

GASUM GROUP
FINANCIAL RESULT
H1 2023



Gasum

Gasum Group unaudited half-year financial report, 1 January–30 June 2023

Volumes continued to improve as confidence is returning to the market

While sales development was positive, Gasum's result was burdened by costs resulting from restructuring and risk mitigation of the natural gas business. These actions were implemented in response to the surrounding geopolitical situation and changes in energy markets.

January–June 2023 (H1 2022):

- The Group's revenue decreased by 41.5 percent to EUR 745.1 (1,274.2) million due to lower gas prices and volumes.
- Operating profit (EBIT) was EUR –26.4 (+56.3) million at loss. Adjusted operating profit (EBIT) was EUR -20.2 (5.6) million
- Balance sheet total came to EUR 1,485.9 (2,244.0) million
- Equity ratio was 34.0 (20.9) percent
- Sales volumes decreased by 37 percent compared to H1 2022 mainly due to lower natural gas volumes and were 6.2 (9.2) TWh.

Key financial indicators

EUR million	1-6/2023	1-6/2022	2022
Revenue*)	745.1	1,274.2	2,601.8
Adjusted operating profit*	-20.2	5.6	37.1
Operating profit	-26.4	56.3	149.9
Adjusted operating profit (%)*	-2.7%	0.4%	1.4%
Operating profit (%)	-3.5%	4.4%	5.8%
Equity ratio (%)	34.0%	20.9%	28.3%
Adjusted return on equity (%)* **	11.7%	-23.7%	8.6%
Return on equity (%)**	10.7%	-34.9%	25.3%
Adjusted return on investment (%)* **	6.6%	-6.7%	2.4%
Return on investment (%)**	6.0%	-12.8%	12.0%
Balance sheet total	1,485.9	2,244.0	1,947.3
Net interest-bearing debt	165.1	395.3	309.4
Gearing ratio (%)	33.0%	84.9%	57.0%
Gearing ratio (%) excluding the impact of IFRS 16 leases	1.9%	44.4%	25.5%
Personnel at the end of period	347	357	321

*) The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating income.

*Calculated without unrealized gains and losses from operative hedge derivatives and non-recurring items.

** 12-month rolling.

Gasum Group CEO Mika Wiljanen comments on the second quarter and the first half of 2023:

“Volumes developed well during the second quarter in all businesses – liquefied natural gas (LNG) and liquefied biogas (LBG) volumes have picked up significantly. Confidence is returning to the market as prices are stabilizing. The good progress driven by affordable prices, which started during Q1, continued in Q2. Even more customers have been switching back to gas from more polluting alternatives, which were taken into use during the sky-high gas prices of 2022.

The Group's revenue for the first half of 2023 was EUR 745.1 million, operating profit was EUR –26.4 million and adjusted operating profit was EUR –20.2 million. While volumes and sales developed positively during the first half of the year, Gasum's result was burdened by costs that resulted from adverse impacts of the market turmoil and adjusting operations to the changed energy landscape in 2022. The costs are an outcome of the need to reorganize the entire supply chain for pipeline-delivered natural gas as natural gas flow from Russia ended in May 2022.

In May 2023 Gasum ended the long-term pipeline natural gas supply contract it had with Russian Gazprom Export. Gas supplies had at that point been discontinued for a year. Gasum began arbitration proceedings after Gazprom demanded for payment in rubles instead of euros in the spring of 2022. The parties were not able to come to a settlement after the arbitration proceedings which resulted in Gasum ending the agreement.

The implementation of Gasum's new strategy, launched in Q4 of 2022, proceeded with determination throughout the first half of 2023. Construction work on our next large 120 GWh biogas plant in Götene, Sweden proceeded as planned and investment decisions on expansions and improvements of three existing plants in Finland and Sweden were made in the second quarter. Completion of the improvement and expansion projects at the existing plants by the summer of 2024 will increase Gasum's biogas output by 60 GWh annually.

In June Gasum and the Cruise Division of global shipping company MSC Group signed a long-term agreement for the supply of LNG to MSC's new flagship MSC Euribia, as well as a Letter of Intent with the goal of cooperating on the supply of synthetic liquefied methane, or e-LNG, made with renewable energy. MSC Cruises also purchased over 400 tons of liquefied biogas (LBG) from Gasum for the world's first net zero greenhouse gas emissions cruise from Saint-Nazaire in France to Copenhagen.

