

2022

FINANCIAL STATEMENTS

1 January – 31 December 2022



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Report of the Board of Directors 2022

EPV Energy Ltd (EPV) is a company specialised in energy procurement and it operates on an absorption costing principle. The aim is to supply the owners with competitively priced electricity and to ensure inexpensive power procurement in a changing operating environment. The company's strategic objective is that the energy procurement should be both emission-free and competitive. In 2022, EPV acquired a total of 4,136 (4,035) GWh of electricity. This corresponds to 5.1 (4.6) per cent of the overall electricity consumption in Finland.

EVENTS DURING THE FINANCIAL YEAR

Operating environment

The geopolitical situation and the energy crisis have affected EPV's operating environment in many respects. As a result of the war of aggression launched by Russia, Europe is trying to rid itself of its dependence on Russian energy as quickly as possible. In Europe, the energy crisis had led to soaring prices for electricity and fossil fuels. Concerns about the availability and sufficiency of energy have become highlighted. The situation has been particularly challenging for Finland, as virtually all major energy imports from Russia have ceased.

According to preliminary statistics, the consumption of electricity in the Nordic countries in 2022 was 4.5 per cent lower than in the previous year, at 381 (399) TWh. In 2022, Finnish electricity consumption was 81.7 (87.1) TWh, which means a decrease of approximately 6.2 per cent compared to 2021. The industrial share of the consumed electricity was 44 per cent and other consumption 56 per cent. Last year, industrial consumption of electricity decreased by 5.7 per cent, while consumption in other sectors decreased by 6.5 per cent. The losses stood for approximately 4 per cent of the overall electricity consumption.

In 2022, 15.3 per cent of power procurement was covered by imports and 84.7 per cent by domestic generation. Nuclear power covered approximately 29.7 per cent of the consumed electricity, combined generation of heat and power 19.5, hydropower 16.3 and other separate production 4.5 per cent. Wind power, which continues to grow rapidly, accounted for 14.1 per cent and solar power for 0.5 per cent.

The snow and water reserves, i.e. the hydrological balance, of the Nordic countries remained below the average throughout 2022. At the beginning of the year, the reserves were 20 TWh below the average level and at the end of the year 17 TWh below the average level. By the turn of the year, Nordic water reserves were approximately 76 TWh in total.

In 2022, CO₂ emissions from Finnish energy generation constituted 4.4 million tonnes, remaining at the same level for the third year in a row. The interruption of the long-term downward trend in CO₂ emissions is mainly due to problems related to energy prices and fuel availability in the

European energy market. Otherwise, the long-term investments made by companies in the sector are reflected in the evolution of emissions. Up to 89 per cent of the electricity generated in Finland last year was free from CO₂ emissions. The share of renewable energy sources was 54 per cent of the total electricity generated, and domestic fuels covered 57 per cent.

In the summer of 2021, the EU further tightened its climate targets when the European Commission published a major climate and energy legislative package. With this programme, the EU aims to achieve emission reductions of at least 55 per cent by 2030. As part of the European Green Deal, the Commission has also published a proposal for the European Climate Pact, which is an initiative that invites people, communities and organisations to participate in climate action and build a greener Europe.

The EU emissions allowance price fluctuated sharply between EUR 60 and EUR 97 per tonne during 2022. The average market price was around EUR 81 per tonne for most of the year and rose to approximately EUR 84 per tonne by the end of the year. Emissions trading has proven to be an effective way to reduce emissions and it contributes to limiting the use of fossil fuels in high market price situations.

As society moves towards zero-emission production, it is evident that it is changing the whole energy system, especially electricity production. New forms of electricity generation will make the whole system more difficult to manage, which is why new technological solutions will be needed. The electricity market is adapting to the new situation, but much work remains to be done. The 2022 market saw unprecedented fluctuations in electricity prices. This is the new normal in the energy market, and we have no choice but to adapt to it and make sure that the systems involved operate accordingly. There is an increasing need for flexibility in the energy system and for risk management in energy markets.

EPV revised its strategy

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

In 2022, EPV made minor refinements to the strategy as regards the different types of generation. Its main guidelines remained largely unchanged and our policy is to make EPV's energy production completely emission-free by the end of the 2020s. In the future, new electricity will be generated using the zero-emission energy sources of solar, wind, hydro and nuclear power, which are key to our strategy. In addition, we will utilise emission-free raw material flows, such as forest energy, circular economy products

and industrial producer gases. With new electricity, we are also helping other operators to become emission-free. As more and more electricity is produced from renewable energy, 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. This strategy update will shift the focus of EPV's investments more towards investments that will balance the energy system.

Production

In 2022, 33.7 per cent of EPV's electricity supply came from nuclear power, 24.8 per cent from wind power, 22.5 per cent from combined heat and power (CHP) and 10.6 per cent from hydropower. The share of market price electricity was 8.4 per cent. The share of pure condensing power in EPV's electricity supply has become zero.

In 2022, CO₂ emissions from EPV's electricity supply were 0.47 million tonnes, which is 14 per cent less than the previous year. Up to 88 per cent of the electricity generated by EPV and under EPV's production shares last year was free from CO₂ emissions. The share of renewable energy sources was 46 per cent of the total electricity generated, and domestic fuels covered 87 per cent.

The total production volume of the Olkiluoto 1 and 2 nuclear power plants of the associated company Teollisuuden Voima Oyj (TVO) in 2022 was 14.5 TWh, which is the fifth highest sum total in the company's history. OL2 reached an all-time production record. Annual maintenance of the plants was carried out as planned. Last spring, OL1 had a longer than usual maintenance shutdown and in July there was a cold shutdown of just under a week, while damaged fuel elements were removed from the reactor. A short refuelling outage took place at the OL2 plant unit. During the commissioning tests, the OL3 unit produced 1.9 TWh of electricity.

EPV's direct interest in Teollisuuden Voima is 6.6 per cent, and 1.1 TWh of energy was acquired in proportion to this share.

After the full power tests of the OL3 unit, the unit's production was interrupted as planned in January 2023 due to the replacement of the impellers of the feedwater pumps. The commissioning of OL3 continued on 15 March 2023 with the final performance tests carried out by the plant supplier, which were followed by the final phase of the commissioning: a demonstration run of about 30 days planned by TVO. According to TVO's announcement, regular electricity production will start in April 2023.

EPV Windpower Ltd (100%) focuses on building wind farms and generating wind electricity in the coastal areas of Ostrobothnia and also inland. The wind power stations in operation and owned by EPV Windpower are located in Torkkola in Vaasa (16 turbines), Santavuori in Ilmajoki (17 turbines), Metsälä in Kristinestad (34 turbines), Paskoonharju in Teuva (23 turbines) and Norrskogen in Närpes (17 turbines). The Teuva wind farm started commercial production at the beginning of 2022. In 2022, the company was building a new wind farm in Närpes. All its turbines were installed by the end of the year and test runs of the turbines were started. The wind farm was put into commercial operation in February 2023. Additionally, EPV Windpower holds some legally valid building permits for new power stations. EPV Windpower Ltd had its best production year ever in terms of production volume, exceeding the previous record by 19 per cent. In 2022, the company's total electricity supply to EPV was 941 (716) GWh.

Rajakiiri Oys (65%) wind power station in Tornio had its third best production year ever in terms of production volume, at the same level as the previous

year. The total electricity generation of the company was 133 (134) GWh, of which 83 (84) GWh were supplied to EPV.

Suomen Merituuli Oy (50%) is an associated company whose objective was to build future offshore wind power plants. The company plans to wind down operations in the coming financial year. EPV's interest in the company is 50 per cent.

EPV Solar Power Oy (100%) was founded in 2022 and its purpose is to design and build industrial-scale solar parks for EPV. In 2022, the company was working on plans to build its first solar farm. The new solar farm would produce around 90 GWh of electricity per year. The solar park planned for Lapua received a boost when the Finnish Ministry of Economic Affairs and Employment granted the project NextGenerationEU funding of more than EUR 12 million in December.

Voimapiha Oy (17%) generates hydropower electricity in Sweden. Through its wholly-owned subsidiary Voimapiha AB, Voimapiha Oy holds 25.7 per cent of Vattenfall Kraftgården Ab's share capital. The hydropower plants owned by Vattenfall Kraftgården are located on the River Indalsälven, one of the most significant hydropower reserves in Sweden. Voimapiha Oy has approximately 161 MW of generation power in these hydropower plants, corresponding to approximately 866 GWh of average annual output. The quantity of electricity supplied by Voimapiha in 2022 was the highest in its lifetime. During its ninth complete year of operation, Voimapiha Oy supplied EPV with a total of 354 GWh of hydropower electricity generated in Sweden.

The associated company **Pohjolan Voima Oyj** is a power procurement company which operates on an absorption costing principle, supplying electricity to its owners at cost price. EPV's interest in Pohjolan Voima is 5.5 (5.5) per cent and a total of 456 (436) GWh of electricity was acquired accordingly.

Electricity generation in 2022 at the Vaskiluoto 2 power plant belonging to the affiliated company **Vaskiluodon Voima Oy** (50%) was 374 (544) GWh. The plant generated a total of 284 (338) GWh of district heating. On the basis of its interest, EPV acquired a total of 168 (249) GWh of electrical energy. According to the business transaction agreements concluded in 2019, Vaskiluodon Voima's business activities will be transferred to Vaasan Voima. The business transaction entered into force on 31 December 2022, when the entire business activities of Vaskiluodon Voima were transferred to Vaasan Voima. As a result of the transaction, the company's electricity and heat supply ceased on 31 December 2022.

