



**FINANCIAL  
STATEMENTS  
2024**

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report and financial statements

Auditor's Report



**03** Financial Statements includes Corporate Governance Statement, Annual Report of the Board of Directors and Financial Statements.



**13** Financial Statements includes Consolidated financial statements (IFRS) and Parent company financial statements (FAS).

# Contents

**CORPORATE GOVERNANCE..... 3**  
 Corporate Governance Statement 2024.....4

**DIRECTORS' REPORT ..... 7**  
 Annual Report of the Board of Directors 2024.....8  
 Key figures (IFRS) .....12

**FINANCIAL STATEMENTS ..... 13**  
 Consolidated financial statements (IFRS).....14  
 Consolidated statement of comprehensive income .....14  
 Consolidated balance sheet.....15  
 Consolidated statement of cash flows .....16  
 Consolidated statement of changes in equity .....17  
 Notes to the consolidated financial statements..... 18  
 Parent company financial statement (FAS) .....47  
 Income statement .....47  
 Balance sheet .....48  
 Cash flow statement.....48  
 Basis of preparation.....49  
 Notes to the income statement .....50  
 Notes to the balance sheet .....51  
 Signing of the Board of Directors' report and financial statements..... 57  
 Auditor's Report .....58

In addition to Financial Statements, Pohjolan Voiman publishes Annual Report 2024 which includes a description of Pohjolan Voima and its operations as well as more detailed information about sustainability work.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report



# Corporate Governance

## CORPORATE GOVERNANCE

→ Corporate Governance Statement 2024

### DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

### FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

# Corporate Governance Statement 2024

## 1 Corporate Governance

Pohjolan Voima Oyj and its subsidiaries form the Pohjolan Voima Group. The registered office of the Group's parent company, Pohjolan Voima Oyj, is in Helsinki, Finland. Pohjolan Voima Oyj is a public limited liability company. Under its Articles of Association, the company acquires energy for its shareholders and engages in other related activities. The company may also own shares and assets as are required or necessary for carrying on its business.

According to the Articles of association, Pohjolan Voima supplies energy to its shareholders at cost price (the Mankala principle), i.e., Pohjolan Voima delivers the energy it has produced or acquired to its shareholders in proportion to their ownership of each series of shares. Each shareholder of the series of shares in question is responsible for the annual variable and fixed costs, as defined in more detail in the Articles of association. The parent company's administration costs are covered by charging them as part of the fixed annual costs, in a manner specified in more detail in the corporate documents.

According to the Articles of Association, the liability of each shareholder for the annual costs is always limited to the amount corresponding to the proportion of their shareholdings in all the shares in the series in question, and the failure of any other shareholder to satisfy the responsibilities of the shareholder for costs, in proportion to the shareholder's shareholding shall not increase any non-defaulting shareholder's liability. The shareholders are responsible for the costs defined in Clause 4 of the Articles of Association.

Pohjolan Voima Oyj's General Meeting issues directives to the Board of Directors on the composition of the Boards of Directors of the subsidiaries and, if necessary, certain decisions by the subsidiaries specified in the corporate documents. The parent company's Board of Directors and the Corporate Executive Team discuss the main principles of the Group's operations. The parent company participates in the management and supervision of its subsidiaries

and affiliated companies through its representatives appointed to the governing bodies of these companies. The Group's subsidiaries and affiliated companies have their own governing bodies.

Pohjolan Voima's governance is based on legislation and its corporate documents. As an unlisted public limited liability company, Pohjolan Voima is under no obligation to comply with the Corporate Governance Code. According to the Securities Markets Act the issuer of a security, subject to public trading, must provide a corporate governance statement in its annual report or separately.

## 2 General Meetings

The General Meeting is the company's highest decision-making body. The Annual General Meeting of Shareholders decides on statutory matters, elects the members of the Board of Directors, in accordance with the procedure specified in the corporate documents, confirms the fees of Board members, and names an auditor. Furthermore, the annual general meeting issues binding directives to the Board of Directors regarding the elections of the ordinary and deputy members of the Boards of the subsidiaries. If necessary, the Annual General Meeting also issues binding directives to the Board on major investments of the subsidiaries and the other matters specified in the Articles of Association.

The Annual General Meeting must be held annually by the end of June. An invitation to the annual general meeting will be sent to the shareholders at the earliest four weeks, and at latest, two weeks before the meeting.

Pohjolan Voima's shareholders approved, in the Annual General Meeting on 21 March 2024, the financial statements of Pohjolan Voima Oyj for 2023, discharged the members of the Board of Directors and the President and CEO from liability, as well as elected ordinary and deputy Board members for the new term.

Two Extraordinary General Meetings were held in 2024, in addition to which shareholders passed three

unanimous resolutions without holding a general meeting. Shareholders decided on 30 January 2024 and 6 September 2024 to elect a new board member to replace a resigned board member. On 21 May 2024, shareholders passed unanimous resolutions on the return from the reserve for invested unrestricted equity allocated to M and G9 share series. On 18 November 2024, Pohjolan Voima Oyj's Extraordinary General Meeting decided on the partial conversion of Teollisuuden Voima Oyj's shareholder loans into the reserve for invested unrestricted equity, on the binding instruction to set PVO-Lämpövoima Oy into liquidation, and on the reduction of the parent company's share capital, acquisition of shares in series C, and amendment in the articles of association. On 11 December 2024, the Extraordinary General Meeting decided to approve the supplement to Teollisuuden Voima Oyj's Olkiluoto 3 Global Settlement Agreement.

## 3 Board of Directors Composition of the Board of Directors

The members of the Board of Directors are elected annually at the General Meeting of Shareholders. According to the Articles of association, the Board consists of a minimum of five and a maximum of 13 ordinary members. Personal deputies for the Board members may be named.

In the Annual General Meeting on 21 March 2024, nine Board members and their personal deputy members were elected. The elected Board members with their consent were CFO Tapio Korpeinen, CFO Seppo Parvi, Group General Counsel Jukka Hakmila, Director Maija Ruska, Managing Director Anders Renvall, CEO Esa Kaikkonen, President and CEO Rami Vuola, Investment Director Heikki Liukas, and Managing Director Kirsi Hautala. From 9 September 2024 on, CFO Pasi Kyckling was elected to succeed Seppo Parvi.

From 1 January to 23 March 2024, the Board consisted of Tapio Korpeinen (chair), Seppo Parvi, Jukka Hakmila, Tomi Sederholm, Anders Renvall, Esa

Kaikkonen, Rami Vuola, Roger Holm, and between 30 January and 21 March 2023 Måns Holmberg.

In its organising meeting, the Board elected Tapio Korpeinen as the chair and Seppo Parvi as the vice chair, replaced by Pasi Kyckling from 24 October 2024 on. Tiina Nyström, General Counsel, Executive Vice President, was elected as the secretary.

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

The procedure for the election and organisation of the Board is specified in detail in the corporate documents. The chair of the Board is named by the company's largest shareholder and the vice chair by the second largest shareholder. The President and CEO is not a member of the Board of Directors.

## Duties of the Board of Directors

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

The Board of Directors' Charter defines its main duties and operating principles in more detail.

In order to perform its duties, the Board does the following, for example:

- › Appoints the President and CEO, the substitute to the President and CEO and the members of the Executive Group
- › Supervises the executive management of Pohjolan Voima
- › Decides on the Group's strategy
- › Decides on the Group's financing
- › Decides on the Group's budget and action plan
- › Decides on remuneration system principles and approves the employment contract and other

## CORPORATE GOVERNANCE

→ Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

benefits of the President and CEO, unless it has authorised the Chairman of the Board or the Remuneration and Nomination Committee to make these decisions

- › Appoints task force and workgroup members
- › Approves policies and other guidelines, which create the basis for the management system and internal control, as well as set limits, and guide and monitor operations of the subsidiaries
- › Approves the charters of committees, and task forces and workgroups that the Articles of association stipulates to be nominated
- › Supervises the Group's risk management
- › Compiles the Report of the Board of Directors and approves the financial statements
- › Approves interim reports
- › Supervises the operations of the subsidiaries
- › Approves the charge for the fixed costs for each series of shares and other basis for shareholder invoicing
- › Summons the General Meeting
- › Approves investments, acquisitions, and property transactions in accordance with the corporate documents, unless the President and CEO has been authorised to make these decisions
- › Resolves upon the taking of credits and the giving of guarantees or other securities

The Board compiles an annual assessment of its own performance.

The Annual General Meeting makes decisions on the remuneration of Board and Committee members, as well as on their basis. In 2024, the remuneration paid to ordinary and deputy Board members totalled €457,200.

The Board of Directors convened 12 times in 2024. On average, 94 per cent of the members were present at the meetings.

## Committees of the Board of Directors

To ensure that the issues within the responsibility of the Board of Directors are handled as efficiently as possible, the Board has appointed an Audit and Finance Committee, and a Remuneration and Nomination Committee, each assisting and reporting

to the Board of Directors. The Board of Directors appoints at least three members to the Committees annually from among its members, appoints the chairs of the committees and approves their charters.

## Remuneration and Nomination Committee

The Remuneration and Nomination Committee deals with matters concerning nomination and remuneration in general, the remuneration systems for the Corporate Executive Team and employees, and the committee may deal with proposals to be submitted to the Annual General Meeting, regarding the nomination and remuneration of the members of the Board.

After the 2024 Annual General Meeting, the Board nominated Tapio Korpeinen as the chair of the Remuneration and Nomination Committee, and Seppo Parvi and Anders Renvall as the other members of the committee. Pasi Kyckling was elected on 23 October 2024 to succeed Seppo Parvi as committee member. The Remuneration and Nomination Committee convened three times in 2024. The attendance rate at the meetings was 100 per cent.

## Audit and Finance Committee

The Audit and Finance Committee provides assistance to the Board in processing and preparing the finance, financial reporting, control, and audit. In addition, the committee prepares a recommendation for the election of the auditor and monitors the independence of the auditor.

After the 2024 Annual General Meeting, the Board nominated Maija Ruska as the chair of the Audit and Financing Committee, and Rami Vuola and Jukka Hakkila as the other members of the committee.

In 2024, the committee convened 11 times, of which one was a joint meeting with the Audit and Finance Committee of Teollisuuden Voima Oyj. The attendance percentage at the meetings was 100 per cent.

In addition to the Committees of the Board of Directors, the Board can name task forces or workgroups to assist the Board and senior management. The Board confirms the duties and operating principles of task forces and workgroups.

## 4 President and CEO

The Board nominates the President and CEO. According to the Limited Liability Companies Act, the CEO is responsible for the day-to-day management in accordance with the instructions and regulations issued by the Board of Directors. The CEO is responsible for ensuring that the company's accounting is in compliance with the law and that the financial management is organised in a reliable manner. The CEO gives the Board and its members sufficient information for the performance of the Board's duties and implements the Board's decisions.

Pohjolan Voima Oyj's current President and CEO is Ilkka Tykkyläinen. Tiina Nyström has been appointed as the substitute for the President and CEO.

## 5 Corporate Executive Team

The Corporate Executive Team assists the President and CEO in operational management. Members of the Corporate Executive Team report directly to the President and CEO. In 2024, the Corporate Executive Team consisted of the President and CEO, Minna Laakso, Riitta Larnimaa, Tiina Nyström, Jani Pulli, Kaj Råttis and Jarmo Tervo.

## 6 Remuneration

The Remuneration and Nomination Committee approves the company's remuneration systems. Incentive bonuses of the Corporate Executive Team are based on a long-term remuneration system and the criteria determined in it. The incentive scheme does not include shares or any derivatives.

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

## 7 Related party administration

Pohjolan Voima maintains a list of related parties. The purpose of the list is to help identify transactions with a party that is considered a related party of Pohjolan Voima Oyj. The company monitors annually the related parties and assesses possible changes to its related parties. The company's related party acquirement process ensures that relevant information is included in the financial statements.

The Board of Directors always decides on the possible transactions with the management of Pohjolan Voima Oyj and its related parties.

## 8 Internal control

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

## 9 Financial control and reporting

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

Pohjolan Voima Oyj complies with the International Financial Reporting Standards (IFRS) that have been approved for the EU and the requirements set for companies that have listed a bond to public trading.

In accordance with its approved charter, the Audit and Finance Committee is responsible for assisting the Board of Directors in monitoring the financial status of the company, the Group and its parts, in monitoring and evaluating the financial reporting system, accounting and financial management, in monitoring and evaluating the appropriateness of the internal control and risk management system, in monitoring and evaluating the appropriate organisation of the internal audit and the financial audit process, and the implementation of changes in accounting practices.

Group Finance is responsible for reporting interim reports and statutory financial statements for Pohjolan Voima Oyj and its Group companies, as well as monthly reports, profit estimates and analyses. Named business controllers review the companies' financial status and prepare monthly internal

## CORPORATE GOVERNANCE

→ Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

company-level reports. The companies' financial reporting is regularly monitored by the Boards of the companies.

In general, shared systems are used for reporting. A service provider handles the financial administration, accounting and ledger processes in compliance with described subprocesses, agreed principles, agreed roles and responsibilities and defined controls. Development of the financial reporting processes and control systems is a continuous activity.

The separate financial statements of the parent company and other Group companies follow Finnish accounting practice. Adjustments to the income statements and balance sheets reported by individual Group companies are made in Group accounting in order to comply with the accounting policies of the Group (IFRS). Consistency is ensured by reconciliation. A quarterly report on the parent company's financial development is submitted to the Board of Directors. The consolidated IFRS financial statements are reported to the Board twice a year.

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

## 10 Risk management

Risk management is a continuous process of analysing and managing threats and opportunities faced by the company in its efforts to achieve its goals, and to ensure the continuity of the business. The key principles of risk management are defined in the Pohjolan Voima Group Risk Management Policy. Subsidiaries and Group functions are responsible for their own risk management and associated reporting. The management reporting on the comprehensive risk circumstances to the Board is linked to the strategy and long-term planning process. The Board of Directors oversees the reporting on risk exposures, risk management activities and results related to the company's strategy and operations.

## 11 Internal audit

The operating principles of Pohjolan Voima internal audit have been defined in the audit charter approved by the Board of Directors. Internal audit assists the company in achieving its objectives by providing a systematic approach to evaluate and improve governance processes, risk management, and internal control. In addition, internal audit manages the reporting procedure for suspected misconduct according to a specified procedure. Internal audit service is provided by BDO Oy. The CFO acts as the contact person for the external service provider. Internal audit reports its plan and findings to the Audit and Finance Committee.

## 12 Insider administration

Pohjolan Voima Oy follows the EU's Market Abuse Regulation, Finland's Securities Market Act, the guidelines and regulations of authorities, and the Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki Ltd. The Board of Directors has approved of a policy that sets responsible persons for the actions of insider administration, the guidelines for the insider administration, and for persons involved in insider projects, as well as management and their closely associated persons.

As an issuer of bonds, Pohjolan Voima Oy, in accordance with the Market Abuse Regulation, maintains project specific insider lists on persons who work for the company on the basis of an employment contract or other contract and, either regularly or irregularly, receive insider information directly or indirectly related to the issuer. Rules for the processing of insider information have been prepared, and Group General Council is responsible for maintaining and updating them. Creating and maintaining the insider lists is the responsibility of the Company's legal affairs department.

## 13 Disclosure policy for investors

The Board of Directors of the parent company has adopted a Disclosure Policy for Investors. The duty to disclose information consist of a regular and continuous duty to disclose information. The company's communication objective is to provide,

without undue delay, correct and relevant information to the investors and other market players on the company's operations, operating environment, strategy, goals, and financial situation. Stock exchange releases issued by Pohjolan Voima Oy are approved by the company's President and CEO or persons authorised by him.

## 14 Auditing and auditor

The principal task of statutory audit is to verify that the financial statements give a true and fair view on the Group's results and financial position. The Annual General Meeting annually appoints one auditor. The auditor must be an audit firm approved by the Finnish Chambers of Commerce.

The Annual General Meeting 2024 elected PricewaterhouseCoopers Oy, authorised public accountants, as the Company's auditor. Pasi Karppinen, Authorised Public Accountant, has acted as a principal auditor.

In 2024, the auditor received €221,000 as auditing fees.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report



# Directors' Report

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

→ Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

# Annual Report of the Board of Directors 2024

## Operating environment

The cold weather early in the winter increased the price of electricity in January, after which prices fell due to the mild weather later in the winter and the increased production capacity. In 2024, the electricity price in Finland was the third lowest in Europe, although electricity price volatility has intensified further. The wind and solar power generation capacity will continue to increase significantly as electricity consumption increases, increasing the need for electricity storage solutions and demand response to balance the electrical power system.

In Finland, the Government continued to implement its programme. The Government programme contains several items that are important in terms of Pohjolan Voima's business operations. The Government is promoting the clean transition, and the security of supply for electricity is considered more important than before. The Government is calling for more weather-independent base load power and balancing power, needed to balance the electrical power system.

The Government prepared the national energy and climate strategy, a reform of the Nuclear Energy Act, capacity mechanisms, and the promotion of carbon capture, storage, and use. The Government aims to restore the right to fully deduct interest on energy projects that are essential for the infrastructure, such as nuclear power projects. Pumped-storage plants have been included in the permit process priority procedure. The Government is finalising a reform of regional state administration, with the acceleration of the permit process being one of its key objectives.

At the end of the year, Parliament approved amendments to the Act on the Organisation of River Basin Management and the Marine Strategy, with which the binding environmental targets of the Water Framework Directive, that were already included in legal practice were incorporated into national legislation. At the same time, the full flexibility provided by the Water Framework Directive was included in the Act.

The year 2024 was an election year in the EU, which is why there were hardly any new legislative initiatives. The elected European Parliament organised itself and approved a new Commission at the end of the year. The Commission work programme is expected to be published in February 2025.

In 2024, electricity consumption in Finland was 83 TWh (80 TWh in 2023). Finnish electricity production totalled 80 (78) TWh, while net imports into Finland amounted to 3 (2) TWh. Imported electricity covered 3.8% (2%) of Finnish electricity consumption. The increase in nuclear and wind power production capacity has substantially decreased the net import of electricity. In 2024, electricity consumption in Finland increased by 3% year-on-year. Industrial electricity consumption increased by 0.2% and consumption in other sectors increased clearly from last year.

Nord Pool Spot trade amounted to 1,036 (1,104) TWh. In 2024, the annual average system price was €36.06 (€56.44) per MWh, while the annual average of the Finnish area price was €45.57 (€56.47) per MWh. The rapidly increased wind power capacity and the failure of EstLink 2 increased price volatility and the number of low and negative prices compared to last year. The price of EUA emission allowances decreased from last year, varying between €54 and €79.

Teollisuuden Voima Oyj's (TVO) third plant unit (OL3) can currently produce electricity at full capacity only if it is supported by a grid load limitation mechanism that automatically eliminates electricity consumption or increases production in case of an incident which suddenly interrupts production at OL3. According to decisions issued by the Energy Authority in 2024, the transmission system operator Fingrid is responsible for the implementation of the grid load limitation, but TVO bears most of the costs arising from the arrangement. The decisions are not final as of yet.

## Pohjolan Voima's heat and power production

In 2024, Pohjolan Voima's total electricity supply was 16.4 (17.6) TWh. The Group's own electricity production

## Electricity supply (GWh)

	2020	2021	2022	2023	2024
Nuclear power	8,279	8,186	9,336	14,361	13,559
Hydropower	2,216	2,056	1,663	1,806	1,824
CHP	1,312	1,471	1,235	870	670
Electricity purchases	490	646	671	580	331
Total	12,298	12,360	12,906	17,617	16,384

accounted for 16.1 (17.0) TWh, of which the parent company's supplies to its shareholders were 15.7 (16.7) TWh. The subsidiaries supplied 0.3 (0.4) TWh to their other shareholders. Purchases from the Nordic electricity markets were 0.3 (0.6) TWh, and sales amounted to 0.2 (0.5) TWh. Heat deliveries were 2.5 (2.8) TWh.

Nuclear power made up 82.8% (81.5%) of the electricity supply. Teollisuuden Voima's Olkiluoto nuclear power plant generated 23.3 (24.7) TWh of electricity, of which Pohjolan Voima obtained 13.6 (14.4) TWh in accordance with its shareholding. The combined capacity factor of the Olkiluoto 1 and 2 plant units was 87.0% (91.9), while OL3's capacity factor was 70.4% (75.2). The production volumes in Olkiluoto nuclear power plant were affected by the annual outages in plant units.

Hydropower accounted for 1.8 (1.8) TWh, or 11.1% (10.3) of the electricity supply. Hydropower production remained close to the production figures of an average year. A total of 0.7 (0.9) TWh of electricity was produced by combined heat and power (CHP) plants. Their share of the total supply was 4.1% (4.9%).

In 2024, approximately 99% of the electricity and 89% of the heat produced by Pohjolan Voima was carbon neutral. Carbon-neutral production includes hydropower, wood fuels, and nuclear power.

## Key events in 2024

On 29 February 2024, Pohjolan Voima announced that it was investigating the possibility of building a pumped-storage plant in the Kemijärvi area. The purpose of the planned pumped-storage plant would

be to balance and ensure the supply and generation of electricity. In the project called PUHTI, preliminary water basin modelling was carried out, the launch of an environmental impact assessment was prepared, and extensive local stakeholder discussions took place.

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

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

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

On 15 November 2024, Pohjolan Voima announced that it would voluntarily redeem unsecured bond with a total capital of €150 million maturing on 20 January



## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

→ Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

2025. The redemption was carried out in accordance with the terms of the bond on 16 December 2024.

On 18 November 2024, Pohjolan Voima Oyj's Extraordinary General Meeting decided to reduce the parent company's share capital, to acquire and cancel shares in series C, and to amend the articles of association. A hearing of creditors in connection with the reduction of restricted equity was in progress at the end of the financial period and the arrangement will be completed by the end of 2025. The extraordinary general meeting also decided to issue a binding rule to the Board of Directors to set PVO-Lämpövoima Oy into liquidation. In addition, the Extraordinary General Meeting decided to approve on behalf of Pohjolan Voima the proposal made by the Board of Directors of Teollisuuden Voima Oyj (TVO) to TVO's Extraordinary General Meeting on the partial conversion of TVO's shareholder loans into the reserve for invested unrestricted equity. Of the €560 million in shareholder loans granted by Pohjolan Voima, €181 million was converted into TVO's reserve for invested unrestricted equity in November. In Pohjolan Voima, this amount was recorded as part of the acquisition cost of TVO's shares under 'Shares in associated companies and joint ventures' on the balance sheet.

On 11 December 2024, the Extraordinary General Meeting of Pohjolan Voima Oyj decided to approve the recapitalisation of TVO's Olkiluoto 3 plant supplier consortium in the Fund for warranty period work.

