts with customers do not include any warranties or related obligations, refund or repayment obligations or any other similar obligations.

Other principles

EPV's contracts with customers do not include non-cash considerations.

Revenue distribution by customer contracts

€1,000	31.12.2024	31.12.2023
Electricity and heat supply agreements	282,783	304,768
Service agreements	100,730	106,400
Connection agreements	374	374
Other network operations	38,174	29,064
Total	**422,062**	**440,606**

EPV's revenue is entirely derived from Finland, and revenue recognition occurs over time with all contracts with customers.

CONTRACT BALANCES

Trade receivables

A receivable represents EPV's right to an amount of consideration that is unconditional, i.e., only the passage of time is required before payment of the consideration is due. Further information is disclosed in note 5.3. Financial assets and liabilities.

Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue over time when the Group performs under the contract.

The Group's contract liabilities consist of the revenue from the electricity connection agreements that has not yet been recognised, and which will be recognised as revenue over time within the future reporting periods. The liabilities have been recognised as non-current liabilities and will be recognised as revenue within the next 12 months.

3.3. Other operating income and expenses

OTHER OPERATING INCOME

Other operating income includes income that does not directly relate to income from EPV's operating activities. The Group's wind power companies receive feed-in tariffs as government grants. Please see information regarding feed-in tariffs and other government grants in note 3.4. Government grants.

€1,000	2024	2023
Feed-in tariffs	22,514	15,442
Rental income	116	103
Capital gains on fixed assets	50	2,416
Other operating income	909	2,693
Total other operating income	**23,589**	**20,655**

OTHER OPERATING EXPENSES

Other operating expenses include other expenses than costs of goods sold.

€1,000	2024	2023
Fixed energy purchases	80,784	73,678
External services	27,680	28,211
Administrative expenses	2,141	2,112
Leases	693	604
Materials and equipment	2,701	3,787
Other employee expenses	1,224	1,031
Liability expenses and government payments	4,246	3,787
Other operating expenses	1,693	0
Total other operating expenses	**121,162**	**113,210**

€1,000	2024	2023
Audit fees		
Audit fees	225	199
Auditor's certificates and statements	8	14
Tax services	4	4
Other services	252	206
Total audit fees	**490**	**422**

Please see additional information regarding lease expenses in note 4.4. Leases.

3.4. Government grants

ACCOUNTING PRINCIPLES

The Group's wind power companies receive feed-in tariffs as government grants, which are presented within other operating income.

The government grants related to the acquisition of tangible assets are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised as income over the useful life of the asset with corresponding lower depreciations.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants of such nature are recognised as other operating income.

Information on government grants

In June 2024, Seinäjoen Voima Oy has agreed on investing in the implementation of an utilising heat recovery at Seinäjoki wastewater treatment plant. The Ministry of Economic Affairs and Employment granted 1,2 million euros for the project. Additionally, the company decided in September 2024 to invest in district cooling, for which the Ministry of Economic Affairs and Employment granted 0,6 million euros.

In 2024, Tornion Voima Oy agreed on an investment to change the heating system of two fresh air intakes from propane heating to electric heating at the Kemi mine site. The Kemi mine project received a NextGeneration EU - funding of maximum 1,4 million euros from the Ministry of Economic Affairs and Employment.

In 2024, Vaasan Voima Oy agreed on an investment to increase the temperature and power of the Vaskiluoto thermal storage facility. The European Union granted investment support for the project of up to 5,8 million euros.

In December 2022, the European Union granted EPV Solar Power Ltd's Heinineva solar park project an investment support of up to 12 million euros as part of the NextGeneration EU -program.

The investment grants received by EPV include repayment terms regarding the implementation of projects and the permanence of ownership. The repayment terms have not been met in the concluded or previous financial years.

3.5. Materials and services

ACCOUNTING PRINCIPLES

Material and service expenses relate to the Group's ordinary business operations. Energy purchases include the transactions made with the Nordic electricity market participants, which are presented on a gross basis. In addition, energy purchases include the energy acquired from Teollisuuden Voima Oy, Pohjolan Voima Oy, Voimapiha Oy and Raahen Voima Oy according to the ownership-% of the Group. Purchases of fuel and emission allowances are used for electricity and heat production of the production companies.

€1,000	2024	2023
Energy purchased and distribution expenses	173,679	168,943
Fuels	46,139	60,277
Change in inventories	3,599	6,184
Emissions allowances	17,587	26,456
External services	6,928	7,943
Total materials and services	**247,931**	**269,803**

3.6. Personnel expenses

ACCOUNTING PRINCIPLES

The Group's pension benefits are defined contribution based plans and they are managed by external pension insurance companies. The insurance payments are recognised as expenses in the statement of profit and loss for the period to which the payments relate. EPV does not have any defined benefit based plans.

EPV has annual performance bonuses as short-term incentives, which are based on the achievement of set targets.

€1,000	2024	2023
Personnel expenses		
Wages and salaries	11,442	10,513
Pension expenses	2,303	2,140
Social security expenses	358	440
Total personnel expenses	**14,103**	**13,094**

Average number of employees		
Officers	127	113
Employees	43	42
Average number of employees during the period	**170**	**155**

Salaries, fees and benefits paid for the Board of Directors and for the Group management

Please see the note 6.1. Related party transactions for information regarding compensation to Board and Directors and the Group management.

3.7. Finance income and expenses

ACCOUNTING PRINCIPLES

The financial income and expenses of the Group consist of changes in the fair value of financial instruments and interest income and expenses. Interest income and expenses are recognised using the effective interest method.

More information regarding the financial instruments is presented in the notes 5.6. Derivatives and hedge accounting, 5.3. Financial assets and liabilities and 5.5. Borrowings and lease liabilities.

€1,000	2024	2023
Financial income		
Gains from fair valuation of investments in funds	426	135
Interest income from derivatives	6,656	5,672
Other interest and finance income	7,507	4,006
Total financial income	**14,589**	**9,813**

Financial expenses		
Interest on borrowings	20,231	18,474
Interest expenses from derivatives	0	120
Interest expenses from leases	614	598
Other interest and finance expenses	4,119	3,957
Total financial expenses	**24,964**	**23,148**

3.8. Income taxes

ACCOUNTING PRINCIPLES

Current income tax

Income taxes comprise of tax recognised on the taxable income for the financial year as well as deferred taxes. Taxes based on taxable income are recognised in the statement of profit and loss. For items recognised directly in the other comprehensive income (OCI), including the tax effect, are recognised through other comprehensive income (OCI).

Current tax liabilities and current tax assets based on taxable income for the reporting period are recognised at the amount expected to be paid to the tax authority or received as a refund from it. Taxes based on taxable income are recognised according to the local tax rules of Finland using the applicable tax rate. If there is uncertainty included in the interpretations of the income tax rules, EPV estimates whether it is able to fully utilise the tax position that is stated in income tax position. If necessary, tax bookings are adjusted to reflect the changes in tax position.

Due to the cost-price principle, EPV generally does not accumulate taxes payable from its main business activities.

Deferred tax

Deferred tax asset or liability is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that future taxable income will be available againts for which against they can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax liabilities are recognised in the statement of financial position in full.

The Group offsets the deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity.

The Group's most significant temporary differences arise mainly from derivatives, leases and the fair value measurement of its share investments in TVO and PVO.

INCOME TAXES

The major components of income taxes

€1,000	2024	2023
Income tax on operations	1,759	608
Tax for previous accounting periods	1	0
Deferred taxes	-690	336
Income taxes total	**1,070**	**944**

Tax rate reconciliation

€1,000	2024	2023
Profit before income tax	**5,276**	**6,528**
Tax calculated at parent's tax rate of 20% (2023 20%)	-1,055	-1,306
Deferred taxed not recognised from losses	-436	-301
Non-deductible expenses	-358	-133
Income not subject to tax	758	593
Other	22	202
Income taxes	**-1,070**	**-944**

Income tax receivables and payables

€1,000	31.12.2024	31.12.2023	1.1.2023
Income tax receivables	1	1	0
Income tax payables	1,368	279	380

DEFERRED TAXES

Deferred tax assets 2024

€1,000	1.1.2024	Recognised in profit and loss	Recognised in other comprehensive income	31.12.2024
Fair value measurement of derivatives	957	0	247	1,204
Leases	50	46	0	95
Other deferred tax assets	2,550	455	0	3,006
Total	**3,557**	**501**	**247**	**4,305**

Deferred tax assets 2023

€1,000	1.1.2023	Recognised in profit and loss	Recognised in other comprehensive income	31.12.2023
Fair value measurement of derivatives	905	0	52	957
Leases	0	50	0	50
Other deferred tax assets	1,714	836	0	2,550
Total	**2,619**	**886**	**52**	**3,557**

Deferred tax liabilities 2024

€1,000	1.1.2024	Recognised in profit and loss	Recognised in other comprehensive income	31.12.2024
Fair value measurement of derivatives	5,331	0	-824	4,507
Fair value measurement of shares in TVO and PVO	130,481	0	-44,320	86,160
Other deferred tax liabilities	23,675	-189	0	23,486
Total	**159,487**	**-189**	**-45,145**	**114,154**

Deferred tax liabilities 2023

€1,000	1.1.2023	Recognised in profit and loss	Recognised in other comprehensive income	31.12.2023
Fair value measurement of derivatives	6,672	0	-1,341	5,331
Fair value measurement of shares in TVO and PVO	143,322	0	-12,841	130,481
Other deferred tax liabilities	22,454	1,221	0	23,675
Total	**172,448**	**1,221**	**-14,182**	**159,487**

4.1. Associated companies and joint ventures

ACCOUNTING PRINCIPLES

Associated companies and joint ventures in which EPV has significant influence are consolidated into the group financial statements by applying the equity method.

The financial statements of associated companies and joint ventures, prepared in accordance with Finnish accounting standards, are adjusted by EPV with relevant IFRS adjustments for the purpose of group consolidation and IFRS reporting. The financial years of the associated companies and joint ventures end on December 31, and therefore there are no timing-related differences associated with the reported financial information.

	% of equity interest			Fair value €1,000		
Entity, domicile	**31.12.2024**	**31.12.2023**	**1.1.2023**	**31.12.2024**	**31.12.2023**	**1.1.2023**
EPM Metsä Oy, Vaasa	50.0	50.0	50.0	647	592	0
Raahen Voima Oy, Raahe	25.0	25.0	25.0	8,376	8,376	8,376
Suomen Merituuli Oy, Helsinki	-	-	50.0	-	-	100
Vaskiluodon Voima Oy, Vaasa	-	-	50.0	-	-	1,647
Voimapiha Oy, Helsinki	16.7	16.7	16.7	20,000	20,000	20,000
Total associated companies and joint ventures				**29,022**	**28,968**	**30,123**

Associated companies and joint ventures in which EPV has significant influence are consolidated into the group financial statements by applying the equity method.

EPM Metsä Oy is accounted for as an associated company, as EPV does not have control over the company through its ownership. EPV is entitled to its share of the profits or losses of EPM Metsä Oy in proportion to its ownership, which is accounted for using the equity method.

Voimapiha Oy is accounted for as an associated company, as EPV has significant influence over the company due to its seat on the board of directors. EPV's shareholding entitles it only to receive electricity from the company in proportion to its ownership.

Please see note 6.1. for more information on related party transactions.

4.2. Intangible assets

ACCOUNTING PRINCIPLES

Separately acquired intangible assets are recognised at their initial acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered when adjusting the amortisation period or method.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

Software

Software over which EPV has control are accounted for as an intangible asset. Software over which EPV does not have control, are treated as cloud computing agreements, which grant the company the right to use the service provider's software for the duration of the contract period. For cloud computing agreements, license costs as well as customization and configuration costs that are distinct on contract level are recognised as an expense within other operating expenses in the statement of profit and loss when incurred. Costs related to the cloud computing agreement that are not distinct are recognised in statement of financial position and amortised over the term of the cloud computing agreement.

The amortisation principles for intangible assets with finite useful life:

	Amortisation principle	Useful life (years)
Intellectual property rights	Straight-line amortisation	10-20
Software	Straight-line amortisation	5-10
Other intangible assets	Straight-line amortisation	5-40

EPV's intangible assets with indefinite useful life consist of one-time connection fees that are considered permanent.