The subsidiary **Seinäjoen Voima Oy**'s (100%) business operations began in March 2018. In 2022, the total electricity supply of the company's power plant in Seinäjoki amounted to 399 (465) GWh. The plant generated a total of 308 (425) GWh of district heating. In 2022, the company put a district heating battery and an electric boiler into operation at the Seinäjoki power plant site. Together, the district heating battery and electric boiler will be excellent components in the clean heat production system of the future. In 2022, a business transaction was concluded in which Seinäjoen Energia's heat production plants were transferred to Seinäjoen Voima Oy. In this transaction, Seinäjoen Voima acquired the new district heating boiler in the Kapernaumi district of Seinäjoki, the pellet boilers on the Hanneksenrinne road, the peat and biomass-fired district heating boiler in Kapernaumi and five oil-fired boilers as backup when needed. No personnel were transferred in the transaction.

EPV's subsidiary **Tornion Voima Oy** (100%) is a major energy producer in Tornio. Tornion Voima's production facilities are located in the areas

of the Tornio steelworks, Pirkkiö and the Kemi Mine. Good cooperation with the steelworks and the mine will lead to future energy solutions and investments that will move us closer to emission-free energy production. Tornion Voima focuses on serving the energy needs of the steel company and the mine, allowing heating customers to focus on the production of their own products with high availability. Of the energy generated at the plant, CHP is supplied to EPV, district heating and process steam to the Tornio steelworks, and district heating to both the mine and Tornion Energia Oy. In 2022, the total electricity supply to EPV was 190 (138) GWh.

Raahen Voima Oy is EPV's affiliated company (25%), which generates electricity and heat in the area of the Raahen steelworks. Of the energy generated at the plant, CHP is supplied to EPV, electricity, district heat and process steam to the Raahen steelworks and district heat to Raahen Energia Oy. In 2022, the total electricity supply for EPV was 129 (168) GWh. Compared to 2021, production volumes were reduced by the limited availability of industrial gas fuels.

Vaasan Voima Oy (100%) was founded in 2019. The company built a thermal energy storage (TES) facility in Vaskiluoto, Vaasa, utilising old underground oil storage caverns. The TES facility has a charge and discharge capacity of approximately 100 MW and a storage capacity of approximately 7–9 GWh. The facility became ready for technical operation in spring 2020, and 2021 was its first full year of operation. During the summer months, the facility stores heat, capitalising on the waste heat created in the Vaasa region. In the winter, the TES facility has been used by Vaskiluodon Voima. In the long run, this investment will enable more flexible use of wind and solar power in producing heat, while maintaining the possibility of making use of the waste heat created in the Vaasa region. In 2021, the company built a new 40 MW electric boiler in Vaskiluoto, Vaasa. The electric boiler is an important component of the clean heat generation system of the future and a part of EPV's balancing production capacity. In 2022, the company made a further investment decision to build two new 60 MW electric boilers and to expand the TES facility in Vaskiluoto.

According to the business transaction agreements concluded in 2019, Vaskiluodon Voima's business activities will be transferred to Vaasan Voima. The business transaction entered into force on 31 December 2022, when the entire business activities of Vaskiluodon Voima were transferred to Vaasan Voima. This brought Vaasan Voima's share of the power asset to 230 MW. In the business transaction, 25 people joined the EPV Group under their current employment contracts, without losing the employee benefits they had acquired so far.

Transmission network companies

The subsidiary **EPV Alueverkko Oy** (EPA) (100%) practices electricity transmission and network operations mainly in the power transmission networks it owns in Ostrobothnia, South Ostrobothnia, Tornio, Kokkola and Iijoki. The amount of energy transmitted for consumption via EPA's transmission network in 2022 was 4,865 (5,379) GWh. The company's network received 3,531 (3,676) GWh of electrical energy from generation plants, to be transferred for consumption and to the main grid.

More than 200 MW of new wind power generation was connected to the network during the year. In addition to the wind farms that have signed a connection contract to join EPA's network, there are a significant number of wind and solar power projects at the licensing stage in Ostrobothnia and South Ostrobothnia which have made similar connection inquiries. To meet the growing need for transmission capacity, the company has several

transmission line and substation projects in the planning and construction phase, which, when completed, will allow additional power generation to be connected to EPA's network in the coming years. In addition, the company carried out renovation work on existing substations.

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

The completed financial year was the third year of the Energy Market Authority's fifth regulatory period for network operations (2020–2023). The cumulative allowed return on network operations for the third year of the current fifth regulatory period and for the previous fourth regulatory period is, according to the preliminary calculation, below the allowed return.

During **EPV Teollisuusverkot Oy**'s (90%) financial year, the company completed a major network asset construction project at the Sallee substation in Tornio that is significant not only in Finland but also in the Nordic countries. EPV Teollisuusverkot carried out an expansion of the Sallee substation. The expansion included a new 400/110 kV transformer in parallel connection and the necessary switchyards, as well as another 110 kV power line between Sallee and Röyttä. The amount of energy transmitted for consumption via EPV Teollisuusverkot's transmission network in 2022 was 1,853 (2,158) GWh.

Other companies

The purpose of EPV Tase Oy (100%) is to provide balance-related services for EPV's owners and the energy generation companies owned, entirely or partly, by EPV. The rise in market prices that started in 2021 accelerated to a historic high in Europe and Finland in 2022 as a result of geopolitical events. On average, the Group gave NordPool and eSett higher collateral for trading than in previous years, resulting in higher financing costs. The collateral is set at the prevailing market price level and provisions must be made in advance for potential changes in the market situation when setting it.

EPV Akkuhybridi Oy (100%) focuses on electrical energy storage solutions. In 2022, the company made an investment decision to build an electrical energy storage facility at the Teuva wind farm with a capacity of 12 megawatts and an energy capacity of 12 megawatt-hours. As more and more electricity is produced from renewable energy, the storage is needed. Different energy storage solutions support and bring flexibility to the electricity system.

Suomen Energiavarat Oy (SEV) was established for a specific purpose. As a shareholder in Neova Oy, its aim is to develop Neova's operations with the strategic goal of increasing the shareholder value. EPV owns all SEV's Series A shares and 3.9 per cent of its Series B shares. As a result of the sale of Neova's subsidiary the previous year, EPV received a return on capital and income from dividends from SEV in the financial year 2022. As the use of energy peat decreases and as a result of the Nevel transaction, Neova has evolved from a strategic investment to a financial investment.

EPV Aluevarannot Oy's (100%) main focus has been on the procurement of biofuels for the EPV Energy Group and the development of the land owned by the company. Maximum use was made of the company's own

peat production in line with the needs resulting from the energy crisis. Peat for cattle bedding and horticulture also play a role in land use. In terms of security of supply, peat continues to be an important fuel for EPV, but the after-use of peat production areas is also an important topic under discussion. The planning of the after-use and the process of abandoning these areas continued, with EPV Solar Power Ltd acquiring ownership of 1,580 hectares of land. Due to the challenging conditions last summer and autumn, the production of energy peat was only moderately successful. The unfavourable weather conditions of the summer also had a slight impact on the quality of bioenergy deliveries.

Powerheat Solutions Oy (100%) was established in 2022 to provide solutions for the electrification of heat and steam production for industrial and district heating companies.

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

Manga LNG Oy's (5%) long-term purpose is to deliver competitive liquefied natural gas to its shareholders. The company began its actual business activities in September 2019.

KEY FIGURES ON THE FINANCIAL POSITION

Year	2022	2021	2020
Finances			
Group			
Turnover	MEUR 677.7	MEUR 439.5	MEUR 293.4
Business result	MEUR 11.9	MEUR -11.3	MEUR 22.8
Equity ratio, %	38.6%	41.2%	44.6%
Balance sheet total	MEUR 1,127.4	MEUR 977.0	MEUR 879.6
Parent company			
Turnover	MEUR 270.1	MEUR 147.0	MEUR 93.2
Business result	MEUR -1.1	MEUR -2.6	MEUR -4.4
Equity ratio	65.7%	67.4%	67.3%
Balance sheet total	MEUR 529.1	MEUR 469.9	MEUR 434.0
Production			
Electricity acquisition	4.1 TWh	4.0 TWh	3.9 TWh
Electricity distribution	6.7 TWh	7.5 TWh	7.0 TWh
Heat supply	1.1 TWh	1.3 TWh	1.1 TWh

The EPV Energy Group's turnover was EUR 677.7 (439.5) million. The turnover share of the electricity sales was EUR 554.7 (313.9) million and of the remaining operations EUR 123.0 (125.6) million. The increase in turnover is mainly due to the historically high market price of electricity.

The business result of the Group was EUR 11.9 (-11.3) million. The net financing costs of the financial year totalled EUR 5.6 (4.0) million. The result for the financial year, as shown in the consolidated financial statements, was EUR 5.0 (-11.8) million.

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

FINANCING AND INVESTMENTS

The grand total of the Group's balance increased to EUR 1,127.4 (977.0) million. Non-current liabilities were EUR 486.7 (418.7) million and current liabilities EUR 180.0 (134.3) million. By the end of the year, the equity ratio of the Group was 38.6 (41.2) per cent. Fuel stocks for security of supply affected the Group's equity ratio negatively due to the high market price of fuels.

The liquidity of the Group was good all year. By the end of the year, there was a total of EUR 63.8 (65.8) million in liquid assets and investments. Unused stand-by credit amounted to more than EUR 100 million by the end of the year.

The net investments of the Group totalled EUR 142.6 (118.5) million. The investments in tangible and intangible assets amounted to EUR 144.7 (121.3) million. The investments were financed by a net borrowing of EUR 112.1 million and through share issues of EUR 38.1 million.

