GASUM GROUP FINANCIAL RESULT **H1 2024**

Gasum

Gasum Group unaudited half-year financial report, 1 January–30 June 2024

Profitability improved with increasing volumes and better operational performance

January–June 2024 (H1 2023):

- The Group's revenue decreased by 4.3 percent to EUR 712.9 (745.1) million due to decline in gas market prices.
- Operating profit (EBIT) was EUR 15.3 (-26.4) million. Adjusted operating profit (EBIT) was EUR 35.7 (-20.3) million
- Balance sheet total came to EUR 1,556.0 (1,485.9) million
- Equity ratio was 37.3 (34.0) percent
- Sales volumes increased by 48 percent compared to H1 2023 mainly due to higher natural gas volumes and were 9.2 (6.3) TWh.

Key financial indicators

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Revenue	289.2	296.1	712.9	745.1	1,456.9
Adjusted operating profit*	17.9	-9.3	35.7	-20.3	-3.8
Operating profit	12.5	-7.1	15.3	-26.4	45.1
Adjusted operating profit (%)*	6.2 %	-3.1%	5.0%	-2.7%	-0.3%
Operating profit (%)	4.3 %	-2.4%	2.1%	-3.5%	3.1%
Equity ratio (%)			37.3%	34.0%	35.6%
Return on equity (%)**			0.5%	-12.0%	5.4%
Return on investment (%)**			0.3%	-6.1%	1.9%
Balance sheet total			1,556.0	1,485.9	1,637.9
Net interest-bearing debt			218.3	165.1	215.1
Gearing ratio (%)			38.0%	33.0%	37.3%
Gearing ratio (%) excluding the impact of IFRS 16 leases			12.5%	1.9%	11.3%
Personnel at the end of period (FTE)			364	345	331

* Calculated without unrealized gains and losses from derivatives relating to operative business and non-recurring items

** The calculation formula of the key figure has been adjusted as of Q1 / 2024. In the new formula, annualized figures are used to calculate the key figure. Key figures for the comparison periods have also been recalculated to reflect the new calculation formula

Adjusted items

Non-recurring items and unrealized gains and losses from derivatives relating to operative business

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Unrealized operative hedge derivatives	-11.1	4.7	-29.7	-9.2	36.3
Non-recurring items	5.7	-2.5	9.3	3.0	12.6
Change of inventory values to net realisable value	*6.1*	*-2.3*	*9.9*	*4.1*	*14.2*
Costs related to ongoing claims	*-0.5*	*-0.2*	*-0.6*	*-1.1*	*-1.6*
Total	-5.4	-2.1	-20.4	-6.1	48.9

Gasum Group CEO Mika Wiljanen comments on the first half of 2024:

"In the first half of 2024 we finally saw a more normal energy market after the slow and gradual recovery during 2023 from the turmoil of the previous year. There was a marked improvement in volumes compared to the first half of 2023. We also improved the utilization rate of our value chain, with, for example, an increased number of ship bunkerings during the period.

Last year, in 2023, Gasum's result was burdened by costs that resulted from the adverse impacts of market turmoil and adjusting operations to the changed energy landscape in 2022. During the first half of 2024 those adverse impacts were significantly reduced, and profitability improved as a result.

The adjusted operating result for the second quarter of 2024 was EUR 17.9 million (Q2 2023: EUR -9.3 million) and the adjusted operating profit margin for Q2 2024 was 6.2% (Q2 2023: -3.1%). The adjusted operating result for the cumulative period of H1 2024 was EUR 35.7 million (H1 2023: EUR -20.3 million) and the adjusted operating profit margin 5.0% (H1 2023: -2.7%). Equity ratio at end of June 2024 was 37.3% (June 30, 2023: 34.0%).

Compared to the first half of 2023, sales volumes improved in maritime and traffic segments. The order book for new gas trucks has been filling more rapidly in the Finnish and Norwegian markets. In the industry segment, LNG sales volume development has been stable as expected.

Biogas sales are currently lagging projected figures for 2024. One of the reasons behind the slow demand is the general economic downturn, which has increased worries related to security of supply and decreased incentives for voluntary emission cuts. Regulation obliging the transport sector to make emission cuts is shortly upcoming but not in force yet. Other obstacles such as unfavorable taxation in Sweden are hampering sales as well.

During the first half of 2024 Gasum had a tight focus on executing the company strategy and driving business activities forward in a normalized market, after the turmoil and then slow stabilization during 2022–2023. The Baltic Connector pipeline was repaired on schedule and came back online in April, which means that we once again have two import channels for pipeline-delivered natural gas into the Finnish market.

Project work on Gasum's next new biogas plant in Götene, Sweden, is nearing completion on schedule and startup of the reactors is planned for early fall. At Borlänge, Gasum's second new large scale biogas plant, contracts for groundwork were signed during the second quarter of the year and work onsite is set to begin during the summer. Throughout the first half of the year, we also both opened new filling stations and announced new station projects in Finland, Sweden and Norway.