EPV has not recognised any impairment losses on intangible assets for the financial period or for the comparable financial periods.

€1,000	Intellectual property rights	Software	Other intangible assets	Intangible assets total
Cost 1.1.2023	**2,678**	**449**	**9,274**	**12,401**
Additions	788	341	1,028	2,158
Cost 31.12.2023	**3,466**	**790**	**10,302**	**14,559**
Additions	0	907	36	944
Disposals	-75	0	0	-75
Cost 31.12.2024	**3,391**	**1,698**	**10,339**	**15,428**
Accumulated amortisation and impairment 1.1.2023	**-747**	**-298**	**-6,472**	**-7,516**
Amortisation and impairment for the financial period	-158	-88	-644	-889
Accumulated amortisation and impairment 31.12.2023	**-904**	**-386**	**-7,116**	**-8,406**
Amortisation and impairment for the financial period	-170	-146	-635	-951
Accumulated amortisation and impairment 31.12.2024	**-1,074**	**-532**	**-7,751**	**-9,356**
Net book value 1.1.2023	**1,931**	**152**	**2,802**	**4,885**
Net book value 31.12.2023	**2,562**	**404**	**3,187**	**6,153**
Net book value 31.12.2024	**2,317**	**1,166**	**2,588**	**6,071**

4.3. Tangible assets

ACCOUNTING PRINCIPLES

Tangible assets are measured at cost less accumulated depreciation, impairment losses and received investment grants.

Assets under construction and advances received relate to construction in progress for wind power companies, solar power companies, network companies, and power plants' incomplete investments.

Tangible assets are depreciated mainly on a straight-line basis over the estimated useful lives of the assets, as follows:

- Buildings 5-30 years
- Machinery and equipment 5-52 years
- Transmission network 30 years
- Other tangible assets 15 years

Depreciation of peat reserves is recognised as substance depreciation based on consumption.

EPV reviews the expected useful lives at each reporting date and adjusts the useful lives prospectively, if appropriate.

Sales gains and losses from the disposal of tangible assets are presented in other operating income and expenses in the statement of profit and loss. Sales gains and losses are calculated as the difference between sales price and the remaining cost of the asset.

EPV has recognised an impairment loss of EUR 278 thousand relating to peat reserves during the financial year ending 31.12.2023 as well as an impairment loss of EUR 531 thousand on buildings acquired for peat production during the financial year ending 31.12.2024. The utilisation of peat resources is not feasible due to changed circumstances and regulations. Impairment losses are allocated to the thermal power and energy reserves segment.

€1,000	Land areas	Buildings	Machinery & equipment	Peat reserves	Transmission network	Other tangible assets	Assets under construction and advances	Total
Acquisition cost 1.1.2023	**11,818**	**108,879**	**577,856**	**4,572**	**88,524**	**22,223**	**131,999**	**945,871**
Additions	224	17,100	100,373	0	3,273	0	32,319	153,290
Disposals	-12	0	0	0	-16	0	-112,094	-112,123
Reclassifications	0	0	0	0	0	4,295	0	4,295
Investment grants	0	0	-544	0	0	0	0	-544
Acquisition cost 31.12.2023	**12,070**	**125,979**	**677,685**	**4,572**	**91,780**	**26,518**	**52,248**	**990,854**
Additions	680	2,165	13,970	0	7,297	0	32,894	57,006
Disposals	0	0	-1,087	0	-13	0	-20,777	-21,877
Reclassifications	0	0	0	0	0	123	0	123
Acquisition cost 31.12.2024	**12,750**	**128,145**	**690,568**	**4,572**	**99,065**	**26,641**	**64,383**	**1,026,124**
Accumulated depreciation and impairment 1.1.2023	**0**	**-25,653**	**-174,320**	**-1,859**	**-31,373**	**-6,127**	**0**	**-239,332**
Accumulated depreciation on disposals	0	0	0	0	16	0	0	16
Depreciation and impairment losses for the financial period	0	-5,286	-31,764	-812	-3,699	-1,093	0	-42,654
Accumulated depreciation and impairment 31.12.2023	**0**	**-30,939**	**-206,084**	**-2,671**	**-35,056**	**-7,220**	**0**	**-281,969**
Accumulated depreciation on disposals	0	0	1,086	0	13	0	0	1,099
Depreciation and impairment losses for the financial period	-531	-5,442	-33,163	-495	-3,901	-1,049	0	-44,581
Accumulated depreciation and impairment 31.12.2024	**-531**	**-36,381**	**-238,161**	**-3,166**	**-38,944**	**-8,269**	**0**	**-325,452**
Book value 1.1.2023	**11,818**	**83,226**	**403,537**	**2,713**	**57,150**	**16,096**	**131,999**	**706,539**
Book value 31.12.2023	**12,070**	**95,040**	**471,602**	**1,901**	**56,724**	**19,298**	**52,248**	**708,885**
Book value 31.12.2024	**12,219**	**91,764**	**452,407**	**1,407**	**60,121**	**18,372**	**64,383**	**700,672**

Capitalised borrowing costs for the financial period

EPV has capitalised borrowing costs of items included in assets under construction. Capitalised interest expenses of lease liabilities are allocated to land and interest expenses of financial liabilities are allocated mainly to machinery and equipment, and to buildings. Borrowing costs of items included in assets under construction are capitalised as part of acquisition cost and amortised over the asset's expected useful life. Financial liabilities and lease liabilities are disclosed in note 5.5.

Capitalised during the financial period, €1,000	Interest expenses of financial liabilities	Interest expenses of lease liabilities	Total
2023	382	90	472
2024	578	80	658

Capitalised during the financial period without exclusion of borrowing costs €1,000	Interest expenses of financial liabilities	Interest expenses of lease liabilities	Total
1.1.2023	6,408	0	6,408
31.12.2023	6,519	90	6,610
31.12.2024	6,874	170	7,044

4.4. Leases

ACCOUNTING PRINCIPLES

Group as a lessee

The Group's lease contracts mainly consist of land areas, power plant equipments, office buildings, vehicles and other leased assets. The lease contracts are valid for a fixed period or until further notice. The lease term of fixed-term land lease contracts varies from a few years to 50 years.

EPV assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

During the reporting period EPV does not have sublease agreements or sale and leaseback transactions.

Lease liabilities

At the inception of the lease, EPV measures the lease liability at the present value of the lease payments over the lease term. The lease payments included in the measurement of the lease liability comprise of the fixed payments and variable lease payments that depend on an index. The variable lease payments are not recognised in the statement of financial position but recognised as an expense.

The fixed payments consist of the minimum lease payments. Non-lease components are separated from lease payments in case they can be measured reliably.

Lease payments are discounted by using interest rate in the contract if it is readily available. In other cases, lease payments are discounted by using the lessee's incremental borrowing rate which is determined based on financing offers received and market conditions.

Interest expense on lease liabilities are recognised in finance expense in the statement of profit and loss over the lease term, excluding interest expenses on assets under construction which are capitalised in fixed assets in the statement of financial position. The lease liabilities are subsequently measured at initial recognition less lease payments that are allocated to the principal.

For the contracts with extension options, EPV applies judgement to evaluate whether it is reasonably certain that the extension option will be exercised. Extensions for the leases are included in the lease liability when the lease term is reasonably certain to be extended.

When determining the lease term for the contracts that are valid until further notice, EPV takes into account similar contracts with fixed lease period and their typical lease terms. The estimates of the lease terms are updated at each reporting date.

The maturity analysis of lease liabilities is disclosed in note 5.5. Financial liabilities and lease liabilities.

Short-term lease contracts and contracts of low-value assets

EPV applies the exemptions applicable to short-term lease contracts (lease period less than 12 months), and for lease contracts for which the underlying asset is of low value. These lease contracts are not recognised in the statement of financial position but recognised as expense when the costs are incurred. Short-term lease contracts and contracts of low-value assets mainly consist of power plant and office equipment.

EPV applies a retrospective approach to lease agreements by recording the impact of the adoption of the standard on the opening balance at the time of the IFRS transition on 1.1.2023. Further information on the adoption of IFRS standards is presented in note 2.1. IFRS impact: The transition effects and exemptions applied.

Right-of use assets

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any incentives received. Subsequently, the right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. The depreciation of leased assets related to projects in progress begin on commissioning date. The right-of-use assets are depreciated over the lease term or over the useful life of the asset, if that is shorter.

The cost of the right-of-use asset does not include estimated restoration obligations for returning the underlying asset to the condition specified in the lease agreement. Further information on the treatment of restoration obligations is provided in note 4.8. Provisions.

For contracts that include both lease components and non-lease components, the non- lease components are separated and recognised as expenses in the statement of profit and loss as incurred. The portion of variable lease payments included in the contracts, are recognised as expenses in statement of profit and loss as incurred.

The Group as a lessor

Electricity network connection agreements, in which the customer receives access rights to the switchgear field/connection point of the electricity network managed by EPV for the duration of the agreement, are accounted for as operating leases.

Income from other operating leases are systematically recognised over the lease period in accordance with the estimated economic useful life and are recognised under other operating income. The lease agreements where EPV acts as the lessor are fixed-term or valid until further notice.

Please refer to note 3.2. Revenue from contracts with customers for revenue recognition of the connection agreements. Please refer to note 3.3. Other operating income and expenses for impact of revenue from other operating leases on statement of profit and loss.

Right-of-use assets

€1,000	Machinery and equipment	Land	Buildings	Vehicles	Total
1.1.2023	**1,868**	**15,970**	**1,405**	**218**	**19,460**
Disposals	0	0	0	-2	-2
Depreciation for the financial period	-311	-658	-357	-48	-1,373
31.12.2023	**1,557**	**15,312**	**1,048**	**168**	**18,085**
1.1.2024	**1,557**	**15,312**	**1,048**	**168**	**18,085**
Additions, incl. Index increases	31,831	758	764	68	33,421
Disposals	-11	0	-134	-11	-156
Depreciations for the financial period	-309	-735	-253	-60	-1,357
31.12.2024	**33,068**	**15,335**	**1,425**	**165**	**49,993**

Lease liabilities

€1,000	2024	2023
1.1.	**18,372**	**19,460**
Additions	33,411	0
Lease payments	-1,935	-1,776
Interest expenses	693	688
31.12.	**50,542**	**18,372**

€1,000	31.12.2024	31.12.2023	1.1.2023
Non-current lease liabilities	48,618	16,673	18,372
Current lease liabilities	1,923	1,700	1,088
Total	**50,542**	**18,372**	**19,460**

Impact of leases where EPV is the lessee on statement of profit and loss

€1,000	1.1.-31.12.2024	1.1.-31.12.2023
Depreciations, right-of-use assets	1,327	1,197
Interest expenses, lease liabilities	614	598
Low-value leases	326	418
Short-term leases	136	145
Variable lease payments	231	42
Total	**2,634**	**2,399**

The cash flows arising from lease contracts during financial period 2024 were EUR 2,406 million (2023: EUR 2,151 million).

Accounting estimates and management's judgements

The most significant management judgment relates to lease agreements which are valid until further notice. For these contracts, management needs to estimate the length of the lease term, which may significantly impact the amounts of right-of-use asset and lease liability as well as the related depreciation and interest expense. Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

4.5. Inventories

ACCOUNTING PRINCIPLES

EPV's inventories consists of power plant fuels, i.e. coal, biofuels, peat, and other fuels. Inventories are measured at acquisition cost, which includes raw materials and other direct expenses. The acquisition cost is determined according to the FIFO principle.

If the probable cost of inventories is lower than the original acquisition cost at the reporting date, EPV does not recognise impairment losses due to the cost-price principle (the Mankala principle).