Gasum is also providing LBG to cruise ferry operator Viking Line in an innovative initiative to allow passengers to reduce the carbon footprint from travel by up to 90 percent by buying biogas in proportion to the amount of fuel used for their journey. This is an initiative that Gasum is very happy to be a part of.

In the power business we made a ten-year power purchase agreement (PPA) providing wind power to Volvo Finland and Volvo Construction Equipment. Gasum experts will also take over the balancing of power purchasing and consumption so that Volvo can concentrate on their core business while reducing their carbon footprint at the same time.

In addition, we started constructing Europe's northernmost gas filling station in Finnish Lapland as well as opened two new stations in Norway, one of which is an innovative green energy station with the possibility of also charging electric vehicles in addition to fueling biogas.

I feel very positive about the developments in sales volumes and amount of activity and interest in the market and would like to thank the excellent staff at Gasum for their hard work on implementing our new strategy during the first half of the year.”

Operating environment

Energy market – Industry and power

Inflation pressure continued to impact the global economy even further during the first quarter. Central banks continued to change interest rate increase paths and there were still several rate hikes in USA and Europe during the second quarter. The market was reacting down on the back of high inflation, tightening monetary policy and likely continued supply disruptions.

Nordic power prices stayed below 80 EUR/MWh throughout the second quarter. The risks seen before the winter and spring didn't materialize as we were able to sustain the colder winter days without any problems. Power prices dropped as weather was windier and rainier, and also gas prices had dropped significantly.

Nordic electricity prices continued to drift lower from the prices seen in the beginning of December as prices traded below 85 EUR/MWh from April onwards. Power prices were trading significantly below levels seen before the Ukraine war as gas and coal prices continued to move to lower levels and the hydrobalance in the Nordics was very good. Prices even traded below 40 EUR/MWh in end of May, as the main driver for lower Nordic power prices was the easing of gas prices combined with a solid hydrobalance.

Finnish area price continued to settle below the system price levels, mainly because of the new Finnish nuclear power reactor Olkiluoto 3 was running at full capacity and the wind power turbines were also producing at very good rates. During some of the windier days, the Finnish spot prices were even negative throughout the day. It doesn't happen very often that you are getting paid to consume power. The Emission allowance price on the other hand stayed at relatively high price levels as the political situation remained uncertain related to RePowerEU program impacts. The price range stabilized between 95 EUR/ton and 80 EUR/ton.

The gas market started the second quarter at about 50 EUR/MWh mainly due to a mild winter and a record-high storage situation. European gas prices continued to drift lower as European gas storages were filled significantly above the long-term averages and plenty of LNG was still available. Russian pipeline gas deliveries to Europe were only continued through the Ukraine pipeline with about 20% capacity and rest coming through the Turkstream pipeline. Asian buyers remained out of the LNG sourcing market and European buyers were able to source whatever they needed. Healthy LNG inflow was also expected to continue, and more new LNG import terminals, or FSRUs, started up their operations. The Finnish FSRU at Inkoo port also received its first string of commercial cargoes from 1 April onwards.

The number of LNG cargoes arriving to European LNG terminals was at a record high level also throughout Q2. The LNG prices were close to the front month prices, but there were no problems with available slots in the terminals. The European gas and LNG prices dropped to below 25 EUR/MWh for most of the delivery locations. Beginning of June onwards we started to experience some volatility in the gas prices mainly due to maintenance season at gas fields at the Norwegian continental shelf. Prices even reached almost 50 EUR/MWh, which is almost double from the lows seen in the end of May. European gas prices settled at around 40 EUR/MWh for the end of quarter.

Road and maritime

In heavy traffic the number of gas-powered vehicles in the Nordic market is steadily increasing in the long term. The long-term development is expected to continue as biogas use is seen as a cost-effective way to decarbonize logistics already today. In the short term, however, the growth of the number of LNG-powered trucks has continued to be impacted negatively due to the higher interest rates and slower economic activity.