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

SHAREHOLDERS, GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS

Shareholders

Shareholders' interests at the end of 2022 were as follows:

	2022, %	2021, %
Alajärven Sähkö Oy	1.44	1.44
Cumel Oy	0.32	0.32
Helen Ltd	5.91	5.98
Imatran Seudun Sähkö Oy	0.36	0.36
Jylhän Sähköosuuskunta	4.09	4.08
JärviS-Energia Oy	1.68	1.68
Kaakon Energia Oy	0.37	0.37
KSS Energia Oy	0.65	0.66
Kymppivoima Oy	7.50	8.96
Lahti Energia Oy	8.79	8.82
Lehtimäen Sähkö Oy	0.53	0.57
Oulun Energia Oy	2.19	2.21
Outokumpu Oyj	1.31	1.33
Oy Perhonjoki Ab	1.77	1.77
Rauman Energia Oy	0.93	0.92
Seinäjoen Energia Oy	10.71	10.69
Vaasan Sähkö Oy	42.19	40.58
Vantaan Energia Oy	8.27	8.24
Vimpelin Voima Oy	0.48	0.48
Äänekosken Energia Oy	0.52	0.52
Total	100.00	100.00

General Shareholders' Meetings

The Ordinary General Shareholders' Meeting of 2022 was assembled on 1 April 2022 and, during it, issues belonging to the Ordinary General Meeting were discussed, as well as the Board of Directors' proposal to amend the Articles of Association in such a way that a new Series S of shares entitling the holder to solar power produced by EPV Solar Power Ltd be established and also a special issue of the new Series S.

At the Extraordinary General Meeting on 22 November 2022, the Board of Directors' proposals to reduce the share capital and to distribute the share capital/earnings for the purpose of acquiring shares in Series E2, P1 and P2 were discussed, as was the Board's proposal to amend the Articles of Association due to the termination of these series. In addition, proposals to increase the share capital and to launch a special issue of D1 and D3 shares were discussed.

Board of Directors

In accordance with the Articles of Association, the Board has 10-12 ordinary members and five deputy members. By unanimous decision of the shareholders at the Ordinary General Shareholders' Meeting on 1 April 2022, ten members and five deputy members were elected to the Board of Directors. Director Olli Arola, Managing Director Stefan Damlin, CEO Jouni Haikarainen, CEO Roger Holm, Managing Director Vesa Hätilä, Managing Director Anders Renvall, Member of Parliament Joakim Strand, Director Markku Vartia, CEO Juha-Pekka Weckström 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 Maarit Herranen, CEO Ahti Källi, Director Kari Roos, Business Unit Director Markus Tuomala and CEO Jukka Ylitalo.

At its organising meeting, the Board of Directors elected Member of Parliament Joakim Strand as Chairperson and Managing Director Anders Renvall as Vice-Chairperson.

Juha-Pekka Weckström was replaced by Jaana Eklund, Director of Legal Affairs, as a member of the Board of Directors from 1 February 2023, in accordance with her consent.

The CEO and Management Team

In 2022, the CEO of the company was Rami Vuola. The members of the Management Team as of 31 December 2022 were Rami Vuola, Sami Kuitunen, Frans Liski, Reima Neva, Niko Paaso and Mats Söderlund. Communications Manager Maija Suutarinen was appointed Vice President, Sustainability of EPV Energy and a member of its Management Team as of 1 January 2023.

Auditors

In the General Meeting, the audit firm Ernst & Young Oy was elected as the company's Ordinary Auditor for the period until the Ordinary General Shareholders' Meeting in 2023, with Mikko Rytilahti (CA) and Kristian Berg (CA) as the main responsible Auditors and Anders Svernas (CA) and Marja Huhtala (CA) as Vice Auditors.

CORPORATE RESPONSIBILITY

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

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

The Non-financial Reporting Directive is being reformed. The forthcoming Corporate Sustainability Reporting Directive (CSRD) will bring extensive and detailed changes to corporate social responsibility reporting. Extending the former Non-financial Reporting Directive, the CSRD will initially oblige large, publicly listed SMEs to report information on their social and environmental impacts. Similarly, the EU's sustainable finance taxonomy requires finance companies to report what proportion of their portfolio includes investments that contribute to specific environmental objectives, and other companies to report what proportion of their turnover, working capital and investments contribute to the same environmental objectives. EPV's goal is to be in an excellent position to report the information required by the legislation when the obligations are extended to the company. The CSRD will be extended to non-listed companies in 2025. In 2022, EPV prepared a timetable and roadmap for its sustainability and taxonomy reporting in line with the CSRD and taxonomy requirements.

Personnel

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

Good leadership is important to us, and we want to invest in it. Our goal is to create an enthusiastic EPV team where every employee can develop, learn new knowledge and skills, and be proud of what we achieve together. The New Electricity Revolution® Strategy means a renewal for the company. At the same time, it means renewal for individuals and the way they are managed. We are also systematically working to improve our own leadership. Good management is the right of every EPV employee.

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

In 2022, there were no accidents involving EPV's own staff. This is an excellent achievement by EPV personnel. We emphasise safety at work in everything we do and we are happy and proud to see it is paying off. The accidents recorded in 2022 happened to external contractors. We have set the bar for responsibility extremely high for occupational safety. Our wide reporting of accidents also ensures that even the smallest of accidents are logged, and the necessary measures are taken at the workplace to ensure it does not happen again.

EPV takes a proactive approach to occupational health and well-being. At EPV, we regularly inquire into the state of the working environment and community with various surveys and studies, and develop our personnel policy and workplace atmosphere based on the results obtained from these. Job satisfaction is monitored regularly with Group-wide staff surveys, which are carried out annually and encompass all personnel. The overall results of the EPV Group's staff survey have been and continue to be at a high level.

Over the year, the average number of Group employees was 122 (118). At the end of 2022, EPV Energy had 67 (64) employees, EPV Alueverkko 5 (5), Tornion Voima Oy 27 (26) and Seinäjoen Voima Oy 24 (25) employees. At the end of 2022, of the Group's total personnel, 60 were managerial employees, 31 professional employees and 32 lower-grade employees.

The environment

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

According to our strategy, EPV's energy production will become emission-free by the end of the 2020s. In the future, new electricity will be generated using the zero-emission energy sources of solar, wind, hydro and nuclear power. By focusing on these, we are not only making our own operations emission-free, but also helping society to meet its emissions reduction targets. In 2022, the share of emission-free energy sources in EPV Energy's electricity production was 87.6 per cent.

In 2022, we completed several construction projects that will contribute to zero-emission energy production. Our sixth industrial-scale wind farm was completed in Närpes, the district heating battery and electric boiler were completed in Seinäjoki, and Oikiluoto 3 engaged in pre-operational testing. Investment decisions were also taken on an electric battery in Teuva, an electric boiler in Tornio, and two electric boilers and an extension of the thermal energy storage facility in Vaasa. In addition, many projects are in the pipeline for an investment decision, such as a solar farm in Lapua, a pumped-storage hydro plant in Pyhäjärvi and a wind farm in Laihia.

EPV is one of the leading operators in industrial-scale wind power production in Finland. Wind power is one of the company's most important energy generation methods, and EPV aims to keep increasing its share within the Group. EPV takes responsibility for the smooth functioning and safety of its wind farms throughout their life cycle. This also includes reuse and recycling of the sites where the wind turbines are located. In early 2022, EPV Energy established a new company, EPV Solar Power, to design and build industrial-scale solar parks for EPV.

EPV's power plants are involved in the Energy Efficiency Agreements programme. The programme actively drives the company to seek out areas in which we can improve our energy efficiency. With the resulting measures, we are improving the efficiency of our power plants, which can be seen in falling emissions and greater cost savings. Additionally, the majority of EPV's power plants have been granted the ISO 14001:2015 certification for environmental management systems and the ETJ+ Energy Efficiency System.

Audits are used to monitor the responsibility of the Group companies' operations. The audit results can also be utilised to standardise different companies' practices. In 2022, a total of 12 internal and external audits

were carried out in EPV's Group companies, focusing on the company's wind farms in production and under construction, peat production areas and the energy efficiency, cleanliness and chemicals used in power plants.

More detailed environmental information on EPV Energy are presented on the company's website in the Corporate Responsibility Report 2022.

CURRENT LEGAL PROCESSES

The company has no pending legal proceedings.

EVENTS FOLLOWING THE FINANCIAL YEAR

After the full power tests of the OL3 unit, the unit's production was interrupted as planned in January 2023 due to the replacement of the impellers of the feedwater pumps. The commissioning of OL3 continued on 15 March 2023 with the final performance tests carried out by the plant supplier, which were followed by the final phase of the commissioning: a demonstration run of about 30 days planned by TVO. According to TVO's announcement, regular electricity production will start in April 2023.

RISK ASSESSMENT

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

The energy sector is a heavily regulated industry. Changes in regulations and taxation often reflect the prevailing political atmosphere and they can also alter the relative profitability of various production methods. Due to their political nature, these changes are often difficult to anticipate and may consequently increase the risks to individual production methods. EPV maintains a diverse industrial structure. In practice, this means that the energy acquired by the company has been produced using several different methods and that we avoid making the share of an individual production method too large. In addition to this, in order to prepare for potential changes in the operating environment, EPV engages in active strategic work and has a risk management process in place based on the SFS-31000 standard. EPV's strategy and risk management measures are used to help ensure that the company makes correct and timely investment decisions.

RESEARCH AND DEVELOPMENT

EPV has continued to invest in research and development in various sections of electricity generation. Some of the most important areas of research are project opportunities relating to renewable energy and zero-emission electricity and heat generation. EPV aims to be a pioneer in the energy sector, using new electricity to connect the energy needs of different industries. In 2022, the company's research and development activities focused particularly on the development of industrial-scale solar power generation and flexible components for the energy system. EPV

has also charted the application of battery technologies in the changing Nordic electricity system and the opportunities presented by hydrogen technology for electricity generation.

Our strategy emphasises our desire to be at the forefront of technological developments and to stay strongly involved in the transformation of the energy sector. In 2022, the technology teams established around all key technologies continued their excellent work. The teams explored new technologies and the opportunities they bring for future emission-free energy production and flexibility, innovated new solutions and drove projects forward. To ensure that all the teams have the best possible know-how at their disposal, they include people from across the Group.