€1,000	31.12.2024	31.12.2023	1.1.2023
Power plant fuels	37,749	41,327	47,507
Prepayments	0	1,553	1,668
Total inventories	**37,749**	**42,879**	**49,175**

4.6. Trade and other receivables

Non-current receivables

€1,000	31.12.2024	31.12.2023	1.1.2023
Loan receivables	46,035	67,215	67,215
Other non-current receivables	18,766	18,711	28,132
Derivative receivables	15,973	15,847	25,194
Other recevables	2,793	2,865	2,938
Total non-current receivables	**64,802**	**85,927**	**95,347**

Current receivables

€1,000	31.12.2024	31.12.2023	1.1.2023
Trade receivables	38,607	56,816	66,467
Other current receivables	43,280	40,853	45,800
Unpaid share capital	7,000	89	15,300
Accruals	16,999	19,619	9,301
Derivative receivables	6,563	10,810	8,168
Other receivables	12,719	10,335	13,031
Total current receivables	**81,888**	**97,669**	**112,267**

Information for related party receivables are presented in note 6.1. Related party transactions.

Specification of accrued income

€1,000	31.12.2024	31.12.2023	1.1.2023
Accrued electricity purchases	1,095	8,510	3,019
Accrued emission rights purchases	696	1,358	1,019
Accrued sales of electricity and heat	971	1,436	1,598
Accrued interest income	2,467	3,317	692
Accrued energy subsidies	9,559	3,460	0
Others	2,210	1,540	2,974
Total accrued income	**16,999**	**19,619**	**9,301**

Expected credit losses

EPV applies a simplified approach in accordance with IFRS 9 for recognising credit risk on trade receivables, whereby a credit loss provision is recognised for all trade receivables based on expected credit losses over the entire duration of the receivables.

Due to the Mankala principle in accordance with the Articles of Association, EPV's credit risk is controlled and remains significantly low. Therefore, EPV has not recognised credit loss provisions at the reporting date or in previous periods.

Credit risk is disclosed in more detail in note 5.1. Financial risk management.

Current and overdue trade receivables

€1,000	31.12.2024	31.12.2023	1.1.2023
Current	36,935	56,273	66,343
Overdue 0-30 days	1,573	384	105
Overdue 30-60 days	31	0	0
Overdue over 60 days	70	158	19
Total	**38,607**	**56,816**	**66,467**

4.7. Trade and other payables

Non-current trade and other payables

€1,000	31.12.2024	31.12.2023	1.1.2023
Contract liabilities	8,924	9,298	8,136
Other non-current payables	6,809	5,139	2,836
Derivative liabilities	4,476	2,832	2,668
Other liabilities	2,334	2,307	168
Total non-current trade and other payables	**15,733**	**14,438**	**10,971**

Current trade and other payables

€1,000	31.12.2024	31.12.2023	1.1.2023
Trade payables	33,293	44,862	36,699
Contract liabilities	374	374	321
Other non-current payables	29,118	40,369	45,605
Derivative liabilities	1,543	1,952	1,856
Accrued expenses	13,232	24,819	14,591
Other liabilities	14,343	13,598	29,158
Total current trade and other payables	**62,785**	**85,606**	**82,626**

Trade payables are typically due on a monthy basis. A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Further information is disclosed in note 3.2. Revenue from contracts with customers.

Specification of accrued expenses

€1,000	31.12.2024	31.12.2023	1.1.2023
Sales of electricity	2	11,262	3,411
Procured electricity	1,505	1,124	0
Interest expenses	5,749	6,726	2,355
Accrued external services	684	994	2,146
Procurement of fuels	393	1,389	485
Accrued personnel expenses	2,356	2,374	2,115
Other accrued expenses	2,543	950	4,079
Total accrued expenses	**13,232**	**24,819**	**14,591**

4.8. Provisions

ACCOUNTING PRINCIPLES

EPV recognises a provision if it has a legal or constructive obligation as a result of a past event, the settlement of the obligation is probable, and the amount of the obligation can be reliably estimated. If the effect of the time value of money is significant, provisions are discounted before tax using a discount rate that reflects the specific risks associated with that liability. When the time value of money is taken into account, the increase in the provision due to the passage of time is recognised as a finance expense in the statement of profit and loss.

EPV has not recognised any provisions during the financial year or in the comparable financial periods.

Restoration obligations

EPV has several restoration obligations relating to power plants and wind power projects implemented on leased land, where EPV is responsible for dismantling the buildings and structures on the land upon the cessation of production and restoring the leased property to its original condition. EPV has not recognised provisions for these due to significant uncertainty regarding the timing of realisation as well as due to uncertainty in reliable measurement. In addition to the uncertainty associated with the measurement, restoration obligations do not have an impact on EPV's results, as the costs related to restoration obligations are fully charged according to the cost-price principle.

Other commitments

EPV does not have any other commitments. Please see information on the measurement of leases in note 4.4. Leases.

5.1. Financial risk management

Financial risk management's objectives and policies

EPV's objective for financial risk management is to ensure the financing position required for business operations regardless of market conditions, and to finance the investments and operations as cost-effectively as possible, considering the financial risks. The Board of Directors of the Group's parent company approves and defines the principles and procedures for managing financial risks. The financial risks are identified, defined, and managed in accordance with the Group's operational principles and risk objectives.

The Group's financial instruments are exposed to various risk factors, of which the most significant ones varies with the changes in the market risks. Risks affecting EPV's financial assets are mainly related to market risk, interest rate risk, credit risk, refinancing risks and liquidity risks.

Market risk

Market risk is the risk that the fair value or future cash flows arising from financial instruments will fluctuate due to changes in market prices or market conditions. The Group regularly assesses its exposures to significant market risks. The sensitivities of the fair values of share investments are disclosed in note 5.3. Financial assets and liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Group's exposure to the interest rate fluctuations relates primarily to the portion of EPV's non-current debt obligations that have floating interest rates. Group's long-term floating rate bank loans are linked to Euribor rates. Changes in market interest rates have a direct effect on EPV's future interest payments.

As part of the Group's interest rate risk management, the entity has diversified its interest-bearing loan portfolio into fixed and variable rate loan instruments. EPV has only Euro-denominated interest rate risk arising from the Group's operations, assets, and loans. The Group's financing is managed centrally. The duration is managed with fixed and variable rate loans and interest rate derivative contracts. As of 31 December 2024, the average interest rate of the Group's loan portfolio was approximately 2.8 % (2023: 3.4 %).

EPV uses derivative instruments for interest rate risk management. EPV hedges the interest rate risk of the financial liabilities by converting the variable rate loans into fixed rate loans through interest rate swap agreements. EPV applies hedge accounting and recognises the unrealised changes of fair value in the hedging reserve in other comprehensive income.

95.3 % (2023: 95.6 %) of EPV's interest-bearing liabilities are variable rate loans, and interest rate swaps cover approximately 42.5 % (2023: 42.3 %) of these liabilities. More detailed information on derivatives and hedge accounting is disclosed in note 5.6

Interest rate sensitivity

The interest rate sensitivity analysis has been conducted in the following way. If the market interest rate would have risen by one percentage point starting from 1 January 2025, or immediately on the next interest fixing date, it would increase the Group's net interest expenses on variable rate loans and interest rate swaps by approximately 1.8 million euros before taxes over the next 12 months (2023: 2.5 million). Correspondingly, a decrease in the interest rate by one percentage point starting from 1 January 2025, or immediately on the next interest fixing date, would reduce the Group's net interest expenses by -1.8 million euros (2023: -2.5 million). The calculation does not take into account bank accounts or other financial assets. Leasing agreements are also not included in the calculation.

Due to the Mankala principle, changes in the interest rate does not impact EPV's financial results or shareholders' equity, as EPV's shareholders are committed to cover EPV's variable and fixed expenses in a proportion to their ownership.

Currency risk

EPV primarily uses Euro as its loan currency. In case loans are withdrawn in currencies other than Euro, the currency risk exposure is managed through derivative contracts. Conventional methods and derivative instruments, such as currency swaps, currency options, and currency forward contracts, are used to mitigate the risk arising from foreign currency exposures.

At the reporting date, EPV does not have any foreign currency risk positions. During financial year 2023, EPV had a currency forward contract related to coal procurement carried out in 2022. More information about the currency forward and its accounting treatment is provided in note 5.6. Derivatives and hedge accounting

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract or financial instrument, leading to a financial loss.

EPV is exposed to credit risk in its operational business, primarily related to trade receivables, bank balances, and short-term investments. As EPV's main business operations are based on the Mankala principle and it provides energy products and services for its shareholders at cost-price, the credit risk is significantly lower than in regular business. Therefore, the credit risk related to receivables from external customers is low in relation to the capacity of EPV's business.

Regarding external business, EPV is exposed to counterparty risk due to credit risk, which is managed by identifying the counterparties before commencing trading or by receiving advance payments for the services provided. EPV regularly monitors and manages its account receivables.

Exposure to credit risk at the reporting date consists of the carrying amount of financial assets. EPV does not have significant concentrations of credit risk.

Expected credit losses on trade receivables are disclosed in note 4.6. Trade and other receivables.

Liquidity and refinancing risk

EPV's liquidity is secured by cash reserves, credit limits, commercial papers, and a revolving loan facility standby credit limit of 100 million euros. Management assesses business and cash flow forecasts to maintain liquidity.

EPV aims to maintain a balance between the continuity and flexibility of financing by utilising cash reserves and, if necessary, bank loans. As part of EPV's financing strategy, the maturity is aimed to be structured so that no more than 30 % of the Group's credit portfolio matures within the next 12 months. EPV emphasizes long-term loan arrangements and long-term relationships with financiers.

Approximately 25.0 % of EPV's debt is due within one year by 31 December 2025 (31.12.2023: 10.1 %, 1.1.2023: 7.7 %), based on the carrying amount of financial liabilities in the financial statements. EPV has assessed the refinancing risk concentration and determined that the risk is low. EPV has access to sufficiently diversified sources of financing, and debts maturing within 12 months can be refinanced with existing or new lenders.

EPV has a domestic commercial paper program of 100 million euros, which allows for the issuance of commercial papers with a maximum maturity of one year. At the end of 2024, EPV had issued commercial papers totaling 9 million euros in the commercial papers market (31.12.2023: 0 euros).

Information on loan covenants is disclosed in note 5.8. Capital management

Liquid assets

EPV's liquid financial assets are deposited in financial institutions, and funds are invested in funds with a low risk profile. Liquid financial assets are part of the Group's liquidity management, and their maturity is less than 12 months, including cash and cash equivalents as well as other short-term fund investments. Fund investments are measured at fair value through profit and loss.

Further information on liquid assets is disclosed in note 5.7. Liquid assets.

The maturity analysis of the financial liabilities is presented in the note 5.5. Borrowings and lease liabilities.

5.2. Fair value measurement

EPV measures financial instruments at fair value at each reporting date. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are provided in note 5.3. Financial assets and liabilities.

ACCOUNTING PRINCIPLES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by EPV.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

EPV uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:
The fair value is based on available quoted (unadjusted) market prices.
Level 2:
The fair value is based on valuation techniques, for which the inputs are based on available market information.
Level 3:
The fair value for these financial assets and liabilities are based on other than observable inputs. Valuation methods for these unobservable inputs require independent consideration and judgement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, EPV determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, EPV has financial instruments in levels 2 and 3, and there has not been any transfers between levels during the financial periods.

At each reporting date, the EPV's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the EPV's accounting policies.

For the purpose of fair value disclosures, EPV has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Valuation methods and assumptions

The determination of fair value requires significant judgment from management. The estimates and assumptions used are continuously reviewed and are based on management's experience and expectations regarding future events that may have financial implications and are considered reasonable given the circumstances.

EPV has assessed that cash and cash equivalents and fixed term deposits, trade receivables, trade payables, bank credit limits, and other current liabilities largely correspond to their carrying amounts primarily due to the short maturities of these instruments.

More information on the tabular presentation and the valuation methods used for financial assets and liabilities are presented in note 5.3. Financial assets and liabilities, which includes a comparison by category of the carrying amounts and fair values of EPV's financial instruments.

The valuation of level 2 derivatives is disclosed in more detail in note 5.6. Derivatives and hedge accounting. The fair valuation of level 3 share investments in the PVO and TVO groups are presented in more detail in note 5.4. Share investments.

5.3. Financial assets and liabilities

ACCOUNTING PRINCIPLES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

EPV's financial assets are measured at fair value at initial recognition at trade date, and are classified as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss. The classification is based on the contractual cash flow characteristics of the financial asset and Group's business model for managing the instruments. The impairment of the financial assets is discussed in detail in the risk management section in note 5.1. Financial risk management. Derivative instruments are disclosed in note 5.6. Derivatives and hedge accounting.