## Result from operations and financing

Pohjolan Voima operates on an "at-cost" basis. The shareholders pay the fixed costs in accordance with their ownership share, irrespective of whether they have used their capacity or energy share, as well as variable costs according to the energy supplied. As a result of this operating principle, presenting any financial key indicators is not necessary to understand the company's business, financial status or result.

Consolidated turnover from continuing operations was €834.2 (€840.0) million. On 23 December 2024, Pohjolan Voima Oyj announced that it would restate the consolidated financial statements in accordance with the International Financial Reporting Standard (IFRS) for 2023 and the half-year financial report for 2024. The restatement was due to an adjustment

made by the joint venture Teollisuuden Voima Oyj (TVO) to its own profit, that has impact on the result for the financial year in Pohjolan Voima's consolidated financial statements and half-year financial report. The restatement in TVO's result was due to a correction in the fair value accounting of the certain interest rate swaps in hedge accounting. In the income statement, the restatement affected the share of the results of associated companies and joint ventures and in the comprehensive income statement in cash flow hedging. In the balance sheet, it affected the revaluation reserve, and retained earnings. The adjustment had no impact on the total equity or the cash flow. In the financial statements for 2024, the opening balance sheets for the financial years 2023 and 2024 have been restated for the revaluation reserve and retained earnings. The effect of the restatement is described in more detail in Note 4.

The Group's result for the financial year was €30.5 (€65.6, adjusted result) million. The result for the period was affected by the positive results of both the parent company Pohjolan Voima Oyj and the associated companies and joint ventures. The parent company continued the invoicing of the costs incurred during the construction of the OL3 project from the shareholders of B2 series shares, as electricity production at OL3 continued.

Pohjolan Voima distributed dividends totalling €21,050,000 from the proceeds incurred from the sale of Fingrid Oyj's shares in 2011 to the share series C, C2, M and V that are entitled to dividend from the funds incurred from Fingrid Oyj share sales. The dividends were paid in April 2024.

The targets and risks of Pohjolan Voima's financing operations have been defined in the financing policy approved by the parent company's Board of Directors. The financial risks of Pohjolan Voima's business operations are related to liquidity, market and credit risks. Financial risk management is covered in note 3 to the consolidated financial statements, Financial risk management.

The Group's liquidity is good. On 31 December 2024, cash and cash equivalents totalled €63 (€70) million, and the Group had an unused binding credit facility agreement of €350 (€350) million. The credit facility agreement will expire in June 2029. In accordance

with the terms of the credit facility agreement, the credit limit will decrease from €350 million to €291 million on 29 June 2028. For short-term funding, the Group had a domestic commercial paper programme of €300 (€300) million, of which €85 (€132) million had been used.

The Group's interest-bearing liabilities amounted to €1,168 (€1,190) million (excluding interest accruals). There were no liabilities involving an exchange rate risk, and the Group's loan agreements do not include any financial covenants. At the end of the year, the Group's equity ratio was 44.5% (44.9%).

## Investments

Investments of Pohjolan Voima Group, excluding financial investments and the purchase of emission allowances, totalled €21.6 (€7.9) million.

Porin Prosessivoima Oy invested €11.7 million in a flue gas condenser plant which was commissioned at the end of 2024. There were also other minor investments relating to the flue gas condenser in Porin Prosessivoima. PVO-Vesivoima Oy's investments amounted to €3.7 million, including the completion of a renovation of a switchyard at the Isohaara power plant. In addition, a complete overhaul of the Melo power plant and an investment in an ultracapacitor at the Kierikki power plant were underway.

## Research and development

Research and development expenditure during the financial period totalled €43 thousand (2023: €115 thousand and 2022: €64 thousand).

## Personnel

The average number of persons employed by the Group was 40 (2023: 40 and 2022: 42). The Group's salaries and fees for the financial period totalled €4.5 million (2023: €4.4 million and 2022: €4.6 million). The average age of the Group's permanent employees was 47 (48) years and the turnover rate was 3.9% (3.9%).

The average number of employees working for the parent company was 25 (2023: 26 and 2022: 27). Salaries and fees for the financial period totalled €3.3 million (2023: €3.3 million and 2022: €3.4 million).

## Sustainability

Sustainability is an intrinsic part of Pohjolan Voima's strategy. Our strategy slogan "We create decisive power to strengthen competitiveness and contribute to a better tomorrow" reflects our sense of responsibility. In line with the strategic theme "Sustainable production on market terms", the company aims to be a responsible operator and reconcile competitive carbon neutral production with biodiversity. The strategy emphasises sustainability in all of Pohjolan Voima's business operations.

Pohjolan Voima is committed to compliance with all laws and regulations applicable to its operations. The Group's operating principles include principles on human rights, labour rules, and anti-corruption. Pohjolan Voima expects its partners to comply with the same principles.

Pohjolan Voima has selected four of the UN Sustainable Development Goals to promote: Affordable and Clean Energy, Decent Work and Economic Growth, Life on Land, and Partnership for the Goals. An annually updated sustainability programme to ensure compliance with the UN Sustainable Development Goals has been prepared. In 2024, Pohjolan Voima started the implementation of a new sustainability programme prepared for 2024–2027. It is based on a double materiality analysis carried out in 2023 and the Pohjolan Voima strategy, which was updated in 2022.

The main development areas in 2024 were the implementation of the biodiversity programme measures, the development of sustainability reporting, preparation for the commitment to the Science Based Targets initiative, ensuring sustainability in the value chain, and developing interaction with stakeholders. 80% of the measures defined in the biodiversity programme for 2024 were realised.

Pohjolan Voima aims to increase the share of carbon neutral electricity production to 99% and heat production to 85% by 2025. In 2024, a total of 99% (99%) of electricity production and 89% (90%) of heat production was carbon neutral. The increase in the carbon neutrality of electricity production in recent years is due to the commissioning of the OL3 nuclear power plant unit and the reduction of fossil fuels. The high carbon neutrality of heat production is the result of an increase in the share of wood-based fuels and a

**POHJOLAN VOIMA**  
**FINANCIAL STATEMENTS 2024**

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

→ Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

reduction in the use of peat and other fossil fuels. The annual fluctuations in the carbon neutrality of heat production have been caused by fluctuations in the availability of fuel.

In 2024, Pohjolan Voima prepared for compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). Pohjolan Voima will be obliged to report in accordance with the CSRD in 2025.

For more information about Pohjolan Voima's sustainability targets and the related measures, please visit the company's website at [www.pohjolanvoima.fi](http://www.pohjolanvoima.fi).

### Reporting according to the EU taxonomy

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, i.e., the EU taxonomy, was published in 2020. The aim of the taxonomy is to increase sustainable investments and direct capital flows towards technologies and businesses that are considered sustainable. The Regulation defines six environmental targets. The criteria for climate change mitigation and adaptation were published in a delegated climate regulation on 4 June 2021. A supplementary delegated act on nuclear power and natural gas, related to the climate change mitigation and adaptation criteria, was adopted on 5 July 2022, and based on it, nuclear power and gas were included in the EU taxonomy as 'transitional activities' from 1 January 2023. A delegated act for the other four environmental targets was published in July 2023, and undertakings will have to be reported under it from 1 January 2024, covering the year 2023.

Pohjolan Voima is not obliged to report in accordance with the Taxonomy Regulation, but the company has reported on the taxonomy eligibility of its business operations in the 2021 financial statements and on compliance with the taxonomy in the 2022 and 2023 annual reports due to the significance of the financing function. Pohjolan Voima will publish the 2024 taxonomy report as part of the annual report on the week starting on 17 March. Taxonomy reporting will be mandatory for Pohjolan Voima in accordance with the CSRD schedule, i.e., starting from the data for 2025.

Pohjolan Voima's identified taxonomy-eligible activities relate on the climate change mitigation target. The assessment and the results are based

on the information and interpretations of the EU Regulation available at the time of reporting, covering the criteria of 'substantial contribution' and 'do no significant harm' for the corresponding activities. In addition, compliance with the minimum safeguards has been assessed.

### Environment

Of Pohjolan Voima's production companies, Kaukaan Voima, Kymin Voima, Porin Prosessivoima, PVO-Vesivoima, Rauman Biovoima, Alholmens Kraft, and Teollisuuden Voima have ISO 14001 environmental management systems, EES+ energy efficiency management systems or ISO 50001 energy management systems in place. The systems ensure that environmental and energy efficiency targets are met and verify continuous improvement. Some of the systems are certified. In addition, all production companies have signed energy efficiency agreements for the 2017–2025 period.

Water levels were regulated, and hydropower plants operated in compliance with the permit conditions. In line with its obligations, PVO-Vesivoima stocked the Iijoki and Kemijoki rivers and the adjacent sea area with around 3.2 (2.7) million fry during the reporting period.

PVO-Vesivoima is involved in a number of cooperation projects related to the development of waterways. The Lohi Iijokeen (Salmon to Iijoki) project (2022–2024) was a continuation to a long chain of projects on migratory fish in the Iijoki river. The project measures included the monitoring of migratory salmon fry (smolt) in the Haapakoski and Pahkakoski rapids, the testing and development of a downstream migration route, the transfer of smolt and anadromous fish, a fry transplanting programme, and the production of a video about the Iijoki river. A new project, Lohi Iijokeen II, was launched at the beginning of September 2024. The new project is partly similar in content to the previous one, with a significant addition being the organisation of a smolt monitoring study in 2025 and 2026 from an area extending from the Livojoki river to Haapakoski. The aim is to study the production potential and survival of smolts in Livojoki. The project also includes the preparation of a fry transplant plan.

In December 2020, the Regional State Administrative Agency of Northern Finland granted the water management permits applied for by PVO-Vesivoima and Metsähallitus for the Raasakka power plant and fishways in the regulating dam. Stakeholders appealed the decisions to the Vaasa Administrative Court. The Administrative Court rejected the appeals on 22 January 2024 but also revoked the authorisations for preparation in accordance with the decisions of the Regional State Administrative Agency. The stakeholders requested leave to appeal the Administrative Court decisions from the Supreme Administrative Court. In its decisions of 4 October 2024, the Supreme Administrative Court did not grant leave to appeal, and the authorisation decisions of the Regional State Administrative Agency thus became final. According to the decisions, construction must be started within four years from the date on which the authorisations became legally valid, i.e., by late 2028.

Possible alternative migration solutions for the Raasakka area were further explored in 2024. The hydraulic Fishheart fishway was commissioned at the Raasakka power plant in July 2023, and it will remain in use at least until the end of the 2025 season. Measures to return migratory fish to the old natural riverbed of the Iijoki river at Raasakka continued. In April 2024, the municipality of Ii, PVO-Vesivoima, and the South and North Ii fishery collectives signed an agreement on the development of the old Iijoki riverbed at Raasakka in 2024 and 2025. The agreement is an extension of the initial agreements signed in 2017 and again in 2022. In 2024, PVO-Vesivoima ran more water and arranged migratory fish monitoring at the Uiskari fishway. A modelling project of the old Raasakka riverbed also continued in 2024 with the aim of creating a realistic picture of the potential of the old Raasakka riverbed as a spawning area for migratory fish and a migration route to the regulating dam. Flow and habitat modelling were carried out after detailed sounding. The project is expected to be completed by the end of 2025.

In March 2017, the Centre for Economic Development, Transport and the Environment for Lapland (the ELY Centre) filed a petition of appeal with the Regional State Administrative Agency for Northern Finland concerning stocking and fish stock

management obligations with regard to the Kemijoki river. In October 2017, the ELY Centre filed a similar petition concerning the Iijoki river. In addition to entirely new requirements, these involve additions to the current obligations. The Regional State Administrative Agency of Northern Finland issued its decision on the applications for amendments to the fish stocking obligations for both rivers on 29 July 2024. The decision partly accepted and partly rejected the requests included in the application. PVO-Vesivoima and several other parties appealed the decisions to the Vaasa Administrative Court.

All the thermal power plants operated by the Group fall within the sphere of the Emissions Trading Act (Päästökauppalaki 1270/2023). Carbon dioxide emissions from combustion during the production of electricity and heat by the subsidiaries and associated companies amounted to 0.2 (0.2) million tonnes. The notes to the financial statements only report the CO<sub>2</sub> emissions of the subsidiaries, which amounted to 0.1 (0.1) million tonnes. Emissions into the air remained at or below the previous year's level. Sulphur dioxide emissions amounted to 0.2 (0.2) thousand tonnes, nitrogen oxide emissions to 1.0 (1.3) thousand tonnes, and particle emissions to 0.05 (0.05) thousand tonnes.

BAT conclusions related to the reference document on best available techniques for large combustion plants (LCP BREF) were published on 17 August 2017. Power plants, whose main field of activity is energy production, had four years to adjust their operations to the conclusions. The transition period is longer for some industrial power plants. Some of Pohjolan Voima's power plants have already renewed their environmental permits, while others will renew them in the coming years under the transition period provisions. However, all power plants are prepared to operate in accordance with the LCP BAT. The emission limits for new environmental permits will be stricter. The revised Industrial Emissions Directive (IED), which entered into force in August 2024, will affect the next round of permit processes for Pohjolan Voima's thermal power plants. In addition, the IED will cause the need to speed up changes to the power plants' environmental systems.

Pohjolan Voima or its subsidiaries, associated companies or joint ventures are not aware of any

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

→ Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**Pohjolan Voima Oyj's shareholders**

Shareholder	Shareholding, % 31.12.2024	Shareholding, % 31.12.2023
EPV Energy Ltd	5.031	5.525
Helen Ltd	0.546	0.623
Ilmarinen Mutual Pension Insurance Company	1.312	1.843
Kemira Oyj (incl. Neliapila pension fund)	5.343	5.093
Kokkolan Voima Oy	1.533	1.815
Kymppivoima Oy	5.023	5.946
Metsä Group (Metsäliitto Cooperative, Metsä Fibre, Metsä Board Corporation)	3.049	3.020
Myllykoski Oyj*)	0.553	0.635
Oulun Energia Ltd	0.805	0.912
Outokumpu Oyj	0.102	0.097
Perhonjoki Ltd	2.089	2.222
City of Pori	1.291	1.376
Rautaruukki Corporation	0.096	0.091
Stora Enso Oyj	16.135	15.711
Finnish Power Ltd	1.465	1.486
UPM Energy Ltd*)	49.819	48.043
UPM Communication Papers Ltd*)	3.675	3.480
Vantaa Energy Ltd	0.202	0.230
Yara Suomi Oy (incl. pension fund)	1.932	1.852

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

environmental liabilities that have not been covered. Pohjolan Voima's more detailed environmental data is published on the company's website at [www.pohjolanvoima.fi](http://www.pohjolanvoima.fi). TVO provides information about environmental matters related to nuclear power production on its website at [www.tvo.fi](http://www.tvo.fi) and in a separate corporate social responsibility report.

**Risk management**

Risk management aims to ensure the realisation of the strategy and the achievement of the business goals, as well as to safeguard continuity and disturbance-free operations. Risk management is carried out in line with the Group's risk management policy. The Group applies a decentralised risk management model: each subsidiary's Board of Directors and the parent company's units are responsible for the risks related to their operations, as well as the identification and analysis of these risks. Risks that may compromise the achievement of the objectives are estimated,

and measures for their management are defined. The significance of the risks is estimated as the sum of their likelihood and impact.

The consequences and probability of Group-level risks and the significance of these risks are presented in a risk matrix. The Group-level risks are reported to the parent company's Executive Group and Board of Directors in accordance with the annual management schedule.

All Pohjolan Voima companies are covered for risks of damage through measures related to maintenance, occupational health and safety, adequate training provided to the personnel, and other necessary measures, as well as through insurance in line with the Group's insurance policy.

**Key risks and uncertainties**

The Group's most significant risks are related to the availability of TVO's OL1 and OL2 plant units and the profit-yielding capacity of the OL3 plant unit.

A rotor installed in OL2 in September-October was the final spare rotor in TVO's inventory. The rotor in OL2 has also failed, and it was replaced a year ago. The risk of rotor failure still exists but after conservative analyses, it has been reduced with power limitation (735 MW) while the cause of the failure remains unclear. The power limitations are expected to last for several months, possibly until the next annual outage in May 2025.

The availability of OL3 during its first operating cycle is subject to uncertainties, which are managed by systematic maintenance and monitoring of the plant unit. If OL3 fails to achieve its planned production goal or operating cost structure, or if the Finnish national grid limits its power level or the fee charged by Fingrid for the grid load limitation make it not profitable to operate the plant unit at full power, there is a risk of generation costs exceeding the target. This risk has been examined using various scenarios affecting OL3's profit-yielding capacity. The risk has also been examined in terms of the availability and adequacy of Fingrid Oyj's grid load limitation and the resulting costs to TVO.

TVO is implementing several risk management measures to secure profit-yielding capacity of OL3. Examples of these include careful preparation for the second annual outage, securing spare parts that affect availability, and utilising experience from the Flamanville and Taishan sister plants in preparation for OL3's annual outage.

**Share capital and share issues**

On 31 December 2024, Pohjolan Voima's share capital was €49.7 (€55.0) million, and the total number of shares was 30,581,785 (32,295,513).

In November 2020, Pohjolan Voima took out a total of €90 million of the shareholder loan commitments that it had received from its shareholders in 2018. The shareholder loans received from shareholders are accompanied by rights of option issued by the company, which entitle the conversion of the shareholder loan receivable into B2 series shares. The granted rights of option entitle the conversion of a maximum of 1,613,347 new B2 shares. The subscription period for the rights of option began on 1 January 2021.

No rights of option were exercised during the financial period. In December 2020, Pohjolan Voima received shareholder loan commitments totalling €238 million, which expired unused on 31 December 2023. In connection with the shareholder loan commitments, rights of option were also issued. The share subscription period of the remaining rights (1A/2020) began on 1 January 2023, and they give entitlement to up to 3,599,472 pieces of new B2 series shares. No rights of option were exercised during the financial period.

No share issues were realised during the financial period.

**Management**

On 21 March 2024, the annual general meeting appointed the following persons as ordinary members of the Board of Directors: Tapio Korpeinen, CFO (UPM-Kymmene Corporation), Seppo Parvi, Chief Financial Officer (Stora Enso Oyj), Jukka Hakki, Group General Counsel (Kemira Oyj), Anders Renvall, Managing Director (Kymppivoima Oy), Maija Ruska, Director (UPM Energy Ltd), Esa Kaikkonen, Chief Executive Officer (Metsä Tissue Corporation), Rami Vuola, President and CEO (EPV Energy Ltd), Kirsi Hautala, Managing Director (Kokkolan Energia Oy), and Heikki Liukas, Chief Investment Officer (Yara Suomi Pension Fund). Seppo Parvi resigned from the Board of Directors on 9 September 2024 and was replaced starting from 9 September 2024, based on a unanimous decision of the shareholders, by Pasi Kyckling, Deputy CFO (Stora Enso Oyj).

At its inaugural meeting, the Board elected Tapio Korpeinen as the chair and Seppo Parvi as the vice chair. The Board also elected committee members from among its members. Following Seppo Parvi's resignation from the Board of Directors, the Board elected Pasi Kyckling as vice chair on 23 October 2024. The Board of Directors convened 12 (13) times in 2024. The company's CEO was Ilkka Tykkyläinen, M.Sc. (Eng.), eMBA.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

→ Annual Report of the Board of Directors 2024

→ Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Major legal actions pending**

The Group had no pending legal actions at the end of the financial period.

**Events after the end of the financial period**

There have been no significant events after the end of the financial period.

**Outlook**

During the current financial year, the production of electricity and heat is expected to continue normally, taking into account the limitation of OL2's power to 735 MW.

TVO is closely monitoring compliance with the terms and conditions of the settlement agreement, which was signed in March 2018 and supplemented in June 2021 and December 2024. The terms and conditions apply until the end of the warranty periods. TVO is preparing for the final takeover of OL3, which will take place in April 2025 at the earliest.

**Proposal of the Board of Directors regarding the distribution of profit**

On 31 December 2024, the parent company's distributable funds totalled €312,398,525.65, of which the net profit for the financial period amounted to €10,841,316.94. The Board of Directors proposes to the annual general meeting that a total dividend of €10,850,000 will be distributed from the distributable funds incurred from the sale of the shares of Fingrid Oyj in 2011. The dividend is to be distributed to the C and A series of shares that are entitled to dividends from the funds incurred from Fingrid Oyj share sale, and the Board of Directors is authorised to decide on the actual date of payment of the dividend and calculate its exact allocation. The remaining distributable funds will be left in distributable equity. There have been no material changes in the company's financial position since the end of the financial period and, in the Board's opinion, the proposed profit distribution will not jeopardise the company's solvency.