OUTLOOK FOR THE NEAR FUTURE

The crucial factors influencing the development of electricity prices in the Nordic countries are the balance between demand and supply, the price levels for fuels and CO2 emission allowances, and the water resource situation. At the beginning of February 2023, the hydrological reserves of the Nordic countries were approximately 13 TWh below the long-term average and at the same level as in the corresponding period in 2022. The market price of emissions allowances for 2023 was about EUR 92 per tonne of carbon dioxide. At the same time, the average electricity price on the derivatives market for the rest of 2023 was approximately EUR 80 per megawatt hour and for 2024 approximately EUR 67 per megawatt hour. The regional price in Finland was respectively EUR 83 and 67 per megawatt hour.

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

The uncertainty and risks arising from the geopolitical situation – including the sanctions imposed, potential additional sanctions, counter-sanctions and their consequences – may affect the economic lives of assets, as well as commodity prices and related margining requirements in Europe. Geopolitical tensions in the neighbouring regions are creating uncertainty in energy markets. The tense situation in the fuel and emissions markets has a strong impact on the electricity market. Fluctuating renewable energy production continues to grow, adding to the challenges of balancing the electricity system. Connecting the energy flows of different industries through electricity is more important than ever.

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

The pre-operational testing phase of OL3 will continue with the aim of starting regular electricity production in March 2023.

THE BOARD'S PROPOSITION FOR DISTRIBUTION OF PROFITS

The distributable equity of the parent company amounts to EUR 332,204,112.91, of which the profit or loss for the financial year is EUR 2,946,994.01. The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid.

Consolidated income statement

CONSOLIDATED INCOME STATEMENT €	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021	Notes
TURNOVER	677,709,406.09	439,546,048.92	1
Manufacture for own use	1,413,500.86	1,011,994.24	
Other operating income	27,795,485.95	2,752,861.75	2
Materials and services	-573,872,447.24	-351,657,983.90	3
Personnel expenses	-11,662,163.32	-10,654,370.13	4
Depreciation and impairment charges	-33,845,445.67	-30,381,885.05	5
Other operating expenses	-73,303,972.80	-60,348,061.41	6
Share of profit of affiliated companies	-2,364,190.48	-1,604,694.68	
BUSINESS RESULT	11,870,173.39	-11,336,090.26	
Finance income and costs	-5,632,965.07	-3,969,284.66	7
RESULT BEFORE TAXES	6,237,208.32	-15,305,374.92	
Income taxes	-1,838,881.95	2,575,716.70	9
Minority interests	644,210.84	916,716.27	
RESULT FOR THE FINANCIAL YEAR	5,042,537.21	-11,812,941.95	

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET €	31 Dec 2022	31 Dec 2021	Notes
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	21,334,367.19	16,644,735.01	10
Tangible assets	690,140,182.35	580,736,977.49	11
Investments			13
Interests in Group companies	263,570.01	263,570.01	
Interests in associated companies	126,455,371.59	129,784,654.08	
Other shares and interests	1,972,875.94	2,796,075.94	
TOTAL NON-CURRENT ASSETS	840,166,367.08	730,226,012.53	
CURRENT ASSETS			
Inventories	49,175,146.01	10,050,031.77	14
Non-current receivables	70,153,299.95	82,836,923.47	15
Current receivables	104,098,602.48	88,171,333.22	16
Cash in hand and bank receivables	63,812,482.73	65,755,754.56	
TOTAL CURRENT ASSETS	287,239,531.17	246,814,043.02	
	1,127,405,898.25	977,040,055.55	

CONSOLIDATED BALANCE SHEET €	31 Dec 2022	31 Dec 2021	Notes
EQUITY AND LIABILITIES			
EQUITY			17
Share capital	14,624,919.80	14,310,419.80	
Share issue	865,300.00	703,800.00	
Other funds			
Invested non-restricted equity reserve	308,157,763.20	280,633,763.20	
Retained result	98,913,963.78	110,726,905.73	
Result for the financial year	5,042,537.21	-11,812,941.95	
TOTAL EQUITY	427,604,483.99	394,561,946.78	
MINORITY INTERESTS	7,188,890.74	7,833,101.58	
PROVISIONS FOR LIABILITIES AND CHARGES	3,500,000.00	0.00	18
LIABILITIES			
Deferred tax liabilities	22,453,561.87	21,645,926.66	19
Non-current liabilities	486,660,224.89	418,655,019.00	20
Current liabilities	179,998,736.76	134,344,061.53	21
TOTAL LIABILITIES	689,112,523.52	574,645,007.19	
	1,127,405,898.25	977,040,055.55	

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT €	2022	2021
Operating activities		
Business result	11,870,173.39	-11,336,090.26
Adjustments to business result 1)	36,165,031.34	31,789,070.94
Changes in working capital 2)	-50,933,237.83	8,405,945.06
Dividends received	413,360.00	807,144.00
Interest received	812,524.59	504,257.87
Interest paid	-4,393,483.10	-2,992,938.93
Other financial income and expenses	-2,465,366.56	-2,287,747.60
Taxes	-1,031,246.74	-526,880.17
Cash flow from operating activities	-9,562,244.91	24,362,760.91
Investment activities		
Increase (-) in acquisition of tangible and intangible assets	-144,672,147.88	-121,980,282.96
Decrease (+) in acquisition of tangible and intangible assets	0.00	707,563.01
Return of capital received	1,727,200.00	2,396,688.00
Proceeds from sales of non-current assets	339,561.99	351,750.00
Cash flow from investment activities	-142,605,385.89	-118,524,281.95
Financing activities		
Share issue	38,100,000.00	28,600,000.00
Return of capital paid	0.00	-11,283,864.59
Proceeds from long-term loans	160,214,721.79	106,272,056.99
Repayments of long-term loans	-52,260,975.70	-40,996,724.68
Proceeds from current financing (liabilities)	20,000,000.00	0.00
Repayment of short-term loans	-15,829,387.12	-1,000,000.00
Cash flow from financing activities	150,224,358.97	81,591,467.72

CONSOLIDATED CASH FLOW STATEMENT €	2022	2021
Change in cash and cash equivalents	-1,943,271.83	-12,570,053.32
Liquid assets 1 Jan	65,755,754.56	78,325,807.88
Liquid assets 31 Dec	63,812,482.73	65,755,754.56
1) Adjustments to business result		
Share of profit of affiliated companies	2,364,190.48	1,604,694.68
Depreciation and impairment charges	33,845,445.67	30,381,885.05
Gain (-) or loss (+) from divestment of non-current assets	-57,403.61	-197,508.79
Non-cash items	12,798.80	0.00
	36,165,031.34	31,789,070.94
2) Changes in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-13,343,645.71	-17,412,631.02
Increase (-) or decrease (+) in inventories	-39,125,114.24	-463,377.51
Increase (+) or decrease (-) in non-interest-bearing liabilities	1,535,522.12	26,281,953.60
	-50,933,237.83	8,405,945.06

Parent company's income statement

PARENT COMPANY'S INCOME STATEMENT €	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021	Notes
TURNOVER	270,070,294.92	146,954,972.38	1
Other operating income	5,166,592.06	4,559,468.02	2
Materials and services	-208,797,576.51	-103,602,334.77	3
Personnel expenses	-7,186,390.47	-6,270,087.42	4
Depreciation and impairment charges	-291,748.90	-270,494.89	5
Other operating expenses	-60,039,213.22	-43,933,286.92	6
BUSINESS RESULT	-1,078,042.12	-2,561,763.60	
Finance income and costs	-250,959.36	-110,591.09	7
RESULT BEFORE APPROPRIATIONS AND TAXES	-1,329,001.48	-2,672,354.69	
Appropriations			8
Difference between planned depreciations and tax depreciations	-142,268.39	0.00	
Group contributions received	5,050,000.00	5,050,000.00	
	4,907,731.61	5,050,000.00	
Income taxes	-631,736.12	-299,035.10	9
RESULT FOR THE FINANCIAL YEAR	2,946,994.01	2,078,610.21	

Parent company's balance sheet

PARENT COMPANY'S BALANCE SHEET €	31 Dec 2022	31 Dec 2021	Notes
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	240,315.38	339,535.68	10
Tangible assets	3,135,521.70	3,176,335.66	11
Investments			13
Interests in Group companies	244,255,485.25	203,550,485.25	
Interests in associated companies	125,486,344.74	126,390,344.74	
Other shares and interests	1,972,875.94	2,796,075.94	
TOTAL NON-CURRENT ASSETS	375,090,543.01	336,252,777.27	
CURRENT ASSETS			
Inventories	1,456,140.36	816,888.08	14
Non-current receivables	67,860,863.45	80,229,486.97	15
Current receivables	84,241,493.75	52,050,404.63	16
Cash in hand and bank receivables	494,227.03	566,612.16	
TOTAL CURRENT ASSETS	154,052,724.59	133,663,391.84	
	529,143,267.60	469,916,169.11	

PARENT COMPANY'S BALANCE SHEET €	31 Dec 2022	31 Dec 2021	Notes
EQUITY AND LIABILITIES			
EQUITY			17
Share capital	14,624,919.80	14,310,419.80	
Share issue	865,300.00	703,800.00	
Other funds			
Invested non-restricted equity reserve	308,157,763.20	280,633,763.20	
Retained result	21,099,355.70	19,020,745.49	
Result for the financial year	2,946,994.01	2,078,610.21	
TOTAL EQUITY	347,694,332.71	316,747,338.70	
ACCUMULATED APPROPRIATIONS			19
Depreciation difference	142,268.39	0.00	
LIABILITIES			
Non-current liabilities	107,566,877.05	116,309,364.17	20
Current liabilities	73,739,789.45	36,859,466.24	21
TOTAL LIABILITIES	181,306,666.50	153,168,830.41	
	529,143,267.60	469,916,169.11	