In the power business we made headway in the expansion into the Swedish market. We also developed our product offering in energy market services through a strategic partnership and continued our good customer relationship with Umicore by signing another power purchase agreement (PPA) with the company.

In June, we signed a long-term financing agreement of EUR 565 million. Gasum's green loan, which is used to finance strategic investments into increasing biogas production, was extended from EUR 152 million to 175 million. The margin of one of the facilities is tied to Gasum's own sustainability goals related to renewable gas volumes, sustainable biogas production and safety. This long-term financing is vital for Gasum to be able to execute its strategy of investing in continuously increased biogas production.

On 24 June the EU issued a new sanctions package against Russia, which included a prohibition to purchase or import liquified natural gas originating from Russia through EU terminals that are not connected to the EU gas network. The sanctions adopted by the EU do not allow Gasum to terminate its agreement with Gazprom export but constitute a force majeure on the purchase or import of Russian LNG to off-grid terminals. The prohibition included in the sanctions package have come into force 26 July 2024 as of which date Gasum no longer purchases or imports Russian LNG.

I would like to extend my thanks to the Gasum staff for their continued and consistent support during the first half of 2024 in executing our strategy and for living our values of respect, sustainability and positive energy every day."

Outlook for the current year

Volumes are expected to remain at a relatively high level as projected throughout the rest of the year when compared with 2023 figures. Volume increase is subject to the market and conditions remaining stable throughout the rest of the year. Positive development in the maritime and traffic segments is set to continue and the industry segment is expected to pick up somewhat.

The new maritime sector EU emissions regulation FuelEU Maritime, which is entering into force in 2025, is likely to increase interest in biogas towards the turn of the year. Overall, biogas sales are expected to develop positively.

On 26 July the new EU sanction against Russia pertaining to LNG imports came into force. This means that Gasum no longer imports LNG from Russia and needs to source the portion of its LNG portfolio that previously came from Russia through other sources. Gasum is able to utilize other existing or new sourcing channels and expects no risk to LNG availability.

At the Götene biogas plant project site, the construction works are in the final stage during the summer and seeding of the reactors is planned for August. Commercial production is expected to start at the turn of the year. Groundworks at the Borlänge project site are commencing during the summer season and will continue into the fall.

Gasum continues to develop the e-methane market with negotiations both at the supply side as well as with potential customers interested in pioneering the use of synthetic methane in transportation.

During the second half of the year Gasum will be rolling out a new service for the power market that has been developed in collaboration with a strategic partner. The expansion of the power business into the Swedish market continues.

Strategy

During the first half of 2024 Gasum continued to execute the strategy that was launched in the fall of 2022. The strategy is being implemented through several projects, which range from business to operational development as well as culture and employee experience. On the customer experience front the new Gasum.com website as well as a fully CRM integrated customer satisfaction measurement system were both successfully launched.

In the maritime segment Gasum signed long-term bunkering and service agreements with new customers and continued work on commercializing the FuelEU Maritime and EU ETS regulation. In the industry segment there was continued development of the Gasum offering in the power business as well as in multi market optimization (MMO) services and progress was made in expanding the power business into the Swedish market.

In the traffic segment new filling stations were built according to plan in all countries. Five new stations were opened during the period.

Gasum's strategic goal is to bring seven terawatt hours (TWh) of renewable gas yearly to the market by 2027, which is four times the current volume. Reaching the goal will mean a total emission reduction of 1.8 million tons of carbon dioxide for Gasum's customers. Achieving this goal requires investment in the company's own biogas production through green field projects, expansions and improvements on existing plants and successful sourcing from other biogas producers.

Two of the five planned new large biogas plants in Sweden are now underway, as the second located in Borlänge received the final investment decision at the start of the first half of 2024 in January. Work onsite is starting over the summer season. Planning work on the other three plants in Hörby, Sjöbo and Kalmar is proceeding well in co-operation with the local authorities and stakeholders.

The construction of the plant in Götene has been proceeding as planned throughout the period and seeding of the reactors is planned for August. Expansion and improvement projects at existing plants have also proceeded according to plan at all but the Örebro site where the project has been facing a delay due to issues with the environmental permit.

Operational review

Gasum's operations are divided into three customer segments: industry, maritime and traffic. In addition, production and sourcing of renewable gases is looked at as an area of strategic importance.

Industry

The price level of natural gas in Europe was fairly stable during the period. The stabilization of the price environment has also benefitted the LNG market. For the period, volumes of both LNG and biogas in the industry segment were slightly under the planned level, although on the same level as previous years. Volumes are expected to return to planned levels if natural gas prices are competitive compared to alternative fuels.

During recent years the high volatility of natural gas prices has led to an increased demand for fixed price products, in addition to which, customers also want more flexibility in their supply portfolio. Additionally, the country of origin of natural gas is of interest. Interest in biogas is high within the industry segment – Gasum's customers are looking to reduce their own emissions but also to meet the demands of the end customers. However, there is still no coherent treatment of biogas for industrial use in different countries with regard to taxation and EU ETS regulation. This means that companies are hesitant to commit to biogas use.