**Key figures (IFRS)**

IFRS	2024	2023	2022	2021	2020
Turnover, € million	834	840	610	471	411
Operating result, € million	53	86	-16	-20	-3
Net interest-bearing liabilities, € million	748	578	586	600	629
As percentage of turnover, %	90	69	96	127	153
Equity ratio, %	44	45	44	41	41
Total assets, € million	2,266	2,318	2,243	2,174	2,189
Investments, € million	22	8	7	7	8
Average number of personnel	40	40	42	54	82

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report



# Financial Statements

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

- Consolidated financial statements (IFRS)
- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes to the consolidated financial statements
- Parent company financial statement (FAS)
- Income statement
- Balance sheet
- Cash flow statement
- Basis of preparation
- Notes to the income statement
- Notes to the balance sheet
- Signing of the Board of Directors' report and financial statements
- Auditor's Report

# Consolidated financial statements (IFRS)

## Consolidated statement of comprehensive income

1,000 €	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Continuing operations</b>			
<b>Sales</b>	7	<b>834,203</b>	<b>839,966</b>
Other operating income	8	1,007	1,411
Materials and services	9	-716,018	-708,970
Personnel expenses	10	-5,551	-5,530
Depreciation, amortisation and impairment	11	-31,514	-31,105
Other operating expenses	12, 13	-51,103	-48,735
Share of (loss)/profit of associates and joint ventures <sup>1)</sup>	19	21,719	39,410
<b>Operating profit or loss</b>		<b>52,743</b>	<b>86,447</b>
Finance income	14	36,028	30,969
Finance costs	14	-56,782	-49,723
<b>Finance costs - net</b>		<b>-20,754</b>	<b>-18,754</b>
<b>Profit before income tax</b>		<b>31,989</b>	<b>67,693</b>
Income tax expense	15	-2,189	-5,901
<b>Profit for the year from continuing operations</b>		<b>29,800</b>	<b>61,792</b>
<b>Discontinued operations</b>			
<b>Profit/loss from discontinued operations</b>		<b>736</b>	<b>3,774</b>
<b>Profit for the year</b>		<b>30,536</b>	<b>65,566</b>

1,000 €	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Other comprehensive income:</b>			
Items, that may be reclassified later to profit or loss			
Share of other comprehensive income of associates			
Cash flow hedging <sup>1)</sup>	19	-6,877	-18,592
<b>Other comprehensive income for the year</b>		<b>-6,877</b>	<b>-18,592</b>
<b>Total comprehensive income for the year</b>		<b>23,659</b>	<b>46,974</b>
<b>Profit attributable to:</b>			
Owners of the parent		30,856	65,950
Non-controlling interest		-320	-384
		<b>30,536</b>	<b>65,566</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		23,979	47,358
Non-controlling interest		-320	-384
		<b>23,659</b>	<b>46,974</b>

<sup>1)</sup> Financial Statements for 2023 related. See Note 4.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

→ Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**Consolidated balance sheet**

1,000 €	Note	31 Dec 2024	Restated 31 Dec 2023	Restated 1 Jan 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	16	283,638	283,668	285,942
Property, plant and equipment	17, 18	315,625	323,690	345,568
Deferred tax assets	15	156	2,330	8,231
Investments in associated companies and joint ventures	19	1,047,792	852,017	832,060
Other financial assets	20	680	695	471
Loans and other receivables <sup>2)</sup>	21	411,258	607,575	610,822
<b>Non-current assets total</b>		<b>2,059,149</b>	<b>2,069,975</b>	<b>2,083,094</b>
<b>Current assets</b>				
Inventories	23	20,305	14,269	13,630
Trade and other receivables <sup>2)</sup>	21	122,961	163,698	110,244
Cash and cash equivalents	22	63,619	70,109	35,511
<b>Current assets total</b>		<b>206,885</b>	<b>248,076</b>	<b>159,385</b>
Assets held for sale	24	0	0	152
<b>Total assets</b>		<b>2,266,034</b>	<b>2,318,051</b>	<b>2,242,631</b>

1,000 €	Note	31 Dec 2024	Restated 31 Dec 2023	Restated 1 Jan 2023
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	25	49,676	54,962	54,962
Share premium		191,592	203,865	203,865
Reserve for invested non-restricted equity		301,520	311,176	311,176
Revaluation reserve <sup>1)</sup>		4,920	11,797	30,389
Subordinated shareholders loans (hybrid equity)		90,347	90,347	90,347
Retained earnings <sup>1)</sup>		331,695	326,726	264,924
<b>Total</b>		<b>969,750</b>	<b>998,873</b>	<b>955,663</b>
Non-controlling interests		37,621	42,541	38,470
<b>Total equity</b>		<b>1,007,371</b>	<b>1,041,414</b>	<b>994,133</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions	26	4,092	3,842	5,562
Borrowings	27	1,065,804	1,045,922	1,067,707
Other non-current liabilities <sup>2)</sup>	27	2,309	1,299	191
<b>Non-current liabilities total</b>		<b>1,072,205</b>	<b>1,051,063</b>	<b>1,073,460</b>
<b>Current liabilities</b>				
Borrowings <sup>2)</sup>	27	124,849	161,668	119,225
Trade and other payables <sup>2)</sup>	28	61,609	63,906	55,813
<b>Current liabilities total</b>		<b>186,458</b>	<b>225,574</b>	<b>175,038</b>
<b>Total liabilities</b>		<b>1,258,663</b>	<b>1,276,637</b>	<b>1,248,498</b>
<b>Total equity and liabilities</b>		<b>2,266,034</b>	<b>2,318,051</b>	<b>2,242,631</b>

<sup>1)</sup> Financial Statements for 2023 restated. See Note 4.

<sup>2)</sup> Reclassification between categories. 2023 data have been adjusted. See Notes 21 and 27.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

→ Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Consolidated statement of cash flows**

1,000 €	Note	1 Jan–31 Dec 2024	Restated 1 Jan–31 Dec 2023
<b>Cash flows from operating activities</b>			
Profit for the year <sup>1)</sup>		30,536	65,566
Adjustments to the profit for the year <sup>1)</sup>	6	32,664	15,205
Change in net working capital	6	29,905	-43,703
Interest paid and other financial expenses		-46,053	-28,871
Interest received		38,869	27,921
Income tax paid		-416	0
<b>Net cash generated from operating activities</b>		<b>85,505</b>	<b>36,118</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets and property, plant and equipment (PPE)	16, 17	-21,294	-7,631
Proceeds from sales of intangible assets and PPE	16, 17, 27	10,516	-414
Proceeds from the dissolved joint venture		0	1,669
Loan repayments	21, 27	11,000	0
Proceeds from disposal of other financial assets		15	0
<b>Net cash used in investing activities</b>		<b>237</b>	<b>-6,376</b>

1,000 €	Note	1 Jan–31 Dec 2024	Restated 1 Jan–31 Dec 2023
<b>Cash flows from financing activities</b>			
Acquisition and annulment of own shares	25	-17,559	0
Equity refunds paid	25	-14,256	0
Interest paid of subordinated shareholders loans (hybrid equity)	25	-4,521	-3,717
Proceeds from borrowings	24, 27	299,904	180,000
Repayments of borrowings	24, 27	-277,000	-192,900
Lease repayments	27	-9,624	-9,572
Proceeds of current liabilities	24, 27	211,722	384,913
Repayments of current liabilities	24, 27	-259,848	-353,868
Dividends paid	25	-21,050	0
<b>Net cash used in financing activities</b>		<b>-92,232</b>	<b>4,856</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>-6,490</b>	<b>34,598</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>70,109</b>	<b>35,511</b>
Change in cash and cash equivalents		-6,490	34,598
<b>Cash and cash equivalents at the end of year</b>	<b>22</b>	<b>63,619</b>	<b>70,109</b>

Cash flow from discontinued operations is disclosed in note 24.

<sup>1)</sup> Financial Statements for 2023 restated. See Note 4.



**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

→ Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Consolidated statement of changes in equity**

1,000 €	Note	Share capital	Share premium	Revaluation reserve	Reserve for invested non-restricted equity	Subordinated shareholders loans (hybrid equity)	Retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interest	Total equity
<b>Balance at 1 Jan 2023</b>		54,962	203,865	134,070	311,176	90,347	161,243	955,663	38,470	994,133
Restatement	4			-103,681			103,681	0		0
<b>Restated balance at 1 Jan 2023</b>		54,962	203,865	30,389	311,176	90,347	264,924	955,663	38,470	994,133
<b>Comprehensive income</b>										
Profit or loss, restatement							65,950	65,950	-384	65,566
Other comprehensive income:										
Cash flow hedges, restatement				-18,592				-18,592		-18,592
<b>Total other comprehensive income for the year</b>		0	0	-18,592	0	0	0	-18,592	0	-18,592
<b>Total comprehensive income for the year</b>		0	0	-18,592	0	0	65,950	47,358	-384	46,974
Interest paid of subordinated shareholders loans (hybrid equity)	25						-4,148	-4,148		-4,148
Increase in non-controlling interest	33							0	4,455	4,455
<b>Transactions with owners total</b>		0	0	0	0	0	-4,148	-4,148	4,455	307
<b>Restated balance at 31 Dec 2023</b>		54,962	203,865	11,797	311,176	90,347	326,726	998,873	42,541	1,041,414

1,000 €	Note	Share capital	Share premium	Revaluation reserve	Reserve for invested non-restricted equity	Subordinated shareholders loans (hybrid equity)	Retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interest	Total equity
<b>Balance at 1 Jan 2024</b>		54,962	203,865	81,463	311,176	90,347	257,060	998,873	42,541	1,041,414
Restatement	4			-69,666			69,666	0		0
<b>Restated balance at 1 Jan 2024</b>		54,962	203,865	11,797	311,176	90,347	326,726	998,873	42,541	1,041,414
<b>Comprehensive income</b>										
Profit or loss							30,856	30,856	-320	30,536
Other comprehensive income:										
Cash flow hedges				-6,877				-6,877		-6,877
<b>Total other comprehensive income for the year</b>		0	0	-6,877	0	0	0	-6,877	0	-6,877
<b>Total comprehensive income for the year</b>		0	0	-6,877	0	0	30,856	23,979	-320	23,659
Interest paid of subordinated shareholders loans (hybrid equity)	25						-4,837	-4,837		-4,837
Dividend distribution	25						-21,050	-21,050		-21,050
Refund of equity	25				-9,656			-9,656	-4,600	-14,256
Acquisition and annulment of own shares	25	-5,286	-12,273					-17,559		-17,559
<b>Transactions with owners total</b>		-5,286	-12,273	0	-9,656	0	-25,887	-53,102	-4,600	-57,702
<b>Balance at 31 Dec 2024</b>		49,676	191,592	4,920	301,520	90,347	331,695	969,750	37,621	1,007,371

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

# Notes to the consolidated financial statements

## 1 Notes to the financial statements

### General information

Pohjolan Voima Oyj (PVO) is a Finnish public limited liability company with domicile in Helsinki, Finland. Pohjolan Voima Oyj and its subsidiaries form together the Pohjolan Voima Group.

Pohjolan Voima Group is a privately owned energy group. The production capacity of the Group consists of 18 power plants in 14 different locations. Energy is generated by hydropower, nuclear power and thermal power.

Copies of the consolidated financial statements can be obtained from [www.pohjolanvoima.fi](http://www.pohjolanvoima.fi) or from PVO's head offices, Mikonkatu 7, 00100 Helsinki, Finland.

These consolidated financial statements were approved for issue by PVO's Board of Directors on 26 February 2025, however, according to Finnish Limited Liability Companies Act, the shareholders can edit or reject these financial statements at the annual general meeting.

### Basis of preparation

The consolidated financial statements of Pohjola Voima Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the European Union. The IAS and IFRS Accounting Standards, as well as and IFRIC and SIC Interpretations valid as at 31 December 2024, have been used in preparation of the financial statements. The consolidated financial statements also comply with the Finnish Accounting Act and Limited Liability Companies Act.

All amounts in the consolidated financial statements are presented in thousands of Euros.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting principles. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in section "Critical judgements in applying the entity's accounting policies, and critical estimations and assumptions".

### Cost-price principle

According to the Articles of Association of PVO, the Group supplies electricity and heat at cost price to the shareholders, which means that it delivers the electricity it has produced or procured to its shareholders in proportion to their shareholdings in each series. The operating model of PVO is also called the "Mankala principle".

Each of the shareholders of each series bears their share of the variable and fixed annual costs, as specified in the company's legal documents. Parent company administrative costs are covered by a fixed yearly fee, as defined by the company's legal documents.

In accordance with PVO's Articles of Association, each shareholder's share of the liability for the annual costs will always be limited to the amount corresponding to the proportion of its shareholding to all shares belonging to the same series, and another shareholder's failure will not increase the shareholder's liability based on shareholding. The shareholders are liable for costs specified in the Articles of Association paragraph 4.

## Consolidation

### Subsidiaries

The consolidated financial statements include Pohjolan Voima Oyj and all its subsidiaries. Subsidiaries are those entities over which the Group has control. The Group has control over an entity if it has power over the entity; it is exposed or has rights to variable returns from its involvement with the entity, and has the ability to use its power to affect the amount of its returns from the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, distributions of profit, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless they relate to an impairment.

### Associated companies and joint arrangements

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint arrangements are either joint operations or joint ventures. A joint venture is a contractual joint arrangement whereby the Group, together with one or more parties, has undertaken an economic activity that is subject to joint control and whereby The Group, with other parties, has rights to the net assets of the joint arrangement. All joint arrangements in the Group are joint ventures.

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group's investment in associates and joint ventures includes goodwill identified at acquisition, net of any accumulated impairment losses. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture. Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transaction

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Non-controlling interests

The profit or loss for the period attributable to owners of the parent and non-controlling interest is disclosed in the statement of comprehensive income. Non-controlling interests are identified separately from the equity of the owners of the parent company in the statement of changes in equity.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid, and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income, in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that any amounts previously recognised in other comprehensive income are recognized as part of the gain or loss on sale.

### Foreign currency translation

The functional and presentation currency of the parent company and all of the subsidiaries, associates, and joint ventures is the euro. The consolidated financial statements are presented in euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the closing rate at the dates of that balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses relating to operations are included on the relevant line items above operating income. Foreign exchange gains and losses that relate to borrowings, and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. Translation differences on non-monetary financial assets and liabilities held at cost are translated using the exchange rates prevailing at the dates of the transactions. There are no non-monetary financial assets or liabilities held at fair value denominated in foreign currencies.

### Revenue recognition

The Group's energy operations are based on cost price. Sales of expert services relating to energy operations are not based on cost price. Revenues are based on the consideration received for delivered energy or provided services. All revenues are presented net of value-added taxes. Revenues are recognised, as follows:

### Energy revenues and other revenues

Revenue on sales of energy is divided into variable and fixed charge. Revenue on sales of energy concerning variable charge is recognised at the time of delivery. Revenue is recognised based on the delivered quantities. Both the variable and fixed charge is invoiced and recognized in turnover monthly, and are paid retrospectively on the 24th of next month. Service revenue mainly consists of administration service revenues. Revenue for

services is recognised in the financial period when services have been rendered, and when the control of the service transfers to a customer.

### Other income

Revenue from activities outside the normal operations is reported in Other income. This includes recurring items such as rental income and non-recurring items such as gains on sale of property, plant, and equipment. Rental income is recognised on a straight-line basis over the period of the lease agreement. The gain on sale of property, plant, and equipment is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

### Research and development costs

Research and development costs are expensed as incurred and included in other operating expenses, except when the development costs are expected to generate probable future economic benefits. In this case the costs are recorded as intangible assets and amortised over their useful lives. There are no development costs currently in the consolidated financial statements that fulfil the criteria for recognition as an intangible asset.

### Interest income and dividends

Interest income is recognised using the effective interest method. Dividends are recorded when the right to receive payment is established.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, unless they are directly attributable to construction of a power plant, in which case they are capitalized as a part of the cost of the asset.

### Income taxes

Pohjolan Voima delivers electricity and heating to its shareholders at cost price. The shareholders are delivered a proportionate share of the energy generated or procured by PVO, according to their proportionate ownership in the various series of shares. Based on the cost-based pricing the Group does not pay any taxes on its energy related operations, therefore the Group does not generally recognise any deferred tax assets or liabilities on these operations. Deferred tax may arise in energy related operations if the invoicing of the costs incurred does not match with the period when the costs are incurred. Income taxes and deferred taxes are recognised, on the other hand, on the services provided by the Group.

The tax expense for the period comprises current tax, relating to the current period and any adjustments made to taxes for the previous financial period, and deferred taxes. The current income tax charge is calculated on the basis of the tax laws enacted. The taxes for the current period are adjusted if necessary by the taxes related to the previous period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the undistributed profits of the subsidiaries if it is not probable that the temporary difference will reverse in the foreseeable future. The most significant temporary differences for the Group arise from the depreciation of property, plant, and equipment, losses carried forward and the fair valuation of assets at acquisition.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

### Intangible assets

Intangible assets are carried at historical cost, less government grants received, accumulated amortisation, and impairment. Historical cost includes all costs directly attributable to the acquisition of the intangible asset. Intangible assets with a finite useful life are amortised using the straight-line method over the following estimated useful lives:

Computer software	3–10 years
Other intangible assets	5–10 years

No amortisation is recorded for goodwill and other intangible assets with infinite useful lives, instead these assets are tested annually for impairment. Intangible assets having infinite useful lives are water rights that have an infinite useful life based on the Water Act, and certain utilisation rights for transmission roads and land based on the Act on the Redemption of Immoveable Property and Special Rights.

### Emission allowances

Carbon dioxide (CO<sub>2</sub>) emission allowances are included in the intangible assets. Emission allowances are recognised at cost, whether received free of charge or acquired from a third party. Emission allowances received free of charge are, in other words, recorded at zero. A short-term liability is recognised to cover the obligation to return emission allowances. To the extent that, the Group already holds allowances to meet the obligation, the liability is measured at the carrying amount of those allowances. Any shortfall of allowances held over the obligation is valued at the current market value of allowances. Emission right and the related liability are derecognised when they are returned to cover the obligation or when they are sold. Emission allowances are not amortised. The cost of the provision is recognised in the statement of comprehensive income within materials and services. Gains from sales of emission rights are presented in Other income.

### Property, plant and equipment

Property, plant, and equipment are stated at historical cost, less government grants received, less accumulated depreciation, and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Borrowing costs directly attributable to the acquisition or construction of assets that necessarily take a substantial amount of time to get ready for their intended use are capitalised as part of the cost of the related asset. Additionally, the cost of an item of property, plant, and equipment includes the discounted estimated cost of its dismantlement, removal, or restoration.

Land and water areas are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The costs for dismantling a power plant are depreciated over the estimated useful life of the specific power plant.

Depreciation is calculated using the straight-line method based on the estimated useful lives, as follows:

Hydro power plant buildings, structures and machinery	40–80 years
Co-generation (electricity and heating) power plant buildings, structures and machinery	4–35 years
Transmission network	10–45 years
Other buildings and structures	10–25 years
Other machinery and equipment	3–20 years
Other tangible assets	3–40 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, to reflect the changes in estimated future economic benefits associated with the assets.

If the asset consists of different components, which have different estimated useful lives, each component is recognised as a separate asset. Replaced components are capitalized, and any possible remaining carrying value of the replaced component is derecognised. In other cases, subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably.

Annual repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Power plant modernization and improvements are recognised in the asset's carrying amount or recognised as a separate asset, as appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or other operating expenses in the statement of comprehensive income.

Depreciation on assets classified as held for sale, according to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," is ceased.

### Government Grants

Grants from the government are recognised at their fair value, where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant, and equipment are deducted from the acquisition cost of the asset and are recognised as income by reducing the depreciation charge of the asset they relate to. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. These grants are presented in other operating income.

### Inventories

Inventories are stated at cost. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventory comprises raw materials and other direct costs. Inventories are always stated at cost, as the energy generation operations are conducted based on cost price, and therefore, the cost of inventory is always equal to its' net realizable value.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

## Leases

### Leases - Group as lessee

The Group leases various offices, warehouses, retail stores, equipment, and vehicles. Rental contracts are typically made for fixed periods of less than 12 months to 50 years. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Further, some agreements include asset retirement obligation, which is recorded in property, plant and equipment as well as in provisions.

Lease liabilities are measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate, which is a rate the lessee would pay by borrowing the corresponding balance for equal period and with equal collaterals. Right-of-use assets are measured an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group allocates the consideration in the contract to each lease component and will separate non-lease components if these are identifiable.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, adjusted mainly for lease payments made at or before the commencement date. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease term applied corresponds to the non-cancellable period, except in cases where the Group is reasonably certain to exercise renewal option of prolonging the contract. The lease liabilities are measured at amortized cost.

The Group has decided to use the exemption not to apply the new guidance to leases with a terms less than twelve months or to leases for which the underlying asset value is of low value. Asset retirement obligations included in the leasing agreements have been considered in the implementation.

Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets, are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### Impairment of non-financial assets

The individual assets' carrying values are reviewed at each closing date to determine whether there is any indication of impairment. If there is an indication of impairment, the asset is tested for impairment. Goodwill, assets that have an indefinite useful life, and intangible assets in progress are not subject to amortisation and are tested annually for impairment, regardless of whether there is an indication of impairment or not. Impairment for assets, excluding goodwill, is assessed at the cash-generating unit (CGU) level, which is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Groups of assets. Goodwill is tested for impairment at the level at which it is monitored by management, which may be an individual CGU or Groups of CGUs, but is not tested at a level higher than an operating segment.

An asset's recoverable amount is the higher of a cash-generating unit's fair value, less costs to sell, and its value in use. Value in use is the estimated discounted future cash flows expected to be provided by the asset or Group of assets. The discount rates used are pre-tax and reflect current market assessments of the time value of money and specific risks relating to the relevant asset or Group of assets.

Where the carrying value of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment is recognised immediately in the statement of comprehensive income. Impairment arising from a goodwill impairment test is allocated first to goodwill, and any excess thereafter rateably over the other assets in the CGU. Assets other than goodwill that suffered an impairment charge are reviewed for possible reversal of the impairment if the estimates used in the calculation

of the recoverable amount have changed. A reversal of an impairment loss shall not exceed the carrying amount (net of amortisation or depreciation) that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill are never reversed.

### Financial assets and financial liabilities

Purchases and sales of financial assets and liabilities are recognised on the trade-date at fair value. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the Group has transferred substantially all risks and rewards of ownership.

The Group classifies its financial assets in the following categories according to IFRS 9: assets measured at fair value through profit or loss, at fair value through other comprehensive income, and at amortized cost. The classification is determined by initial recognition based on the objective of the Group's business model. The Group does not currently have any financial assets measured at fair value through other comprehensive income.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or initially designated in this category. Derivatives are categorised as held for trading unless they are designated as hedges. All derivatives held by the Group are classified as financial assets at fair value through profit or loss, as hedge accounting is not applied by the Group. Derivatives in this category are classified as current assets, if expected to be settled within 12 months; otherwise, they are classified as non-current. When the derivatives have a negative value, they are classified as financial liabilities held for trading. Liabilities in this category are classified as current liabilities, if expected to be settled within 12 months; otherwise, they are classified as non-current. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

### Amortized cost

Amortized cost included non-current loan and other receivable, as well as current trade and other receivables. Loans and receivables are subsequently carried at amortised cost using the effective interest method and are included in current assets and non-current assets; in the latter for maturities greater than 12 months after the end of the reporting period. Trade receivables are recorded at cost, which corresponds to their fair value. Loans granted, which have a maturity date, are measured at amortised cost, using the effective interest method.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

### Impairment of financial assets

According to the impairment model, the impairment of financial assets must be determined using a model based on expected credit losses. From the Group's perspective, the impairment model applies to trade receivables and the earlier recognition of their credit losses.

According to the IFRS 9 standard, the Group applies a simplified provision matrix to recognize the credit risks in trade receivables, on the basis of which a deductible item is recognized for all trade receivables based on the expected credit losses over the entire period of validity. The Group's annual credit losses have been very minor and the expected credit losses, according to the model, do not have a significant impact. Regarding financial instruments measured at amortized cost, the Group performs active monitoring and recognizes impairment in profit or loss in accordance with the criteria.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

The Group estimates on each closing date whether objective evidence exists of the impairment of an individual financial asset or a group thereof. If the fair value of the financial assets has fallen substantially below their acquisition cost on the closing date, this is considered as evidence of impairment of the financial assets. Evidence of impairment may include, for example, the counterparty's substantial financial difficulties, failure to pay interest or instalments, probability of bankruptcy or other financial reorganization, or observable information indicating determinable reduction of the estimated deferred cash flows, such as changes in the delay of payments and the counterparty's deteriorated financial situation correlating with the failure to pay.