In the passenger vehicle market Skoda and Audi announced during the second quarter of the year the discontinuation of the production of gas-powered passenger cars. It is clear biogas is not seen as a future energy source for passenger cars as manufacturers are concentrating on producing electric vehicles.

The maritime industry has continued to pick up significantly with the lower price levels of LNG. During the start of the year, we experienced a reversal on the price differential between marine gasoil (MGO) and LNG, which has started to impact the growth of the LNG-powered vessels market positively. LNG was the cheaper alternative of the two also during the second quarter. The number of LNG-powered vessels has continued to increase significantly as the orderbook for new vessels has grown massively.

The new Emissions Trading System will also result in a price signal that incentivizes improvements in energy efficiency and low-carbon solutions and reduces the price difference between alternative fuels and traditional maritime fuels.

Biogas and circular economy

During the second quarter of the year Gasum made investment decisions on three expansions of existing biogas plants in Finland and Sweden. The goal of the expansion projects at the Örebro plant in Sweden as well as Oulu and Vehmaa plants in Finland is to increase biogas output by 60 gigawatt hours (GWh) per year in total as well as to enhance digestate processing for improved recycled nutrient output. The total investment of all three projects is 27 million euros.

Biogas and especially growth of biomethane availability has been in the focus of energy policy as natural gas supply from Russia is limited due to geopolitical turmoil in Europe and alternative delivery routes from new sources are still developing. The target of growing biomethane production in EU to 35 bcm per year by 2030 – that's a more than a tenfold increase to current production – has been included into the EU's gas package under the REPowerEU program.

The biogas industry together with associations and regulatory stakeholders have founded a public-private-partnership organization called the Biomethane Industry Partnership (BIP) to facilitate the growth. Gasum is also a member of BIP and included in various working groups and as a member of the support group. The REPowerEU's gas package is currently discussed in the EU Council and in the coming months new targets and mechanisms for national biogas strategies, biomethane grid injection and promotion of synthetic biomethane production are expected.

In Finland, the growth of biomethane production has been moderate due to a slow start of new production investments even though there is support in the form of investment grants from national and EU-level funding. The reason is related to the rapidly changing regulatory environment, such as taxation and sustainability criteria, and the uncertainties related to the gas and energy market in general.

Currently, the national fertilizer regulation is in its finalization stage by the Ministry of Agriculture and the use of digestate-based fertilizers is very much limited according to the regulation draft. The biogas industry is expressing its joint opinion on several changes to the draft.

In Finland Gasum uses mainly biowaste and sewage sludge as feedstock and the regulatory framework together with fierce competition for feedstock is creating additional uncertainty on greenfield investments. Instead, Gasum is entering into expansion projects on existing plants to increase biomethane production.

Co-operation on digestate processing and commercializing is continuing as planned with joint venture Kiortoravinne Oy, which was established with two partner companies in 2022. The plan is to have all of the digestate from all Finnish plants included in the cooperation scope at the start of 2024.

In Sweden, the first part of the year saw numerous changes in the biogas support schemes. Investment subsidies have been continuing as before but production support was kept on hold due to the possibility of overcompensation and, indeed, the tax exemption was removed in March 2023 due to an EU court ruling. The overcompensation issue has been now closed when it comes to the year 2022 and no subsidies will be recovered by the authorities.

The execution of the greenfield project in Götene continues as planned as does development of other similar manure feedstock-based sites in southern Sweden. Several competitors are also interested in manure-rich areas in Sweden and the competition to engage farms in biogas production and also in the use of biofertilizers resulting as a side stream of biogas production is increasing.

Norway is not regulated according to the EU rules and there the market environment for biomethane production differs from those in Finland and Sweden. The situation in Norway is stable and investment subsidies are allocated to new plants. Gasum is investigating a biogas plant project near Trondheim, which would be Gasum's first plant in Norway.

Sustainability

At Gasum, sustainability is looked at holistically through environmental, social, and economic lenses. This means enabling emission reductions for our customers, reducing the environmental impacts of our own operations, promoting a safe work environment, and ensuring responsible business practices.

Gasum's aim is to increase the availability of low-carbon energy products to our customers and promote the circular economy and at the same time, to minimize the environmental impact of our own operations. Gasum's strategic goal is to bring seven terawatt hours (7 TWh) of renewable gas yearly to market by 2027. This would mean a cumulative saving of 1.8 million tons of CO₂ emissions for our customers.