The outlook for power-related services in the industry segment is positive. The power market is rapidly changing and developing and Gasum has a broad offering to match the needs in the market. Gasum's power offering serves both power users and producers, providing full delivery and access to both physical and financial power markets throughout the whole power market value chain. The demand for optimization in the power market has again increased during the first half of 2024 and Gasum has been helping customers to optimize electricity use with demand response, shifting to off-peak hours for cost savings and switching to alternative fuels during high-cost periods.

During the period Gasum continued the roll out of the power offering to the Swedish market. New contracts have been signed and there is high interest in Gasum's overall offering in the Swedish market.

Maritime

Volume growth in the maritime segment has been very good and Gasum delivered record volumes over the first half of the year. Year to date volume increase for June was 83%. The utilization rate of Gasum's leased bunker vessels Coralius and Kairos has been growing during the period and the growth is expected to continue.

Gasum's expansion into the North-West Europe market progressed according to plan as Gasum started deliveries on multiple long-term bunkering and service agreements in the North-West Europe region. Work to further expand business in the region is ongoing.

With the upcoming EU regulation in 2025, there is interest in the market in liquefied biogas (LBG), but the interest has not yet led to sales and biogas deliveries are behind the projected numbers for the period. The main reason for the current delay in demand growth is seen to be the downturn in the European economy, which has dampened voluntary emission reduction efforts somewhat.

Gasum is preparing for the 2025 FuelEU regulations and developing the company's offering to capture the opportunities, as the shipping industry has to start cutting emissions. The market is still expected to grow steadily in accordance with forecasts as new LNG dual fuelled vessels are being launched constantly.

Traffic

Volumes in the Traffic segment are ahead both compared to the 2024 planned figures but also year-on-year and the strong growth is expected to continue. There are an increasing number of new gas-run trucks being registered in Finland, Sweden and Norway, where Gasum is the number one player in the traffic segment.

New filling stations are being built and planned in accordance with the strategy – there are currently nine new filling stations under construction. Five new stations were opened during the period. New filling stations are being planned in all countries and, due to the modest size of the current network, the most urgent need for new stations is in Norway.

The competitiveness of gas as a transport fuel varies from country to country. At the moment, the most challenging environment is in Sweden, because biogas is taxed as a fossil fuel and the blending mandate has been reduced. This has lowered the cost of other transport fuels and increased emissions from the transport sector overall. The situation has affected the number of new gas vehicle registrations negatively in Sweden, but the company expects it to improve once the taxation is corrected.

The overall outlook in the segment is positive and volumes for 2024 are developing well. In the long-term volumes are expected to increase further. There is still some hesitance amongst some truck owners to invest in new trucks in the current market environment, which might dampen the development to a certain extent.

Production and sourcing of renewable gases

Gasum's strategic projects to increase its own biogas production proceeded well during the first half of 2024. At the Götene project site, construction is in the final stage and seeding of the reactors is planned for August. In Borlänge, contracts for groundworks and for the anaerobic digestion (AD) plant have been signed and the groundworks will start during the summer season. In Sjöbo, the environmental court granted an environmental permit to the project in June but an appeal process to the supreme environmental court is expected.

Expansion projects of existing biogas plants in Finland at Vehmaa, Oulu, Turku & Riihimäki are proceeding according to plan. Digestate treatment and ammonia water production will be implemented in both Oulu and Riihimäki plants during the second half of 2024 and going into 2025. In Sweden, the Örebro expansion project has been facing a delay due to issues with the environmental permit. The project is now proceeding with a minimized scope while awaiting the results from the process with the authorities. Production at all plants is following the budgeted figures, both in Finland and Sweden.

The European biomethane market is in a continuous state of fluctuation due to constantly changing EU-level and national regulation and renewable energy use incentives. Trading activity with Guarantees of Origin (GoOs) is lively and volumes are increasing. Gasum is sourcing actively especially from Spain and France and actively looking for opportunities in Italy and Poland.

Biomethane availability has been good in the first half of 2024 and Gasum has been concentrating on short-term sourcing of biomethane as well as on long-term agreements with producers from 2025 onwards. Biomethane deliveries within EU is expected to become easier when the Union database for Guarantees of Origin (GoO) and Proof of Sustainability (PoS) will be implemented in the later part of the year. This especially helps the deliveries to Sweden where a national GoO register is expected to be taken into use similarly to other EU countries. Pipeline-connected parts of the Norwegian gas infrastructure will be part of the Union database and that will improve the situation even further.

Gasum has an offtake agreement with Nordic Ren-Gas for their first e-methane production plant at 160 GWh of liquefied e-methane per year. The project is expected to get a Final Investment Decision during the second half of the year. Negotiations are ongoing with Nordic Ren-Gas for other plant projects. There are also several similar projects in the pipeline in different European locations, however, higher price expectations for e-methane compared to biomethane are holding back the progress but it might be again boosted by regulatory double counting in the FuelEU Maritime regulation for renewable fuel from non-biological origin (RFNBO).