Amortized cost

Financial assets are classified at amortized cost, if the objective of holding the asset is to collect contractual cash flows and if the cash flows are solely payments of principal and interest. Financial assets which fulfill both of the conditions are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Any gains or losses from these financial assets are recognised in profit and loss when the asset is derecognised, modified or impaired.

EPV's financial assets at amortized cost include cash an cash equivalents, fixed-term deposits, loan receivables, and trade receivables.

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when the financial assets are held for trading and when the collection of cash flows are not based on payments of principal and interest and do not pass the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit and loss.

EPV's Financial assets recognised at fair value through profit and loss include the fund investments. All of EPV's derivatives are subject to hedge accounting. Further information on the accounting treatment of derivatives are disclosed in note 5.6. Derivatives and hedge accounting.

Financial assets at fair value through Other comprehensive income (OCI)

Financial assets are classified at fair value through other comprehensive income if the objective of holding the financial asset fulfills both to collect contractual cashflows and to sell the financial asset, and if the cash flows are solely payments of principal and interest. Financial assets at fair value through OCI are recognised in the statement of profit and loss and recognised in similarly as financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recognised to profit and loss.

At initial recognition the Group can make an irrevocable election to classify and measure its equity investments as equity instruments designated at fair value through other comprehensive income when these instruments are not held for sale and when these financial instruments fulfill the requirements of investments to equity instruments under IAS 32.

Gains and losses on these financial assets are never recognised in the statement of profit and loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recognised through OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

EPV's has made an irrevocable election to classify and measure its share investments at fair value through other comprehensive income

Derecognition of financial assets

EPV derecognises financial assets when, and only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition. EPV retains the transferred asset on its statement of financial position to the extent that it has retained substantially all of the risks and rewards on the ownership of the asset. In such cases, EPV also recognises an associated liability.

FINANCIAL LIABILITIES

EPV recognises a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provision of the instrument. EPV's financial liabilities are measured at fair value at initial recognition at trade date, and are classified as subsequently measured at amortised cost and fair value through profit and loss. The financial liabilities are classified to their respective current and non-current accounts.

At amortized cost

EPV's financial liabilities classified at amortized cost, such as interest-bearing loans and borrowings are initially recognised at fair value less any related transaction cost, and are subsequently measured using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit and loss.

EPV's financial liabilities recognised at amortized cost generally consists of interest bearing financial loans, including TVO's nuclear waste management loan and commercial papers, and trade payables.

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

EPV does not have financial liabilities recognised at fair value through profit and loss. All of EPV's de-

rivatives are subject to hedge accounting. Further information on the derivatives are disclosed in note 5.6. Derivatives and Hedge Accounting

De-recognition of financial liabilities

EPV de-recognises financial liabilities when, and only when the obligation of a financial liability specified in its respective contract is discharged, cancelled or it expires. This includes a situation where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

EPV has not de-recognised any liabilities during the current or previous financial periods.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

EPV reports trading with Nordic electricity market participants on the statement of financial position either as receivables or payables depending on whether EPV is a net seller or net purchaser at reporting date. On the statement of profit and loss, this trading is presented on a gross basis as part of revenue and operating expenses. Otherwise, EPV does not offset its financial instruments, but presents financial assets and liabilities on a gross basis on the statement of financial position.

Financial instruments by classification 31.12.2024

Financial assets, €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial assets						
PVO & TVO share investments	3	-	540,056	-	540,056	540,056
Other unlisted equity investments	3	-	6,070	-	6,070	6,070
Derivative receivables	2	-	15,973	-	15,973	15,973
Loan receivables	2	-	-	46,035	46,035	46,035
Non-current financial assets total		**-**	**562,099**	**46,035**	**608,135**	**608,135**
Current financial assets						
Trade receivables	2	-	-	38,607	38,607	38,607
Fund investments	2	10,562	-	-	10,562	10,562
Derivative receivables	2	-	6,563	-	6,563	6,563
Cash and cash equivalents	2	-	-	29,560	29,560	29,560
Current financial assets total		**10,562**	**6,563**	**68,168**	**85,292**	**85,292**
Financial assets total		**10,562**	**568,662**	**114,203**	**693,427**	**693,427**

Financial liabilities, €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	372,358	372,358	372,358
Derivative liabilities	2	-	4,476	-	4,476	4,476
Non-current financial liabilities total		**-**	**4,476**	**372,358**	**376,834**	**376,834**
Current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	114,181	114,181	114,181
Commercial papers	2	-	-	8,949	8,949	8,949
Derivative liabilities	2	-	1,543	-	1,543	1,543
Trade payables	2	-	-	33,293	33,293	33,293
Current financial liabilities total		**-**	**1,543**	**156,424**	**157,966**	**157,966**
Financial liabilities total		**-**	**6,018**	**528,782**	**534,800**	**534,800**

Financial instruments by classification 31.12.2023

Financial assets €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial assets						
PVO & TVO share investments	3	-	741,999	-	741,999	741,999
Other unlisted equity investments	3	-	8,971	-	8,971	8,971
Derivative receivables	2	-	15,847	-	15,847	15,847
Loan receivables	2	-	-	67,215	67,215	67,215
Non-current financial assets total		**-**	**766,816**	**67,215**	**834,032**	**834,032**
Current financial assets						
Trade receivables	2	-	-	56,816	56,816	56,816
Fund investments	2	8,135	-	-	8,135	8,135
Derivative receivables	2	-	10,810	-	10,810	10,810
Cash and cash equivalents	2	-	-	46,010	46,010	46,010
Current financial assets total		**8,135**	**10,810**	**102,826**	**121,771**	**121,771**
Financial assets total		**8,135**	**777,627**	**170,041**	**955,803**	**955,803**

Financial liabilities €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	490,885	490,885	490,885
Derivative liabilities	2	-	2,832	-	2,832	2,832
Non-current financial liabilities total		**-**	**2,832**	**490,885**	**493,718**	**493,718**
Current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	55,804	55,804	55,804
Derivative liabilities	2	-	1,952	-	1,952	1,952
Trade payables	2	-	-	44,862	44,862	44,862
Current financial liabilities total		**-**	**1,952**	**100,666**	**102,618**	**102,618**
Financial liabilities total		**-**	**4,784**	**591,552**	**596,336**	**596,336**

Financial instruments by classification 1.1.2023

Financial assets €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial assets						
PVO & TVO share investments	3	-	806,206	-	806,206	806,206
Other unlisted equity investments	3	-	8,973	-	8,973	8,973
Derivative receivables	2	-	25,194	-	25,194	25,194
Loan receivables	2	-	-	67,215	67,215	67,215
Non-current financial assets total		**-**	**840,373**	**67,215**	**907,588**	**907,588**
Current financial assets						
Trade receivables	2	-	-	66,467	66,467	66,467
Derivative receivables	2	-	8,168	-	8,168	8,168
Cash and cash equivalents	2	-	-	63,812	63,812	63,812
Current financial assets total		**-**	**8,168**	**130,279**	**138,447**	**138,447**
Financial assets total		**-**	**848,541**	**197,494**	**1,046,035**	**1,046,035**

Financial liabilities €1,000	Level	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value, total	Carrying amount
Non-current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	486,493	486,493	486,493
Derivative liabilities	2	-	2,668	-	2,668	2,668
Non-current financial liabilities total		**-**	**2,668**	**486,493**	**489,161**	**489,161**
Current financial liabilities						
Interest-bearing loans and borrowings	2	-	-	99,550	99,550	99,550
Derivative liabilities	2	-	1,856	-	1,856	1,856
Commercial papers	2	-	-	36,699	36,699	36,699
Current financial liabilities total		**-**	**1,856**	**136,249**	**138,105**	**138,105**
Financial liabilities total		**-**	**4,524**	**622,742**	**627,265**	**627,265**

5.4. Share investments

	Fair value €1,000		
Company, registered office	**31.12.2024**	**31.12.2023**	**1.1.2023**
Manga LNG Oy, Tornio	1,818	1,818	1,818
Pohjolan Voima Oyj, Helsinki	199,905	263,350	276,521
Teollisuuden Voima Oyj, Helsinki	340,152	478,649	529,684
Suomen Energiavarat Oy, Vaasa	1,781	1,781	1,781
Woodtracker Oy, Espoo	30	30	30
Other	2,441	5,342	5,344
Share investments, total	**546,126**	**750,970**	**815,179**

EPV's share investments are holdings in which EPV does not have a significant influence through its ownership or other relevant factors. Share investments are classified as level 3 financial instruments, which EPV measures at fair value through other comprehensive income.

EPV recognises dividends received from share investments as financial income in the statement of profit and loss. In the financial year 2024, EPV received dividends of EUR 78 thousand from Suomen Energiavarat Oy (2023: EUR 176 thousand) and EUR 2 696 thousand from other PVO holdings.

Further information on determination of fair value is presented in note 5.2, and on classification of financial instruments is presented in note 5.3.

Fair valuation of Pohjolan Voima Oyj and Teollisuuden Voima Oyj share investments (Level 3)

EPV's level 3 share investments in Pohjolan Voima Oyj and Teollisuuden Voima Oyj consist of shareholdings in the Olkiluoto nuclear power production from the Olkiluoto 1-3 nuclear power plants (OL) and hydro power production. The valuation of these investments is based on a discounted free cash flow to equity (FCFE) model. In this model, free cash flows are derived from the difference between period-specific electricity price forecasts and cost price forecasts, which are allocated based on production forecasts for each period.

The valuation model includes a significant amount of estimates regarding each variable used, relying on assumptions about future electricity market price forecasts, cost developments, production forecasts, inflation, and the parameters used in determining the discount factor.

The calculation periods used in the modeling are based on the technical lifespan of each power plant and the granted operating licenses. Hydro power is assumed as indefinite asset, so its valuation also considers a residual value, where it is assumed that the margin in the last year of operation remains constant over time.

In estimating the electricity price forecast, short-term forecasts have utilised futures prices from the Finnish price area, while longer-term forecasts are based on third-party analyses.

The table below presents EPV's ownership percentages in level 3 share investments at reporting date. The ownership percentages has remained constant from the comparison periods to the reporting date. In the calculation of fair values, the indirect ownership of TVO's nuclear power shares through PVO's share classes has been adjusted as follows: TVO A (OL1&2) 1.84 % and TVO B (OL3) 3.2 %.

Share class	**Asset class**	**31.12.2024 Ownership**	
PVO A	Hydro power	5.19 %	
PVO B	Nuclear power (OL1&2)	3.24 %	
PVO B2	Nuclear power (OL3)	5.31 %	
TVO A	Nuclear power (OL1&2)	6.55 %	
TVO B	Nuclear power (OL3)	6.55 %	
TVO A, adjusted	Nuclear power (OL1&2)	1.84 %	(= 3,24 % * 56,8 %)
TVO B, adjusted	Nuclear power (OL3)	3.20 %	(= 5,31 % * 60,2 %)

The discount rate for cash flows has been defined using the weighted average cost of capital (WACC). The discount rate has been specified separately based on the type of production. The table below presents the discount rates used in the calculations at the reporting date and during the comparison periods.

Discount rate	**31.12.2024**	**31.12.2023**	**1.1.2023**
Nuclear power	6.60 %	6.08 %	6.97 %
Hydro power	6.00 %	5.68 %	6.17 %

The table below presents the valuation results of level 3 share investments at the reporting date and during the comparison periods. For Olkiluoto 3, the carrying amount was applied as of 1.1.2023, as TVO announced on 16 April 2023, that the trial operation of OL3 had ended and regular electricity production had commenced.

€1,000	Assert class	31.12.2024 Fair value	31.12.2024 Carrying amount	31.12.2023 Fair value	31.12.2023 Carrying amount	1.1.2023 Fair value	1.1.2023 Carrying amount
PVO A	Hydro power	97,269	7,793	100,900	7,793	121,937	7,793
PVO B	Nuclear power (OL1&2)	57,989	2,735	76,305	2,735	133,915	2,735
PVO B2	Nuclear power (OL3)	44,647	20,669	86,145	20,669	20,669	20,669
TVO A	Nuclear power (OL1&2)	214,622	11,399	278,684	11,399	482,684	11,399
TVO B	Nuclear power (OL3)	125,530	66,660	199,965	47,000	47,000	47,000

During the reporting period, the decrease in the value of hydro power was due to a decline in the forecasted electicity prices and an increase in the discount rate.