Gasum's operations are certified according to multiple standards, such as those for quality, environment, health & safety, energy, and biogas sustainability.

In April Gasum's operations in Finland received the best occupational safety level rating of the Zero Accident Forum. During Q2 there were zero lost-time injuries (LTI) to our own staff as well as to contractors. The communications and monitoring campaign which was started during Q1 to remind on and ensure the use of correct use of PPE by partners at Gasum facilities was continued during Q2.

Financial performance

H1 2023 revenue was EUR 745.1 million, 41.5% lower than the revenue of EUR 1,274.2 million in H1 2022. Although volumes started to pick up and LNG volumes increased compared to previous year Q2 2022, total revenue decreased significantly due to lower gas prices than in the same period in 2022.

Adjusted operating profit was in H1 2023 EUR -20.2 million (H1 2022: EUR 5.6 million) and operating profit was EUR -26.4 million (H1 2022: EUR 56.3 million). Items affecting comparability and were adjusted include unrealized loss in operative hedge derivatives of EUR -9.2 million, change of inventory values to net realizable value of EUR 4.1 million, legal costs related to ongoing claims of EUR -1.1 million.

Net profit for H1 2023 was EUR -31.4 million (H1 2022: EUR 40.0 million). Negative performance in H1 2023 resulted from reduced gas prices during first and second quarter of 2023 and actions Gasum has implemented to manage the risks and the consequences of turmoil in the energy markets. Gasum has had to reorganize the entire supply chain for pipeline-delivered natural gas as natural gas flow from Russia ended in May 2022. Restructuring the natural gas business, including risk mitigation actions, due to the surrounding geopolitical situation has generated costs which are expected to decrease during the second half of the year but will continue to burden Gasum's result until the end of the first quarter of 2024.

Cash flow and financing

The Group's balance sheet totaled at the end of June 2023 EUR 1,485.9 million (June 30, 2022: EUR 2,244.0 million). Decrease in balance sheet was mainly due to decrease in gas prices which resulted in lower market values of hedging derivatives. At balance sheet date, 30th of June 2023 Gasum has also derecognized EUR 158 million asset under inventory and financial liabilities related to natural gas contract with Gazprom Export. More information of the arbitration and derecognized items is provided in Legal proceedings and Claims and in the note of Commitments and Contingencies.

Cash flow from operating activities was EUR 188.2 million (EUR 43.2 million) during the first half of the year 2023. Increase in the cash flow from operating activities was mainly driven by decrease in working capital. Capital expenditure in H1 2023 was EUR 21.2 million (H1 2022: EUR 7.1 million). Expansion investments include projects in biogas production, customer terminals for LNG and LBG and filling stations for road transportation.

Net interest-bearing debt, borrowings from financial institutions and lease liabilities, decreased by 58.2% to EUR 165.1 million (June 30, 2022: EUR 395.3 million). At end of June 2023, cash and cash equivalents including short-term deposits amounted to EUR 333.8 (June 30, 2022: 138.1) million and unused committed credit facilities to EUR 220 million. Gasum has financial covenants in its loan agreements for gearing and minimum available liquidity.

Equity at end of June 2023 was at EUR 500.2 million, increase of 7.4% from EUR 465.7 million in June 2022. Gearing at end of Q2 2023 was at 33.0% (June 30, 2022: 84.9%) and equity ratio at 34.0% (June 30, 2022: 20.9%).

In June 2023, Gasum issued a new Green Finance Framework which has received the top rating of Dark Green from independent ratings issuer Shades of Green. Gasum's Green Finance Framework allows financing granted under the framework to be invested in research, production, and distribution of biogas and biofertilizers, energy efficiency measures and pollution prevention and control measures. Funds under Gasum's Green Finance Framework will exclusively be used for infrastructure related to biogas production and distribution.

Legal proceedings and claims

The company is reporting changes in relation to the financial statement for 2022. To the extent changes are not reported, the financial statement for 2022 applies.