Operating and regulatory environment

Power markets

January was an eventful month for power prices as Finland saw it's all-time-highest levels on the spot market in the beginning of the month: the highest hours came close to 1300 EUR/MWh. The spikes were caused by cold weather, a weak hydrological balance and a bidding error by a market participant all occurring simultaneously.

Since the peaks in January, where price averaged over 100 EUR/MWh in the Helsinki area, the situation has calmed down. Average monthly prices have varied between 35 and 49 EUR this spring in the Helsinki area. Year to date

Helsinki area prices have averaged at 57 EUR, 10 euros above the system price, mainly due to the January peaks, but also partly due to delays in nuclear maintenance in Finland.

The restart for the Olkiluoto 3 reactor after its first yearly maintenance was delayed with almost one month due to a turbine fault, the reactor returned to production early June 2024. There have also been some delays on the Swedish nuclear maintenances.

The Hydrological balance has fluctuated from -14 TWh in January to normal levels in April. During June the balance improved from -9 TWh to -4 TWh.

On the forward curve the longer years have slowly ticked up. ENOYR-28 for instance has increased 6 euros from the lows around 40 EUR/MWh in January to 46.7 EUR/MWh in June. Prices for the remainder of the current year have been more stable and driven by weather as normally. SYS Q3 and Q4-24 are priced at 31.5 and 48 EUR/MWh, and HEL EPADS at 6.5 and 5 EUR. Similar price levels are expected for the remainder of the year.

Overall, Finland has become a more volatile price area due to the heavy increase of wind production, and lack of flexibility on the consumption side. During the first half of the year Finnish wind capacity has grown to approximately 7200 MW, up from 6700 MW in January. Solar capacity has grown to around 1000MW, which means an over 300MW increase over the past year.

Gas markets

The European benchmark index for gas, TTF, continued a downward sloping ride at the beginning of 2024. The heating season progressed without any significant cold spell, and market participants shifted their eyes to very healthy storage levels. This trend continued all the way to late February when the TTF touched the year-to-date low of 22.93 EUR/MWh.

The trend was reversed by the entrance of Asian buyers of LNG which shifted the LNG flows to Asia and the TTF front month contract trades at January levels were 33 EUR/MWh. This direction has stayed on its course, but the European storage situation causes no reasons for concern. The storage carry (up to injections season) was record-breaking high of at 670 TWh (59%) by the end of April 2024.

In the Finnish and Baltic region, the market experienced significant price differences between the Baltics and Finland due to unavailability of the Balticconnector pipeline. As Finland was entirely depended on the FSRU Inkoo terminal, price behavior was also exaggerated, resulting in extremes of 8–90 EUR/MWh just weeks apart. After the Balticconnector returned back to service on schedule 22 April, the situation normalized between Finland and the Baltics.

Russian pipeline gas continued to flow to Europe via Ukraine, but the 14th round of EU sanctions aims to address import of Russian LNG into European ports. The future of pipeline flows is open as the transit agreement between Russia and Ukraine expires at the end of 2024.

Overall, the European gas market is considered stable but increasingly exposed to global LNG markets and Norwegian production fluctuations. A nervous balance is likely to continue, and possible winter temperature normalization will add its impact on prices as the heating season approaches. On a longer perspective, current global balances predict loosening market conditions from 2025–2026 onwards.

Regulatory environment

In May, the Council of the EU formally adopted the regulation on CO2 emission standards for heavy-duty vehicles, amending and strengthening the existing EU rules. CO2 emissions from heavy-duty vehicles will have to be reduced by 45 percent from 2030, 65 percent from 2035, and 90 percent from 2040. The approved legislation is problematic from the perspective of biomethane use, as it only considers tailpipe emissions and ignores the full life-cycle approach.

However, the European Commission was tasked by the Council to review the effectiveness and impact of the amended regulation in 2027. Among other things, the Commission will have to evaluate the possibility of developing a common methodology for the assessment and reporting of the full lifecycle CO2 emissions of new heavy-duty vehicles and develop a methodology for vehicles running exclusively on CO2 neutral fuels, such as biomethane, within one year of entry into force.

In June, the Finnish government's proposal for amendments to the national blending mandate act was sent for comments. The main objective of the proposal is to align the legislation concerning the distribution obligation with the government's program. At the same time, it aims to implement the national regulations required by the RED III directive. The new directive-based rules ensure that the renewable energy targets in transport set by the directive are achieved in Finland by 2030.

The legislative proposal to amend the blending mandate suggests a more gradual increase in blending mandate levels for the years 2025–2027, compared to the current law, so that they rise moderately from the 2024 level (13.5%). The blending mandate would be 16.5% next year, 19.5% in 2026, and 22.5% in 2027, in accordance with the government program.

A separate gradually increasing minimum share mandate would be set for synthetic renewable fuels of non-biological origin (RFNBO) for the years 2028–2030. This minimum share mandate for RFNBO fuels, such as synthetic methane, would be four percentage points in 2030.