Parent company's cash flow statement

PARENT COMPANY'S CASH FLOW STATEMENT €	2022	2021
Operating activities		
Business result	-1,078,042.12	-2,561,763.60
Adjustments to business result 1)	243,455.67	270,494.89
Changes in working capital 2)	-14,035,631.07	-13,881,787.98
Dividends received	413,360.00	807,144.00
Interest received	920,983.25	428,650.98
Interest paid	-1,334,833.77	-854,206.27
Other financial income and expenses	-250,468.84	-492,179.80
Income taxes	-631,736.12	-299,035.10
Cash flow from operating activities	-15,752,913.00	-16,582,682.88
Investment activities		
Acquisition of shares	-40,705,000.00	-28,605,000.00
Increase (-) in acquisition of tangible and intangible assets	-284,712.54	-520,744.78
Decrease (+) in acquisition of tangible and intangible assets	0.00	656,400.45
Return of capital received	1,788,292.03	2,396,688.00
Increase (-) or decrease (+) in loan receivables	120,199.10	0.00
Cash flow from investment activities	-39,081,221.41	-26,072,656.33
Financing activities		
Proceeds from long-term loans	15,257,512.88	6,742,487.12
Increase (-) or decrease (+) in interest-bearing receivables	-8,816,376.48	-749,497.68
Increase (+) or decrease (-) in short-term interest-bearing liabilities	5,170,612.88	-1,022,309.59
Group contributions received	5,050,000.00	5,050,000.00
Rights issue	38,100,000.00	28,600,000.00
Return of capital paid	0.00	-11,283,864.59
Cash flow from financing activities	54,761,749.28	27,336,815.26

PARENT COMPANY'S CASH FLOW STATEMENT €	2022	2021
Change in cash and cash equivalents	-72,385.13	-15,318,523.95
Liquid assets 1 Jan	566,612.16	15,885,136.11
Liquid assets 31 Dec	494,227.03	566,612.16
1) Adjustments to business result		
Depreciation and write-downs	291,748.90	270,494.89
Non-cash items	12,798.80	0.00
Gain (-) or loss (+) from divestment of non-current assets	-61,092.03	0.00
	243,455.67	270,494.89
2) Changes in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-21,106,089.12	-19,214,887.52
Increase (-) or decrease (+) in inventories	-639,252.28	-87,295.53
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	7,709,710.33	5,420,395.07
	-14,035,631.07	-13,881,787.98

Accounting principles

The scope and accounting principles of the consolidated financial statements

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

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

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

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

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

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

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

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

The depreciation periods are:

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

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 share of wasteland and standing crop in the direct acquisition costs of bog areas intended for peat production are entered under item land. The remaining direct acquisition costs of bog areas are recognised under peat resources. Peat resources are depreciated under the depletion allowance according to their use.

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

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

Valuation of inventories

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

Emission reductions and allowance

The acquisition of emission reductions and the associated indirect costs are recognised under intangible rights in item emission reductions. Emission allowances received free of charge are assets not included in the balance sheet.

Feed-in tariff system

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

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

Derivatives management

The interest rate tying period of floating-rate loans has been extended with **interest rate swap agreements**, using hedge accounting principles. The derivative agreements have not been recognised in the balance sheet. Derivatives used to manage interest rate risk have been accrued for the agreement period and they have been recognised against the interest expenses of the hedged loans.

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

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

Pension cover

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

List of ledgers and materials

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

Notes to the income statement

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2022	2021	2022	2021
1. TURNOVER				
Electricity sales	554,713	1) 313,910	259,698	137,120
Heat sales	62,006	58,928	3,702	2,035
Other activities	60,990	66,709	6,670	7,800
	<u>677,709</u>	<u>439,546</u>	<u>270,070</u>	<u>146,955</u>
1) Deals (sales and purchases) closed with the Nord Pool power exchange or other wholesale markets are presented according to the gross principle, as in previous years.				
2. OTHER OPERATING INCOME				
Rental income	1,253	663	86	197
Capital gains on fixed assets	118	198	61	0
Other income	7,732	1,454	5,020	4,362
Fuel sales	18,692	439	0	0
	<u>27,795</u>	<u>2,753</u>	<u>5,167</u>	<u>4,559</u>
3. MATERIALS AND SERVICES				
Energy purchases and distribution charges	455,836	1) 269,485	171,633	68,107
Fuels	103,361	45,733	2,391	4,322
Emission allowance purchases	46,533	32,554	34,773	30,694
Purchases during period	605,730	347,772	208,798	103,123
Increase (-) or decrease (+) in inventories	-38,274	-386	0	0
External services	6,416	4,272	0	479
	<u>573,872</u>	<u>351,658</u>	<u>208,798</u>	<u>103,602</u>

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

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2022	2021	2022	2021
4. PERSONNEL EXPENSES				
Wages, salaries and bonuses	9,574	8,785	5,871	5,135
Pension expenses	1,755	1,584	1,099	935
Other additional personnel expenses	333	285	216	200
	<u>11,662</u>	<u>10,654</u>	<u>7,186</u>	<u>6,270</u>
Salaries and bonuses paid to the CEO and the Board of Directors	603	563	565	538
Average number of personnel during financial year	122	118	64	60
5. DEPRECIATION AND IMPAIRMENT CHARGES				
Planned depreciations				
Intangible assets	505	480	0	0
Other non-current expenses	1,449	1,213	118	125
Buildings and structures	4,237	3,474	105	46
Machinery and equipment	23,710	21,236	68	100
Transmission network	3,556	3,450	0	0
Other tangible assets	72	72	0	0
Peat resources	317	457	0	0
	<u>33,845</u>	<u>30,382</u>	<u>292</u>	<u>270</u>
6. OTHER OPERATING EXPENSES				
Firm energy purchases	42,759	34,850	55,976	41,026
External services	20,309	19,220	1,601	787
Administrative costs	1,972	1,687	1,375	1,130
Rent	2,215	1,722	404	398
Materials and supplies	1,613	1,635	84	110
Other personnel expenses	2,134	513	500	311
Commitment expenses and public payments	2,444	2,472	85	172
Other expenses and adjustments	-141	-1,751	13	0
	<u>73,304</u>	<u>60,348</u>	<u>60,039</u>	<u>43,933</u>

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Auditor's fees				
Auditing fees	160	148	81	77
Certificates and expert opinions	3	0	2	0
Tax advisory fees	3	19	3	10
Other services	88	13	77	12
	253	180	163	99
7. FINANCE INCOME AND COSTS				
Dividend income				
From others	413	807	413	807
	413	807	413	807
Other interest and finance income				
From Group companies	22	15	500	312
From affiliated companies	18	44	18	33
From others	1,049	487	721	271
	1,089	545	1,239	616
Interest and other finance costs				
To Group companies	-	-	0	-40
To affiliated companies	-36	-39	0	0
To others	-7,099	-5,282	-1,903	-1,493
	-7,135	-5,322	-1,903	-1,533
Total finance income and costs	-5,633	-3,969	-251	-111
8. APPROPRIATIONS				
Increase (-) or decrease (+) in cumulative difference between actual and planned depreciation	-	-	-142	0
Group contributions received (+) and paid (-)	-	-	5,050	5,050
	-	-	4,908	5,050
9. INCOME TAXES				
Income tax on ordinary activities	1,031	527	632	299
Changes in deferred tax liabilities	808	-3,103	-	-
	1,839	-2,576	632	299


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Notes to the balance sheet

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
10. INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost 1 Jan	1,481	1,476	18	18
Increases	1,212	5	0	0
Decreases	-13	0	-13	0
Acquisition cost 31 Dec	2,680	1,481	5	18
Accumulated depreciation and impairment charges 1 Jan	-642	-562	0	0
Depreciation for the period	-105	-80	0	0
Book value 31 Dec	1,933	839	5	18
Goodwill				
Acquisition cost 1 Jan	6,000	6,000	0	0
Acquisition cost 31 Dec	6,000	6,000	0	0
Accumulated depreciation and impairment charges 1 Jan	-5,200	-4,800	0	0
Depreciation for the period	-400	-400	0	0
Book value 31 Dec	400	800	0	0
Emission right reductions				
Acquisition cost 1 Jan	0	468	0	468
Increases	0	188	0	188
Decreases	0	-656	0	-656
Acquisition cost 31 Dec	0	0	0	0
Book value 31 Dec	0	0	0	0
Other non-current expenses				
Acquisition cost 1 Jan	27,504	26,894	3,706	3,536
Increases	5,445	610	32	169
Acquisition cost 31 Dec	32,949	27,504	3,738	3,706
Accumulated depreciation and impairment charges 1 Jan	-12,498	-11,286	-3,384	-3,259
Depreciation for the period	-1,449	-1,213	-118	-125
Book value 31 Dec	19,001	15,006	235	322

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Total intangible assets				
Acquisition cost 1 Jan	34,985	34,838	3,723	4,022
Increases	6,657	803	32	358
Decreases	-13	-656	-13	-656
Acquisition cost 31 Dec	41,629	34,985	3,743	3,723
Accumulated depreciation and impairment charges 1 Jan	-18,340	-16,647	-3,384	-3,259
Depreciation for the period	-1,954	-1,693	-118	-125
Book value 31 Dec	21,334	16,645	240	340
11. TANGIBLE ASSETS				
Land				
Acquisition cost 1 Jan	11,372	11,382	1,992	1,992
Increases	617	144	0	0
Decreases	-171	-154	0	0
Acquisition cost 31 Dec	11,818	11,372	1,992	1,992
Book value 31 Dec	11,818	11,372	1,992	1,992
Peat resources				
Acquisition cost 1 Jan	4,572	4,572	0	0
Increases	0	0	0	0
Acquisition cost 31 Dec	4,572	4,572	0	0
Accumulated depreciation and impairment charges 1 Jan	-1,543	-1,086	0	0
Depreciation for the period	-317	-457	0	0
Book value 31 Dec	2,713	3,029	0	0
Buildings and structures				
Acquisition cost 1 Jan	80,977	79,689	2,997	2,997
Increases	28,628	2,159	0	0
Decreases	-726	-871	-726	0
Acquisition cost 31 Dec	108,879	80,977	2,271	2,997
Accumulated depreciation and impairment charges 1 Jan	-22,142	-19,540	-2,493	-2,447
Accumulated depreciation from deduction	726	871	726	0
Depreciation for the period	-4,237	-3,474	-105	-46
Book value 31 Dec	83,226	58,835	399	505