The decrease in the fair value of nuclear power was due to slightly reduced production forecasts for electricity, a downward trend in price forecasts, as well as an increase in the cost prices and the discount rate.

In 2024, the shareholder loans granted to TVO for OL3 were converted into equity investments, resulting in an increase of EUR 19.7 million in the carrying amount of TVO B shares.

Sensitivity analysis of level 3 fair values

The sensitivity analysis simulates the impact of the discount rate and electricity price forecasts on the discounted value of different production types. The sensitivity analysis has been conducted assuming all other variables as constant, changing the discount rate by 1 percentage point in the first scenario and the price forecasts by 5 % in the second scenario.

31.12.2024, €1,000			Fair value	Impact of positive change	Impact of negative change
Nuclear power	Discount rate	1%-point change	442,788	-74,500	102,800
Hydro power	Discount rate	1%-point change	97,269	-21,100	36,000
Nuclear power	Price forecast	5% change	442,788	75,900	-75,900
Hydro power	Price forecast	5% change	97,269	6,000	-6,000

31.12.2023, €1,000			Fair value	Impact of positive change	Impact of negative change
Nuclear power	Discount rate	1%-point change	641,099	-99,900	134,800
Hydro power	Discount rate	1%-point change	100,900	-22,100	38,600
Nuclear power	Price forecast	5% change	641,099	85,200	-85,200
Hydro power	Price forecast	5% change	100,900	6,400	-6,400

1.1.2023, €1,000			Fair value	Impact of positive change	Impact of negative change
Nuclear power	Discount rate	1%-point change	684,268	-32,100	35,400
Hydro power	Discount rate	1%-point change	121,937	-21,200	34,500
Nuclear power	Price forecast	5% change	684,268	41,800	-41,800
Hydro power	Price forecast	5% change	121,937	7,200	-7,200

5.5. Borrowings and lease liabilities

EPV's financial liabilities consist of interest-bearing loans from financial institutions, a nuclear waste management loan from TVO, and commercial papers. The covenant conditions of the financial liabilities are disclosed in note 5.8. Capital management. Some of the financial loans are variable rate loans, and EPV hedges against interest rate risk using derivative contracts, which are disclosed in note 5.6. Derivatives and hedge accounting.

31.12.2024, €1,000	Opening balance 1.1.	Cash flows	Reporting date balance 31.12.
Non-current interest-bearing financial liabilities			
Loans from financial institutions	419,855	-107,950	311,904
Credit limits from financial institutions	12,356	-12,356	0
Subordinated loans	1,350	1,780	3,130
TVO nuclear waste management loan	57,324	0	57,324
	490,885	**-118,527**	**372,358**
Current interest-bearing liabilities			
Loans and commercial papers	55,804	67,327	123,130
	55,804	**67,327**	**123,130**
Total changes in interest-bearing liabilities	**546,689**	**-51,200**	**495,489**

31.12.2023, €1,000	Opening balance 1.1.	Cash flows	Reporting date balance 31.12.
Non-current interest-bearing financial liabilities			
Loans from financial institutions	406,239	13,615	419,855
Credit limits from financial institutions	23,786	-11,430	12,356
Subordinated loans	0	1,350	1,350
TVO nuclear waste management loan	56,467	857	57,324
	486,493	**4,393**	**490,885**
Current interest-bearing liabilities			
Loans and commercial papers	99,550	-43,746	55,804
	99,550	**-43,746**	**55,804**
Total changes in interest-bearing liabilities	**586,043**	**-39,354**	**546,689**

Maturity distribution of Financial liabilities

The maturity distribution of financial liabilities presents the undiscounted cash flows of EPV's financial liabilities. The objective is to present the liquidity requirements for meeting the upcoming outflows on an annual basis. The maturity distribution includes interest-bearing financial liabilities and IFRS 16 lease liabilities, in order to present the actual outflows in relation to all of EPV's liabilities. Derivatives are presented in note 5.6. Derivatives and hedge accounting.

Based on the maturity distribution of financial liabilities, EPV's management facilitates the credit position and liquidity requirements and adjusts the Group's credit risk policies.

31.12.2024, €1,000	Carrying amount	2025	2026	2027	2028	2029	Over 5 years	Total
Interest-bearing loans and borrowings	486,540	115,096	84,287	154,682	20,608	10,608	101,260	486,540
Lease liabilities	50,542	1,956	2,365	2,822	2,330	2,063	50,267	61,802
Commercial papers	8,949	9,000	0	0	0	0	0	9,000
Trade payables	33,293	33,293	0	0	0	0	0	33,293
Total	**579,324**	**159,344**	**86,652**	**157,503**	**22,938**	**12,671**	**151,527**	**590,635**

31.12.2023, €1,000	Carrying amount	2024	2025	2026	2027	2028	Over 5 years	Total
Interest-bearing loans and borrowings	546,689	55,217	50,619	148,764	154,682	20,608	116,799	546,689
Lease liabilities	18,372	1,728	1,645	1,610	1,589	1,297	21,860	29,728
Trade payables	44,862	44,862	0	0	0	0	0	44 862
Total	**609,924**	**101,807**	**52,264**	**150,374**	**156,271**	**21,905**	**138,659**	**621,280**

1.1.2023, €1,000	Carrying amount	2023	2024	2025	2026	2027	Over 5 years	Total
Interest-bearing loans and borrowings	586,043	45,273	55,217	50,619	148,764	154,682	131,488	586,043
Lease liabilities	19,460	1,776	1,728	1,645	1,610	1,589	23,157	31,504
Trade payables	36,699	36,699	0	0	0	0	0	36,699
Total	**642,202**	**83 748**	**56,945**	**52,264**	**150,374**	**156,271**	**154,645**	**654,246**

5.6. Derivatives and hedge accounting

ACCOUNTING PRINCIPLES

EPV recognises derivatives on the statement of financial position at fair value at inception and at each reporting date. EPV acquires derivative contracts solely for hedging purposes and applies hedge accounting.

At the inception of the hedging relationship, EPV prepares hedge accounting documentation in accordance with IFRS 9. Hedge accounting is applied in an accordance with EPV's financial risk management strategy. The hedge accounting documentation outlines the relationship between the hedging instrument and the hedged item, the hedge ratio, and the impact of credit risks. EPV regularly tests the effectiveness of the hedge. Derivatives are classified on the statement of financial position as non-current and current assets and liabilities based on their maturity.

Cash flow hedge accounting

EPV applies cash flow hedge accounting for interest rate swap agreements and currency forward contracts. According to the cash flow hedge accounting, the effective portion of the unrealized fair value of the derivative instrument is recognised in the hedging reserve in other comprehensive income.

EPV's interest rate swaps primarily consist of floating-rate instruments quoted to 6-month and 12-month Euribor reference rates. The effective portion of the interest derivative used to hedge a floating-rate loan is reclassified from the equity hedging reserve as financial income or expenses of the statement of profit and loss, in accordance with the cash flows of the hedged item. Both, at inception and at each reporting date, EPV tests the effectiveness of hedge accounting based on the cash flows between the hedging instrument and the hedged item. EPV analyzes the sources of ineffectiveness in hedge accounting in accordance with IFRS 9.

Any gain or loss on the ineffective portion of derivatives is recognised in the statement of profit and loss under other operating income and expenses, or financial income and expenses if the derivative was acquired to hedge a floating-rate loan. If the hedged transaction is no longer expected to occur, the amounts recognised in equity are reclassified to the statement of profit and loss through other comprehensive income.

The effective portion of gains or losses on currency forward contracts is recognised in the statement of profit and loss simultaneously and on the same line item as the hedged transaction. The effective portion of currency forwards used for hedging sales and purchases is recognised in revenue as well as in the expenses of procurement and production. EPV currently has no open currency forward contracts but uses them if needed. The most recent currency forward contract was made to hedge the procurement of coal denominated in foreign currency, which matured during the financial year 2023.

Fair valuation of derivatives

The fair values of level 2 interest rate swap agreements are determined based on the present value of future cash flows, calculated using observable market interest rates. During the conversion period, the fair value of currency forward contracts that matured in 2023 has been defined as of 1 January 2023, using observable market prices for currency exchange rates.

EPV continuously analyses and has not identified any sources of ineffectiveness. EPV has determined that the derivative contracts are 100 % effective.

31.12.2024, €1,000	Nominal value at inception	Hedge type	Positive (+) fair value	Negative (-) fair value	Net fair value	Net fair value, incl. tax impact
Interest rate swaps	238,800	Cash flow	22,536	-6,018	16,518	13,214

31.12.2023, €1,000	Nominal value at inception	Hedge type	Positive (+) fair value	Negative (-) fair value	Net fair value	Net fair value, incl. tax impact
Interest rate swaps	221,120	Cash flow	26,657	-4,784	21,872	17,498

1.1.2023, €1,000	Nominal value at inception	Hedge type	Positive (+) fair value	Negative (-) fair value	Net fair value	Net fair value, incl. tax impact
Interest rate swaps	266,607	Cash flow	33,362	-4,237	29,125	23,300
Currency forwards	4,956	Cash flow	4,669	-4,956	-287	-229
Total			**38,031**	**-9,193**	**28,838**	**23,071**

Maturity distribution of derivatives (at nominal value)

The table below presents the maturity distribution of EPV's interest rate swap agreements for the next five years. EPV's derivative contracts will mature between the years 2025 and 2038.

31.12.2024, €1,000	Nominal value at inception	2025	2026	2027	2028	2029 ->
Interest rate swaps	238,800	10,400	53,200	0	101,000	74,200

31.12.2023, €1,000	Nominal value at inception	2024	2025	2026	2027	2028 ->
Interest rate swaps	221,120	2,200	16,600	64,533	0	137,787

1.1.2023, €1,000	Nominal value at inception	2023	2024	2025	2026	2027->
Interest rate swaps	266,607	43,000	5,400	22,800	53,867	141,540
Currency forwards	4,956	4,956	0	0	0	0

Derivatives in hedge accounting

2024, €1,000	Fair value recognised in OCI, incl. tax impact 1.1	Reclassified from OCI to profit and loss - hedge accounting	Inefficient portion in the profit and loss	Other changes in fair value recognised in OCI	Fair value recognised in OCI, incl. tax impact 31.12
Interest rate swaps	17,498	6,656	0	2,372	13,214

2023, €1,000	Fair value recognised in OCI, incl. tax impact 1.1	Reclassified from OCI to profit and loss - hedge accounting	Inefficient portion in the profit and loss	Other changes in fair value recognised in OCI	Fair value recognised in OCI, incl. tax impact 31.12
Interest rate swaps	23,300	5,552	0	-250	17,498
Currency forwards	-229	0	0	229	0
Total	**23,071**	**5,552**	**0**	**-21**	**17,498**

5.7. Liquid assets

EPV's liquid assets consist of cash in bank accounts, fixed-term deposits, and fund investments with a maturity of up to 12 months. The cash and cash equivalents have a minimal risk exposure of value change. All of EPV's cash assets are denominated in euros in the comparison periods.

EPV's bank deposits and fixed-term deposits accrue interest (variable rate) based on the banks' daily deposit rates. Fixed-term deposits have previously been made with varying maturities from 1 month to 6 months.

EPV's cash assets are recognised at amortized cost, excluding fund investments, which are measured at fair value through profit and loss. The fund investments held by the group are classified as current liquid assets.

EPV has a Cash Pool arrangement that enables efficient asset management for EPV's group companies.

Liquid assets

€1,000	31.12.2024	31.12.2023	1.1.2023
Cash and cash equivalents	29,560	36,110	63,812
Fixed-term deposits	0	9,900	0
Fund investments	10,562	8,135	0
Liquid assets, total	**40,122**	**54,146**	**63,812**

In EPV's cash flow statement, the amount of the available credit limit has been deducted from cash and equivalents. The available credit limits are included in non-current interest-bearing liabilities.