Sweden has in place an investment support scheme for biogas plants and fuelling stations through the Klimatklivet initiative. Klimatklivet has received an increased budget and will remain in place until at least 2026. After that Sweden has a general election and the future is unclear. The support for the initiative remains strong across the political aisle.

Sweden also has a support scheme in place for the upgrading and liquification of biomethane, as well as for the use of manure in digestion. The support amounts to 450 SEK/MWh for upgrading and liquification and 400 SEK/MWh manure support.

The Swedish state aid approval for the previously enforced tax exemption for biomethane in traffic is still unclear. The Swedish government remains confident that the European Commission will reinstate the exemption during 2024 but there are, as of yet, no guarantees that this will happen during the year.

In Norway, on an order from the Ministry of Transport, the Norwegian Public Roads Administration enabled in the end of 2023 a nationwide introduction of a toll exemption for gas-powered HDVs. Previously, this was only available in certain urban areas. With the new scheme, local authorities can determine if the exemption should be introduced in their respective area. There is no automatic implementation of the exemption, however the industry is very positive towards the new scheme. A lot of work is being done to get local authorities, across the country, to approve the toll road exemption.

The Norwegian government was expected to come back with a plan for increased production and demand of biogas to the parliament in the revised national budget in May 2024, but it did not do this. However, work is underway to get an action plan together to accommodate the request from the parliament. When the said plan is in place is yet unknown.

Sustainability

Gasum's sustainability work is governed by a sustainability program focusing on six key themes: safety and security, climate change, access to cleaner energy, people, circular economy and responsible business.

Gasum is making preparations for the requirements of the Corporate Sustainability Reporting Directive (CSRD), which will apply to the company in 2025. During the first half of 2024, focus was on developing sustainability data management and conducting data gap analysis in accordance with the results of the CSRD compliant double materiality assessment that was conducted in 2023.

Gasum's strategy is based on increasingly shifting the emphasis towards renewable gas and helping customers continuously reduce their greenhouse gas emissions. One of Gasum's climate related targets follows the amount of biogas delivered in gigawatt hours (GWh). The target for 2024 is 3,000 GWh of biogas delivered. For the first half of 2024 the amount of delivered biogas was 949 GWh, which is around 32 percent of the yearly target.

Gasum continued to use 100 percent renewable electricity in all of its own operations during the first half of the year. The energy efficiency of operations is continuously improved through energy saving actions. During the period investments were made to incorporate heat pumps into selected Gasum's biogas plants to improve energy efficiency and profitability. The heat recovered by the heat pump is used to cover the entire heat need of the biogas plant which means that the raw biogas previously used for heating the plant can be upgraded and sold to customers.

On the safety side there were two lost time incidents (LTI) during the first half of 2024 (1-6/2023: 2, annual target for Gasum and contractors is 0). The total recordable incident frequency (TRIF) for the period was 5.2 (1-6/2023: 4.4, annual target for Gasum and contractors is <10 by the end of 2027). The TRIF measures the ratio of incidents s against hours worked. During May the entire Gasum staff participated in a safety campaign where each team made a safety pledge that was published as a video on Gasum's internal communications channels.

During April and May of 2024 Gasum conducted internal HSEQ audits of a total of 26 facilities or functions. Key focus areas of the HSEQ audits were process safety, physical safety and cyber security. Audits were conducted against the requirements of ISO 9001 quality, ISO 45001 safety, ISO 14001 environment, ISO 50001 energy, and certified biogas sustainability systems and biofertilizer quality.

Financial performance

Gasum Group's revenue during Q2 2024 period was EUR 289.2 million, 2.4 % lower than the revenue of EUR 296.1 million in Q2 2023. Cumulative revenue from H1 2024 period was EUR 712.9 million, 4.3 % lower than the revenue of EUR 745.1 million in H1 2023. The decrease in revenue was attributable to lower gas prices.

Volumes in Q2 2024 continued developing positively. Total volumes increased 18.3 % in Q2 from comparison period being 3.4 TWh (Q2 2023: 2.9 TWh). Total volumes in H1 2024 period was 9.2 TWh (H1 2023: 6.3 TWh), increase to comparison period 47.6 %. Positive volume development continued in all customer segments. Especially volumes in Maritime continued positive development, being 82.6% higher in H1 2024 compared to previous year comparison period H1 2023.

Adjusted operating profit in Q2 2024 was EUR 17.9 million (Q2 2023: EUR -9.3 million) and operating profit for Q2 2024 was EUR 12.5 (Q2 2023: EUR -7.1) million. Adjusted operating profit in H1 2024 was EUR 35.7 million (H1 2023: EUR -20.3 million) and operating profit for H1 2024 was EUR 15.3 (H1 2023: EUR -26.4) million.