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Machinery and equipment				
Acquisition cost 1 Jan	408,565	398,205	2,766	2,702
Increases	158,451	10,360	15	64
Decreases	-189	0	-270	0
Acquisition cost 31 Dec	566,827	408,565	2,511	2,766
Accumulated depreciation and impairment charges 1 Jan	-139,891	-118,434	-2,452	-2,352
Accumulated depreciation from deduction	182	0	150	0
Depreciation for the period	-23,982	-21,457	-68	-100
Book value 31 Dec	403,137	268,674	141	314
Book value of production machinery and equipment included in fixed assets 31 Dec	381,419	267,782	68	218
Transmission network				
Acquisition cost 1 Jan	83,412	83,363	0	0
Increases	5,931	48	0	0
Decreases	-21	0	0	0
Acquisition cost 31 Dec	89,322	83,412	0	0
Accumulated depreciation and impairment charges 1 Jan	-28,637	-26,121	0	0
Accumulated depreciation from deduction	21	0	0	0
Depreciation for the period	-3,556	-2,516	0	0
Book value 31 Dec	57,150	54,775	0	0
Other tangible assets				
Acquisition cost 1 Jan	1,081	1,081	0	0
Acquisition cost 31 Dec	1,081	1,081	0	0
Accumulated depreciation and impairment charges 1 Jan	-936	-864	0	0
Depreciation for the period	-72	-72	0	0
Book value 31 Dec	72	145	0	0
Prepayments and purchases in progress				
Acquisition cost 1 Jan	183,907	76,205	366	267
Increases	69,289	112,451	437	150
Decreases	-121,172	-4,750	-200	-51
Acquisition cost 31 Dec	132,024	183,907	603	366
Book value 31 Dec	132,024	183,907	603	366

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Total tangible assets				
Acquisition cost 1 Jan	773,869	654,482	8,236	8,073
Increases	262,916	125,163	453	214
Decreases	-122,279	-5,776	-1,196	-51
Acquisition cost 31 Dec	914,506	773,869	7,492	8,236
Accumulated depreciation and impairment charges 1 Jan	-193,132	-166,028	-5,059	-4,914
Accumulated depreciation from deduction	930	871	876	0
Depreciation for the period	-32,163	-27,976	-173	-146
Book value 31 Dec	690,140	580,737	3,136	3,176
12. CAPITALISED INTEREST COSTS				
Capitalised in the financial year	860	1,180	0	0
Without depreciation of capitalised interest costs				
Prepayments and purchases in progress	1,310	2,110	0	0
Other non-current expenses	139	122	0	0
Buildings and structures	862	587	0	0
Machinery and equipment	4,061	3,030	0	0
Transmission network	36	38	0	0
	6,408	5,887	0	0
13. INVESTMENTS				
Interests in Group companies				
Acquisition cost 1 Jan	264	264	203,550	174,945
Increases	0	0	40,705	28,605
Acquisition cost 31 Dec	264	264	244,255	203,550
Book value 31 Dec	264	264	244,255	203,550
Interests in associated companies				
Acquisition cost 1 Jan	129,785	131,389	126,390	126,390
Decreases	-3,329	-1,605	-904	0
Acquisition cost 31 Dec	126,455	129,785	125,486	126,390
Book value 31 Dec	126,455	129,785	125,486	126,390

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Other shares and interests				
Acquisition cost 1 Jan	2,796	5,193	2,796	5,193
Decreases	-823	-2,397	-823	-2,397
Acquisition cost 31 Dec	1,973	2,796	1,973	2,796
Book value 31 Dec	1,973	2,796	1,973	2,796
Total investments				
Acquisition cost 1 Jan	132,844	136,846	332,737	306,529
Increases	0	0	40,705	28,605
Decreases	-4,152	-4,001	-1,727	-2,397
Acquisition cost 31 Dec	128,692	132,844	371,715	332,737
Book value 31 Dec	128,692	132,844	371,715	332,737

**NOTES TO THE BALANCE
SHEET (€1,000)**

INVESTMENTS

Name of entity	Registered office	Group share, %	Group voting control, %	Parent company share, %	Shares owned by parent company	
					Shares	Book value
Interests in Group companies						
EPV Akkuhybridi Oy	Vaasa	100.0	100.0	100.0	3,500	2,103
EPV Alueverkko Oy	Vaasa	100.0	100.0	100.0	17,000	17,455
EPV Aluevarannot Oy	Vaasa	100.0	100.0	100.0	1,000	6,150
EPV Solar Power Ltd	Vaasa	100.0	100.0	100.0	3,500	2,503
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	2,520	12,600
EPV Windpower Ltd (F) *)	Vaasa	100.0	100.0	100.0	2,520	12,600
		100.0	100.0	100.0	32,940	164,383
Powerheat Solutions Oy	Espoo	100.0	100.0	100.0	5,000	500
Rajakiiri Oy (A)	Tornio	60.2	60.2	60.2	9,431	3,313
Rajakiiri Oy (B)	Tornio	75.2	75.2	75.2	5,762	4,246
		65.1	65.1	65.1	15,193	7,559
Seinäjoen Voima Oy	Vaasa	100.0	100.0	100.0	1,001	1,353
Seinäjoen Voima Oy *)	Vaasa	100.0	100.0	100.0	17,000	17,000
		100.0	100.0	100.0	18,001	18,353
Tornion Voima Oy	Tornio	100.0	100.0	100.0	7,500	15,008
Vaasan Voima Oy	Vaasa	100.0	100.0	100.0	3,500	1,473
Vaasan Voima Oy *)	Vaasa	100.0	100.0	100.0	6,000	6,000
		100.0	100.0	100.0	9,500	7,473
Vaskiluodon Teollisuuskiinteistöt Oy	Vaasa	100.0	100.0	100.0	4,000	264

**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						
EPM Metsä Oy	Vaasa	50.0	50.0	50.0	200,000	174
Suomen Merituuli Oy	Helsinki	50.0	50.0	50.0	1,000	100
Vaskiluodon Voima Oy	Vaasa	50.0	50.0	50.0	300	505
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 (C2)	Helsinki			3.2	11,624	138
Pohjolan Voima Oyj (C)	Helsinki			14.3	318,041	467
Pohjolan Voima Oyj (M)	Helsinki			3.0	9,355	331
Pohjolan Voima Oyj (V)	Helsinki			21.5	224,735	3,952
				5.5	1,784,280	36,085
Teollisuuden Voima Oyj (A)	Helsinki			6.6	44,562,213	11,399
Teollisuuden Voima Oyj (B)	Helsinki			6.6	44,562,203	47,000
				6.6	89,124,416	58,399
Manga LNG Oy	Tornio			5.0	1,389,885	1,818
Other shares and interests owned by the parent company						
Suomen Energiavarat Oy (A)	Vaasa			100.0	4,400	3
Suomen Energiavarat Oy (B)	Vaasa			3.9	1,176	1,778
Other						192
						371,715

*) Subscription right certificate

NOTES TO THE BALANCE SHEET (€1,000)				
	Group		Parent	
	2022	2021	company	2021
			2022	
14. INVENTORIES				
Power plants' fuel	47,507	9,233	0	0
Advance payments	1,668	817	1,456	817
	49,175	10,050	1,456	817
15. NON-CURRENT RECEIVABLES				
Loan receivables	67,382	67,382	67,697	67,382
Unpaid share capital 1)	0	12,800	0	12,800
Other non-current receivables	2,771	2,655	164	47
	70,153	82,837	67,861	80,229
Receivables from Group companies				
Loan receivables	1,520	1,520	1,835	1,520
Receivables from associated companies				
Loan receivables	65,695	65,695	65,695	65,695
16. CURRENT RECEIVABLES				
Trade receivables	66,467	53,807	45,698	26,174
Loan receivables	0	0	15,285	6,900
Unpaid share capital 1)	15,300	12,600	15,300	12,600
Other receivables	13,031	13,514	1,098	1,576
Prepayments and accrued income *)	9,301	8,251	6,861	4,801
	104,099	88,171	84,241	52,050

1) Share issue receivables relate to wind and solar power investments

NOTES TO THE BALANCE SHEET (€1,000)				
	Group		Parent	
	2022	2021	company	2021
			2022	
Receivables from Group companies				
Trade receivables	-	-	0	2
Loan receivables	-	-	15,285	6,900
Other receivables	-	-	177	387
Prepayments and accrued income	12	3	154	19
	12	3	15,616	7,307
Receivables from associated companies				
Trade receivables	5,117	4,163	0	74
Other receivables	1,204	169	918	39
Prepayments and accrued income	3,297	3,924	3,297	3,924
	9,618	8,257	4,215	4,037
*) Significant items included in prepayments and accrued income				
Accrued electricity purchases	3,019	2,776	3,019	2,776
Preliminary investment appraisal costs	1,702	0	1,702	0
Accrued emission allowances bought	1,019	567	1,019	567
Accrued electricity and heat sales	1,598	3,056	322	181
Accrued interest income	692	50	402	56
Accrued VAT	204	0	166	0
Accrued external services	163	0	77	0
Accrued LNG sales	0	1,101	59	1,101
Accrued excise taxes	149	0	0	0
Accrued investment aid	585	0	0	0
Other	170	700	95	119
	9,301	8,251	6,861	4,801
17. EQUITY				
Restricted equity				
Share capital 1 Jan	14,310	13,943	14,310	13,943
Increase in share capital	315	367	315	367
Share capital 31 Dec	14,625	14,310	14,625	14,310