The Group has shareholder loan receivables from Teollisuuden Voima Oyj, a joint venture of the Group. The management has assessed the impairment risk regarding the loans on the basis of the possible financial difficulties or outstanding interest payments from the counterparty and considered that such does not exist. On the basis of these findings the management considers that no impairment risk exists.

### Financial liabilities

Financial liabilities are classified into the following categories in accordance with the IFRS 9 standard: liabilities measured at fair value through profit or loss, at fair value through other comprehensive income, and as at amortized cost.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some of or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some of or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Derivative instruments are recognised as financial liabilities at fair value through profit or loss. These are recognised similarly as financial assets at fair value through profit or loss. They are included in non-current liabilities unless the liability is settled within 12 months of the end of the reporting period.

### Derivative instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is hedge accounted as determined in IFRS 9. The Group has not applied for hedge accounting and has recognized the gains and losses resulted from fair value measurement through the income statement in finance income or cost.

Other companies in the Group have derivative instruments that do not fulfil the hedge accounting criteria according to IFRS Accounting Standards. Examples of these instruments are interest rate swap agreements, which have been used to exchange floating rate borrowings into fixed rate borrowings. Derivatives are recorded at fair value in the assets or liabilities. Changes in the fair values of foreign currency forwards and interest rate derivative instruments are recorded through profit and loss within finance income and costs. Derivatives are classified as current or non-current assets or liabilities depending on their maturity date.

### Employee benefits

Pension arrangements are classified as defined benefit plans or defined contribution plans. Defined benefit plans are plans that are not defined contribution plans. The Group does not have any defined benefit plans. Pensions for the personnel in the Group have been arranged through an external pension insurance company.

The Finnish (TyEL) pension system as well as the voluntary pension insurances are recognised as defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments made to the defined contribution plans are recognised as expenses in the period in which they were incurred.

### Provisions and contingent liabilities

Provisions for environmental restoration, asset retirement obligations, and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision, due to passage of time, is recognised as interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received. Provisions are not recognised for operating costs.

A contingent liability is disclosed when there is a possible obligation that arises from external events and whose existence is only confirmed by one or more doubtful future events, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed in the notes to the financial statements.

### Environmental provisions

Environmental provisions are recognised, based on current interpretation of environmental laws and regulations, when it is probable that a present obligation has arisen, and the amount of such liability can be reliably estimated. Environmental expenditures resulting from the remediation of an existing condition caused by past operations, and which do contribute to current or future revenues, are expensed as incurred.

### Accrued expenses related to the handling of ashes

Group companies may have, in temporary storage, ashes generated from the power plant operations, which are subject to waste tax. These ashes may have an alternative utilisation, an alternative utilisation is being sought, or there is no alternative utilisation, which will result in the ashes being transported to a waste disposal site. Financial statements include an accrued expense representing the best estimate for the costs of the handling of the ashes held in temporary storage at the end of the reporting period.

### Asset retirement obligations

An asset retirement obligation is recognised either when there is a contractual or a legal obligation and the obligation amount and timing can be reliably estimated. The asset retirement obligation is recognised as part of the cost of an item of property and plant when the asset is put in service or when contamination occurs. The costs are depreciated over the remainder of the asset's useful life.

### Share Capital

Pohjolan Voima has 10 different series of shares. Each series of shares entitle their owner to the energy generated by a specific subsidiary, associate, or joint venture. Each shareholder is entitled to the proportionate share of the energy according to their proportionate ownership of a specific series of shares.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

Proceeds received at the inception of the Company and subsequent issue of share capital have been recorded in the share capital, share premium account and after 1 September 2006 also in the reserve for invested non-restricted equity.

### Subordinated shareholder loans (hybrid equity)

Subordinated shareholder loans (hybrid equity) are treated as equity. Subordinated shareholder loans (hybrid equity) are initially recognized at fair value, including related transaction costs. There is no maturity date for the subordinated shareholder loans (hybrid equity), but the borrower is entitled to repay the loan in one or several installments. The Board of Directors of the borrower has the right to decide not to pay interest during any current interest period. Unpaid interest does not accumulate to the following interest periods.

The interest of the subordinated shareholder loans (hybrid equity) is recognized in liabilities when the obligation to pay interest is incurred. Interest expenses are recognized in the retained earnings and are not recognized in profit or loss.

### Option rights

In connection with the subordinated shareholder loans raised in November 2020, option rights have been also issued, which entitle to convert the shareholder loan receivable into series B2 shares. The option rights issued entitle to a maximum of 1,613,347 new B2 shares. The subscription price of a new B2 share is €56 and the subscription price can only be paid by setting of the total principal of the shareholder loan receivable that the shareholder has from the Company against the total subscription price of all new B2 shares. The share subscription period started on 1 January 2021 and will last until the repayment of the subordinated shareholder loans. Subscription can be made once a year.

Pohjolan Voima received subordinated shareholder loan commitments totalling of €238 million in December 2020, which lapsed according to the commitment, at the end of the financial year terms. In connection with the shareholder loan commitments option rights were also subscribed, out of which the subscription period of the option rights 1A/2020 started 1 January 2023 and the options entitle the holder to maximum of 3,599,475 new B2 shares with the subscription price of €0.01. The subscription period will last to 1 June 2026.

According to IAS 32 the Company has not recorded any entries in the equity as no subscriptions to shares have been made.

### Earnings per share

Earnings per share are not presented as the Group operates at cost price. The ordinary shares of Pohjolan Voima Oyj are not traded in a public market.

### Assets held for sale and discontinued operations

Assets are classified as assets held for sale and stated at the lower of the carrying amount and fair value less costs to sell, if their carrying amount is recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. Assets are not depreciated.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and:

1. Represents either a separate major line of business or a geographical area of operations
2. Is a part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
3. Is a subsidiary acquired exclusively with a view to resale, and the disposal involves loss of control.

Profit from discontinued operations is presented as a single amount on the face of the statement of comprehensive income. Assets held for sale, disposal groups, any cumulative income or expense recognized in other comprehensive income relating to a non-current asset classified as held for sale, as well liabilities relating to disposal groups, are presented separately in the face of the consolidated balance sheet.

### Segment reporting

The Group has four reportable segments: hydro power, thermal power, nuclear power, and other operations. The chief operation decision maker is the Board of Directors.

### Accounting principles relating to the joint venture Teollisuuden Voima Oyj

Teollisuuden Voima Oyj (TVO), a joint venture of the Group, is consolidated using the equity method, see *Associates companies and joint arrangements* under the Notes to the Financial statements. Below is a description of how the accounting principles applied by TVO are affect Pohjolan Voima's consolidated financial statements.

### Derivative instruments

TVO uses derivative instruments to hedge the foreign currency exchange rate risk in fuel purchases, as well as the foreign currency risk and interest rate risk in borrowings denominated in foreign currencies. Items covered by hedge accounting in accordance with the IFRS 9 standard include instruments used for hedging against the currency risk of uranium supply contracts of TVO (forwards exchange contracts, currency swaps) and some of the interest rate swaps used for hedging against the fluctuation of interest cash flows in the loan agreements of TVO. TVO shall document, both at the beginning of and after the hedging, its estimate of whether the derivative financial instruments used for hedging transactions are efficient. Derivative financial instruments included in hedge accounting are divided into non-current and current assets and liabilities based on the maturity of the hedged instrument. TVO applies both cash flow and fair value hedge accounting.

With the adoption of the IFRS 9 standard, the assessment of hedge effectiveness is based on future orientation. The ineffectiveness of TVO's hedging relationship is expected to continue being very minor. IFRS 9 defines three hedge effectiveness requirements for the application of hedge accounting. The first requirement requires a financial connection between the hedged item and hedging instrument. It must be expectable, that the changes in the value of the hedging instrument and hedged item are opposite due to the instrument or risk used as the shared basis. Secondly, the standard requires that changes in value due to the financial relationship are not dominated by the impact of credit risk. Thirdly, the hedging rate of the hedging relationship must equal the hedging rate resulting from the amount of the hedging instrument that the organization actually uses for hedging that amount of the hedged item. IFRS 9 requires the same hedging rate that is actually used in risk management.

Hedge accounting applied by TVO affects Pohjolan Voima's other comprehensive income.

### Assets and liabilities relating to nuclear waste management

The treatment of the nuclear waste management liability has a material effect on the profit and loss of Teollisuuden Voima Oyj. The nuclear waste management liability, based on the Nuclear Energy Act, is covered by a contribution to the Finnish State Nuclear Waste Management Fund. The liability covers all the future expenditure for the handling of the existing nuclear waste, including the decommissioning of the nuclear power plants, the disposal of the spent fuel and a risk marginal. The amount of payments is determined by assuming that the decommissioning would start at the beginning of the year following the assessment year. The research relating to the disposal, as well as the actual disposal of TVO's spent fuel, are carried out by Posiva Oy, which charges from TVO the costs arising from these activities, including the acquisition cost of property, plant and equipment.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

In the consolidated financial statements of TVO, the share of the funds in the Finnish State Nuclear Waste Management Fund, is presented as part of non-current assets according to IFRIC 5. The nuclear waste management liability is presented in provisions, within non-current liabilities. The fair value of the nuclear waste management liability is calculated by discounting the cash flows based on the planned estimated future activity and the estimated expenditure relating to it, taking into account actions already taken.

The initial present value of the provision for decommissioning of the nuclear power plant is included in the capitalized investment cost of the power plant. The initial present value is adjusted according to subsequent planned future changes. The amount recognized relating to decommissioning of the plant is depreciated over the estimated useful life of the power plant.

The provision for spent nuclear fuel covers the future disposal cost of fuel used by the end of each reporting period. The costs for the disposal of the spent nuclear fuel is recognised during the operating time of the plant based on fuel usage. The impact of any changes to the plan will be recognized immediately in the income statement based on fuel used by the end of reporting period.

The timing factor when discounting the nuclear waste management liability is recognised by recording the interest expense in the statement of comprehensive income.

### Implementation of interpretations and amendments to new and revised IFRS standards

In preparing these financial statements, the Group has followed the same accounting policies as in the annual financial statements for 2023. The Group has applied following new standards, amendments and interpretations from 1 January 2024 on:

- › IAS 1 Presentation of Financial Statements (amendment) – according to IAS 1 the company has to have the right to postpone the payment of a loan minimum 12 months to be able to reclassify it as non-current liability. The changes clarify controversial situations and add disclosure requirements to loan agreements, including covenants.

The Group adopts the following published standards, interpretations, and changes to existing standards and interpretations in its 2025 financial statements or later. Based on initial assessment, the Group estimates that these have no impact on the consolidated financial statements, unless separately below stated.

- › IAS 21 The Effects of Changes in Foreign Exchange Rates – assessment of the spot exchange rate in cases the currency is not exchangeable
- › IFRS 18 Presentation and Disclosure in Financial Statements\* - new standard that will replace IAS 1. It will change the structure of the statement of profit or loss, disclosures for management-defined performance measures that are reported outside an entity's financial statements, as well as enhance principles on aggregation and disaggregation. The standard shall be adopted in financial statements on 1 January 2027 or later and it will change the structure of the Group's statement of profit or loss
- › IFRS 19 Subsidiaries without Public Accountability: Disclosures\* - new voluntary standard for disclosing subsidiaries' consolidated or standalone financial statements
- › IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (changes)\* - weather dependent energy sources and power purchase agreements (PPA) when adopting IFRS 9
- › Annual Improvements Volume 11\* - changes in IFRS 7, IFRS 9, IFRS 10, and IAS 7 standards
- › IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (changes)\* - targeted improvements in accounting of financial assets and liabilities, new disclosure requirements and updated disclosure requirements for equity instruments designated at fair value through other comprehensive income

\* Standard, interpretation or amendment is not yet endorsed by EU

## 2 Critical judgements in applying the entity's accounting policies and critical estimations and assumptions

The Group management makes judgements in the preparation of the financial statements relating to the selection and application of the accounting principles. These decisions relate specifically to those areas where the effective IFRS-standards allow alternative methods of recording, valuation, or presentation.

The estimates and assumptions made by management in the preparation of the consolidated financial statements are based on the best knowledge at hand at year end. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, under the circumstances. Actual results and the detailed background information are followed by management together with the business units using both internal and external sources of information. Changes to the estimates and assumptions are recognised in the financial period in which changes occur, and all the future financial periods.

### Impairment testing

Impairment testing is carried out annually for goodwill and for intangible assets with indefinite useful lives. Impairment testing for other assets is performed when there is an indication that the asset might be impaired. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on estimated future cash flows received from the use of the asset or the sale of the asset.

Pohjola Voima operations are based on the cost-price method ('Mankala principle'). According to the company's legal documents, the shareholders of the Company are invoiced a price for the energy received, which covers fixed and variable expenses of the operations. When testing if the assets are impaired based on the value-in-use, the discounted cash flows, correspond, except for a few exceptions, to the recoverable amount and therefore usually there is no impairment recorded.

### Assets relating to Teollisuuden Voima Oyj

Teollisuuden Voima Oyj is consolidated as a joint venture using the equity method in Pohjolan Voima's consolidated financial statements. Due to the materiality of Pohjolan Voima's ownership share, the Group management has assessed the valuation of TVO in the consolidated balance sheet and has not seen any indication on impairment.

### Environmental provision

Operations of the Group are regulated by a number of laws and regulations. The Group is in compliance with all existing environmental regulations. The Group has recorded, for the industry customary, provisions for environment protection expenses to cover its legal obligations.

Environmental provisions are based on management's best estimate of landscaping costs. Environmental provisions consist of Asset Retirement Obligations of landfills, which relate to ash storage in the thermal power business. The Group recognizes a provision on estimated landscaping costs. The cost estimate is annually reviewed.



## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

## 3 Financial risk management

The financial risk management in Pohjolan Voima Group is carried out centrally by the parent company treasury department, under policies approved by the Board of Directors. The Group's activities expose it to a variety of financial risks: liquidity risk, market risk, and credit risk.

The objective of the financing function is to ensure the existence of sufficient funds for operative decision making and to promote the low cost of electricity through its decisions.

Derivatives are entered into only for hedging purposes. Pohjolan Voima does not apply hedge accounting under IFRS.

### Liquidity and refinancing risks

Liquidity and refinancing risks relate to the impact on the company's profit and loss, and cash flows, if the company is unable to secure sufficient funding for its operations. In addition to sufficient liquid funds and committed credit facilities, Pohjolan Voima Group seeks to reduce refinancing risk by diversifying the maturity of its loans, as well as sources for its funding.

In accordance with Pohjolan Voima Group's financing policy, the maturity of long-term debt and refinancing is agreed so that a maximum of 1/3 of the outstanding debt will fall due within the next 12 months. This principle is not applied to the loans granted by the State Nuclear Waste Management Fund.

Liquidity risk is significantly reduced by the fact that Pohjolan Voima Group invoices shareholders, in accordance with the Articles of Association for the monthly fixed and variable costs.

Free liquidity is invested prudently and productively in instruments with a duration of up to 12 months. The objective is to diversify investments, and these are chosen so that a secondary market liquidity is also ensured in adverse conditions, and so that most of the investments can be realized at a low cost.

Pohjolan Voima Group mainly uses the domestic commercial paper programs amounting to €300 million in order to ensure short-term financing. As at 31 December 2024, €85 (€132) million out of the commercial paper program was in use.

In addition to liquid assets, Pohjolan Voima Group's liquidity is secured by €350 million (€350) revolving credit facilities. The revolving credit facility will mature in June 2029. The amount of the Facility will be reduced to €291 million in June 2028, according to the terms of the facility agreement. The facility was fully undrawn as at 31 December 2024 (as well as per 31 December 2023).

Pohjolan Voima Group's financial arrangements do not include any financial covenants.

The following table presents a maturity analysis on loan agreements. The figures are cash based and interest flows are based on the interest rates prevailing at the closing date. Differences between the balance sheet items and the debt amounts below arise from the transaction costs that have been accrued, according to the effective interest method, in the balance sheet. Transaction costs for loan arrangements are not included in the cash flows as these have been paid at the time of the signing of the agreements.

### Undiscounted cash flows of financial liabilities 2024

1,000 €	2025	2026	2027	2028	2029—	Total	Balance sheet
Loans from financial institutions <sup>1</sup>	-2,000	-86,000	-160,000	-220,000		-468,000	-468,000
Finance costs <sup>2</sup>	-17,064	-15,670	-13,046	-3,230	-271	-49,281	
Bonds					-150,000	-150,000	-149,911
Finance costs	-7,126	-7,126	-7,126	-7,126	-21,378	-49,882	
Loan from the State Nuclear Waste Management Fund (TVO) <sup>3</sup>					-350,000	-350,000	-350,000
Finance costs	-15,477	-19,353	-19,353	-19,353	-19,353	-92,889	
Lease liabilities <sup>4</sup>	-16,851	-19,048	-7,953	-7,687	-68,236	-119,775	-116,410
Finance costs	-4,194	-3,546	-2,909	-2,615	-6,429	-19,693	
Commercial papers	-83,522					-83,522	-83,522
Finance costs	-1,478					-1,478	
Interest rate derivatives	1,692	750	738	229	942	4,351	2,712
Shareholder loan interests	-3,399					-3,399	
<b>Total</b>	<b>-149,419</b>	<b>-149,994</b>	<b>-209,649</b>	<b>-259,781</b>	<b>-614,724</b>	<b>-1,383,568</b>	

<sup>1</sup> Repayments to be made in 2025 are included in current liabilities.

<sup>2</sup> In addition to interest expenses, finance costs also include a commitment fee.

<sup>3</sup> The loan from the State Nuclear Waste Management Fund does not have an actual date of maturity, and therefore it is presented as a loan with a loan term of over 5 years. According to the section 52 of the Nuclear Energy Act Teollisuuden Voima Oyj is entitled to borrow from State Nuclear Waste Management Fund against securing guarantees the amount which can be a maximum of 60 per cent of the latest confirmed TVO's share in the Fund. TVO has borrowed this amount from the Fund and has granted a loan with the corresponding amount to Pohjolan Voima. The loan is renewed with three years intervals, next time in March, 2026 and the State Nuclear Waste Management Fund is entitled to ask securing collateral for the loan.

<sup>4</sup> Lease liabilities according to IFRS 16 included.

### Undiscounted cash flows of financial liabilities 2023

1,000 €	2024	2025	2026	2027	2028—	Total	Balance sheet
Loans from financial institutions <sup>1</sup>	-4,250	-127,000	-246,000		-70,000	-447,250	-447,250
Finance costs <sup>2</sup>	-21,313	-18,495	-11,897	-3,700	-3,169	-58,574	
Bonds		-150,000				-150,000	-149,889
Finance costs	-1,875	-1,875				-3,750	
Loan from the State Nuclear Waste Management Fund (TVO) <sup>3</sup>					-350,000	-350,000	-350,000
Finance costs	-14,220	-9,932	-9,932	-9,932	-9,932	-53,948	
Lease liabilities <sup>4</sup>	-10,603	-15,927	-18,061	-6,985	-63,724	-115,300	-113,425
Finance costs	-4,832	-4,364	-3,650	-2,873	-7,960	-23,679	
Commercial papers	-129,399					-129,399	-129,399
Finance costs	-2,601					-2,601	
Interest rate derivatives	5,246	2,261	1,553	1,489	2,057	12,606	7,302
Shareholder loan interests	-4,650					-4,650	
<b>Total</b>	<b>-188,497</b>	<b>-325,332</b>	<b>-287,987</b>	<b>-22,001</b>	<b>-502,728</b>	<b>-1,326,545</b>	

<sup>1</sup> Repayments to be made in 2024 are included in current liabilities.

<sup>2</sup> In addition to interest expenses, finance costs also include a commitment fee.

<sup>3</sup> The loan from the State Nuclear Waste Management Fund does not have an actual date of maturity, and therefore it is presented as a loan with a loan term of over 5 years. According to the section 52 of the Nuclear Energy Act Teollisuuden Voima Oyj is entitled to borrow from State Nuclear Waste Management Fund against securing guarantees the amount which can be a maximum of 60 per cent of the latest confirmed TVO's share in the Fund. TVO has borrowed this amount from the Fund and has granted a loan with the corresponding amount to Pohjolan Voima. The loan is renewed with three years intervals, next time in March, 2026 and the State Nuclear Waste Management Fund is entitled to ask securing collateral for the loan.

<sup>4</sup> Lease liabilities according to IFRS 16 included.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

## Market risk

### Interest Rate Risk

Changes in interest rates and margins on the interest-bearing receivables and liabilities create an interest rate risk. The objective of the interest rate risk management in Pohjolan Voima, is to protect the Group against the increase of interest expenses caused by the increase in the reference interest rates. In accordance with the financing policy of the Group, the interest rate risk is monitored by means of duration of the loan portfolio for each series of shares. The monitoring based on the share series level is based on the fact that ownership of subsidiaries is based on share series, and decision making for the interest risk hedging is made on a company level. The duration of the loan portfolios of the parent company and subsidiaries are set at the level where the electricity price sensitivity to changes in interest rates is on an acceptable level, considering the individual risk-bearing capacity of each series of shares. Interest derivatives are used in the management of the duration.

Variable rate borrowings amounted to 87% (77%) of the Group's total borrowings. Interest rate swaps currently in place cover approximately 27% (24%) of the variable loan principal outstanding. The fixed interest rates of the interest rate swaps range between 0.22% and 3.29% (0.22% and 3.29%).

As per 31 December 2024 the increase or decrease of one percentage point in the interest rate would affect the result of the year by approximately +€3.31/-€3.30 (+€4.5/-€4.8 in 2023) million. The impact includes, in addition to the change of interest expense and income, the change in the fair value of interest hedging instruments. The simulation calculates the effect of a one percentage point change for all liabilities with variable interest rates, as well as for interest income and expenses of receivables from the next interest fixing date until the end of the financial year. The financing structure is assumed to be unchanged, and the short-term loans maturing during the financial year are assumed to be prolonged until the end of the year by using the new interest rate.

### Currency Risk

Both short-term and long-term loans are mainly denominated in euros. Other than the euro-denominated borrowings are hedged latest at the time when the loan is drawn. All Pohjolan Voima Group's loans were euro-denominated in 2024 and 2023.