Gasum cancelled its pipeline natural gas supply contract with Gazprom Export

Gasum has had a long-term pipeline natural gas supply contract with Russian Gazprom Export. In April 2022, Gazprom Export presented Gasum with a demand that the payments agreed in the supply contract should be paid in rubles instead of euros. In addition, the companies had a significant disagreement regarding certain other demands made based on the contract. Due to these reasons, Gasum referred the matter to arbitration in accordance with the supply contract. In November 2022, the arbitral tribunal issued an award in the matter and ordered Gasum and Gazprom Export to continue their bilateral contract negotiations to resolve the situation. The parties were not able to resolve the situation within the period defined by the arbitral tribunal and therefore, Gasum has cancelled the long-term natural gas supply contract with Gazprom Export on May 22, 2023. Gasum has in January 2023 filed with the Svea Court of Appeal a challenge concerning parts of the arbitral award received in the arbitration based on competition law grounds.

In the financial statement for 2022, Gasum has recognized 171.3 million euros asset under inventories regarding the undelivered gas from financial years 2020–2021 under the terms of the gas supply contract. The recognized asset is for the most part unpaid. Gasum has recognized 158.0 million euros obligation as liability under accrued trade payables in the company balance sheet on 31 December 2022. Due to the proceedings in the Svea Court of Appeal and further cancellation of the supply contract on May 22, 2023, Gasum has derecognized the asset related to the prepayment of non-taken gas from financial year 2021 and reclassified the liability as contingent liability amounting to 158.0 million euros (see note Commitments and Contingencies).

Gasum has also derecognised the prepayment of EUR 13.3 million under inventory related to non-taken gas from financial year 2020 and recognised it as financial receivable from Gazprom Export. Based on legal assessment, Gasum sees that the company is entitled to restitution of the prepayment. Balance sheet values on 30 June 2023 include 144.8 million euros trade payables and other provisions for gas deliveries and supply contract related other costs from 2021 – 2022. Gasum has taken preliminary actions to set off the financial receivable of EUR 13.3 million from the aforementioned trade payables and other provisions. The liabilities set out in the arbitral award accrue interest, totalling at EUR 5.0 million on June 30, 2023.

Arbitration proceedings against Venator P&A Finland OY

In early November 2022, Gasum LNG Oy filed arbitration proceedings against Venator P&A Finland Oy. On May 14, 2023, Venator Materials PLC, and 23 affiliated companies filed petitions in the United States seeking relief under chapter 11 of the United States Bankruptcy Code. The arbitration is under stay until said chapter 11 proceedings have been concluded but is expected to resume unaffected thereafter. Thus, a decision is not expected before end of 2023.

The company has recognized an amount of EUR 32.7 million as a receivable under operating revenue during previous financial periods. Due to the change in circumstances, Gasum has increased the expected credit loss provision (ECL) according to IFRS 9 to EUR 13.1 million (31.12.2022: 8.4 EUR million).

Outlook for the current year

Volumes are expected to develop positively throughout the year. However, major uncertainties remain towards the end of the year as regards the continuation of Russia's brutal war in Ukraine and the weather of the coming winter. These uncertainties and risks have been further described in the 2022 financial statements. The future of LNG and LBG (Bio-LNG) looks promising. Demand is expected to be positively impacted by the upcoming maritime sector EU emissions regulation starting in 2024 as well as the steadily growing numbers of gas-powered trucks in the heavy traffic sector in the long term.

Gasum's result continues to be burdened by costs that have resulted from adverse impacts of the market turmoil and adjusting operations to the changed energy landscape in 2022. According to the current understanding within Gasum, these costs are expected to decrease during the second half of the year but will continue to affect Gasum's result until the end of the first quarter of 2024.

The implementation of Gasum's new strategy, launched in the last quarter of 2022, is proceeding strongly. While construction work on the first of five new large biogas plants in Sweden in Götene is progressing according to plan, investment decisions on three smaller expansions and improvements to existing biogas plants were made during the second quarter of the year.

These developments and other agreements and partnerships made during the first half of the year are pushing the company closer to its strategic targets step by step.