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2022	2021	2022	2021
Share issue 1 Jan	704	493	704	493
Unregistered share capital	434	432	434	432
Transfer to share capital	-272	-153	-272	-153
Expiration of underwriting	0	-68	0	-68
Share issue 31 Dec	865	704	865	704
Total restricted equity	15,490	15,014	15,490	15,014
Non-restricted equity				
Invested non-restricted equity reserve 1 Jan	280,634	258,496	280,634	258,496
Investment in invested non-restricted equity reserve	27,524	53,082	27,524	53,082
Capital repayment	0	-11,284	0	-11,284
Expiration of underwriting	0	-19,660	0	-19,660
Invested non-restricted equity reserve 31 Dec	308,158	280,634	308,158	280,634
Retained result 1 Jan	98,914	110,727	21,099	19,021
Retained result 31 Dec	98,914	110,727	21,099	19,021
Result for the financial year	5,043	-11,813	2,947	2,079
Total non-restricted equity	412,114	379,548	332,204	301,733
TOTAL EQUITY	427,604	394,562	347,694	316,747
Depreciation difference				
Share from depreciation difference entered under equity	86,552	82,610	-	-
Calculation of distributable equity 31 Dec				
Retained result	-	-	21,099	19,021
Result for the financial year	-	-	2,947	2,079
Invested non-restricted equity reserve	-	-	308,158	280,634
	-	-	332,204	301,733

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	Shares	€1,000
Series A1		
- the right to receive electricity generated through nuclear power by the nuclear power plant units Olkiluoto 1, Olkiluoto 2 and Olkiluoto 3, based on the company Teollisuuden Voima Oyj's Series A and B shares or shares replacing them	3,630,898	6,173
Series A2		
- the right to receive electricity generated through nuclear power by Teollisuuden Voima Oyj's nuclear power plant units Olkiluoto 1 and Olkiluoto 2, based on the company Pohjolan Voima Oyj's Series B shares or shares replacing them	250,000	425
Series A3		
- the right to receive electricity generated through nuclear power by Teollisuuden Voima Oyj's nuclear power plant unit Olkiluoto 3, based on the company Pohjolan Voima Oyj's Series B2 shares or shares replacing them	600,486	1,021
Series B		
- the right to receive electricity generated mainly at the Meri-Pori coal power plant, based on the company Teollisuuden Voima Oyj's Series C and Pohjolan Voima Oyj's Series C2 shares or shares replacing them	64,653	110
Series C		
- the right to receive electricity generated mainly by Mussalon Voima Oy, based on the company Pohjolan Voima Oyj's Series M shares or shares replacing them	20,517	35
Series D1 *)		
- the right to receive electricity generated at the Vaskiluodon Voima power plant, based on the company Vaskiluodon Voima Oy's or, from 1 January 2023, Vaasan Voima Oy's shares or shares replacing them	562,500	956
Series D2		
- the right to receive electricity generated mainly at Vaskiluodon Voima Oy's thermal power station in Vaasa, based on the company Pohjolan Voima Oyj's Series V shares or shares replacing them	113,091	192
Series D3 *)		
- the right to receive electricity generated at the Seinäjoki thermal power station, based on the company Seinäjoen Voima Oy's shares or shares replacing them	13,500	23

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	Shares	€1,000
Series E1		
- the right to receive electricity generated in Finland mainly through hydroelectric power, based on the company Pohjolan Voima Oyj's Series A shares or shares replacing them	543,375	924
Series E2		
- the right to receive electricity generated for the company by their affiliated company Rapid Power Oy in Norway through hydroelectric power and transmitted to Finland	265,440	451
Series E3		
- the right to receive electricity generated in Sweden mainly through hydroelectric power, based on the company Voimapiha Oy's Series A shares or shares replacing them	110,000	187
Series F		
- the right to receive electricity generated mainly at the Tahkoluoto and Kristinestad power plants, based on the company Pohjolan Voima Oyj's Series C shares or shares replacing them	197,964	337
Series G		
- the right to proceeds not included in other share series and the liability to pay corresponding expenses	302,400	514
Series M		
- the right to receive liquid natural gas (LNG), based on the company Manga LNG Oy's shares or shares replacing them	6,000	10
Series P1		
- the right to receive emission reduction allowances acquired by the company from third parties, and the obligation to bear the fixed costs incurred by the company through the acquisition of the allowances by the party in question commensurate with the number of Series P1 shares owned by the party and the variable costs commensurate with the allowances taken by the party	74,000	126
Series P2		
- the right to receive emission reduction allowances acquired by the company from third parties on the basis of acquisition decisions made in 2011 or later, and the obligation to bear the fixed costs incurred by the company through the acquisition of the allowances by the party in question commensurate with the number of Series P2 shares owned by the party and the variable costs commensurate with the allowances taken by the party	43,800	74

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	Shares	€1,000
Series S *)		
- the right to receive electricity generated through solar power, based on the company EPV Solar Power Ltd's shares or shares replacing them	25,000	43
Series T1		
- the right to receive electricity generated at the Tornio thermal power station, based on the company Tornion Voima Oy's shares or shares replacing them	120,000	204
Series T2		
- the right to receive electricity generated at the Raahe CHP power station, based on the company Raahen Voima Oy's shares or shares replacing them	49,531	84
Series W1		
- the right to receive electricity generated through wind power, based on the company Rajakiiri Oy's shares or shares replacing them	86,971	148
Series W2		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series A shares or shares replacing them	26,756	45
Series W3		
- the right to receive electricity generated through wind power, based on the company Suomen Merituuli Oy's shares or shares replacing them	4,987	8
Series W4		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series B shares or shares replacing them	259,325	441
Series W5		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series C shares or shares replacing them	235,000	400
Series W6		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series D shares or shares replacing them	500,000	850

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	Shares	€1,000
Series W7		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series E shares or shares replacing them	370,700	630
Series W8 *)		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series F shares or shares replacing them	126,000	214
	8,602,894	14,625

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

*) Unregistered share issues

Date of shareholders' meeting	Share series	Shares	Special issue Total issue price €1,000	Share capital €1,000	Invested non-restricted equity reserve €1,000
Unpaid					
21 June 2021	W8	128,000	12,800	218	12,582
1 Apr 2022	S	25,000	2,500	43	2,458
Paid (due date)					
15 Dec 2022	D1	60,000	6,000	102	5,898
15 Dec 2022	D3	170,000	17,000	289	16,711
16 Dec 2022	W8	126,000	12,600	214	12,386
		509,000	50,900	865	50,035

NOTES TO THE BALANCE SHEET (€1,000)

	Group		Parent company	
	2022	2021	2022	2021
18. PROVISIONS FOR LIABILITIES AND CHARGES				
Other provisions for liabilities and charges	3,500	0	0	0
When production ceases, the company is responsible for dismantling the power plant and bringing the site to its former state.				
19. ACCUMULATED APPROPRIATIONS				
Depreciation difference of deferred tax liabilities	22,454	21,646	28	0
20. NON-CURRENT LIABILITIES				
Loans from financial institutions	403,959	349,634	51,100	59,842
Other liabilities	82,702	69,021	56,467	56,467
	486,660	418,655	107,567	116,309
Liabilities to associated companies				
Other liabilities	58,267	58,267	56,467	56,467
Liabilities maturing in more than five years				
Loans from financial institutions	78,745	28,765	0	0
Other liabilities	0	56,467	0	56,467
	78,745	85,232	0	56,467

NOTES TO THE BALANCE SHEET (€1,000)

	Group		Parent company	
	2022	2021	2022	2021
21. CURRENT LIABILITIES				
Loans from financial institutions	99,550	40,343	44,000	0
Other liabilities	0	14,829	0	14,829
Advances received	168	2,592	0	0
Trade payables	36,699	34,254	22,209	15,842
Other liabilities	28,991	29,370	693	638
Accruals *)	14,591	12,956	6,838	5,550
	<u>179,999</u>	<u>134,344</u>	<u>73,740</u>	<u>36,859</u>
Liabilities to Group companies				
Trade payables	3	7	9,530	6,513
Other liabilities	-	-	0	36
Accruals	-	-	0	629
	<u>3</u>	<u>7</u>	<u>9,530</u>	<u>7,178</u>
Liabilities to associated companies				
Other liabilities	0	14,829	0	14,829
Trade payables	16,189	11,326	12,047	8,918
Other liabilities	4,214	10,780	305	363
	<u>20,792</u>	<u>36,936</u>	<u>12,740</u>	<u>24,110</u>
*) Essential items included in accruals				
Electricity sales	3,411	3,162	3,411	3,162
LNG sales	0	0	0	629
Interest expenses	2,355	1,428	745	445
Accrued emissions trading	1,185	2,237	1,071	0
Accrued external services	2,146	0	0	0
Fuel purchases	485	564	0	0
Accrued ash and other by-products	428	0	0	0
Accrued rental expenses	1,151	0	0	0
Accrued personnel expenses	2,115	1,685	1,182	1,011
Accrued taxes	648	563	310	302
Other	668	3,317	119	0
	<u>14,591</u>	<u>12,956</u>	<u>6,838</u>	<u>5,550</u>

NOTES TO THE BALANCE SHEET (€1,000)

	Group		Parent company	
	2022	2021	2022	2021
22. COMMITMENTS				
Overdraft agreements				
Total amount of granted overdraft	150,000	105,000	40,000	30,000
Available	23,786	10,365	0	6,742
Leasing contract payments				
Maturing next financial year	91	59	48	30
Maturing later	136	77	81	39
	227	136	129	69
Shares pledged, book value of shares				
From associated company's liabilities	1,818	1,818	1,818	1,818
Guarantees				
On behalf of Group company				
Granted electricity market collateral	102,200	62,200	100,000	60,000
Available	82,200	62,200	80,000	60,000
Other parent company guarantees	26,533	61,844	41,533	61,844
From associated company's liabilities	35,059	31,500	35,059	31,500
Other commitments 1)	52,731	58,773	39,018	39,668

1) In connection with the OL3 project, the company issued shareholder loan commitments to TVO and PVO totalling EUR 39.0 million. The company's A1 and A3 shareholders have issued counter commitments totalling EUR 37.8 million to the company to cover shareholder loan commitments.