### Credit risk

Credit or counterparty risk arises from the possibility that a customer or a financial counterparty does not fulfil its commitments. Commercial trade receivables, investments, and receivables based on derivative financial instruments expose the company to credit risk. When counterparty banks are selected, only banks with high credit ratings qualify. Derivative financial agreements are entered into only with leading banks and financial institutions. All counterparties are monitored for their payment behaviour and credit worthiness. Pohjolan Voima recognised the impairment of €32 thousand on trade receivables during the reporting period (2023: €24 thousand). Pohjolan Voima sells electricity and heat to its shareholders. Pohjolan Voima operates based on cost price according to its Articles of Association (Mankala principle), which decreases the credit risk related to the trade receivables significantly. There are no significant trade receivables past due in the Group.

Pohjolan Voima supplies electricity and heat only to its shareholders, who, according to the Articles of Association, are obliged to pay variable and fixed costs of the energy delivered. Accounts receivable relating to energy delivery has not faced any credit losses in the past and no impairment is expected. Other accounts receivable are immaterial, and credit losses on them extraordinary. Loan receivables are shareholder loan granted to Teollisuuden Voima Oyj, the joint venture, and on the basis of the assessment made by the Group do not carry any impairment risk.

## Capital risk management

Capital is defined as the equity attributable to the owners of the parent company, consisting of share capital, share premium, reserve for invested non-restricted equity, revaluation reserve, retained earnings, and equity loans, as well as the equity attributable to the non-controlling interest. There are no external capital requirements it needs to adhere to.

Sufficient equity-based financing in the Group enables use of diversified financing types from different sources. There is a moderate variation of the equity to assets ratio of the Group, depending on the investment cycles. Shareholders of each series of shares, according to their proportionate ownership, are responsible for the equity share of the investments.

Pohjolan Voima follows the equity on assets ratio, which is presented below.

	2024	2023
Equity on assets ratio (%) (IFRS, Group) *	44	45
	= 100 x	Shareholders' equity Balance sheet total

\* Equity on assets ratio%

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

## 4 Restatement of previous period errors

Pohjolan Voima Oyj restated Consolidated Financial Statements for 2023 and for 2024 half-year financial report. The restatement is due to the restatement in the joint venture Teollisuuden Voima Oyj's (TVO) profit that has an impact on profit for the period in Pohjolan Voima's consolidated financial statement and half-year financial report. TVO's restatement is due to the correction of hedge accounting of fair values related to certain interest rate swaps. TVO issued a stock exchange release on the matter on 20 December 2024.

TVO Group has applied hedge accounting of cash flows to interest rate swaps by recording fair values in the statement of comprehensive income, as well as in equity. The application of hedge accounting to hedging subordinated share-holder loans (hybrid equity) does not meet the criteria specified in IFRS for the application of hedge accounting to consolidated financial statements, as interest payments on subordinated shareholder loans have no effect on the Group's income. The correct practice is to recognise changes in the fair value of interest rate swaps related to subordinated shareholder loans to finance income and expenses in the profit and loss account.

The impact of restatement in Pohjolan Voima is on the share of profit of associates and joint ventures, as well as on the consolidated statement of comprehensive income statement in cash flow hedging, the revaluation reserve, and retained earnings in the balance sheet. The restatement has been made by adjusting each line of financial statements affected by the change. The restatement has no effect on the total equity or cash flow. In the financial statement of 2024, the opening balances for financial years 2023 and 2024 are adjusted for the revaluation reserve and the retained earnings.

### Consolidated statement

1,000 €	1 Jan–31 Dec 2023	Restatement	Restated 1 Jan–31 Dec 2023
Share of (loss)/profit of associates and joint ventures	73,425	-34,015	39,410
<b>Operating profit or loss</b>	<b>120,462</b>	<b>-34,015</b>	<b>86,447</b>
<b>Profit for the year</b>	<b>99,581</b>	<b>-34,015</b>	<b>65,566</b>
Owners of the parent	99,965	-34,015	65,950
Non-controlling interest	-384		-384

### Consolidated statement of comprehensive income

1,000 €	1 Jan–31 Dec 2023	Restatement	Restated 1 Jan–31 Dec 2023
Profit for the year	99,581	-34,015	65,566
Items, that may be reclassified later to profit or loss			
Share of other comprehensive income of associates			
Cash flow hedging	-52,607	34,015	-18,592
Other comprehensive income for the year	-52,607	34,015	-18,592
<b>Total comprehensive income for the year</b>	<b>46,974</b>		<b>46,974</b>

## Consolidated balance sheet

1,000 €	31 Dec 2023	Restatement	Restated 31 Dec 2023	1 Jan 2023	Restatement	Restated 1 Jan 2023
<b>Equity</b>						
Share capital	54,962		54,962	54,962		54,962
Share premium	203,865		203,865	203,865		203,865
Reserve for invested non-restricted equity	311,176		311,176	311,176		311,176
Revaluation reserve	81,463	-69,666	11,797	134,070	-103,681	30,389
Subordinated shareholders loans (hybrid equity)	90,347		90,347	90,347		90,347
Retained earnings	157,095	103,681	260,776	161,243	103,681	264,924
Profit for the year	99,965	-34,015	65,950			
Non-controlling interests	42,541		42,541	38,470		38,470
<b>Total equity</b>	<b>1,041,414</b>		<b>1,041,414</b>	<b>994,133</b>		<b>994,133</b>

## Consolidated statement of cash flows

1,000 €	1 Jan–31 Dec 2023	Restatement	Restated 1 Jan–31 Dec 2023
<b>Cash flows from operating activities</b>			
Profit for the year	99,581	-34,015	65,566
Adjustments to the profit for the year	-18,810	34,015	15,205
Change in net working capital	-43,703		-43,703
Interest paid and other financial expenses	-28,871		-28,871
Interest received	27,921		27,921
<b>Net cash generated from operating activities</b>	<b>36,118</b>		<b>36,118</b>

## 5 Segment information

The Group has four reportable segments: hydropower, thermal power, nuclear power, and other operations.

The electricity of the hydropower segment is produced at eight hydro power plants owned by PVO-Vesivoima Oy. In addition, the shareholdings in Torniolaakson Voima Oy, Länsi-Suomen Voima Oy, and Voimalohi Oy belong to the hydropower segment.

The electricity and heat of the thermal power segment is produced at the power plants of Kaukaan Voima Oy, Kymin Voima Oy, Porin Prosessivoima Oy, and Rauman Biovoima Oy. In addition, the shareholdings in the associate Oy Alholmens Kraft Ab and Laanilan Voima Oy, which has no business operation, belong to the thermal power segment.

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

The other operations cover the Group functions of the parent company Pohjolan Voima Oyj, as well as the service companies PVO Power Management Oy and PVO Power Services Oy. The operations of PVO-Lämpövoima Oy are presented as discontinued operations.

The Group discloses sales, depreciation, amortisation and impairment, finance income and costs, the profit or loss for the year, and assets and liabilities by business segments, which the chief operation decision-maker follows. Group's liabilities are allocated to segments based on the usage of segment's assets in order to allocate financial costs to various production types. The Group company that has withdrawn the liability bears the legal responsibility on the liabilities.

POHJOLAN VOIMA  
FINANCIAL STATEMENTS 2024

CORPORATE GOVERNANCE

Corporate Governance Statement 2024

DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

2024

Income statement	Hydropower	Thermal power	Nuclear power	Other	Total	Discontinued operations
Sales, external	27,629	183,524	564,453	58,597	834,203	
Sales, inter-segment	9,389	90,226		60,318	159,933	
Elimination					-159,933	
<b>Sales total</b>	<b>37,018</b>	<b>273,750</b>	<b>564,453</b>	<b>118,915</b>	<b>834,203</b>	<b>0</b>
Depreciation, amortisation and impairment	-5,297	-25,604		-613	-31,514	
Share of (loss)/profit of associates and joint ventures	-118	-190	22,027		21,719	
<b>Operating profit or loss</b>	<b>4,849</b>	<b>1,155</b>	<b>22,027</b>	<b>24,712</b>	<b>52,743</b>	<b>665</b>
Finance income and costs	-3,606	-3,569	-13,838	259	-20,754	246
Income taxes		-15		-2,174	-2,189	-175
<b>Profit/loss for the year from continuing and discontinued operations</b>	<b>1,243</b>	<b>-2,429</b>	<b>8,189</b>	<b>22,797</b>	<b>29,800</b>	<b>736</b>

Income statement	Hydropower	Thermal power	Nuclear power	Other	Total
<b>Assets</b>					
<b>Non-current assets</b>	<b>429,469</b>	<b>224,349</b>	<b>1,371,412</b>	<b>27,582</b>	<b>2,052,812</b>
Other non-current assets					4,960
<b>Non-current assets total</b>					<b>2,057,772</b>
<b>Current assets</b>	<b>14,208</b>	<b>75,461</b>	<b>0</b>	<b>134,972</b>	<b>224,641</b>
Elimination					-16,441
Other current assets					62
<b>Current assets total</b>					<b>208,262</b>
<b>Total assets</b>	<b>443,677</b>	<b>299,810</b>	<b>1,371,412</b>	<b>162,554</b>	<b>2,266,034</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current liabilities	145,313	113,972	782,581	28,030	1,069,896
Other non-current liabilities					2,309
<b>Non-current liabilities total</b>					<b>1,072,205</b>
<b>Current liabilities</b>					
Current liabilities	3,074	42,133	0	157,692	202,899
Elimination					-16,441
<b>Current liabilities total</b>					<b>186,458</b>
<b>Total liabilities</b>	<b>148,387</b>	<b>156,105</b>	<b>782,581</b>	<b>185,722</b>	<b>1,258,663</b>

2023

Income statement	Hydropower	Thermal power	Nuclear power	Other	Total	Discontinued operations
Sales, external	29,781	184,006	548,879	81,362	844,028	-35
Sales, inter-segment	7,311	96,596		66,542	170,449	4,062
Elimination					-174,511	
<b>Sales total</b>	<b>37,092</b>	<b>280,602</b>	<b>548,879</b>	<b>147,904</b>	<b>839,966</b>	<b>4,027</b>
Depreciation, amortisation and impairment	-5,230	-25,369		-506	-31,105	
Share of (loss)/profit of associates and joint ventures	-68	736	38,742		39,410	
<b>Operating profit or loss</b>	<b>6,016</b>	<b>2,400</b>	<b>38,742</b>	<b>39,289</b>	<b>86,447</b>	<b>3,954</b>
Finance income and costs	-2,867	-3,221	-8,796	-3,870	-18,754	115
Income taxes				-5,901	-5,901	-295
<b>Profit/loss for the year from continuing and discontinued operations</b>	<b>3,149</b>	<b>-821</b>	<b>29,946</b>	<b>29,518</b>	<b>61,792</b>	<b>3,774</b>

Income statement	Hydropower	Thermal power	Nuclear power	Other	Total
<b>Assets</b>					
<b>Non-current assets</b>	<b>430,897</b>	<b>230,683</b>	<b>1,356,262</b>	<b>41,174</b>	<b>2,059,016</b>
Other non-current assets					6,601
<b>Non-current assets total</b>					<b>2,065,617</b>
<b>Current assets</b>	<b>11,375</b>	<b>87,398</b>	<b>0</b>	<b>172,717</b>	<b>271,490</b>
Elimination					-21,056
Other current assets					2,000
<b>Current assets total</b>					<b>252,434</b>
<b>Total assets</b>	<b>442,272</b>	<b>318,081</b>	<b>1,356,262</b>	<b>213,891</b>	<b>2,318,051</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current liabilities	145,326	118,468	782,581	3,389	1,049,764
Other non-current liabilities					1,299
<b>Non-current liabilities total</b>					<b>1,051,063</b>
<b>Current liabilities</b>					
Current liabilities	2,899	44,215	0	199,516	246,630
Elimination					-21,056
<b>Current liabilities total</b>					<b>225,574</b>
<b>Total liabilities</b>	<b>148,225</b>	<b>162,683</b>	<b>782,581</b>	<b>202,905</b>	<b>1,276,637</b>

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**6 Notes to the statement of cash flows**

Adjustments to profit or loss for the year (1,000 €)	2024	2023
Depreciation, amortisation and impairment	31,514	31,105
Increase/decrease in fair value of derivatives	5,280	6,284
Income taxes	2,365	6,195
Gains (+) or losses (-) from disposal of non-current assets	-3	-1,324
Finance costs - net	15,227	12,355
Share of (loss)/profit of associates and joint ventures	-21,719	-39,410
Total	32,664	15,205

Change in net working capital	2024	2023
Increase (-) or decrease (+) in non-interest-bearing receivables	38,012	-52,611
Increase (-) or decrease (+) in inventories	-6,035	-639
Increase (+) or decrease (-) in current non-interest-bearing liabilities	-2,119	9,633
Change in provisions	47	-86
Total	29,905	-43,703

**7 Sales**

1,000 €	2024	2023
Sales of electricity produced	665,454	624,781
Sales of heat produced	133,369	132,944
Sales of purchased electricity	22,578	27,959
Other sales	12,803	54,282
Total	834,203	839,966

Electricity delivered to shareholders (GWh)		
Electricity produced	16,053	17,037
Heat produced	2,477	2,880
Purchased electricity	331	580

PVO's electricity purchases are determined by the electricity required by the shareholders. In 2024, Pohjolan Voima Group's total electricity purchases from continuing operations were 16.4 (17.6) TWh. The Group's electricity generation accounted for 16.1 (17.0) TWh, of which the parent company delivered to its shareholders 15.7 (16.7) TWh. Subsidiaries supplied 0.3 (0.4) TWh to other owners. Purchases from continuing operations from the Nordic electricity market, were 0.3 (0.6) TWh and sales were 0.2 (0.5) TWh. Heat deliveries were 2.5 (2.8) TWh.

Other sales consist primarily of sales of emission allowances as well as management services.

**8 Other operating income**

1,000 €	2024	2023
Rental income	651	622
Gain on sale of property, plant and equipment	20	518
Other income	336	271
Total	1,007	1,411

**9 Materials and services**

1,000 €	2024	2023
Fuels	96,028	96,431
Change in inventories	-6,044	-515
Materials and services	1,659	2,264
Emissions allowances - carbon dioxide	366	1,018
Energy purchased; Nordic electricity market	49,802	58,077
Energy purchased; Associates and Joint ventures	563,402	539,881
Energy purchased; other	5,604	7,038
External services	5,202	4,775
Total	716,018	708,970

Purchases of fuel consist of peat and biofuel purchases, which are used for electricity and heat production.

Energy purchases from associates and joint ventures include purchases according to the ownership share in Teollisuuden Voima Oyj and Oy Alholmens Kraft Ab.

**10 Personnel expenses**

**Personnel-related expenses**

1,000 €	2024	2023
Wages and salaries	4,501	4,431
Pension expenses - defined contribution	839	832
Other personnel expenses	211	268
Total	5,551	5,530

**Average number of personnel**

	2024	2023
Salaried employees	40	39
Wage-earners	0	1
Total	40	40

**11 Depreciation, amortisation and impairment**

1,000 €	2024	2023
Amortisation of intangible assets		
Intangible rights	90	109
Other intangible assets	426	446
Total	516	555

Depreciation of property, plant and equipment		
Land and water areas	333	311
Buildings and constructions	4,597	4,554
Machinery and equipment	24,352	23,980
Other tangible assets	1,716	1,705
Total	30,998	30,551

Depreciation, amortisation and impairment total	31,514	31,105
---	--------	--------

Depreciation include the effect of IFRS 16 implementation on asset retirement obligations.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

■ **12 Other operating expenses**

<b>1,000 €</b>	<b>2024</b>	<b>2023</b>
Repair, servicing and maintenance services	12,622	13,018
Real estate taxes	6,398	6,125
Rents	104	103
Operation services	15,250	14,630
Other expenses	16,730	14,858
Total	51,103	48,735

**Auditor's fees**

<b>1,000 €</b>	<b>2024</b>	<b>2023</b>
Audit fees	305	212
Tax advisory	-	1
Other services	37	-
Total	342	213

■ **13 Research & development**

Research and development recognised as an expense during the period totalled €43 (€115) thousand in 2024.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**14 Finance income and costs**

1,000 €	2024	2023
Interest income on loans and receivables	36,028	30,969
Finance income total	36,028	30,969
Interest expense on liabilities at amortized costs	49,643	41,131
Derivative financial instruments (hedge accounting is not applied)		
Fair value losses	5,280	6,284
Other finance cost	1,859	2,307
Finance costs total	56,782	49,723
Total finance income and costs	-20,754	-18,754

**15 Income tax**

Pohjolan Voima delivers electricity and heating to its shareholders at cost price. According to the cost-based pricing the Group does not pay any taxes on its energy related operations, therefore the Group does not recognise any deferred tax assets or liabilities on these operations. However, in the parent company there are tax losses carried forward from the uninvoiced costs relating to OL3 that have been incurred during the project period. As the electricity production started in the test production phase, Pohjolan Voima started to invoice the costs incurred from the shareholders. Simultaneously, deferred tax asset was recorded in the parent company, as the tax losses carried forward can be utilised in the coming years. There are no other tax losses carried forward in the Group.

Income tax 1,000 €	2024	2023
Change in deferred tax liability	-2,189	-5,901
Total	-2,189	-5,901

**Income tax reconciliation**

Differences between income taxes recognised in the consolidated income statement and the tax rate in Finland as presented in the following table:

1,000 €	2024	2023
Result before income tax	31,989	67,693
Tax based on Finnish tax rate 20%	-6,398	-13,539
Tax-free income	0	161
Change in the utilization of deferred tax assets	-2,174	-5,901
Share of profits and losses of associates and joint ventures	4,349	7,888
Non-deductible expenses	-15	0
Unrecognised deferred taxes due to cost price principle	2,049	5,490
Income taxes recognised in consolidated income statement	-2,189	-5,901

**Deferred tax asset**

1,000 €	2024	2023
Deferred tax asset	156	2,330

Deferred tax asset is recorded for the parent company's tax losses carried forward that totalled at 31 December 2024, €0.8 (€11.7) million.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**16 Intangible assets**

1,000 €	Emission allowances - carbon dioxide	Intangible rights	Other intangible assets	Total
Cost or valuation at 1.1.2024	1,802	281,645	13,134	296,580
Additions	635			635
Disposals	-1,802			-1,802
Reclassifications		282	1,371	1,653
At 31.12.2024	635	281,927	14,505	297,066
Accumulated amortisation and impairment 1.1.2024	0	1,814	11,098	12,912
Amortisation and impairment, for the period		90	426	516
Accumulated amortisation and impairment 31.12.2024	0	1,904	11,524	13,428
Closing net book amount 31.12.2024	635	280,023	2,980	283,638
Closing net book amount 31.12.2023	1,802	279,831	2,035	283,668

The intangible assets include the right to produce hydro power, totalling €265 million, and the compensation amounting to €14.4 million, paid in 2013, 2014, and 2015 for the water area usage permanent right. The right to produce hydro power and the water area usage permanent right are intangible assets, with indefinite useful lives. Impairment testing for these assets is performed annually.

**Impairment testing**

In impairment testing, discounted cash flows are analysed and the analysis is supplemented by comparing the valuation calculations to other market data. The testing has been done by using value in use method. The testing unit is the hydropower segment. The calculation model includes an estimate of 50 years and the terminal value. The price of electricity is obtained from quotations of derivatives for the first four years, and thereafter, the estimate is based on the market forecasts of various service providers. The discount rate applied is 6.29% and weighted average capital cost has been used in the discount rate calculation. The impairment test has not resulted in any need for impairment, because the future generated cash flows exceed the carrying value of the right to produce hydro power and the water area usage permanent right.

In the sensitivity analysis, the electricity market price change of +/- 5% would change the value of the tested business by approximately +/- €106 million. The change of the weighted average capital cost of +/- 1,0 percentage point would affect approximately -€245/+€351 million. None of the presented negative change would result in impairment of the tested assets.

There is no goodwill included within intangible rights and other intangible assets.

1,000 €	Emission allowances - carbon dioxide	Intangible rights	Other intangible assets	Total
Cost or valuation at 1.1.2023	3,861	281,645	13,768	299,274
Disposals	-2,059		-975	-3,034
Reclassifications			340	340
At 31.12.2023	1,802	281,645	13,134	296,580
Accumulated amortisation and impairment 1.1.2023	0	1,705	11,627	13,332
Disposals			-975	-975
Amortisation and impairment, for the period		109	446	555
Accumulated amortisation and impairment 31.12.2023	0	1,814	11,098	12,912
Closing net book amount 31.12.2023	1,802	279,831	2,035	283,668
Closing net book amount 31.12.2022	3,861	279,940	2,141	285,942



**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

■ **17 Property, plant and equipment**

1,000 €	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Prepayments	Total
Cost or valuation at 1.1.2024	41,644	129,238	655,120	69,733	6,213	901,949
Additions	2,741	146	10,766	119	11,048	24,820
Disposals	-205	-151	-171		-191	-718
Reclassifications		2,177	7,207		-11,037	-1,653
Cost or valuation 31.12.2024	44,180	131,410	672,922	69,852	6,033	924,398
Accumulated depreciation and impairment 1.1.2024	1,637	73,870	459,756	42,805	191	578,259
Disposals and reclassifications	-27	-95	-171		-191	-484
Depreciation and impairment for the period	333	4,597	24,352	1,716		30,998
Accumulated depreciation and impairment 31.12.2024	1,943	78,372	483,937	44,521	0	608,773
Net book amount 31.12.2024	42,237	53,038	188,986	25,331	6,033	315,625
Net book amount 31.12.2023	40,007	55,368	195,365	26,928	6,022	323,690

1,000 €	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Prepayments	Total
Cost or valuation at 1.1.2023	40,935	125,365	658,065	81,002	6,529	911,897
Additions	709	68	358		7,878	9,012
Disposals		-1,174	-5,914	-11,533		-18,621
Reclassifications		4,978	2,611	264	-8,194	-340
Cost or valuation 31.12.2023	41,644	129,238	655,120	69,733	6,213	901,949
Accumulated depreciation and impairment 1.1.2023	1,326	70,489	441,690	52,633	191	566,329
Disposals and reclassifications		-1,174	-5,914	-11,533		-18,621
Depreciation and impairment for the period	311	4,554	23,980	1,705		30,551
Accumulated depreciation and impairment 31.12.2023	1,637	73,870	459,756	42,805	191	578,259
Net book amount 31.12.2023	40,007	55,368	195,365	26,928	6,022	323,690
Net book amount 31.12.2022	39,609	54,876	216,376	28,368	6,338	345,568

In 2024 and 2023, the cost estimate of one landfill was revised.  
Management has assessed that no indications of impairment exists.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Borrowing costs included in the cost of property, plant and equipment:**

1,000 €	Buildings and constructions	Machinery and equipment	Other tangible assets	Total
Cost or valuation at 1.1.2024	460	14,743	111	15,314
Cost or valuation at 31.12.2024	460	14,743	111	15,314
Accumulated depreciation and impairment 1.1.2024	381	10,096	94	10,572
Depreciation and impairment for the period	18	566	5	589
Accumulated depreciation and impairment 31.12.2024	399	10,662	99	11,161
Net book amount 31.12.2024	61	4,080	12	4,153
Net book amount 31.12.2023	79	4,646	17	4,742

1,000 €	Buildings and constructions	Machinery and equipment	Other tangible assets	Total
Cost or valuation at 1.1.2023	460	14,743	111	15,314
Cost or valuation at 31.12.2023	460	14,743	111	15,314
Accumulated depreciation and impairment 1.1.2023	363	9,529	90	9,983
Depreciation and impairment for the period	18	567	4	589
Accumulated depreciation and impairment 31.12.2023	381	10,096	94	10,572
Net book amount 31.12.2023	79	4,646	17	4,742
Net book amount 31.12.2022	97	5,213	21	5,331

The borrowing costs related to the construction of power plants are capitalized as part of the acquisition cost of the asset and depreciated over the useful life of the asset.