In H1 2023 Gasum's result was burdened by the non-recurring cost that resulted from the actions that Gasum implemented to manage the risk and the consequences of turmoil in the energy market. In 2024 the market environment has been more stable and one-time costs related to restructuring and mitigation activities has decreased by end of Q1 2024. In H1 2024 operative result has been positively impacted by realized natural gas inventory hedges, where the corresponding loss is partly to be realized in later periods. Gasum does not apply hedge accounting for its hedge derivatives and therefore there can be timing differences between the result from underlying business and the impact of realized gain or loss of hedge derivatives. Also, positive volume development and better operational efficiency has improved company's profitability in 2024. Items affecting comparability and which are excluded from adjusted figures have been listed in the table *key financial indicators* presented on the first page.

Net profit for H1 2024 was EUR 1.4 million (H1 2023: EUR -31.4 million).

Cash flow and financing

The Group's balance sheet totaled at the end of June 2024 EUR 1,556.0 million (June 30, 2023: EUR 1,485.9 million).

Net interest-bearing debt, borrowings from financial institutions and lease liabilities, increased by 32.2% to EUR 218.3 million (June 30, 2023: EUR 165.1 million). Increase in net interest-bearing debt is result from increase in working capital. At end of June 2024, cash and cash equivalents including short-term deposits amounted to EUR 271.4 (June 30, 2023: 333.8) million and unused committed credit facilities to EUR 220 million. Gasum has financial covenants in its loan agreements for gearing and minimum available liquidity.

Cash flow from operating activities was EUR 29.7 million (EUR 162.0 million) during the first half of the year 2024. Decrease in the cash flow from operating activities was mainly driven by increase in working capital. The Gasum group's capital expenditure before government grants in H1 2024 was EUR 33.3 million (H1 2023: EUR 21.2 million). Expansion investments include projects in biogas production, customer terminals for LNG and LBG and filling stations for road transportation.

Equity at end of June 2024 was at EUR 574.1 million, increase of 14.8% from EUR 500.2 million in June 2023. Gearing at end of H1 2024 was at 38.0% (June 30, 2023: 33.0%) and equity ratio at 37.3% (June 30, 2023: 34.0%).

In June 2024, Gasum signed a long-term financial agreement at a total of EUR 565 million. The financing includes a term loan and revolving credit facilities. In agreement, Gasum's green loan has been extended from EUR 152 million to 175 million. The green loan is used to finance Gasum's strategic investments into increasing biogas production both by expanding biogas production at existing plants as well as construction of new large-scale plants. The green loans are administered under Gasum's Green Finance Framework, where biogas related assets have a top rating of Dark Green from independent ratings issuer Shades of Green. The green loan will be exclusively used for assets related to biogas production and distribution.

Gasum has a capital loan of EUR 200 million from The Prime Minister's Office. The capital loan was given in 2021 to strengthen the financial position and provide support for consequences from the general market situation and uncertainty.

Risks and geopolitical uncertainty

The energy market and prices remain volatile and prices reactive to changes in the global energy supply chains. The commodity price risks, derivative risks and liquidity risks remain in close monitoring and Gasum has continued to develop the capability to react to possible challenges in the energy markets.

Gasum's most important strategic risks relate to the demand of its main products, such as biogas, liquefied natural gas (LNG) and renewable power. The need for LNG and renewable energy is affected by the economic environment, energy regulation, and the availability and relative price level of other energy solutions.

In the midst of the new European sanctions on Russian LNG, Gasum has focused efforts on the operational risks relating in particular to the supply chain and supply security.

As the leading producer of biogas in the Nordics, Gasum is also exposed to the risk of increasing competition for feedstock for renewable energy production, which may affect the production cost of biogas and future investments. Furthermore, Gasum has an ambitious investment plan into biogas production and the investment projects are subject to risks in project execution, rising construction prices and counterparty risks.

Finnish officials have indicated the relations between Finland and Russia have deteriorated and this imposes an increased threat on Finnish critical infrastructure. Gasum has taken measures to further improve the safety of its assets and personnel.

The geopolitical tensions are increasing around the world as well as the elections in many countries may imply risks in the general operating environment for Gasum through for example shifts in international and national climate targets or changing supply chains for gas.

Legal risks are described in the Legal proceedings and claims section.

Ownership structure

Gasum Ltd is fully (100%) owned by the State of Finland, partly directly and partly through the 100% State-owned Gasonia Oy. On 19 March 2024, Gasonia Oy's shareholder meeting resolved to set Gasonia Oy in liquidation and distribute the majority of its Gasum Ltd shares to the State of Finland. As of 19 March 2024, 96.5% of the Gasum Ltd shares are held directly by the State of Finland and 3.5% are held by Gasonia Oy. The change does not affect Gasum's operations or ultimate ownership.

Legal proceedings and claims

The report includes ongoing and potential legal proceedings and claims significant for the company. The company is reporting changes in relation to the financial statement for 2023 and financial result Q1/2024. To the extent changes are not reported, the financial statement for 2023 and financial result Q1/2024 applies.

Arbitration proceedings against Venator P&A Finland Oy

In early November 2022, Gasum LNG Oy filed arbitration proceedings against Venator P&A Finland Oy. The arbitration hearing was held in June 2024 and a decision is expected during Q3.