Consolidated statement of income

EUR million	1-6/2023	1-6/2022	1-12/2022
Revenue*	745.1	1,274.2	2,601.8
Other operating income*	118.5	438.0	643.2
Materials and services*	-644.4	-1,075.6	-2,224.9
Personnel expenses	-19.1	-18.2	-35.5
Depreciation, amortization and impairment	-39.7	-40.2	-92.9
Other operating expenses*	-187.2	-522.2	-742.6
Share of profit/loss from investments accounted for using the equity method	0.4	0.3	0.8
Operating profit	-26.4	56.3	149.9
Finance income and expenses	-5.0	-6.3	-8.7
Result before taxes	-31.4	50.0	141.2
Taxes	0.0	-10.0	-17.9
Result for the period	-31.4	40.0	123.3
Result for the period attributable to:			
Owners of the parent	-31.4	40.0	123.3
Non-controlling interest	0.0	0.0	0.0

*The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating income and under other operating expenses.

Consolidated balance sheet

EUR million	30.6.2023	30.6.2022	31.12.2022
ASSETS			
Non-current assets			
Intangible assets	159.0	187.0	169.0
Property, plant and equipment	602.7	662.8	621.5
Equity-accounted investments	11.9	11.1	11.6
Derivative financial instruments	55.1	159.9	133.7
Deferred tax assets	0.0	0.0	0.0
Other non-current assets	0.3	0.3	0.3
Total non-current assets	829.0	1,021.1	936.1
Current assets			
Inventories	61.8	282.3	257.9
Derivative financial instruments	58.4	431.1	186.7
Trade and other receivables	198.0	373.0	354.6
Current tax assets	4.9	-1.6	5.9
Cash and cash equivalents	333.8	138.1	206.2
Total current assets	656.9	1,222.9	1,011.2
TOTAL ASSETS	1,485.9	2,244.0	1,947.3

Consolidated balance sheet

EUR million	30.6.2023	30.6.2022	31.12.2022
EQUITY AND LIABILITIES			
Share capital	10.0	10.0	10.0
Reserve for invested unrestricted equity	159.7	159.7	159.7
Capital loan	199.0	199.0	199.0
Retained earnings	192.2	66.5	67.3
Result for the period	-31.4	40.0	123.3
Translation differences	-29.3	-9.5	-16.3
Total equity attributable to owners of the parent	500.2	465.7	543.0
Non-controlling interest	0.0	0.0	0.0
TOTAL EQUITY	500.2	465.7	543.1
LIABILITIES			
Non-current liabilities			
Loans	343.5	344.8	344.5
Non-current lease liabilities	136.9	164.3	139.4
Derivative financial instruments	33.8	134.2	104.1
Deferred tax liabilities	8.5	7.6	11.5
Provisions	11.7	24.9	11.9
Post-employment benefits	4.4	5.6	4.4
Total non-current liabilities	538.8	681.4	615.8
Current liabilities			
Loans	0.0	0.0	0.0
Derivative financial instruments	85.7	563.1	211.9
Trade and other payables	348.9	527.7	563.1
Current income tax liabilities	12.3	6.0	13.5
Total current liabilities	446.9	1,096.8	788.5
TOTAL LIABILITIES	985.7	1,778.2	1,404.3
TOTAL EQUITY AND LIABILITIES	1,485.9	2,244.0	1,947.3

Consolidated statement of changes in equity

Attributable to owners of the parent 1.1.2023								
EUR million	Share capital	Paid-up unrestricted equity reserve	Retained earnings	Translation differences	Capital loan	Total	Non-controlling interest	Total equity
Equity at January 1, 2023	10.0	159.7	190.6	-16.3	199.0	543.0	0.0	543.1
Result for the period			-31.4			-31.4	0.0	-31.4
Other items in comprehensive income								
Remeasurement of post-employment benefits								
Cash flow hedges								
Translation differences				-13.0		-13.0	0.0	-13.0
Other items			1.6			1.6		1.6
Total comprehensive income for the period	0.0	0.0	-29.8	-13.0	0.0	-42.9	0.0	-42.9
Equity at the end of June, 2023	10.0	159.7	160.8	-29.3	199.0	500.2	0.0	500.2