**18 Leases**

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, adjusted mainly for lease payments made at or before the commencement date. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease term applied corresponds to the non-cancellable period, except in cases where the Group is reasonably certain to exercise renewal option of prolonging the contract. Lease liabilities are measured at amortised cost.

The Group has decided to use the exemption not to apply the guidance to leases with terms less than twelve months or to leases for which the underlying asset value is of low value.

**Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

**Depreciation charge of right-of-use assets**

1,000 €	2024	2023
Land and water areas	333	311
Buildings	324	304
Machinery and equipment	11,426	11,264
Other tangible assets	112	108
Total	12,195	11,987
Interest expense (included in finance cost)	4,759	4,369
Expense relating to short-term leases	1	9
Expense relating to leases of low-value assets that are not shown above as short-term leases	30	53

The total cash outflow of leases in 2024 was €15,268 (€13,956) thousand.

**Amounts recognised in the balance sheet**

This note provides information for leases where the Group is a lessee.

The balance sheet shows the following amounts relating to leases:

**Right-of-use assets**

1,000 €	2024	2023
Land and water areas	8,505	6,276
Buildings	938	1,165
Machinery and equipment	86,554	87,263
Other tangible assets	923	916
Total	96,920	95,620
Provisions	2,090	1,905

**Lease liabilities**

Current	16,517	10,393
Non-current	99,893	103,032
Total	116,410	113,425

Additions to the right-of-use assets in 2024 were €13,723 (€1,090) thousand and disposals €397 (€331) thousand. There were no impairment in 2024 and 2023.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**19 Associates and joint ventures**

**Share of (loss)/profit of associates and joint ventures**

1,000 €	2024	2023
Länsi-Suomen Voima Oy	7	23
Oy Alholmens Kraft Ab	-190	861
Tahkoluodon Polttoöljy Oy	-	5
Teollisuuden Voima Oyj	22,027	38,742
Torniolaakson Voima Oy	-114	-94
Vaskiluodon Voima Oy	-	-130
Voimalohi Oy	-11	4
Total	21,719	39,410

Vaskiluodon Voima Oy and Tahkoluodon Polttoöljy Oy have been dissolved in 2023.

**Investments in associates and joint ventures**

1,000 €	2024	2023
At 1 January	852,017	832,060
Additions	180,933	0
Disposals	0	-861
Share of profit	21,719	39,410
Other comprehensive income	-6,877	-18,592
At 31 December	1,047,792	852,017

Teollisuuden Voima converted, in November 2024, shareholder loans of €180.7 million into Reserve for invested non-restricted equity, and accordingly €180.7 million of loan receivables were reclassified in shareholdings in Pohjolan Voima.

**Associates and Joint Ventures**

Company, domicile	Interest held %		Book value 1,000€	
	2024	2023	2024	2023
<b>Associates</b>				
Oy Alholmens Kraft Ab, Pietarsaari	49.90%	49.90%	19,627	19,817
Länsi-Suomen Voima Oy, Harjavalta	19.90%	19.90%	33,775	33,768
Torniolaakson Voima Oy, Ylitornio	50.00%	50.00%	1,788	1,664
			55,190	55,249
<b>Joint Ventures</b>				
Teollisuuden Voima Oyj, Helsinki	58.50%	58.50%	992,375	796,530
Voimalohi Oy, Kemi	50.00%	50.00%	227	238
			992,602	796,768
Associates and joint ventures total			1,047,792	852,017

Pohjolan Voima accounts for Teollisuuden Voima Oyj as a joint venture in the IFRS consolidated financial statements. Pohjolan Voima Oyj owns 58.50% of the share capital of Teollisuuden Voima Oyj at 31 December 2024 (31 December 2023: 58.50%). Based on the Articles of Association and other company records, which dictate the basis for the decision making and governance of the company, as well as, Pohjolan Voima Oyj's right to appoint board members, the Group has assessed that Teollisuuden Voima Oyj should be accounted for as a joint venture.

Teollisuuden Voima Oyj has investment commitments, totalling €115 (€118) million.

Goodwill on acquisition of Länsi-Suomen Voima Oy is included in the investments in the associates, totalling €28 million as at 31 December 2024 (31 December 2023: €28 million). Impairment testing of the shareholding is performed annually. Länsi-Suomen Voima Oy owns the hydropower plant located in Harjavalta at Kokemäenjoki. Pohjolan Voima has assessed that the fair value of the investment in the associate exceeds its carrying value at 31 December 2024.

Information on the associated companies and joint ventures of the Group, and their aggregate assets and liabilities, revenues, and profit or loss for the year is presented below. All associates and joint ventures are unlisted companies.

1,000 €	Assets	Liabilities	Revenue	Profit/loss (-)
<b>2024</b>				
Oy Alholmens Kraft Ab	56,145	15,960	49,403	-381
Länsi-Suomen Voima Oy	37,298	9,401	5,518	8
Teollisuuden Voima Oyj	9,125,805	6,847,948	897,412	81,633
Torniolaakson Voima Oy	5,524	1,948	1,647	-45
Voimalohi Oy	2,297	1,843	5,377	-3
Total	9,227,069	6,877,100	959,357	81,212

1,000 €	Assets	Liabilities	Revenue	Profit/loss (-)
<b>2023</b>				
Oy Alholmens Kraft Ab	65,036	24,472	46,248	134
Länsi-Suomen Voima Oy	38,561	10,807	6,990	4
Teollisuuden Voima Oyj	9,228,576	6,976,616	876,204	105,853
Torniolaakson Voima Oy	6,683	3,356	2,166	-31
Voimalohi Oy	1,819	1,342	5,134	0
Total	9,340,675	7,016,594	936,742	105,959

**Related-party transactions - transactions with associates and joint ventures**

1,000 €	2024	2023
Sales to associates and joint ventures	-4,091	1,534
Purchases from associates and joint ventures	562,225	582,515
Receivables from associates and joint ventures	457,616	647,671
Liabilities to associates and joint ventures	383,281	377,606
	<b>2024</b>	<b>2023</b>
Personnel employed by associates and joint ventures in average	1,153	1,117

**Summary of the financial information on joint ventures**

Teollisuuden Voima Oyj is the most significant joint venture of Pohjolan Voima. Teollisuuden Voima Oyj is a public limited company, the shares of which do not have a quoted market price. Teollisuuden Voima is consolidated in the Group's financial statements using the equity method.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

Summary of the balance sheet	TV0 Group 2024	TV0 Group 2023
<b>Current</b>		
Cash and cash equivalents	313,121	287,684
Other current assets	702,351	586,460
Current assets in total	1,015,472	874,144
Financial liabilities (excl. trade payables)	-602,132	-444,665
Other current liabilities (incl. trade payables)	-171,293	-216,945
Current liabilities in total	-773,425	-661,610

Non-current	TV0 Group 2024	TV0 Group 2023
<b>Assets</b>		
Assets	8,110,333	8,354,432
Financial liabilities	-6,074,523	-6,315,006
Non-current liabilities in total	-6,074,523	-6,315,006
<b>Net assets</b>	<b>2,277,857</b>	<b>2,251,960</b>

Summary of the statement of comprehensive income	2024	2023
<b>Sales</b>	897,412	876,204
Depreciation	-250,570	-178,674
Finance income	147,525	76,445
Finance costs	-227,269	-220,569
<b>Profit/loss from continuing operations before income tax</b>	81,633	105,866
Income tax expense	0	-13
<b>Profit/loss from continuing operations after income tax</b>	81,633	105,853
Other comprehensive income	-11,756	-31,782
<b>Profit/loss from continuing operations</b>	<b>69,877</b>	<b>74,071</b>

Summary of the financial information	2024	2023
Net assets at 1 January	2,251,960	2,217,517
Profit/loss for the year	69,877	74,071
The change and interest of subordinated shareholder loans	-43,980	-39,628
<b>Net assets at the end of the period</b>	<b>2,277,857</b>	<b>2,251,960</b>
Group ownership %	58.50%	58.50%
Group ownership share	1,332,546	1,317,397
Subordinated shareholder loans	-368,141	-543,641
IFRS-entries relating to the valuation	27,969	22,774
<b>Book value</b>	<b>992,375</b>	<b>796,530</b>

■ **20 Other financial assets**

1,000 €	2024	2023
Investments in non-listed securities	680	695
<b>Total</b>	<b>680</b>	<b>695</b>

Other financial assets consist mainly of vacation cottage and golf shares used by personnel, totalling €0.7 (€0.7) million.

■ **21 Loans and other receivables**

**Non-current loans and other receivables**

1,000 €	2024	2023
Loans to associates and joint ventures	379,038	559,733
Derivative financial instruments	4,960	6,601
Other non-current receivables	25,884	36,883
Interest income accrued for	1,377	4,358
<b>Total</b>	<b>411,258</b>	<b>607,575</b>

Loans to associates and joint ventures include a loan receivable from Teollisuuden Voima Oyj of €379 (€559.7) million. TV0 converted, in November 2024, shareholder loans of €180.7 million into Reserve for invested non-restricted equity, and accordingly €180.7 million of loan receivables were reclassified in shareholdings in Pohjolan Voima. There is no material credit risk related to the non-current loans and other receivables.

**Trade and other receivables**

1,000 €	2024	2023
Trade receivables	66,809	110,523
Prepayments and accrued income	54,874	48,041
Derivative financial instruments	62	2,000
Other current receivables	1,217	3,135
<b>Total</b>	<b>122,961</b>	<b>163,698</b>

Carrying values of trade receivables and other receivables approximates their fair value.

**Prepayments and accrued income**

1,000 €	2024	2023
Prepayments, energy purchases	49,488	40,174
Indirect taxes	833	826
Other	4,553	7,041
<b>Total</b>	<b>54,874</b>	<b>48,041</b>

The Group recorded credit losses of €32 (€24) thousand in 2024 on trade receivables or other receivables. The Group had no material outstanding receivables as per 31 December 2024. Therefore, the aging of trade receivables is not presented.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**22 Short-term deposits, cash and cash equivalents**

**Cash and cash equivalents**

1,000 €	2024	2023
Cash at bank and on hand	63,619	70,109
Total	63,619	70,109

Cash and cash equivalents comprise of cash on hand, bank deposits, and other short-term (up to three months) liquid investments.

**23 Inventories**

1,000 €	2024	2023
Fuels		
Coal	736	729
Other fuels	19,469	13,440
Prepayments	100	100
Total	20,305	14,269

No inventory impairment was recorded from continued nor discontinued operations (2023: not recorded) in 2024.

**24 Discontinued operations and assets held for sale**

**Discontinued operations**

1,000 €	2024	2023
Income	250	5,228
Costs	662	-1,159
Profit before income tax	912	4,069
Income tax	-176	-295
Profit from discontinued operations	736	3,774

**Cash flow from discontinued operations**

1,000 €	2024	2023
Cash flows from operating activities	4,631	-2,535
Cash flows from investing activities	0	959
Cash flows total	4,631	-1,576

Board of Directors of PVO-Lämpövoima Oy decided on 27 October 2015 to propose that the electricity production of condensing power plants in Kristiinankaupunki and Pori Tahkoluoto will be terminated. Pohjolan Voima's extraordinary shareholders' meeting approved the decision on 13 November 2015. PVO-Lämpövoima's operations are presented in the financial statement 2015–2024 as discontinued operations. The company is in liquidation.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**25 Equity**

According to the articles of association, PVO supplies energy to its shareholders at cost, i.e., delivers energy it has produced or acquired to each shareholder according to their proportionate ownership in each series of shares. Shareholders are, according to their proportionate ownership in each series of shares, responsible for the fixed costs for the underlying shares, regardless of whether the power or energy share is used or not. Variable costs, on the other hand, are invoiced to the shareholders based on the share of the energy delivered.

**Reconciliation of the number of shares:**

1,000 €	Number of shares	Share capital	Share premium	Revaluation reserve	Reserve for invested non-restricted equity	Subordinated shareholders loans (hybrid equity)	Retained earnings	Total
1 Jan 2023	32,295,513	54,962	203,865	30,389	311,176	90,347	264,924	955,663
Interest paid of subordinated shareholders loans (hybrid equity)							-4,148	-4,148
Other comprehensive income				-18,592			65,950	47,358
31 Dec 2023	32,295,513	54,962	203,865	11,797	311,176	90,347	326,726	998,873
Interest paid of subordinated shareholders loans (hybrid equity)							-4,837	-4,837
Dividend distribution							-21,050	-21,050
Refund of equity					-9,656			-9,656
Acquisition and annulment of own shares	-1,713,728	-5,286	-12,273					-17,559
Other comprehensive income				-6,877			30,856	23,979
<b>31 Dec 2024</b>	<b>30,581,785</b>	<b>49,676</b>	<b>191,592</b>	<b>4,920</b>	<b>301,520</b>	<b>90,347</b>	<b>331,695</b>	<b>969,750</b>

Pohjolan Voima Oyj restated financial data in Consolidated Financial Statements for 2023. The restatement is due to the restatement in the joint venture Teollisuuden Voima Oyj's (TVO) profit, which impacts on the profit for the period, and on the consolidated statement of comprehensive income statement in cash flow hedging and on the balance sheet in the revaluation reserve and retained earnings in Pohjolan Voima's Consolidated Financial Statements. Please see Note 4 for more information.

**Shares**

The number of shares at 31 December 2024 was 30,581,785. The shares have no nominal value. All issued shares are fully paid.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**The company has 13 registered series of shares**

Share capital by share category	Number	1,000 €
Series A: - entitling the holder to obtain energy produced or purchased by PVO-Vesivoima Oy	13,350,077	22,453
Series B: - entitling the holder to obtain 56.8% of the energy produced or purchased by Teollisuuden Voima Oyj's - Oikiluoto plant 1 and 2	7,124,507	11,983
Series B2: - entitling the holder to obtain 60.2% of the energy produced by Teollisuuden Voima Oyj's Oikiluoto plant 3	5,603,151	9,424
Series C: - entitling the holder to obtain energy produced or purchased by PVO-Lämpövoima Oy	2,224,498	1,983
Series G: - entitling the holder to obtain 49.9% of the energy produced by Oy Alholmens Kraft Ab	354,290	596
Series G2: - entitling the holder to obtain 76.0% of the energy produced by Kymin Voima Oy	238,216	401
Series G4: - entitling the holder to obtain 72.0% of the energy produced by Rauman Voima Oy	296,486	499
Series G5: - entitling the holder to obtain energy produced by Laanilan Voima Oy	155,272	261
Series G6: - entitling the holder to obtain 89.0% of the energy produced by Porin Prosessivoima Oy	646,217	1,087
Series G9: - entitling the holder to obtain 54.0% of the energy produced by Kaukaan Voima Oy	589,071	991
	<b>30,581,785</b>	<b>49,676</b>

There were no share issues subscribed in 2024.

**Other changes in shareholders' equity:**

Pohjolan Voima Oyj's extraordinary general meeting on 28 November 2023 decided to reduce the parent company's share capital by €5.3 million and the premium reserve by €12.3 million, to acquire and annul shares in series C2, M and V, and to amend the articles of association. The share capital and the share premium were reduced, and shares acquired in May 2024 and annulled subsequent to the acquisition. The refund of €9.7 million, from the reserve for invested non-restricted equity relating to M and G9 series of shares, was made in May 2024, based on the unanimous resolution of the shareholders.

**Share premium**

Share premium is recorded under the old Limited Liability Companies Act (29.9.1978/734), and was calculated as the difference between the nominal value of the shares and the subscription price. Share premium is restricted equity under the Limited Liability Companies Act. Share premium may be reduced to cover losses or it can be returned to owners under certain conditions.

**Revaluation reserve**

Derivative instruments used in cash flow hedging and fair value gains or losses on investments available-for-sale are recorded in the revaluation reserve. Fair value changes are transferred to the profit for the year when hedged cash flows realize. Fair value changes in investments available-for-sale are transferred to the profit for the year when the investment is disposed of or when its value has been impaired.

**Invested non-restricted equity**

Subscription prices for shares are recorded in invested non-restricted equity to the extent that they are not, based on an explicit decision, to be recorded as share capital. Furthermore, the reserve includes the portion of the C-series restricted equity decrease.

**Subordinated shareholders loans and option rights**

The Company raised subordinated shareholder loans, totalling of €90,347 thousand as at 27 November 2020. There is no maturity date for the subordinated shareholder loans, but the borrower is entitled to repay the loan in one or several instalments. The Board of Directors of the borrower has the right to decide not to pay interest during any current interest period. Unpaid interest does not accumulate to the following interest periods.

Subordinated shareholder loans are unsecured and in a weaker preference position than promissory notes. Holders of a subordinated loan have no shareholder rights, nor does the bond dilute the ownership of the Company's shareholders.

In connection with the shareholder loan commitments, option rights have also been issued, which entitle holders to convert the shareholder loan receivable into series B2 shares. The option rights issued entitle holders to a maximum 1,613,347 new B2 shares. The subscription price of a new B2 share is €56, and the subscription price can only be paid by offsetting the principal of the shareholder loan receivable that the shareholder has from the Company against the total subscription price of all new B2 shares. The share subscription period started on 1 January 2021 and will last until the repayment of the subordinated shareholder loans. New B2 shares can be subscribed once a year by informing the Company by 31 January at the latest. Further share subscription rights can be used in connection with the loan repayment. Option rights can be sold or otherwise transferred only to a transferee that is a holder of the Company's B2 series shares and a party to the Shareholders' Agreement.

In December 2020, Pohjolan Voima received shareholder loan commitments, totalling €238 million, which expired unused on 31 December 2023. In connection with the shareholder loan commitments, two separate series of option rights were also issued, out of which option rights 1A/2020 entitle holders to the subscription at the cost of €0.01, even though the loan was not drawn. The share subscription period began on 1 January 2023 and will last until 1 June 2026, granting entitlement to up to 3,599,472 pieces of new B2 shares. No option rights were exercised in 2023. New B2 shares can be subscribed by informing the Company. Further share subscription right can be used in connection with the loan repayment. Option rights can be sold or otherwise transferred only to a transferee that is a holder of the Company's B2 series shares and a party to the Shareholders' Agreement.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**26 Provisions**

1,000 €	Environmental provisions	
At 1 January 2024		3,842
Additions		169
Change in accounting estimates		-33
Effect of discounting		114
At 31 December 2024		4,092

1,000 €	2024	2023
Non-current provisions	4,092	3,842
Total	4,092	3,842

**Environmental provisions**

The environmental provisions include provision for the landscaping of power plant landfills. The present value of the landscaping is capitalized as part of the other tangible assets and recorded as a provision. The environmental provision totalled €1.9 million at 31 December 2024, and it is estimated that it will be fully utilised by 2030. During the financial year, one power plant landfill was landscaped. Further provisions include asset retirement obligations amounting to €2.1 million.

In 2024 and 2023, the cost estimate of one landfill was revised.

The discount rate used to determine present value was 3.35%.

**27 Borrowings**

1,000 €	2024	2023
<b>Non-current:</b>		
Borrowings from associates and joint ventures	350,000	350,000
Borrowings from financial institutions	466,000	443,000
Bonds	149,911	149,889
Leases	99,893	103,033
<b>Total</b>	<b>1,065,804</b>	<b>1,045,922</b>

<b>Current:</b>		
Borrowings from financial institutions	2,000	4,250
Other interest-bearing current liabilities	83,522	129,399
Leases	16,517	10,392
Interest expenses accrued for	22,810	17,627
<b>Total</b>	<b>124,849</b>	<b>161,668</b>
<b>Total borrowings</b>	<b>1,190,653</b>	<b>1,207,590</b>

Fair values of non-current and current borrowings are presented in note 30.

Teollisuuden Voima Oyj is obliged to nuclear waste management. The obligation entitles Teollisuuden Voima Oyj to borrow 60% of its holdings in the State Nuclear Waste Management Fund. Teollisuuden Voima Oyj has granted corresponding loans to its shareholders. Pohjolan Voima's share is €350 (€350) million.

**Other non-current liabilities**

1,000 €	2024	2023
Other non-current liabilities		
Derivative financial liabilities		
Interest rate swaps	2,309	1,299
<b>Total</b>	<b>2,309</b>	<b>1,299</b>

Fair values of derivatives are disclosed in note 30.

**Interest-bearing net liabilities**

1,000 €	2024	2023
<b>Interest-bearing liabilities total</b>	<b>1,190,653</b>	<b>1,207,590</b>
<b>Interest-bearing financial assets</b>		
Non-current		
Loan receivables	379,038	559,733
<b>Total</b>	<b>379,038</b>	<b>559,733</b>
Current		
Cash and cash equivalents	63,619	70,109
<b>Total</b>	<b>63,619</b>	<b>70,109</b>
<b>Interest-bearing financial assets total</b>	<b>442,657</b>	<b>629,842</b>
<b>Interest-bearing liabilities net</b>	<b>747,996</b>	<b>577,748</b>



**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**The changes of net liabilities in the cash flow**

1,000 €	Other assets		Liabilities arising from financial activities				Interest expenses accrued for	Total	
	Financial assets, non-current	Financial assets, current	Finance lease, non-current	Finance lease, current	Borrowings, non-current	Borrowings, current			Other liabilities, current
<b>Net liabilities</b>									
<b>1 Jan 2023</b>	559,733	35,544	-112,356	-10,275	-955,351	-4,500	-98,353	-6,097	-591,655
Cash flows		34,565	9,624	-52	12,462	250	-31,046	-11,530	14,273
Changes in leases			-301	-65					-366
<b>Net liabilities</b>									
<b>31 Dec 2023</b>	559,733	70,109	-103,033	-10,392	-942,889	-4,250	-129,399	-17,627	-577,748
Cash flows		-6,490	14,977	-5,353	-23,022	2,250	45,877	-5,183	23,056
The conversion of loan receivables into shareholdings	-180,695								-180,695
Changes in leases			-11,837	-772					-12,609
<b>Net liabilities</b>									
<b>31 Dec 2024</b>	379,038	63,619	-99,893	-16,517	-965,911	-2,000	-83,522	-22,810	-747,996

**28 Trade payables and other current liabilities**

1,000 €	2024	2023
Trade payables	12,001	9,733
Liabilities to associates and joint ventures	17,804	14,693
Accrued expenses	15,768	21,512
Other current liabilities	15,400	16,166
Held emission allowances, Energy Authority	635	1,802
Total	61,609	63,906

Emission allowances are recorded at cost and are presented separately on the balance sheet. The obligation relating to emission allowances are recorded at book value of the held allowances to short-term debt. Allowances and the related obligations are derecognised when they are reported or sold.