The Energy Authority's penalty fee proposal returned to the Market Court

During Q2/2024 the Market Court initiated the reconsideration of the Energy Authority's penalty fee proposal and the Company is currently preparing its statement to the Market Court. No decision is expected during the financial year 2024.

Company's appeal to the Vaasa Administrative Court on administrative enforcement decision of 30 September 2021 made by Centre for Economic Development, Transport and the Environment for Southwest Finland and appeal against the amended environmental permit

By its administrative enforcement decision of 30 September 2021, the Centre for Economic Development, Transport and the Environment for Southwest Finland had considered that Gasum's Turku biogas plant had not, regardless of requests, taken sufficient measures to eliminate odor nuisance from the activities. Gasum appealed against the decision to the Vaasa Administrative Court on 28 October 2021. To reinforce the first main obligation included in the decision, the Centre had imposed a periodic notice of a conditional fine with its basic component amounting to EUR 200,000 and its additional component to EUR 100,000. To reinforce six (of a total of twelve) other main obligations included in the decision, a separate fixed notice of a conditional fine amounting to EUR 50,000 per obligation had also been imposed. Gasum had, regardless of its appeal, performed all measures in compliance with the Centre's administrative enforcement decision by the due dates set for the measures in the enforcement decision. By a ruling given on 4 April 2024, the Vaasa Administrative Court has annulled eleven of the twelve main obligations in the administrative enforcement decision together with the thereto-associated conditional fines. The Vaasa Administrative Court left one of the twelve main obligations in force with certain modifications but lowered the thereto-related conditional fine to EUR 10,000. The Vaasa Administrative Court's decision has become legally binding.

In addition, the Regional State Administrative Agency of Southern Finland had in spring 2022 issued an amended environmental permit decision for the Turku biogas plant, which was objected against by local residents. By a ruling given on 4 April 2024, the Vaasa Administrative Court has dismissed the appeals and certain claims made by the Centre for Economic Development, Transport and the Environment for Southwest Finland altogether. The amended environmental permit has therefore become legally binding as no appeals were filed against the Vaasa Administrative Court's decision.

Swedish Tax Agency imposing excise duty and tax surcharges on Gasum AB for the period January 2021 – June 2022

The Swedish Tax Agency performed a tax audit of Gasum AB during 2023 regarding the period 1 January 2021 – 30 June 2022. Based on the findings made in the tax audit, the Swedish Tax Agency issued a partial decision on 21 December 2023 obligating Gasum AB to pay SEK 29,963,636 in excise duty and SEK 4,681,985 in tax surcharges, mainly concerning energy and carbon dioxide tax deductions made by Gasum AB on gas imported from Belgium and Norway to Sweden as liquefied biogas. The liquified gas in question had been purchased and sold as biogas based on biogas purchase and supply agreements, and in accordance with valid mass balancing principles in the Renewable Energy Directive and Gas Market Directive as well as ISCC standards. Gasum disagrees with the Swedish Tax Agency's decision and is assessing available options to rectify the Swedish Tax Agency's decision. Gasum has disclosed a contingent liability regarding the Tax Agency's decision (see note Commitments and Contingencies).

Additionally, the Swedish Tax Agency has by its decision on 16 May 2024, imposed SEK 37,526,156 in excise duty and SEK 5,628,911 in tax surcharges on Gasum AB for biogas deliveries made during the above-mentioned period that the company failed to declare due to an administrative error, but which were tax-exempt at the time of delivery. Following a ruling from the European Court of Justice the right to tax-exemption for biogas has from 7 March 2023 not been granted by the Swedish Tax Agency on formal grounds. Gasum has indicated that it finds the Swedish Tax

Agency's assessment to impose taxes and tax surcharges on Gasum to be legally questionable and incorrect and is assessing available options.

Events after reporting period

On 24 June the EU issued a new sanctions package against Russia, which included a prohibition to purchase or import liquified natural gas originating from Russia through EU terminals that are not connected to the EU gas network. The sanctions adopted by the EU do not allow Gasum to terminate its agreement with Gazprom export but constitute a force majeure on the purchase or import of Russian LNG to off-grid terminals.

The prohibition included in the sanctions package have come into force 26 July 2024 as of which date Gasum no longer purchases or imports Russian LNG.

Consolidated statement of income

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Revenue	**289.2**	**296.1**	**712.9**	**745.1**	**1,456.9**
Other operating income*	24.2	19.9	81.7	84.4	127.6
Materials and services	-234.0	-241.9	-613.4	-644.4	-1,226.1
Personnel expenses	-10.0	-10.5	-18.4	-19.1	-34.9
Depreciation, amortization and impairment	-14.6	-19.9	-29.1	-39.7	-76.8
Other operating expenses*	-31.7	-55.5	-90.0	-144.0	-238.9
Unrealized gains and losses of hedge derivative instruments*	-11.1	4.7	-29.7	-9.2	36.3
Share of profit/loss from investments accounted for using the equity method	0.5	0.1	1.3	0.4	1.1
Operating profit	**12.5**	**-7.1**	**15.3**	**-26.4**	**45.1**
Finance income and expenses	-7.9	-1.2	-13.5	-5.0	-25.3
Result before taxes	**4.5**	**-8.4**	**1.8**	**-31.4**	**19.8**
Taxes	-0.4	0.0	-0.4	0.0	10.4
Result for the period	**4.2**	**-8.4**	**1.4**	**-31.4**	**30.2**
Result for the period attributable to:					
Owners of the parent	4.0	-8.4	1.3	-31.4	29.7
Non-controlling interest	0.2	0.0	0.2	0.0	0.5

* Figures for the comparison period have been adjusted to correspond to the reclassification of gains and losses from unrealized derivative instruments.