As of 31.12.2024, EPV had undrawn credit limits amounting to EUR 104 million (31.12.2023: EUR 139 million, and 1.1.2023: EUR 150 million) and 0 euros drawn (31.12.2023: EUR 12.3 million, and 1.1.2023: EUR 23.8 million).

EPV has an EUR 100 million revolving loan facility linked to sustainability targets, maturing on 14.10.2027. As of 31.12.2024, the revolving loan facility was entirely undrawn.

5.8. Capital management

EPV's share capital and all other equity funds belonging to the parent company's shareholders, as well as debt are part of the Group's EPV's capital management. The primary objective of EPV's capital management is to ensure the continuity of operations.

EPV manages its capital structure considering active investments and economic conditions. EPV operates on a cost-price principle. To finance its investments, EPV may issue new shares and obtain debt financing in accordance with the Group's financing policy. EPV monitors its capital structure using the equity ratio.

The Group's equity and equity ratio vary based on the ongoing investments. The owners of EPV's share classes are responsible for the equity portion in relation to their ownership.

€1,000	2024	2023
Shareholders' equity	822,047	972,646
Liabilities	738,703	824,592
Total	**1,560,750**	**1,797,238**
Gearing ratio, %	53%	54%

Loan covenants

EPV's loan covenant conditions are entity-specific, and the covenants have been met as of 31.12.2024, as well in previous periods. The most common covenant conditions applied relate to the immutability of the articles of association, the permanence of ownership, cross-default provisions, asset disposals, and the equality of loans.

In accordance with EPV's financing policy, EPV does not generally provide collateral or guarantees for the loans.

5.9. Shareholders' equity

EPV operates on a cost-price principle (Mankala principle) whereby the purpose of EPV is to deliver the produced, acquired or stored energy to the shareholders in proportion to their ownership of each share class. In accordance with the cost-price principle, shareholders are responsible for the fixed costs of the respective share class in proportion to the ownership of shares and for the variable costs in relation to the amount of energy products and services they utilise.

Shareholders' equity consists of share capital, share issue, hedging reserve, fair value reserve, fund for unrestricted equity (SVOP), and retained earnings. The share issue is the portion paid for shares in a share issue that is later registered as share capital.

Share classes

Share capital by share class	Number of shares 1.1.2024	Share capital 1.1.2024 €1,000	Share issues and calcellations	Number of shares 31.12.2024	Share capital 31.12.2024 €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		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		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		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	-64,653	0	0
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	-20,517	0	0
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	32,700	655,200	1,114
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	-113,091	0	0
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		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		543,375	924

Share capital by share class	Number of shares 1.1.2024	Share capital 1.1.2024 €1,000	Share issues and calcellations	Number of shares 31.12.2024	Share capital 31.12.2024 €1,000
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		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		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		302,400	514
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		6,000	10
Series S1 (Previous series S, share conversion) - the right to receive electricity generated through solar power, based on the company EPV Solar Power Ltd's Series A shares or shares replacing them	50,000	85		50,000	85
Series S2 *) - the right to receive electricity generated through solar power, based on the company EPV Solar Power Ltd's Series B shares or shares replacing them			83,000	83,000	141
Series T1 - the right to receive electricity generated at the Tornio thermal power station, based on the company Tornion Voima Oy's Series A shares or shares replacing them	120,000	204		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		49,531	84
Series T3 - the right to receive electricity generated at the Tornio motor power station, based on the company Tornion Voima Oy's Series B shares or shares replacing them			41,800	41,800	71
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		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		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	-4,987	0	0
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		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		235,000	400

Share capital by share class	Number of shares 1.1.2024	Share capital 1.1.2024 €1,000	Share issues and calcellations	Number of shares 31.12.2024	Share capital 31.12.2024 €1,000
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		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		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		340,000	578
	8,688,654	**14,771**	**-45,748**	**8,642,906**	**14,693**

The owners of each share class are responsible for the fixed costs of the respective class in proportion of the ownership and for the variable costs in proportion of the energy they consume.

*) Share issues (unregistered)

		Directed share issue			
Date of the general meeting	Share class	Number of shares	Subscription price €1,000	Share capital, €1,000	Fund for unrestricted equity, €1,000
Unpaid shares					
3.7.2024	D1	30,000	3,000	51	2,949
3.7.2024	T3	40,000	4,000	68	3,932
Paid shares (due date)					
16.12.2024	S2	68,117	6,812	116	6,696
16.12.2024	S2	15,873	1,587	27	1,560
		153,990	**15,399**	**262**	**15,137**

Changes in shareholders' equity

EPV Energy's general meeting decided on 22 November 2022 to reduce the share capital of the share series E2, P1, and P2, and to distribute funds for the acquisition of shares. The capital invested in the share classes was fully returned to the shareholders on 31 May 2023, when the shares were redeemed and canceled.

EPV Energy's general meeting decided on 3 July 2024 to reduce the share capital of the share series B, C, D2, and W3, and to distribute funds for the acquisition of shares. The redemption of the shares was completed during the 2024 financial year.

Dividend

EPV's Board of Directors proposes to the general meeting that no dividend is distributed for the financial year ending 31 December 2024. No dividend has been distributed during the conversion period.

6.1. Related party transactions

EPV's related parties comprise of the shareholders, associated companies and joint ventures, the Board of Directors and CEOs of group companies, the management team of the parent company and their close family members as well as companies in which EPV has control of or significant influence.

Transactions and shares between group companies have been eliminated in the consolidated financial statements. Transactions with related parties are considered as activities that are part of EPV's normal business.

The nature of the operations is based on the Mankala principle, which is why the majority of the operations are related-party transactions. EPV owns production shares in various production companies. According to the Articles of Association, a shareholder has the right to receive electricity in proportion to their shareholding and is obligated to cover the expenses incurred by the energy production resource.

The subsidiaries of EPV have been presented in note 1.1. General information. The associated companies and joint ventures of EPV have been presented in note 4.1. Associated companies and joint ventures.

Loans from/to related parties

Subordinated loans €1,000	31.12.2024	31.12.2023
Shareholders	3,130	1,350

Compensation of key management personnel

Key management personnel of EPV Energy consist of the members of the Board of Directors, CEO of EPV Energy and members of the management team.

Compensation of the members of the Board of Directors	2024	2023
€1,000	280	268

Compensation of the Group management team €1,000	2024	2023
Salaries and other short-term employee benefits	1,232	1,366
Statutory pensions	210	232
Supplementary pensions	64	63
Total compensation paid to management personnel	**1,507**	**1,660**

6.2 Contingent liabilities and other commitments

ACCOUNTING PRINCIPLES

EPV discloses off-balance sheet commitments when they do not meet the criteria for recognition on the statement of financial position, but has an impact on the company's financial position and operations

EPV discloses an estimate of the financial impact of contingent liabilities and the timing of their realisation when the contingent liability does not meet the criteria for recognition on the statement of financial position, but might have an impact on the company's financial position and operations.

OTHER COMMITMENTS

Investment commitments

EPV has contractual commitments related to acquisition of tangible assets which are considered as shareholders' payment obligations according to the Mankala principle.

Other commitments consist of financial commitments that have not been disclosed in the statement of financial position due to nature of the items.

Commitments on restoration obligations and leases are disclosed in note 4.8. Provisions.

Guarantees and pledges given €1,000	**31.12.2024**	**31.12.2023**	**1.1.2023**
On behalf of entities of the group			
Granted electricity market guarantees	62,200	62,200	102,200
Of which in use	42,200	42,200	82,200
Other parent company guarantees	18,481	16,122	26,533
Total on behalf of entities of the group	**80,681**	**78,322**	**128,733**
On behalf of joint venture's debt	39,074	36,550	35,059
Total	**119,755**	**114,872**	**163,792**

Credit limit agreements €1,000			
Total credit limits granted	104,000	139,000	150,000
of which in use	0	12,356	23,786

Other commitments	**1,312**	**6,252**	**52,458**

Contingent liabilities

EPV has not had any contingent liabilities in the financial year 2023 or 2024.

6.3. Emission allowances

ACCOUNTING PRICIPLES

Principally, EPV holds at least an amount of emission allowances equivalent to its annual CO2 emissions at each reporting date. If the actual emissions exceed the held emission allowances, EPV recognises an expense corresponding to the excess amount at the market price at the reporting date.

EPV schedules the purchase of emission allowances according to the emissions resulting from production, so at the reporting date, the company generally does not hold any purchased emission allowances. EPV records purchased emission allowances as an expense under the statement of profit and loss' item Materials and Services.

Emissions trading period	**2024-2025 t CO^2**	**2023-2025 t CO^2**
Granted free emission allowances	236,346	371,142
Allocated on an annual level	119,674	125,939

Usage of emission allowances	**2024 t CO^2**	**2023 t CO^2**
Emission amounts	409,792	468,989
Annual emissions received free of charge as of 1.1	119,674	126,607
Purchase of emission rights	282,000	332,000
Surplus (-) / deficit (+)	**8,118**	**10,382**
Free emission allowances available 31.12.	**165,488**	**250,267**

FINANCIAL STATEMENTS OF THE PARENT COMPANY (FAS)

Parent company's income statement (FAS)

PARENT COMPANY'S INCOME STATEMENT €1,000	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023	Note
Turnover	**203,720**	**220,458**	1
Manufacture for own use	322	113	
Other operating income	6,874	8,350	2
Materials and services	-93,389	-114,955	3
Personnel expenses	-8,934	-7,945	4
Depreciation and impairment charges	-405	-233	5
Other operating expenses	-115,357	-108,898	6
Business result	**-7,170**	**-3,110**	
Finance income and costs	2,478	-157	7
Result before appropriations and taxes	**-4,692**	**-3,267**	
Appropriations			8
Difference between planned depreciations and tax depreciations	-81	-55	
Group contributions received	5,055	5,050	
	4,974	4,995	
Income taxes	0	0	
Result for the financial year	**282**	**1,728**	

Parent company's balance sheet (FAS)

PARENT COMPANY'S BALANCE SHEET €1,000	31 Dec 2024	31 Dec 2023	Note
Assets			
Non-current assets			
Intangible assets	2,085	1,122	9
Tangible assets	2,946	3,325	10
Investments			11
Interests in Group companies	280,487	254,745	
Interests in associated companies	140,120	124,882	
Other shares and interests	1,971	1,971	
Total non-current assets	**427,609**	**386,045**	
Current assets			
Inventories	0	1,535	12
Non-current receivables	48,882	73,534	13
Current receivables	52,638	55,126	14
Cash in hand and bank receivables	27,169	7,387	
Total current assets	**128,690**	**137,581**	
	556,299	**523,626**	

PARENT COMPANY'S BALANCE SHEET €1,000	31 Dec 2024	31 Dec 2023	Note
Equity and liabilities			
Equity			15
Share capital	14,693	14,771	
Share issue	262	0	
Other funds			
Invested non-restricted equity reserve	332,536	304,226	
Retained result	23,699	23,631	
Result for the financial year	282	1,728	
Total equity	**371,471**	**344,356**	
Accumulated appropriations			16
Depreciation,difference	278	197	
Liabilities			
Non-current liabilities	108,924	128,424	17
Current liabilities	75,626	50,650	18
Total liabilities	**184,550**	**179,074**	
	556,299	**523,626**	

Parent company's cash flow statement (FAS)

PARENT COMPANY'S CASH FLOW STATEMENT €1,000	2024	2023
Operating activities		
Business result	-7,170	-3,110
Adjustments to business result [1]	2,175	-2,249
Changes in working capital [2]	2,940	23,734
Dividends received	2,777	182
Interest received	4,678	4,277
Interest paid	-6,359	-5,249
Other financial income and expenses	1,382	633
Cash flow from operating activities	**423**	**18,219**
Investment activities		
Acquisition of shares	-45,401	-11,353
Increase (-) in acquisition of tangible and intangible assets	-1,064	-1,304
Return of capital received	2,646	1,772
Proceeds from sales of non-current assets	80	2,180
Increase (-) or decrease (+) in loan receivables	21,180	0
Cash flow from investment activities	**-22,559**	**-8,706**
Financing activities		
Proceeds from long-term loans	0	20,857
Repayments of long-term loans	-19,500	0
Increase (-) or decrease (+) in interest-bearing receivables	-1,101	-9,761
Increase (+) or decrease (-) in short-term interest-bearing liabilities	37,632	-29,000
Group contributions received	5,055	5,050
Paid-up equity increase	24,149	11,300
Redemption of own shares	-4,315	-1,067
Cash flow from financing activities	**41,919**	**-2,620**

PARENT COMPANY'S CASH FLOW STATEMENT €1,000	2024	2023
Change in cash and cash equivalents	19,782	6,893
Liquid assets 1 Jan	7,387	494
Liquid assets 31 Dec	**27,169**	**7,387**

1) Adjustments to business result		
Depreciation and write-downs	405	233
Gain (-) or loss (+) from divestment of non-current assets	1,770	-2,482
	2,175	-2,249

2) Changes in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	14,061	17,903
Increase (-) or decrease (+) in inventories	1,535	-78
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-12,656	5,910
	2,940	23,734

Notes to the financial statements

ACCOUNTING PRINCIPLES

The financial statements of EPV Energy Ltd have been prepared in accordance with the provisions of the Finnish Accounting Act and other applicable regulations and directives governing financial reporting in Finland.