**Accrued expenses:**

1,000 €	2024	2023
Accrued personnel expenses	1,606	1,606
Accrued expenses for fuel purchases	7,081	12,123
Accrued expenses for energy purchases	1,860	1,054
Accrued rents	1,718	1,888
Interest liabilities	1,119	850
Other	2,383	3,991
Total	15,768	21,512

**29 Derivative financial instruments**

**Fair value of derivative financial instruments**

1,000 €	2024	2024	Total
	Positive fair values	Negative fair values	
Interest rate swaps	5,021	-2,309	2,712
Total	5,021	-2,309	2,712

1,000 €	2023	2023	Total
	Positive fair values	Negative fair values	
Interest rate swaps	8,601	-1,299	7,302
Total	8,601	-1,299	7,302

**Nominal value of derivative financial instruments**

1,000 €	2024	2023
Interest rate swaps	270,000	250,000

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

■ **30 Financial assets and liabilities by category and fair value hierarchy**

1,000 €	31 Dec 2024	Fair value through profit and loss	Financial liabilities carried at amortised cost	Carrying value	Fair value, if deviates from carrying value	Note	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>									
Other financial assets		680		680		20			680
Loan receivables			379,038	379,038		21			
Derivative financial instruments		4,960		4,960		21		4,960	
Other receivables			25,884	25,884		21			
Interest income accrued for			1,377	1,377		21			
		5,640	406,298	411,938				4,960	680
<b>Current financial assets</b>									
Cash and cash equivalents			63,619	63,619		22			
Derivative financial instruments		62		62		21		62	
Trade and other receivables			68,026	68,026		21			
Prepayments and accrued income			54,874	54,874		21			
		62	186,518	186,580				62	
<b>Total</b>		<b>5,701</b>	<b>592,816</b>	<b>598,518</b>				<b>5,021</b>	<b>680</b>
<b>Non-current financial liabilities</b>									
Borrowings from associates and joint ventures			350,000	350,000		27			
Borrowings			466,000	466,000		27			
Bonds			149,911	149,911	155,397	27	155,397		
Derivative financial instruments		2,309		2,309		27		2,309	
Lease liabilities			99,893	99,893		27			
		2,309	1,065,804	1,068,113	155,397		155,397	2,309	
<b>Current financial liabilities</b>									
Loans and commercial papers			85,522	85,522		27			
Trade payables			12,001	12,001		28			
Other current liabilities			33,840	33,840		28			
Accrued expenses			15,768	15,768		28			
Lease liabilities			16,517	16,517		27			
Interest expenses accrued for			22,810	22,810		27			
			186,458	186,458					
<b>Total</b>		<b>2,309</b>	<b>1,252,262</b>	<b>1,254,571</b>	<b>155,397</b>		<b>155,397</b>	<b>2,309</b>	

The fair values of financial assets and liabilities approximate carrying values, except for bonds that are listed at Nasdaq Helsinki.

As at 31 December 2024 the amount of offsetting derivative instruments included in the financial assets and financial liabilities in the Group was €2.7 (€7.3) million.

	Gross amounts recognised in the balance sheet	Net amount
Derivative contracts 2024	2,712	2,712
Derivative contracts 2023	7,302	7,302

POHJOLAN VOIMA  
FINANCIAL STATEMENTS 2024

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

1,000 €	31 Dec 2023	Fair value through profit and loss	Financial liabilities carried at amortised cost	Carrying value	Fair value, if deviates from carrying value	Note	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>									
Other financial assets		695		695		20			695
Loan receivables			559,733	559,733		21			
Derivative financial instruments		6,601		6,601		21		6,601	
Other receivables			36,883	36,883		21			
Interest income accrued for			4,358	4,358		21			
		7,296	600,974	608,270				6,601	695
<b>Current financial assets</b>									
Cash and cash equivalents			70,109	70,109		22			
Derivative financial instruments		2,000		2,000		21		2,000	
Trade and other receivables			113,657	113,657		21			
Prepayments and accrued income			48,041	48,041		21			
		2,000	231,807	233,807				2,000	
<b>Total</b>		<b>9,296</b>	<b>832,781</b>	<b>842,077</b>				<b>8,601</b>	<b>695</b>
<b>Non-current financial liabilities</b>									
Borrowings from associates and joint ventures			350,000	350,000		27			
Borrowings			443,000	443,000		27			
Bonds			149,889	149,889	145,808	27	145,808		
Derivative financial instruments		1,299		1,299		27		1,299	
Lease liabilities			103,033	103,033		27			
		1,299	1,045,922	1,047,221	145,808		145,808	1,299	
<b>Current financial liabilities</b>									
Loans and commercial papers			133,649	133,649		27			
Trade payables			9,733	9,733		28			
Other current liabilities			32,661	32,661		28			
Accrued expenses			21,512	21,512		28			
Lease liabilities			10,392	10,392		27			
Interest expenses accrued for			17,627	17,627		27			
			225,574	225,574					
<b>Total</b>		<b>1,299</b>	<b>1,271,496</b>	<b>1,272,795</b>	<b>145,808</b>		<b>145,808</b>	<b>1,299</b>	

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Financial assets and liabilities by measurement categories**

Financial instruments that are measured at fair value in the balance sheet are presented according to fair value measurement hierarchy:

Level 1: quoted prices in active markets for identical assets of liabilities. The bond with a nominal value of €150 million, issued in June 2024, was listed to Nasdaq Helsinki. The bond was classified at level 1 as at 31 December 2024. The fair value corresponds with the quotation.

Level 2: inputs other than quoted price included within level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: inputs for the assets or liability that are not based on observable market data.

Derivative financial instruments are initially recognized at fair value and subsequently measured at fair value at the closing date. The fair values reflect the prices, which the Group would have to pay or would receive, if it called a derivatives contract. Fair value of interest rate swaps is determined using a discounted cash flow method, applying market rates prevailing at the closing date as the discount rate, which were 2.61% (3.86%) (level 2). Fair values of forward foreign exchange contracts and swaps are determined using quoted forward rates from contracts with similar duration. The Group does not apply hedge accounting, according to IFRS 9, so the changes in fair values of derivative instruments are recorded in the statement of comprehensive income.

The Group owns unlisted shares the market value of which is not reliably available. The fair value is determined by methods based on management's judgement (level 3).

**31 Contingent liabilities and assets and purchase commitments**

1,000 €	2024	2023
<b>On behalf of own loans</b>		
Other contingent liabilities	140,394	140,829
<b>On behalf of associated companies and joint ventures</b>		
Guarantees	25	26
Guarantee according to Nuclear Energy Act	354,361	331,436
<b>Total</b>	<b>494,780</b>	<b>472,291</b>

Other liabilities consist mainly of the parent company's loan guarantees, bank guarantees for electricity trading, and for environmental permits

**Guarantee under the Nuclear Energy Act**

According to the Finnish Nuclear Energy Act, Teollisuuden Voima, a joint venture of which Pohjolan Voima owns 58.5%, is obliged to fund the decommissioning of nuclear power plants and final disposal of spent nuclear fuel through the Finnish State Nuclear Waste Management Fund.

The amount of the contingent liability is determined by the administrative authority (Ministry of Employment and Economy) based on the Nuclear Energy Act. The directly enforceable guarantees relating to Nuclear waste management, given by the shareholders of Teollisuuden Voima Oyj, cover the uncovered portion of nuclear waste management liability, as well as the liability for any unforeseen expenses of nuclear waste management in accordance with the Nuclear Energy Act. The guarantee is valid for five years and it is annually renewed at the end of June. The directly enforceable guarantee given by Pohjolan Voima is €354.36 (€331.44) million. The amount of the guarantee increased during the financial year as Olkiluoto 3 unit was included in the guarantee.

**Investment commitments**

Pohjolan Voima's subsidiary PVO-Vesivoima Oy has committed to the Melo hydropower plant renovation and to ultracapacitor a total of €6.5 million, out of which €2.1 million were paid at the end of the period. There were no investment commitments in the financial statements 2023.

**Legal proceedings**

There were no legal proceedings ongoing at the end of the financial year.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**32 Emission allowances**

**Carbon Dioxide Emission**

Generally, the Group holds emission allowances covering the annual CO<sub>2</sub> emissions. If the actual emissions exceed allowances held, the company has recognised an expense for emission rights at market price for each ton of emission exceeding its allowances. PVO-Lämpövoima's, which is classified as discontinued operations, emission information is not included the below listed information.

2024	tCO <sub>2</sub>	1,000 €
Allowances received free of charge	47,394	
Combined annual emissions of the plants'	114,396	
Emission allowances held	840,310	
External sales of emission allowances *	0	0
External purchases of emission allowances **	5,410	365,878

2023	tCO <sub>2</sub>	1,000 €
Allowances received free of charge	48,714	
Combined annual emissions of the plants'	135,144	
Emission allowances held	922,650	
External sales of emission allowances *	54,000	5,318
External purchases of emission allowances **	15,000	1,018

\* Emission sales are included in revenue.

\*\* The cost of purchased emission rights are included in materials and services and remaining emission allowances held at the closing date are included the balance sheet as intangible assets.

**33 Group companies**

Company	Production	Country	Ownership (%)	Voting right (%)
Kaukaan Voima Oy	Thermal Power	Finland	54.00	54.00
Kymin Voima Oy	Thermal Power	Finland	76.00	76.00
Laanilan Voima Oy	Thermal Power	Finland	100.00	100.00
Porin Prosessivoima Oy	Thermal Power	Finland	89.04	89.04
PVO-Lämpövoima Oy	Thermal Power	Finland	100.00	100.00
PVO Power Management Oy	Services company	Finland	100.00	100.00
PVO Power Services Oy	Services company	Finland	100.00	100.00
PVO-Vesivoima Oy	Hydropower	Finland	100.00	100.00
Rauman Biovoima Oy	Thermal Power	Finland	71.95	71.95

**List of associated companies and joint ventures**

Associated companies	Registered Office
Oy Alhomens Kraft Ab	Pietarsaari
Länsi-Suomen Voima Oy	Harjavalta
Torniolaakson Voima Oy	Ylitornio

Joint ventures	Registered Office
Teollisuuden Voima Oyj	Helsinki
Voimalohi Oy	Kemi

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

→ Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

## 34 Related-party transactions

The Group's related parties include the parent company, associates, and joint ventures, as well as the largest shareholder, UPM-Kymmene Group. Related parties also include the Board of Directors and the Corporate Executive Team members, for example, the CEO and companies, in which they or their family members has control.

### Transactions with related parties, 1,000 €

Related party transactions relate to normal business operations of Pohjolan Voima. Pohjolan Voima has granted to Teollisuuden Voima Oyj, a joint venture, shareholder loans of €379 (€560) million. Teollisuuden Voima converted in November 2024, shareholder loans of €180.7 million into Reserve for invested non-restricted equity and accordingly €180.7 million of loan receivables were reclassified in shareholdings in Pohjolan Voima. Management has assessed that the loan receivables do not include impairment risk. Teollisuuden Voima has used its right to borrow from State Nuclear Waste Management Fund and further granted a loan of €350 (€350) million to Pohjolan Voima. There is no security given for the loan.

2024	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	-4,091	562,225	457,616	383,281
UPM-Kymmene Group	417,860	95,055	24,938	12,529

2023	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	1,534	582,515	647,671	377,606
UPM-Kymmene Oyj	403,648	88,425	44,217	11,432

### The Board of Directors and the Executive team

Senior management of Pohjolan Voima consists of the board members and the executive management team members, including the President and CEO. The Group has not granted any loans to senior management, and has no business transactions with management, as at 31 December 2024 and 31 December 2023.

### Salaries and benefits of the Board of Directors and the Executive team

1,000 €	2024	2023
Salaries and other short-term employee benefits - board members	457	449
Salaries and other short-term employee benefits - executive team	1,473	1,483
Total	1,930	1,932

No pension benefits were paid to the Board of Directors in 2024 and 2023.

### Salaries and benefits of the CEO

1,000 €	2024	2023
Salaries and other short-term employee benefits	410	444
Statutory pension scheme	67	74
Voluntary pension plan	50	50
Total	527	568

## 35 Breakdown of share ownership and shareholder information

Shareholder	2024 % of shares	2023 % of shares
EPV Energia Oy	5.03%	5.53%
Helen Oy	0.55%	0.62%
Kemira Oyj (incl. Neliapila pension fund)	5.34%	5.09%
Ilmarinen Mutual Pension Insurance Company	1.31%	1.84%
Kokkolan Voima Oy	1.53%	1.82%
Kymppivoima Oy	5.02%	5.95%
Metsä Group (Metsäliitto, Metsä Fibre, Metsä Board Oyj)	3.05%	3.02%
Myllykoski Oyj *)	0.55%	0.64%
Oulun Energia Oy	0.81%	0.91%
Outokumpu Oyj	0.10%	0.10%
Oy Perhonjoki Ab	2.09%	2.22%
City of Pori	1.29%	1.38%
Rautaruukki Oyj	0.10%	0.09%
Stora Enso Oyj	16.14%	15.71%
Suomen Voima Oy	1.47%	1.49%
UPM Energy Oy	49.82%	48.04%
UPM Communication Papers Oy	3.68%	3.48%
Vantaan Energia Oy	0.20%	0.23%
Yara Suomi Oy (incl. pension fund)	1.93%	1.85%
Total	100.00%	100.00%

\*) Myllykoski Oyj is a part UPM-Kymmene Group.

Shareholders by sector	2024 % of shares	2023 % of shares
Forest industry	73.23%	70.89%
Energy companies	16.69%	18.76%
Chemical industry	7.28%	6.95%
Metal industry	0.20%	0.19%
Other	2.60%	3.22%
Total	100.00%	100.00%

## 36 Events after the reporting period

There were no material subsequent events.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

→ Parent company financial statement (FAS)

→ Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

# Parent company financial statement (FAS)

## Income statement

1,000 €	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Revenue	2	741,950	746,489
Other operating income	3	72	617
Materials and services	4	-204,676	-239,703
Personnel expenses	5	-4,035	-4,010
Depreciation, amortisation and impairment	6	-177	-130
Other operating expenses	7	-508,990	-464,014
<b>Operating profit or loss</b>		<b>24,145</b>	<b>39,250</b>
Finance income and costs	8	-13,304	-8,950
<b>Profit or loss before appropriations and taxes</b>		<b>10,841</b>	<b>30,299</b>
<b>Profit or loss for the year</b>		<b>10,841</b>	<b>30,299</b>

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

→ Balance sheet

→ Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Balance sheet**

1,000 €	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9	395	461
Property, plant and equipment	10	157	205
Investments	11		
Holdings in Group undertakings		379,346	384,746
Other investments		1,289,229	1,289,244
<b>Total non-current assets</b>		<b>1,669,127</b>	<b>1,674,656</b>
<b>Current assets</b>			
Non-current receivables	12	25,884	36,884
Current receivables	13	107,842	149,628
Cash and cash equivalents		63,043	70,488
<b>Total current assets</b>		<b>196,768</b>	<b>256,999</b>
<b>Total assets</b>		<b>1,865,895</b>	<b>1,931,655</b>

1,000 €	Note	31 Dec 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	14		
Share capital		49,676	54,962
Share premium		191,592	203,865
Revaluation reserve		218,644	218,644
Reserve for invested non-restricted equity		301,520	311,176
Retained earnings		37	-9,212
Profit for the year		10,841	30,299
<b>Total equity</b>		<b>772,311</b>	<b>809,734</b>
<b>Liabilities</b>			
Non-current liabilities	15	900,347	875,347
Current liabilities	16	193,237	246,574
<b>Total liabilities</b>		<b>1,093,584</b>	<b>1,121,921</b>
<b>Total equity and liabilities</b>		<b>1,865,895</b>	<b>1,931,655</b>

**Cash flow statement**

1,000€	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Operating activities</b>		
Operating profit or loss	24,145	39,250
Adjustments (+/-):		
Depreciation, amortisation and impairment	177	130
Losses(+) or gains (-) of sales of non-current assets	17	-807
<b>Cash flow from operating activities</b>	<b>24,339</b>	<b>38,572</b>
<b>Change in net working capital:</b>		
Increase (-) or decrease (+) of non-interest-bearing receivables	33,610	-51,978
Increase (+) or decrease (-) of current non-interest-bearing liabilities	-1,073	18,264
<b>Cash flow from operating activities before financial items and taxes</b>	<b>56,875</b>	<b>4,858</b>
Interest paid and payments of financial items	-46,243	-29,020
Interest received and payments of financial income	40,696	28,964
<b>Cash flow from operating activities</b>	<b>51,328</b>	<b>4,802</b>
<b>Investments</b>		
Purchases of property, plant and equipment and intangible assets	-81	-361
Proceeds from sales of property, plant and equipment and intangible assets	16	0
Proceeds from the dissolved joint venture	0	1,669
Purchases of other investments (-)	0	-224
Loan repayments	11,000	0
Equity refunds received	5,400	0
<b>Cash flow from investing activities</b>	<b>16,334</b>	<b>1,083</b>
<b>Financing</b>		
Acquisition and annulment of own shares	-17,558	0
Equity refunds paid	-9,656	0
Proceeds (+) or repayments (-) of current interest-bearing liabilities	-51,844	24,172
Proceeds from borrowings	300,000	180,000
Repayments of borrowings (-)	-275,000	-180,000
Dividends paid	-21,050	0
<b>Cash flow from financing activities</b>	<b>-75,108</b>	<b>24,172</b>
<b>Change in cash and cash equivalents, increase (+) / decrease (-)</b>	<b>-7,445</b>	<b>30,057</b>
<b>Cash and cash equivalents at 1 Jan</b>	<b>70,487</b>	<b>40,430</b>
<b>Cash and cash equivalents at 31 Dec</b>	<b>63,042</b>	<b>70,487</b>



**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

→ Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**1 Basis of preparation**

Pohjolan Voima Oyj's financial statements have been prepared in accordance with Finnish Accounting Standards (FAS), and other laws and regulations governing the preparation of the financial statements in Finland.

Pohjolan Voima Oyj (0210161-4, Helsinki, Finland) is the parent company of Pohjolan Voima Group.

**Revenue**

Revenue is recognised net of value-added taxes and discounts. Revenue is recognised at the time of delivery.

**Other operating income**

Revenue from activities outside the normal operations is reported in other operating income. This includes items such as rental income and gains on sale of assets

**Research and development costs**

Research and development costs are expensed as incurred.

**Pension costs**

Statutory pension liabilities are covered through pension insurance arrangements.

**Foreign currencies and derivative contracts**

In accordance with the financing policy, Pohjolan Voima Oyj enters into derivative contracts only for managing the interest rate risk and for hedging purposes. The interest rate risk is monitored by means of duration, which is set at the level where the electricity price sensitivity to changes in interest rates is on an acceptable level, considering the individual risk bearing capacity of each series of shares. Derivative contracts are not fairvalued but considered as off-balance sheet items. According to the financing policy in the interest rate hedging derivatives in subsidiaries, in totalling 11 agreements, the counter party is the parent company, that has corresponding agreements with external parties. Further, the parent company has 6 interest rate hedging derivatives with external parties relating to B2 series of shares for the periods 29 March 2019–31 January 2025, 30 June 2024–30 June 2031, 31 October 2024–31 October 2027, 25 April 2024–25 April 2029, 16 December 2024–17 December 2029, and 31 January 2025–31 January 2030. Interest rate derivatives can be terminated at fair value and key information is disclosed in the notes.

Transactions denominated in foreign currencies have been valued using the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currencies outstanding on the balance sheet date have been valued using the exchange rate quoted on the balance sheet date. Exchange rate differences are presented within finance income and cost in the income statement.

**Income taxes and deferred taxes**

The tax expense for the period comprises current tax, relating to the current period and any adjustments made to taxes for the previous financial period. Pohjolan Voima Oyj operations are based on cost price and the company does not pay any taxes on its energy related operations. No deferred tax assets on the operating losses from previous periods have been recognized.

**Non-current assets**

The intangible assets and property, plant and, equipment is stated at historical cost less accumulated amortisation and depreciation, according to plan. Historical cost includes the variable costs of the investment. Received government grants have been deducted from acquisition cost. Depreciation is calculated using the straight-line method based on the estimated useful lives. Depreciation and amortization is started when the asset is taken into use.