The long-term lease for the parent company's premises has been continued by three years starting on 1 January 2020. According to the agreement, the company assumes rental liability.

Wind power projects involve the usual, non-current rental liabilities to landowners and, after production has ended, the responsibility to dismantle equipment and bring the site to its former state.

NOTES TO THE BALANCE SHEET (€1,000)

	Group		Parent company	
	2022	2021	2022	2021

23. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate derivatives

In accordance with the company's financing policy, it only concludes derivative agreements with the purpose of hedging. The interest rate risk is hedged through interest rate swap agreements by converting floating rate loans into fixed interest rate loans.

The hedging relationships are essentially efficient; in other words, the terms of the hedged risk and hedging instrument are well matched. The derivative instruments will terminate between 2023 and 2038. Some of the derivative agreements will start in 2023. The fair value of interest rate swaps on the closing date is the best estimate of future interest expenses that the instruments incur, affecting the interest costs of future financial years.

Interest rate swaps (on closing date)				
Nominal value	262,607	289,800	86,000	86,000
Fair value	29,573	-2,040	7,209	-131
Forward foreign exchange contracts				
Value of underlying instrument	4,956	-	-	-
Fair value	-287	-	-	-

All forward exchange contracts in force at the end of the financial year will expire during the financial year starting 1 January 2023.

24. INTRA-GROUP TRANSACTIONS

The Group's immediate circle includes affiliated and associated companies and shareholders. Transactions carried out with this immediate circle are part of EPV Energy's normal business operations. At the end of the financial year, the subsidiary Seinäjoen Voima Oy acquired the heating business activities of Seinäjoen Energia Oy, and the subsidiary Vaasan Voima Oy acquired the business activities of Vaskiluodon Voima Oy. There were no other abnormal transactions in the financial period. EPV Energy Ltd owns generation shares in various production companies. Under the Articles of Association, a shareholder is entitled to receive electricity in proportion to their shareholding and is obliged to bear the costs.

25. EMISSION ALLOWANCES

Emissions trading period	2022–2025	2021–2025	2022–2025	2021–2025
	tn CO2	tn CO2	tn CO2	tn CO2
Allocated free emission allowances	456	455	-	-
Allocated per year	115	96	-	-
Use of emission allowances	2022	2021	2022	2021
	tn CO2	tn CO2	tn CO2	tn CO2
Total emissions	590	651	-	-
Emission allowances allocated without compensation 1 Jan	-115	-96	-	-
Emission allowance purchases	-470	-515	-	-
Deficit (+) / surplus (-)	6	40	-	-
Allocated available free emission allowances 31 Dec	399	436	-	-

[> Report of the Board of Directors](#)[> Consolidated income statement](#)[> Consolidated balance sheet](#)[> Consolidated cash flow statement](#)[> Parent company's income statement](#)[> Parent company's balance sheet](#)[> Parent company's cash flow statement](#)[> Accounting principles](#)[> Notes to the income statement](#)[> Notes to the balance sheet](#)[> Signatures](#)[> Auditors' report](#)[> Differentiated financial statements of EPV Alueverkko Oy](#)

Signatures to the Board of Directors' report and financial statements

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 332,204,112.91, of which the profit or loss for the financial year is EUR 2,946,994.01. The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid.

Vaasa 17 March 2023

Joakim Strand

Chairperson

Olli Arola

Stefan Damlin

Jaana Eklund

Jouni Haikarainen

Roger Holm

Vesa Hätilä

Anders Renvall

Markku Vartia

Hans-Alexander Öst

Rami Vuola

CEO

AUDITOR'S NOTE

We have today submitted the report on the conducted audit.

ERNST & YOUNG OY

Audit firm

Mikko Ryttilahti

CA

Kristian Berg

CA

Auditors' report

FINANCIAL STATEMENT AUDIT

Auditors' opinion

We have audited the financial statements of EPV Energy Ltd (Business ID 0216734-9) for the financial year beginning on 1 January and ending on 31 December 2022. The financial statements comprise the Group's and the parent company's balance sheet, income statement, statement of cash flows and notes.

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

Basis for opinion

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

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

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

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the parent company's and the Group's ability to continue as going concerns, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The

financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the Group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the Group's internal control.
- Evaluate the appropriateness of the accounting principles applied and the reasonableness of the accounting estimates made by management and the information presented on these.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in

the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the parent company or Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

OTHER REPORTING REQUIREMENTS

Other information

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

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this 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 that the financial statements should be adopted. The proposal by the Board of Directors for the disposal of the profit for the period is in compliance with the Limited Liability Companies Act. We support that the parent company's Members of the Board of Directors and the CEO should be discharged from liability for the financial period audited by us.

Helsinki 21 March 2023

Ernst & Young Oy

audit firm

Mikko Ryttilahti

CA

Kristian Berg

CA

Differentiated financial statements of EPV Alueverkko Oy

Separate financial statements for the electricity network operations of EPV Alueverkko Oy in accordance with the Electricity Market Act.

EPV Alueverkko Oy

INCOME STATEMENT €	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
TURNOVER	37,901,134.36	42,696,041.05
Other operating income	3,672,806.91	194,500.17
Materials and services	-24,594,467.69	-28,862,597.42
Personnel expenses	-535,311.04	-434,159.50
Depreciation and impairment charges	-3,268,914.95	-2,988,334.24
Other operating expenses	-2,746,429.79	-3,141,035.70
BUSINESS RESULT	10,428,817.80	7,464,414.36
Finance income and costs	-200,811.71	-80,462.19
RESULT BEFORE		
APPROPRIATIONS AND TAXES	10,228,006.09	7,383,952.17
Appropriations		
Group contributions paid	-5,000,000.00	-5,000,000.00
Difference between planned depreciations and tax depreciations	-5,225,826.08	-2,383,780.73
	-10,225,826.08	-7,383,780.73
Income taxes		
Taxes for the financial year	-2,180.01	-171.44
RESULT FOR THE FINANCIAL YEAR	0.00	0.00

BALANCE SHEET €	31 Dec 2022	31 Dec 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,389,235.79	843,600.38
Tangible assets	70,660,122.04	63,048,069.51
TOTAL NON-CURRENT ASSETS	73,049,357.83	63,891,669.89
CURRENT ASSETS		
Current receivables	2,033,468.54	6,941,637.76
Cash in hand and bank receivables	240,133.41	4,560,337.01
TOTAL CURRENT ASSETS	2,273,601.95	11,501,974.77
	75,322,959.78	75,393,644.66
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	0.00	0.00
TOTAL EQUITY	2,839,328.94	2,839,328.94
ACCUMULATED APPROPRIATIONS		
Depreciation difference	40,296,984.49	35,071,158.41
LIABILITIES		
Non-current liabilities	26,224,077.98	22,523,750.00
Current liabilities	5,962,568.37	14,959,407.31
TOTAL LIABILITIES	32,186,646.35	37,483,157.31
	75,322,959.78	75,393,644.66

CASH FLOW STATEMENT €		2022	2021
Operating activities			
Business result		10,428,817.80	7,464,414.36
Adjustments to business result	1)	3,268,914.95	2,955,107.77
Changes in working capital	2)	-4,088,669.72	4,078,229.35
Interest paid		-180,618.03	-58,822.86
Interest received		36,928.74	2,923.09
Other financial items		-57,122.42	-24,562.42
Direct taxes		-2,180.01	-171.44
Cash flow from operating activities		9,406,071.31	14,417,117.85
Investment activities			
Investments in tangible and intangible assets		-12,426,602.89	-6,015,814.93
Proceeds from sales of non-current assets		0.00	33,750.00
Cash flow from investment activities		-12,426,602.89	-5,982,064.93
Financing activities			
Proceeds from long-term loans		3,230,327.98	0.00
Repayments of long-term loans		0.00	-1,692,575.74
Increase (+) or decrease (-) in long-term non-interest-bearing liabilities		470,000.00	-758,125.00
Group contributions received and paid		-5,000,000.00	-5,000,000.00
Cash flow from financing activities		-1,299,672.02	-7,450,700.74
Change in cash and cash equivalents		-4,320,203.60	984,352.18
Liquid assets 1 Jan		4,560,337.01	3,575,984.83
Liquid assets 31 Dec		240,133.41	4,560,337.01
1) Adjustments to business result			
Depreciation and write-downs		3,268,914.95	2,988,334.24
Gain (-) or loss (+) from divestment of non-current assets		0.00	-33,226.47
		3,268,914.95	2,955,107.77
2) Changes in working capital			
Increase (-) or decrease (+) in non-interest-bearing receivables		4,908,169.22	1,231,784.77
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities		-8,996,838.94	2,846,444.58
		-4,088,669.72	4,078,229.35

A PIONEER IN ZERO-EMISSION ENERGY PRODUCTION

EPV Energy generates and acquires electricity and heat for its shareholders, i.e. Finnish energy companies. EPV Energy has 70 years of experience in responsible energy generation. We focus on emission-free and reliable energy generation with determination and purpose.

We aim to achieve carbon-neutral electricity generation by 2030.



www.epv.fi