EPV Energy Ltd (0216734-9, Vaasa) is the parent company of the EPV Energy Group.

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:

Other long-term expenses	5–10 years
Buildings and structures	30 years
Machinery and equipment	5–30 years

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 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.

Cash pool arrangements

The Group utilises cash pool arrangements that enable efficient fund management between the parent company and its subsidiaries. The subsidiary funds held within the Group's cash pool accounts are recorded as group liabilities at EPV Energy Ltd. Conversely, subsidiary account balances within the cash pool credit limits are recorded as group receivables. This change was implemented during the financial year, affecting the comparability of balance sheet items and the cash flow statement.

Corrections to the information presented from the previous fiscal year

Advance payment debts invoiced by Teollisuuden Voima Oyj, which are still being invoiced to shareholders, have been corrected out of the balance sheet to the extent that the advances were unpaid at the time of the financial statements.

Notes to the income statement

NOTES TO THE INCOME STATEMENT €1,000	2024	2023
1. TURNOVER		
Electricity sales	201,570	218,289
Other activities	2,150	2,169
	203,720	220,458
2. OTHER OPERATING INCOME		
Rental income	36	122
Capital gains on fixed assets	5	2,487
Other income	6,833	5,742
	6,874	8,350
3. MATERIALS AND SERVICES		
Energy purchases and distribution charges	83,966	96,201
Fuels	1,165	1,090
Emission allowance purchases	8,257	17,664
	93,389	114,955
4. PERSONNEL EXPENSES		
Wages, salaries and bonuses	7,378	6,469
Pension expenses	1,345	1,214
Other additional personnel expenses	212	261
	8,934	7,945
Salaries and bonuses paid to the CEO and the Board of Directors	635	613
Average number of personnel during financial year	86	73

NOTES TO THE INCOME STATEMENT €1,000	2024	2023
5. DEPRECIATION AND IMPAIRMENT CHARGES		
Planned depreciations		
Other non-current expenses	331	166
Buildings and structures	24	24
Machinery and equipment	50	44
	405	233
6. OTHER OPERATING EXPENSES		
Fixed energy purchases	109,367	104,814
External services	1,390	1,548
Administrative costs	1,374	1,351
Rent	530	451
Materials and supplies	80	64
Other personnel expenses	783	605
Commitment expenses and public payments	56	61
Other expenses and adjustments	1,779	5
	115,357	108,898
Auditor's fees		
Auditing fees	104	97
Certificates and expert opinions	3	5
Tax advisory fees	2	1
Other services	243	206
	352	308

NOTES TO THE INCOME STATEMENT €1,000	2024	2023
7. FINANCE INCOME AND COSTS		
Dividend income		
From associated companies	2,696	0
From others	81	182
	2,777	182
Other interest and finance income		
From Group companies	1,295	1,487
From associated companies	3,116	2,802
From others	2,205	1,552
	6,617	5,841
Interest and other finance costs		
To Group companies	-66	0
To associated companies	-2,535	-1,942
To others	-4,314	-4,238
	-6,916	-6,180
Total finance income and costs	2,478	-157
8. APPROPRIATIONS		
Increase (-) or decrease (+) in cumulative difference between actual and planned depreciation	-81	-55
Group contributions received (+) and paid (-)	5,055	5,050
	4,974	4,995

Notes to the balance sheet

NOTES TO THE BALANCE SHEET €1,000	2024	2023
9. INTANGIBLE ASSETS		
Intangible rights		
Acquisition cost 1 Jan	80	5
Increases	0	75
Decreases	-75	0
Acquisition cost 31 Dec	5	80
Book value 31 Dec	5	80
Other non-current expenses		
Acquisition cost 1 Jan	4,710	3,738
Increases	1,369	973
Acquisition cost 31 Dec	6,079	4,710
Accumulated depreciation and impairment charges 1 Jan	-3,668	-3,502
Depreciation for the period	-331	-166
Book value 31 Dec	2,080	1,042
Total intangible assets		
Acquisition cost 1 Jan	4,790	3,743
Increases	1,369	1,048
Decreases	-75	0
Acquisition cost 31 Dec	6,084	4,790
Accumulated depreciation and impairment charges 1 Jan	-3,668	-3,502
Depreciation for the period	-331	-166
Book value 31 Dec	2,085	1,122

NOTES TO THE BALANCE SHEET €1,000	2024	2023
10. TANGIBLE ASSETS		
Land areas		
Acquisition cost 1 Jan	1,992	1,992
Acquisition cost 31 Dec	1,992	1,992
Book value 31 Dec	1,992	1,992
Buildings and structures		
Acquisition cost 1 Jan	2,271	2,271
Acquisition cost 31 Dec	2,271	2,271
Accumulated depreciation and impairment charges 1 Jan	-1,896	-1,872
Depreciation for the period	-24	-24
Book value 31 Dec	352	376
Machinery and equipment		
Acquisition cost 1 Jan	2,517	2,511
Increases	309	6
Decreases	-19	0
Acquisition cost 31 Dec	2,808	2,517
Accumulated depreciation and impairment charges 1 Jan	-2,413	-2,370
Accumulated depreciation from deduction	19	0
Depreciation for the period	-50	-44
Book value 31 Dec	363	104
Book value of production machinery and equipment included in fixed assets 31 Dec.	39	54

NOTES TO THE BALANCE SHEET €1,000	2024	2023
Prepayments and purchases in progress		
Acquisition cost 1 Jan	854	603
Increases	634	981
Decreases	-1,247	-731
Acquisition cost 31 Dec	240	854
Book value 31 Dec	240	854
Total tangible assets		
Acquisition cost 1 Jan	7,749	7,492
Increases	943	987
Decreases	-1,266	-731
Acquisition cost 31 Dec	7,426	7,749
Accumulated depreciation and impairment charges 1 Jan	-4,424	-4,357
Accumulated depreciation from deduction	19	0
Depreciation for the period	-74	-67
Book value 31 Dec	2,946	3,325
11. INVESTMENTS		
Interests in Group companies		
Acquisition cost 1 Jan	254,745	244,255
Increases	25,741	11,353
Decreases	0	-863
Acquisition cost 31 Dec	280,487	254,745
Book value 31 Dec	280,487	254,745

NOTES TO THE BALANCE SHEET €1,000	2024	2023
Interests in associated companies		
Acquisition cost 1 Jan	124,882	125,486
Increases	19,660	0
Decreases	-4,421	-605
Acquisition cost 31 Dec	140,120	124,882
Book value 31 Dec	140,120	124,882
Other shares and interests		
Acquisition cost 1 Jan	1,971	1,973
Decreases	0	-2
Acquisition cost 31 Dec	1,971	1,971
Book value 31 Dec	1,971	1,971
Total investments		
Acquisition cost 1 Jan	381,598	371,715
Increases	45,401	11,353
Decreases	-4,421	-1,470
Acquisition cost 31 Dec	422,578	381,598
Book value 31 Dec	422,578	381,598
12. INVENTORIES		
Advance payments	0	1,535
	0	1,535
13. NON-CURRENT RECEIVABLES		
Loan receivables	48,882	73,462
Other non-current receivables	0	72
	48,882	73,534
Receivables from Group companies		
Loan receivables	2,680	7,600
Receivables from associated companies		
Loan receivables	46,035	65,695

NOTES TO THE BALANCE SHEET €1,000	2024	2023
14.CURRENT RECEIVABLES		
Trade receivables	14,610	28,654
Loan receivables	15,435	19,373
Unpaid share capital	7,000	0
Other receivables	12,714	4,259
Prepayments and accrued income *)	2,880	2,840
	52,638	55,126
Receivables from Group companies		
Trade receivables	594	566
Loan receivables	15,435	19,373
Other receivables	8,511	0
Prepayments and accrued income	110	227
	24,651	20,166
Receivables from associated companies		
Prepayments and accrued income	167	497
	167	497
*) Significant items included in prepayments and accrued income		
Preliminary investment appraisal costs	374	0
Accrued emission allowances bought	1,057	983
Accrued interest income	1,309	1,687
Accrued VAT	0	19
Accrued external services	68	57
Other	72	93
	2,880	2,840
15. EQUITY		
Restricted equity		
Share capital 1 Jan	14,771	14,625
Increase in share capital	268	797
Issuance of equity to shareholders	-346	-652
Share capital 31 Dec	14,693	14,771

NOTES TO THE BALANCE SHEET €1,000	2024	2023
Share issue 1 Jan	0	865
Unregistered share capital	262	0
Transfer to share capital	0	-797
Expiration of underwriting	0	-68
Share issue 31 Dec	262	0
Total restricted equity	14,955	14,771
Non-restricted equity		
Invested non-restricted equity reserve 1 Jan	304,226	308,158
Investment in invested non-restricted equity reserve	30,619	0
Expiration of underwriting	0	-3,932
Return to shareholders	-2,309	0
Invested non-restricted equity reserve 31 Dec	332,536	304,226
Retained result 1 Jan	25,359	24,046
Redemption of own shares	-1,661	-415
Retained result 31 Dec	23,699	23,631
Result for the financial year	282	1,728
Total non-restricted equity	356,517	329,585
TOTAL EQUITY	**371,471**	**344,356**
Calculation of distributable equity 31 Dec		
Invested non-restricted equity reserve	332,536	304,226
Retained result	23,699	23,631
Result for the financial year	282	1,728
Non-distributable portion of the SVOP fund	-6,881	0
	349,636	329,585

NOTES TO THE BALANCE SHEET €1,000		
	2024	2023
16. ACCUMULATED APPROPRIATIONS		
Depreciation difference of deferred tax liabilities	56	39
17. NON-CURRENT LIABILITIES		
Loans from financial institutions	51,600	71,100
Other liabilities	57,324	57,324
	108,924	128,424
Liabilities to associated companies		
Other liabilities	57,324	57,324
Liabilities maturing in more than five years		
Other liabilities	0	0
18. CURRENT LIABILITIES		
Loans from financial institutions	31,000	15,000
Advances received	4,486	4,625
Trade payables	13,003	23,199
Other liabilities	22,597	1,087
Accruals *)	4,539	6,794
	75,626	50,705
Liabilities to Group companies		
Trade payables	8,607	10,678
Other liabilities	21,898	0
Accruals	0	328
	30,505	11,006

NOTES TO THE BALANCE SHEET €1,000		
	2024	2023
Liabilities to associated companies		
Trade payables	4,064	11,908
Accruals	2,535	2,039
	6,599	13,947
*) Essential items included in accruals		
Electricity sales	2	2,150
LNG sales	0	328
Interest expenses	3,097	2,950
Accrued personnel expenses	1,407	1,258
Other	33	108
	4,539	6,794
19. COMMITMENTS		
Overdraft agreements		
Total amount of granted overdraft	70,000	40,000
Of which in use	0	0
Leasing contract payments		
Maturing next financial year	112	68
Maturing later	147	106
	259	174
Shares pledged, book value of shares		
From associated company's liabilities	1,818	1,818
Guarantees		
On behalf of Group company		
Granted electricity market collateral	60,000	60,000
Of which in use	40,000	40,000
Other parent company guarantees	18,481	31,122
From associated company's liabilities	39,074	36,550

NOTES TO THE BALANCE SHEET €1,000		
	2024	2023
Other commitments	37	17

The parent company has non-fixed-term lease agreements for premises in Vaasa and Helsinki. The agreements create a rental liability for the company.