The estimated useful lives have been defined as follows:

Other capitalised long-term expenditure	3–10 years
Machinery and equipment	3–20 years
Buildings and constructions	8–30 years

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

→ Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**2 Revenue**

1,000 €	2024	2023
Sales of electricity	652,176	656,271
Sales of heat	87,387	87,938
Other sales	2,387	2,279
Total	741,950	746,489

**3 Other operating income**

1,000 €	2024	2023
Gains on sale and dissolution of fixed assets	0	511
Rental income	70	100
Other income	2	5
Total	72	617

**4 Materials and services**

1,000 €	2024	2023
Energy purchases	204,676	239,703
Total	204,676	239,703

**5 Personnel expenses and average number of personnel**

Average number of personnel	2024	2023
Salaried employees	25	26
Total	25	26

**Wages, salaries and pension expenses**

1,000 €	2024	2023
Wages and salaries		
Board members and CEO	867	893
Other wages and salaries	2,477	2,410
Pension expenses	621	610
Other personnel expenses	71	97
Total	4,035	4,010

**6 Depreciation, amortisation and impairment**

1,000 €	2024	2023
Depreciation according to plan		
Other capitalised long-term expenditure	79	14
Intangible assets	67	67
Buildings and constructions	21	42
Machinery and equipment	10	7
Total	177	130

**7 Other operating expenses**

1,000 €	2024	2023
Energy purchases	503,943	458,498
Repair, servicing and maintenance services	59	58
Rents	581	517
Real estate taxes	19	22
Fees to experts	1,639	1,927
Other expenses	2,748	2,993
Total	508,990	464,014

**Auditor's fees**

1,000 €	2024	2023
PricewaterhouseCoopers Oy:		
Audit fees	221	154
Other services	37	0
Total	259	154

**8 Finance income and costs**

1,000 €	2024	2023
Dividend income		
from others	0	0
Interest income from investments		
in participating interests	8,560	23,868
Other interest and finance income		
from Group undertakings	2,153	1,237
from others	26,976	7,201
Total finance income	37,688	32,306
Interest costs and other financial costs		
to Group undertakings	-6,503	-5,818
to participating interests	-15,477	-11,862
to others	-29,011	-23,576
Total finance costs	-50,992	-41,256
Total finance income and costs	-13,304	-8,950

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

Auditor's Report

**Notes to the balance sheet**

**9 Intangible assets**

1,000 €	Intangible rights	Other capitalised long-term expenditure	Total
Cost or valuation at 1 Jan	396	1,771	2,168
Reclassifications	0	81	81
Cost or valuation at 31 Dec	396	1,852	2,249
Accumulated amortisation 1 Jan	-262	-1,445	-1,707
Amortisation of the period	-67	-79	-146
Accumulated amortisation 31 Dec	-329	-1,525	-1,854
Net book amount 31 Dec 2024	68	327	395
Net book amount 31 Dec 2023	135	326	461

**10 Property, plant and equipment**

1,000 €	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Prepayments	Total
Cost or valuation at 1 Jan	96	555	163	29	0	843
Additions	0	0	0	0	81	81
Disposals	0	-291	0	0	0	-291
Reclassifications	0	0	0	0	-81	-81
Cost or valuation at 31 Dec	96	264	163	29	0	552
Accumulated depreciation 1 Jan	0	-517	-122	0	0	-638
Accumulated depreciation of disposals and reclassifications	0	274	0	0	0	274
Depreciation of the period	0	-21	-10	0	0	-30
Accumulated depreciation 31 Dec	0	-264	-131	0	0	-395
Net book amount 31 Dec 2024	96	0	32	29	0	157
Net book amount 31 Dec 2023	96	38	41	29	0	205
Production machinery and equipment at 31 Dec 2024			0.00			

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**11 Investments**

1,000 €	Holdings in Group undertakings	Participating interests	Receivables from participating interests	Other shares and similar rights of ownership	Total
Cost or valuation at 1 Jan	390,967	739,692	559,732	695	1,691,087
Additions	0	180,695	0	0	180,695
Disposals	-5,400	0	-180,695	-15	-186,110
Cost or valuation at 31 Dec	385,567	920,387	379,038	680	1,685,672
Accumulated impairment 1 Jan	-6,222	-10,875	0	0	-17,097
Accumulated impairment 31 Dec	-6,222	-10,875	0	0	-17,097
Net book amount 31 Dec 2024	379,346	909,512	379,038	680	1,668,575
Net book amount 31 Dec 2023	384,746	728,817	559,732	695	1,673,990
Revaluations included in the cost at 31 Dec 2024	265,145				

Participating interests include shares of Teollisuuden Voima Oyj amounting to €889,588 (€708,893) thousand, and Receivables from participating interests loan receivables from Teollisuuden Voima Oyj amounting to €379,038 (€559,732) thousand. During the period, Teollisuuden Voima converted part of its shareholder loans in equity into the reserve for invested non-restricted equity.

**12 Non-current receivables**

1,000 €	2024	2023
Other non-current receivables	25,884	36,884
Total	25,884	36,884
Receivables from participating interests		
Other non-current receivables	25,796	36,796
Total receivables from participating interests	25,796	36,796

**13 Current receivables**

1,000 €	2024	2023
Trade receivables	52,720	95,884
Other receivables	2	234
Prepayments and accrued income	55,120	53,509
Total	107,842	149,628
Receivables from Group undertakings		
Trade receivables	109	56
Loan receivables	127	0
Prepayments and accrued income	656	1,821
Total receivables from Group undertakings	892	1,877
Receivables from participating interests		
Trade receivables	1,705	3,010
Prepayments and accrued income	50,302	47,846
Total receivables from participating interests	52,007	50,855
Prepayments and accrued income:		
Accrued financial expenses	2,473	1,833
Accrued personnel expenses	0	7
Accrued interest income	3,536	6,544
Accrued energy purchases	38,040	38,532
Accrued purchases credited in accrued income	10,885	6,416
Others	185	178
Total	55,120	53,509
Interest-bearing receivables		
Non-current assets	379,038	559,732
Current assets	63,043	70,488
Total	442,080	630,220

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**14 Equity**

1,000 €	2024	2023
Share capital 1 Jan	54,962	54,962
Acquisition and annulment of own shares	-5,286	0
Share capital 31 Dec	49,676	54,962
Share premium 1 Jan	203,865	203,865
Acquisition and annulment of own shares	-12,273	0
Share premium 31 Dec	191,592	203,865
Revaluation reserve 1 Jan	218,644	218,644
Revaluation reserve 31 Dec	218,644	218,644
Reserve for invested non-restricted equity 1 Jan	311,176	311,176
Refund of reserves	-9,656	0
Reserve for invested non-restricted equity 31 Dec	301,520	311,176
Retained earnings 1 Jan	21,087	-9,212
Dividend distribution	-21,050	0
Retained earnings 31 Dec	37	-9,212
Profit or loss for the year	10,841	30,299
Total	772,311	809,734

**Distributable earnings 31 Dec**

1,000 €	2024	2023
Retained earnings	37	-9,212
Profit or loss for the year	10,841	30,299
Reserve for invested non-restricted equity	301,520	311,176
Total	312,399	332,263

**Share capital by share category**

See note 25 in the consolidated financial statements.

**15 Non-current liabilities**

1,000 €	2024	2023
Shareholder loans*	90,347	90,347
Bonds	150,000	150,000
Loans from financial institutions	310,000	285,000
Other non-current liabilities	350,000	350,000
Total	900,347	875,347
Liabilities to participating interests		
Other non-current liabilities	350,000	350,000
Total	350,000	350,000
Liabilities due in more than five years		
Shareholder loans	90,347	90,347
Total	90,347	90,347
Non-interest-bearing and interest-bearing non-current liabilities		
Interest-bearing	900,347	875,347
Total	900,347	875,347

\*Subordinated loans

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**16 Current liabilities**

1,000 €	2024	2023
Other interest-bearing liabilities	124,290	176,135
Trade payables	28,079	33,309
Other current liabilities	11,634	8,436
Accrued expenses	29,233	28,694
<b>Total</b>	<b>193,237</b>	<b>246,574</b>
To Group undertakings		
Trade payables	13,693	19,832
Other current liabilities	40,768	46,736
Accrued expenses	1,131	32
<b>Total</b>	<b>55,592</b>	<b>66,600</b>
To participating interests		
Trade payables	14,139	13,108
Accrued expenses	17,994	6,542
<b>Total</b>	<b>32,133</b>	<b>19,649</b>
Accrued expenses, material items		
Accrued personnel expenses	1,157	1,166
Accrued interest costs	24,736	19,345
Accrued energy purchases	2,517	6,574
Accrued sales credited in accrued expenses	803	1,545
Other items	20	64
<b>Accrued expenses, total</b>	<b>29,233</b>	<b>28,694</b>
Non-interest-bearing and interest-bearing current liabilities		
Non-interest-bearing	68,946	70,439
Interest-bearing	124,290	176,135
<b>Total</b>	<b>193,237</b>	<b>246,574</b>

**17 Guarantees and contingent liabilities**

1,000 €	2024	2023
Guarantees		
Guarantees for loans		
On behalf of participating interests	14	14
Other guarantees		
On behalf of Group undertakings	140,000	140,000
<b>Total guarantees</b>	<b>140,014</b>	<b>140,014</b>
Leasing liabilities		
Payments during the following year	152	137
Payments in subsequent years	94	154
<b>Total leasing liabilities</b>	<b>246</b>	<b>291</b>
Rental liabilities		
Payments during the following year	410	410
Payments in subsequent years	715	1,196
<b>Total leasing liabilities</b>	<b>1,125</b>	<b>1,606</b>
Other contingent liabilities		
Guarantee according to Nuclear Energy Act	354,361	331,436
<b>Total other contingent liabilities</b>	<b>354,361</b>	<b>331,436</b>

According to the Finnish Nuclear Energy Act, Teollisuuden Voima, a joint venture of which Pohjolan Voima owns 58.5%, is obliged to fund the decommissioning of nuclear power plants and final disposal of spent nuclear fuel through the Finnish National Nuclear Waste Management Fund.

The amount of the contingent liability is determined by the administrative authority (Ministry of Employment and Economy) based on the Nuclear Energy Act. The directly enforceable guarantees given by the shareholders of Teollisuuden Voima Oyj cover the uncovered portion of the Nuclear Waste Management obligation, as well as a liability for any unforeseen expenses of nuclear waste management in accordance with the Nuclear Energy Act. The directly enforceable guarantee given by Pohjolan Voima is €354 (€331) million.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**18 Derivative financial instruments**

1,000 €	2024	2023
Interest rate swap contracts		
Nominal value	270,000	250,000
Market value (including retained interests)	3,376	5,664
Average maturity (years)	3.8	2.5
Floating reference rate (company receives)	6 months Euribor	6 months Euribor
Fixed rate (on average, company pays)	1.91%	1.20%
The interest rate swap contracts cover the following financial agreements with floating interest rates:		
Bank credit	310,000	285,000
Liabilities to participating interests	350,000	350,000

**Financing risks**

The Board of Directors approve a financing policy for the company, which determines the purpose and risk levels for the financing operations. The refinancing risk is managed through diversified sources of financing, sufficiently long maturity of loans, and a balanced schedule of maturity. The primary loan currency is the euro. If loans are taken out in other currencies, the currency risk is eliminated by means of derivative contracts.

The interest rate risk is monitored by means of duration, which indicates the sensitivity of the loan portfolio to changes in the interest rates. The duration of the loan portfolio is managed using derivative contracts if necessary. The duration is set with consideration to the electricity price sensitivity to interest rate changes and the acceptable risk carrying capacity of each series of shares.

The Group maintains a certain amount of liquid assets, credit limit arrangements, and commercial paper programmes to reduce the liquidity risk. The Group's liquidity is secured by the €350 (€350) million revolving credit facility, which matures in 2028. The loan facilities were fully undrawn as per 31 December 2024. For its short-term financing, the company uses mainly its domestic €300 million commercial paper program.

The excess liquidity is invested in secure and profitable instruments with a duration of up to 12 months. Investments are diversified to various instruments and the investment instruments which are chosen based on guaranteed liquidity in the secondary market, even under unfavourable circumstances.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

→ Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

Auditor's Report

# Electricity business

Separated electricity business statements according to the Electricity Market Act 77§

## Income statement

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Revenue</b>	<b>654,436,402.44</b>	<b>658,438,826.80</b>
<b>Other operating income</b>	<b>71,831.34</b>	<b>592,171.84</b>
Materials and services	-152,563,557.40	-186,338,116.93
Personnel expenses	-3,917,725.46	-3,902,328.35
Depreciation, amortisation and impairment	-168,719.98	-124,003.90
Other operating expenses	-474,667,699.13	-430,028,422.63
<b>Operating profit or loss</b>	<b>23,190,531.81</b>	<b>38,638,126.83</b>
Finance income and costs	-13,303,000.00	-8,951,000.00
<b>Profit or loss before appropriations and taxes</b>	<b>9,887,531.81</b>	<b>29,687,126.83</b>
<b>Profit or loss for the year</b>	<b>9,887,531.81</b>	<b>29,687,126.83</b>

## Balance sheet

	1.1.–31.12.2024	1.1.–31.12.2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	393,146.08	458,348.94
Property, plant and equipment	156,312.18	203,919.68
Investments		
Holdings in Group undertakings	308,634,400.46	310,527,880.46
Other investments	1,281,405,637.66	1,281,271,534.66
<b>Total non-current assets</b>	<b>1,590,589,496.38</b>	<b>1,592,461,683.74</b>
<b>Current assets</b>		
Non-current receivables	25,883,364.25	36,883,390.45
Current receivables	99,097,606.22	147,111,271.49
Cash and cash equivalents	62,594,675.43	66,680,697.35
<b>Total current assets</b>	<b>187,575,645.90</b>	<b>250,675,359.29</b>
<b>Total assets</b>	<b>1,778,165,142.28</b>	<b>1,843,137,043.03</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	47,021,232.68	52,306,874.65
Share premium	169,422,753.15	181,695,402.14
Revaluation reserve	218,644,304.40	218,644,304.40
Reserve for invested non-restricted equity	248,954,867.27	254,954,683.07
Retained earnings	37,016.18	-9,122,672.40
Profit or loss for the year	9,887,531.81	29,687,126.83
<b>Total equity</b>	<b>693,967,705.49</b>	<b>728,165,718.69</b>
<b>Liabilities</b>		
Non-current liabilities	898,931,012.69	875,347,432.00
Current liabilities	185,266,424.10	239,623,892.34
<b>Total liabilities</b>	<b>1,084,197,436.79</b>	<b>1,114,971,324.34</b>
<b>Total equity and liabilities</b>	<b>1,778,165,142.28</b>	<b>1,843,137,043.03</b>



**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

→ Signing of the Board of Directors' report  
and financial statements

Auditor's Report

**Signing of the Board of Directors' report and financial statements**

Board of Directors' dividend proposal:

On 31 December 2024, the parent company's distributable funds totalled €312,398,525.65, of which the net profit for the financial period amounted to €10,841,316.94. The Board of Directors proposes to the Annual General Meeting that a total dividend of €10,850,000 will be distributed from the distributable funds incurred from the sale of the shares of Fingrid Oyj in 2011. The dividend is to be distributed to the C and A series of shares that are entitled to dividend from the funds incurred from Fingrid Oyj share sale and the Board of Directors is authorised to decide on the actual date of payment of the dividend and calculate its exact allocation. The remaining distributable funds will be left in distributable equity. There have been no material changes in the company's financial position since the end of the financial period and, in the Board's opinion, the proposed profit distribution will not jeopardise the company's solvency.

Helsinki 26 February 2025

Tapio Korpeinen  
Chairman

Pasi Kyckling  
Deputy Chairman

Jukka Hakkila

Anders Renvall

Maija Ruska

Esa Kaikkonen

Rami Vuola

Heikki Liukas

Kirsi Hautala

Ilkka Tykkyläinen  
President and CEO

**The auditor's note**

Our auditor's report has been issued in Helsinki on the date of the electrical signing.

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Pasi Karppinen  
Authorised Public Accountant

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report  
and financial statements

→ Auditor's Report

**Auditor's Report** (Translation of the Finnish Original)

To the Annual General Meeting of Pohjolan Voima Oyj

**Report on the Audit of the Financial Statements**

**Opinion**

In our opinion

- › the consolidated financial statements give a true and fair view of the Group's financial position, financial performance, and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- › the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

**What we have audited**

We have audited the financial statements of Pohjolan Voima Oyj (business identity code 0210161-4) for the year ended 31 December 2024. The financial statements comprise:

- › the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes, which include material accounting policy information and other explanatory information
- › the parent company's balance sheet, income statement, cash flow statement, and notes.

**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 the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

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.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the Group companies are in accordance with the applicable law and regulations in Finland, and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 12 to the Financial Statements.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

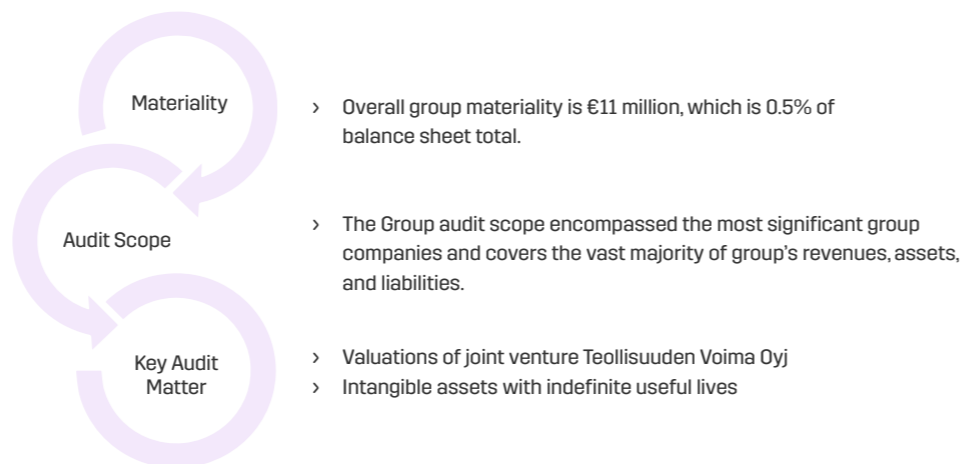
Signing of the Board of Directors' report

and financial statements

→ Auditor's Report

**Our Audit Approach**

**Overview**



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures, and to evaluate the effect of misstatements on the financial statements as a whole.

<b>Overall group materiality</b>	€11 million (2023: €11 million)
<b>How we determined it</b>	0.5% of balance sheet total
<b>Rationale for the materiality benchmark applied</b>	We chose balance sheet total as the benchmark because the company's operations are very capital intensive and because, in our view, this is the benchmark against which the performance of the Group is commonly measured by users.

**How we tailored our group audit scope**

We tailored the scope of our audit, taking into account the structure of the Pohjolan Voima group, the accounting processes and controls, and the industry in which the Group operates. Audits were performed in group companies, which were considered significant either because of their individual financial significance or due to their specific nature, covering the majority of revenue, assets, and liabilities of the Group.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## CORPORATE GOVERNANCE

Corporate Governance Statement 2024

## DIRECTORS' REPORT

Annual Report of the Board of Directors 2024

Key figures (IFRS)

## FINANCIAL STATEMENTS

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

→ Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuations of joint venture Teollisuuden Voima Oyj</b></p> <p><i>Accounting policies and notes 2, 19, 21, 30 and 34 of the consolidated financial statements. Note 11 in the financial statements of the parent company.</i></p> <p>On the consolidated balance sheet, Investments in associated companies and joint ventures include the Group's share of Teollisuuden Voima Oyj's net assets, €992 million. Investments in joint ventures are accounted for using the equity method. Loans and other receivables include an equity loan receivable from Teollisuuden Voima Oyj, €379 million. On the parent company's balance sheet Other investments include the shares of Teollisuuden Voima Oyj, €890 million, and the loan receivable from Teollisuuden Voima Oyj, €379 million. Valuations of joint venture Teollisuuden Voima Oyj is a key audit matter in the audit of the consolidated and the parent company's financial statements due to the significant value on the balance sheet.</p>	<p>We tested the consolidation of the joint venture in Pohjolan Voima Group's income statement and balance sheet.</p> <p>We analysed management's assessment of the credit risk relating to the loan receivable from Teollisuuden Voima Oyj and the valuation of the Teollisuuden Voima Oyj's ownership.</p> <p>In our audit of the amounts recognised on the balance sheet, we considered the provisions regarding shareholder responsibilities incorporated in the Articles of Association.</p> <p>We also assessed the adequacy of related disclosures in the accounting policies and notes to the financial statements.</p>
<p><b>Intangible assets with indefinite useful lives</b></p> <p><i>Accounting policies and notes 2 and 16 of the consolidated financial statements</i></p> <p>Intangible assets with indefinite useful lives on the consolidated balance sheet include the right to produce hydro power and the compensation paid for the permanent right of the water area usage, €279 million.</p> <p>Impairment testing for intangible assets with indefinite useful lives is performed annually.</p> <p>Impairment tests, in particularly estimated future cash flows and discount rates, are subject to significant management judgement.</p> <p>Valuation of intangible assets with indefinite useful lives is a key audit matter in the audit of the consolidated financial statements due to the significant value on the balance sheet and the high level of management judgement involved in impairment tests.</p>	<p>We obtained an understanding of the impairment test performed by the management and compared the methodology applied in the impairment test to the requirements of IAS 36, Impairment of assets.</p> <p>We tested the mathematical accuracy of the calculations prepared by management.</p> <p>We tested management's future cash flow forecasts among other things, by comparing them to electricity price forecasts.</p> <p>We assessed, together with PwC's valuation experts, the discount rate used.</p> <p>We also assessed the adequacy of related disclosures in the accounting policies and notes to the consolidated financial statements.</p>
<p>There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.</p>	

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and 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 Managing Director 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 Managing Director are responsible for assessing the parent company's and the Group's ability to continue as a going concern, 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 to cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**CORPORATE GOVERNANCE**

Corporate Governance Statement 2024

**DIRECTORS' REPORT**

Annual Report of the Board of Directors 2024

Key figures (IFRS)

**FINANCIAL STATEMENTS**

Consolidated financial statements (IFRS)

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

Consolidated statement of changes in equity

Notes to the consolidated financial statements

Parent company financial statement (FAS)

Income statement

Balance sheet

Cash flow statement

Basis of preparation

Notes to the income statement

Notes to the balance sheet

Signing of the Board of Directors' report

and financial statements

→ Auditor's Report

- › Conclude on the appropriateness of the Board of Directors' and the Managing Director'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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the 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.
- › Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Reporting Requirements  
Appointment**

Pohjolan Voima Oyj became a public interest entity in May 2019. We have been the auditors of Pohjolan Voima Oyj the entire time it has been a public interest entity.

**Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

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

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 compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

**Other statements**

We support that the Members of the Board of Directors of the parent company and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

**Notification in accordance with Section 7:8.2 of the Securities Market Act**

In accordance with Section 7:8.2 of the Securities Market Act (746/2012), we hereby notify that, we have concluded that, the Half-year report for the period 1.1–30.6 2024 (Half-year financial report January–June 2024) has not been prepared in accordance with the applicable regulations.

In a joint venture Teollisuuden Voima Oyj which is consolidated into the group financial statements using the equity method the application of hedge accounting to hedging subordinated shareholder loans has not met the criteria defined by the IFRS Accounting standards. The change in fair value of interest rate swaps has not been recorded under the item Share of loss/profit of associates and joint ventures The change in fair value of interest rate swaps has not been presented in the retained earnings within the group's equity.

**Remark**

As a remark, we state that, as described in the section of our report titled Notification in accordance with Section 7:8.2 of the Securities Market Act, we have concluded that, the Half-year report for the period 1.1–30.6.2024 (Interim Report for 1 January–30 June 30 2024) has not been prepared in accordance with the applicable regulations.

Helsinki 13 March 2025

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Pasi Karppinen  
Authorised Public Accountant (KHT)