Attributable to owners of the parent 1.1.2022								
EUR million	Share capital	Paid-up unrestricted equity reserve	Retained earnings	Translation differences	Capital loan	Total	Non-controlling interest	Total equity
Equity at January 1, 2022	10.0	159.7	66.5	-1.6	199.0	433.7	0.0	433.7
Result for the period			40.0			40.0	0.0	40.0
Other items in comprehensive income								
Remeasurement of post-employment benefits								
Cash flow hedges								
Translation differences				-7.9		-7.9	0.0	-7.9
Other items								
Total comprehensive income for the period	0.0	0.0	40.0	-7.9	0.0	32.0	0.0	32.0
Equity at the end of June, 2022	10.0	159.7	106.5	-9.5	199.0	465.7	0.0	465.7

Consolidated statement of cash flows

EUR million	1-6/2023	1-6/2022	1-12/2022
Cash flows from operating activities			
Result before income tax	-31.4	50.0	141.2
Adjustments			
Depreciation, amortization and impairment	39.7	40.2	92.9
Finance items – net	5.0	6.3	8.7
Unrealized gains/losses on financial instruments	9.2	-51.7	-157.8
Gains and losses on the divestment of fixed assets			
Other non-cash adjustments	33.9	23.8	59.6
Change in working capital	135.3	-10.6	-38.3
Cash inflow from operating activities before financial items and taxes	191.6	58.0	106.3
Interest paid, leasing interest and other financial items	-15.7	-34.4	-50.1
Received financial income	13.2	20.9	30.4
Taxes paid	-0.1	-1.4	-20.8
Cash flow from financial items and taxes	-3.4	-14.8	-40.6
Net cash flows from operating activities	188.2	43.2	65.8
Cash flows from investing activities			
Investments in tangible assets	-21.2	-7.1	-37.2
Investments in intangible assets	0.0	-2.7	-0.4
Investment grants received	1.8		20.7
Proceeds from sale of tangible assets			
Divestment of subsidiaries			
Increase/Decrease in non-current receivables	-26.2	43.9	115.9
Net cash flows from investing activities	-45.6	34.1	99.1
Cash flows from financing activities			
Proceeds from subordinated loans			
Proceeds from non-current borrowings			
Repayments of non-current borrowings		-100.0	-100.5
Proceeds from current borrowings			
Repayments of current borrowings		-207.9	-210.0
Payment of leasing liabilities	-19.1	-18.2	-37.3
Net cash flows from financing activities	-19.1	-326.1	-347.8
Net decrease (-)/increase (+) in cash and cash equivalents	123.5	-248.8	-183.0
Cash and cash equivalents at the beginning of the period*	206.2	387.4	387.4
Exchange rate differences/Losses on cash and cash equivalents	4.1	-0.4	1.8
Cash and cash equivalents at the end of the period	333.8	138.1	206.2

Notes

Revenue by region EUR million	1-6/2023	1-6/2022*	1-12/2022*
Finland	419.9	625.4	1,576.6
Others	325.2	648.9	1,025.2
Total	745.1	1,274.2	2,601.8

*The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating income

Revenue by business unit EUR million	1-6/2023	1-6/2022	1-12/2022
Industry	232.3	309.4	658.3
Maritime	51.9	80.1	169.5
Traffic	93.5	75.3	175.9
Supply & Trading	629.7	1,200.5	2,428.2
Projects & Biogas Production	39.4	37.3	74.4
Others and internal sales	-301.7	-428.3	-904.4
Total	745.1	1,274.2	2,601.8

*Business unit structure has changed as of 1.7.2022 and comparison figures from H1 / 2022 have been adjusted accordingly

Materials and services EUR million	1-6/2023	1-6/2022*	1-12/2022*
Materials and supplies	-636.2	-1,066.5	-2,206.0
External services	-8.2	-9.1	-18.9
Total	-644.4	-1,075.6	-2,224.9

*The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating expenses

Personnel at the end of the period	30.6.2023	30.6.2022	31.12.2022
Finland	210	218	196
Sweden	97	93	85
Norway	38	42	38
Germany	2	4	2
Total	347	357	321

Other operating income EUR million	1-6/2023	1-6/2022*	1-12/2022*
Gains from sale of fixed assets	0.0	0.0	0.1
Proceeds from sale and leaseback arrangement	0.0	0.0	0.9
Gains from realized derivative financial instruments	79.9	118.1	376.7
Gains from unrealized derivative instruments	34.1	318.9	263.0
Other income	4.5	1.0	2.5
Total	118.5	438.0	643.2

*The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating income.