20. DERIVATIVE FINANCIAL INSTRUMENTS

In accordance with the company's financing policy, derivative contracts are entered into solely for hedging purposes. Interest rate swap agreements are used to hedge interest rate risk on debt by converting variable-rate loans to fixed-rate loans. The hedging relationships are largely effective, meaning the hedged risk and the hedging instrument correspond to each other in terms of conditions. The contracts will expire during the year 2028. The fair value of the interest rate swap agreements at the time of the financial statements is the best estimate of future interest expenses that the agreements will cause, affecting the interest expenses of future fiscal years.

Interest rate swaps		
Nominal value	47,000	47,000
Fair value	4,450	5,797

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 associated 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(A)	Vaasa	100.0	100.0	100.0	4,500	5,003
EPV Solar Power Ltd (B)	Vaasa	100.0	100.0	100.0	6,679	16,699
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	Vaasa	100.0	100.0	100.0	7,143	572
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
Seinäjoen Voima Oy	Vaasa	100.0	100.0	100.0	18,001	18,353

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
Tornion Voima Oy (A)	Tornio	100.0	100.0	100.0	7,500	15,008
Tornion Voima Oy (B)	Tornio	100.0	100.0	100.0	2,090	4,180
						19,188
Vaasan Voima Oy	Vaasa	100.0	100.0	100.0	12,770	10,743
Vaskiluodon Teollisuuskiinteistöt Oy	Vaasa	100.0	100.0	100.0	4,000	1,784
Interests in associated companies						
EPM Metsä Oy	Vaasa	50.0	50.0	50.0	200,000	174
Raahen Voima Oy	Raahe	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 (C)	Helsinki			14.3	318,041	467
				5.5	1,538,566	31,664
Teollisuuden Voima Oyj (A)	Helsinki			6.6	44,562,213	11,399
Teollisuuden Voima Oyj (B)	Helsinki			6.6	44,562,203	66,660
				6.6	89,124,416	78,059
Manga LNG Oy	Tornio			5.0	1,389,885	1,818
Emoyhtiön omistamat muut osakkeet ja osuudet						
Suomen Energiavarat Oy (A)	Vaasa			100.0	4,400	3
Suomen Energiavarat Oy (B)	Vaasa			3.9	1,176	1,778
Muut						190
						422,578

Separate financial statements for electricity business activities

SEPARATE FINANCIAL STATEMENTS FOR ELECTRICITY BUSINESS ACTIVITIES

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 €	1.1.-31.12.2024	1.1.-31.12.2023
Turnover	**201,569,738.82**	**218,302,785.82**
Production for own use	321,778.30	112,582.20
Other operating income	6,873,710.96	8,346,671.50
Materials and services	-92,223,787.15	-113,865,394.51
Personnel expenses	-8,903,978.27	-7,920,537.62
Depreciation and impairment charges	-405,120.56	-232,598.77
Other operating expenses	-114,210,276.06	-107,772,014.79
Business result	**-6,977,933.96**	**-3,028,506.17**
Finance income and costs	2,367,691.22	-339,710.64
RESULT BEFORE APPROPRIATIONS AND TAXES	**-4,610,242.74**	**-3,368,216.81**
Appropriations		
Difference between planned depreciations and tax depreciations	-80,758.83	-54,639.46
Group contributions received	55,000.00	50,000.00
	-25,758.83	-4,639.46
Income taxes	0,00	-29,80
Result for the financial year	**-4,636,001.57**	**-3,372,886.07**

BALANCE SHEET €	31 Dec 2024	31 Dec 2023
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,084,619.04	1,122,053.84
Tangible assets	2,780,428.31	3,159,016.36
Investments		
Interests in Group companies	239,148,465.23	216,788,042.72
Interests in associated companies	138,302,033.05	123,063,701.54
Other shares and interests	190,123.94	190,123.94
TOTAL NON-CURRENT ASSETS	**382,505,669.57**	**344,322,938.40**
CURRENT ASSETS		
Inventories	0,00	0,00
Non-current receivables	48,882,256.07	73,533,948.21
Current receivables	46,661,386.23	58,460,686.93
Cash in hand and bank receivables	0,00	0,00
TOTAL CURRENT ASSETS	**95,543,642.30**	**131,994,635.15**
	478,049,311.87	**476,317,573.55**

BALANCE SHEET €	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	14,310,763.20	14,446,011.80
Share issue	261,783.00	0,00
Other funds		
Invested non-restricted equity reserve	310,437,160.44	285,450,463.20
Retained result	-58,520,408.11	-53,486,837.32
Result for the financial year	-4,636,001.57	-3,372,886.07
TOTAL EQUITY	**261,853,296.96**	**243,036,751.61**
ACCUMULATED APPROPRIATIONS		
Depreciation difference	277,806.22	196,972.12
LIABILITIES		
Non-current liabilities	141,282,461.75	173,670,504.52
Current liabilities	74,635,746.94	59,413,345.30
TOTAL LIABILITIES	**215,918,208.69**	**233,083,849.82**
	478,049,311.87	**476,317,573.55**

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 349.635.754,99, of which the profit or loss for the financial year is EUR 282.107,72.

The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid.

Vaasa 19 March 2025

Stefan Damlin
Chairperson

Esa Ala-Honkola

Olli Arola

Jaana Eklund

Jouni Haikarainen

Vesa Hätilä

Riku Kananen

Anders Renvall

Hans-Alexander Öst

Rami Vuola
CEO

Auditor's note

A report on the conducted audit has been issued on the date indicated by the electronic signature.

ERNST & YOUNG OY
Audit firm

Mikko Rytilahti
KHT

Kristian Berg
KHT

Auditor's report

To the General Shareholders' Meeting of EPV Energy Ltd

AUDIT OF THE FINANCIAL STATEMENTS

Auditors' opinion

We have audited the financial statements of EPV Energy Ltd (Business ID 0216734-9) for the financial year 1 January–31 December 2024. The financial statements comprise the consolidated statement of financial position, statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, including significant information about the accounting principles as well as the parent company's balance sheet, income statement, cash flow statement and notes.

In our opinion,

- the consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the accounting regulations in force in Finland and comply with statutory requirements.

Basis for opinion

We conducted the audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the section Auditor's responsibilities for the audit of the financial statements.

We are independent of the parent company and the Group companies in accordance with the ethical requirements applicable in Finland that 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 CEO for the financial statements

The Board of Directors and the CEO are responsible for preparing the financial statements so that the consolidated financial statements give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and so that the financial statements give a true and fair view in accordance with the accounting regulations in force 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.

When 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, and, where applicable, disclosing matters related 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 objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that a material misstatement will always be detected in an audit performed in accordance with good auditing practice. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

An audit conducted in accordance with good auditing practice requires us to exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

- We 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 or misrepresentations, or the override of internal control.
- We 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 and the Group's internal control.
- We evaluate the appropriateness of accounting principles applied as well as the reasonableness of accounting estimates and related disclosures made by management.
- We 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 and 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 auditor's 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 auditor's report. However, future events or conditions may cause the parent company and the Group to cease to continue as a going concern.
- We 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 in a manner that achieves a true and fair view.
- We design and perform the Group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision

and review 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 the 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 auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and we expect to obtain the annual report after that date.

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

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's 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 the adoption of the financial statements. The proposal by the Board of Directors regarding the disposal of the profit shown on the balance sheet is in accordance with the Limited Liability Companies Act. We support granting discharge from liability to the members of the parent company's Board of Directors and the CEO for the financial year we have audited.

In Helsinki, 19 March 2025

Ernst & Young Oy
Audit firm

Mikko Rytilahti
KHT

Kristian Berg
KHT

FINANCIAL STATEMENTS OF EPV ALUEVERKKO OY

EPV Alueverkko's income statement

EPV ALUEVERKKO'S INCOME STATEMENT €	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Turnover	**36,214,339,33**	**27,835,456,64**
Other operating income	1,545,886.80	1,658,919.18
Materials and services	-20,378,879.57	-12,524,241.88
Personnel expenses	-652,247.07	-577,999.68
Depreciation and impairment charges	-4,054,359.39	-3,605,681.58
Other operating expenses	-3,671,076.53	-3,060,221.98
Business result	**9,003,663.57**	**9,726,230.70**
Finance income and costs	-999,332.07	-860,477.50
Result before appropriations and taxes	**8,004,331.50**	**8,865,753.20**
Appropriations		
Difference between planned depreciations and tax depreciations	3,649,777.29	-3,865,447.88
Group contributions paid	-5,000,000.00	-5,000,000.00
	-1,350,222.71	-8,865,447.88
Income taxes		
Taxes for the financial year	-1,330,902.97	-305,32
Result for the financial year	**5,323,205.82**	**0,00**

EPV Alueverkko's balance sheet

EPV ALUEVERKKO'S BALANCE SHEET €	31 DEC 2024	31 DEC 2023
Assets		
Non-current assets		
Intangible assets	2,736,448.13	2,925,821.06
Tangible assets	84,402,287.92	79,960,991.43
Total non-current assets	**87,138,736.05**	**82,886,812.49**
Current assets		
Current receivables	13,674,169.30	3,264,249.21
Cash in hand and bank receivables	4,171.16	6,465,846.80
Total current assets	**13,678,340.46**	**9,730,096.01**
	100,817,076.51	**92,616,908.50**

EPV ALUEVERKKO'S BALANCE SHEET €	31 DEC 2024	31 DEC 2023
Equity and liabilities		
Equity		
Share capital	1,600,000.00	1,600,000.00
Invested non-restricted equity reserve	337,435.86	337,435.86
Retained result	901,893.08	901,893.08
Result for the financial year	5,323,205.82	0,00
Total equity	**8,162,534.76**	**2,839,328.94**
Accumulated appropriations		
Depreciation difference	40,512,655.08	44,162,432.37
Liabilities		
Non-current liabilities	37,993,750,00	37,993,750.00
Current liabilities	14,148,136.67	7,621,397.19
Total liabilities	**52,141,886.67**	**45,615,147.19**
	100,817,076.51	**92,616,908.50**

EPV Alueverkko's cash flow statement

EPV ALUEVERKKO'S CASH FLOW STATEMENT €	2024	2023
Operating activities		
Business result	9,003,663.57	9,726,230.70
Adjustments to business result [1]	4,054,359.39	3,605,681.58
Changes in working capital [2]	-3,883,180.61	428,048.15
Interest paid	-1,631,667.49	-1,248,348.79
Interest received	225,187.41	68,294.86
Other financial income and expenses	407,148.01	319,576.43
Direct taxes	-1,330,902.97	-305,32
Cash flow from operating activities	**6,844,607.31**	**12,899,177.61**
Investment activities		
Increase (-) in acquisition of tangible and intangible assets	-8,306,282.95	-13,443,136.24
Cash flow from investment activities	**-8,306,282.95**	**-13,443,136.24**
Financing activities		
Proceeds from long-term loans	0,00	15,000,000.00
Repayments of long-term loans	0,00	-3,230,327.98
Group contributions received and paid	-5,000,000.00	-5,000,000.00
Cash flow from financing activities	**-5,000,000.00**	**6,769,672.02**

EPV ALUEVERKKO'S CASH FLOW STATEMENT €	2024	2023
Change in cash and cash equivalents	-6,461,675.64	6,225,713.39
Liquid assets 1 Jan	6,465,846.80	240,133.41
Liquid assets 31 Dec	**4,171.16**	**6,465,846.80**
1) Adjustments to business result		
Depreciation and write-downs	4,054,359.39	3,605,681.58
	4,054,359.39	3,605,681.58
2) Changes in working capital		
Increase (-) or decrease (+) in interest-bearing receivables	-5,876,420.64	0,00
Increase (-) or decrease (+) in non-interest-bearing receivables	-4,533,499.45	-1,230,780.67
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	6,526,739.48	1,658,828.82
	-3,883,180.61	428,048.15


EPV