Other operating expenses EUR million

	1-6/2023	1-6/2022*	1-12/2022*
Rents	-0.7	-1.2	-1.9
Maintenance expenses	-9.8	-7.3	-16.8
External services	-13.6	-11.3	-29.4
Loss from realized derivative financial instruments	-107.2	-230.8	-571.4
Loss from unrealized derivative instruments	-43.3	-267.2	-105.2
Personnel-related expenses other than salary expenses	-1.8	-1.4	-2.9
Fixed operating expenses	-1.2	-1.1	-2.6
Administrative expenses	-2.4	-0.4	-3.9
Marketing and entertainment expenses	-0.5	-0.8	-1.6
Insurance policies	-0.7	-0.6	-1.4
Compensation for daily minimum purchase obligation of natural gas	0.0	0.0	4.1
Other contractual penalties	-0.4	-0.1	-0.1
Other**	-5.7	0.0	-9.5
Total	-187.3	-522.2	-742.6

*The figures for the comparison period have been adjusted to correspond the reclassification of electricity hedges under other operating expenses.

**Other items under operating expenses include the increase in the expected credit loss provision (ECL) concerning Venator P&A Finland Oy of EUR 4.6 million. Further details under "Legal proceedings and claims".

Derivatives

EUR million		30.6.2023	30.6.2022	31.12.2022
Interest rate derivatives	Nominal value	917.5	817.5	917.5
	Market value	8.9	2.0	7.6
Foreign exchange derivatives	Nominal value	119.0	148.4	142.3
	Market value	-5.0	0.7	-0.8
Commodity derivatives	Nominal value	719.9	1,031.5	822.5
	Market value	-9.9	-109.0	-2.5
Total	Nominal value	1756.5	1,997.4	1,882.3
	Market value	-6.0	-106.3	4.3

Commitments and Contingencies

Legal claims Contingency EUR million

	30.6.2023	30.6.2022	31.12.2022
Contingent Liability	160.6	0.0	0.0

Gasum has had a long-term gas supply contract with Russian Gazprom Export LLC under which, in addition to the contracted volumes of natural gas supply, the minimum annual volume has been agreed. In case Gasum did not take the minimum annual volume of gas, Gasum was obliged to pay a prepayment under the contract, which gave Gasum the right to receive the not taken amount of the agreed minimum annual volume in later years. Gasum has cancelled the long-term natural gas supply contract with Gazprom Export on May 22, 2023. See further details under Legal Proceedings and Claims.

Gasum has derecognised EUR 158.0 million asset under inventories regarding the undelivered gas from financial year 2021 and corresponding EUR 158.0 million liability in company balance sheet on June 30, 2023. Based on legal advice and management assessment, realisation of the provision is possible, but not probable and therefore contingent liability has been recognised according to IAS 37. The contingent liability EUR 158.0 million accrue interest, totalling at EUR 2.6 million on June 30, 2023. Accrued interest is presented as part of the contingent liability.

Formulas for key financial indicators

Equity ratio (%) =	100 x	$\frac{\text{Total equity}}{\text{Balance sheet total - Advances received}}$
Return on equity (%) =	100 x	$\frac{\text{Result for the period}}{\text{Total equity (average for the period)}}$
Return on investment (%) =	100 x	$\frac{\text{Profit before tax}}{\text{Total equity + Interest-bearing debt (average for the period)}}$
Net interest-bearing debt =		Interest-bearing debt - Cash and cash equivalents
Gearing ratio (%) =	100 x	$\frac{\text{Interest-bearing debt - Cash and cash equivalents}}{\text{Total equity}}$
Gearing ratio (%) excluding the impact of IFRS16 Leases =	100 x	$\frac{\text{Interest-bearing debt - IFRS16 leasing debt - Cash and cash equivalents}}{\text{Total equity}}$

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GASUM IN BRIEF

The energy company Gasum is a Nordic gas sector and energy market expert. We offer cleaner energy and energy market expert services for industry and for combined heat and power (CHP) production as well as cleaner fuel solutions for road and maritime transport. We help our customers to decrease their own carbon footprint and that of their customers. Together with our partners, we promote development towards a carbon-neutral future on land and at sea.

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