Consolidated balance sheet

EUR million	30.6.2024	30.6.2023	31.12.2023
ASSETS			
Non-current assets			
Intangible assets	156.2	159.0	161.7
Property, plant and equipment	642.2	602.7	627.0
Equity-accounted investments	13.1	11.9	12.6
Derivative financial instruments	48.0	55.1	41.4
Deferred tax assets	17.1	0.0	17.0
Other non-current assets	0.2	0.2	0.2
Total non-current assets	**876.9**	**829.0**	**860.0**
Current assets			
Inventories	152.0	61.8	137.4
Derivative financial instruments	29.9	58.4	88.7
Trade and other receivables	216.4	198.0	267.8
Current tax assets	9.1	4.9	4.7
Assets held for sale	0.3	0.0	0.3
Cash and cash equivalents	271.4	333.8	278.9
Total current assets	**679.1**	**656.9**	**777.8**
TOTAL ASSETS	**1,556.0**	**1,485.9**	**1,637.9**

Consolidated balance sheet

EUR million	30.6.2024	30.6.2023	31.12.2023
EQUITY AND LIABILITIES			
Share capital	10.0	10.0	10.0
Reserve for invested unrestricted equity	159.7	159.7	159.7
Capital loan	200.0	200.0	200.0
Retained earnings	222.0	191.2	192.4
Result for the period	1.3	-31.4	29.7
Translation differences	-20.6	-29.3	-16.2
Total equity attributable to owners of the parent	**572.5**	**500.2**	**575.5**
Non-controlling interest	1.6	0.0	1.5
TOTAL EQUITY	**574.1**	**500.2**	**577.0**
LIABILITIES			
Non-current liabilities			
Loans	343.0	343.5	344.0
Non-current lease liabilities	135.3	136.9	137.2
Derivative financial instruments	36.0	33.8	28.3
Deferred tax liabilities	13.9	8.5	13.9
Provisions	12.7	11.7	12.7
Post-employment benefits	3.6	4.4	3.6
Total non-current liabilities	**544.4**	**538.8**	**539.7**
Current liabilities			
Derivative financial instruments	36.4	85.7	66.3
Trade and other payables	400.0	348.8	440.7
Current income tax liabilities	1.0	12.3	14.1
Total current liabilities	**437.4**	**446.9**	**521.1**
TOTAL LIABILITIES	**981.9**	**985.7**	**1,060.8**
TOTAL EQUITY AND LIABILITIES	**1,556.0**	**1,485.9**	**1,637.9**

Consolidated statement of changes in equity

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, 2024	**10.0**	**159.7**	**222.0**	**-16.2**	**200.0**	**575.5**	**1.5**	**577.0**
Result for the period			1.3			1.3	0.2	1.5
Other items in comprehensive income								
Translation differences				-4.3		-4.3	-0.1	-4.4
Total comprehensive income for the period			**1.3**	**-4.3**		**-3.0**	**0.1**	**-2.9**
Other items								
Equity at the end of June, 2024	**10.0**	**159.7**	**223.3**	**-20.6**	**200.0**	**572.4**	**1.6**	**574.1**

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**	**189.6**	**-16.3**	**200.0**	**543.0**	**0**	**543.1**
Result for the period			-31.4			-31.4	0.0	-31.4
Other items in comprehensive income								
Translation differences				-13.0		-13.0		-13.0
Total comprehensive income for the period			**-31.4**	**-13.0**		**-44.4**	**0**	**-44.4**
Other items			1.6			1.6		1.6
Equity at the end of June, 2023	**10.0**	**159.7**	**160.8**	**-29.3**	**200.0**	**500.2**	**0**	**500.2**

Consolidated statement of cash flows

EUR million	1-6/2024	1-6/2023	1-12/2023
Cash flows from operating activities			
Result before income tax	1.8	-31.4	19.8
Adjustments			
Depreciation, amortization and impairment	29.1	39.7	76.8
Finance items – net	13.5	5.0	25.3
Unrealized gains/losses on financial instruments	29.7	9.2	-36.3
Gains and losses on the divestment of fixed assets			
Other non-cash adjustments*	1.9	3.0*	9.4
Change in working capital*	-10.1	166.1	74.5
Change in non-current receivables**	-10.5	-26.2	5.6
Cash inflow from operating activities before financial items and taxes	55.3	165.4	175.2
Interest paid, leasing interest and other financial items	-32.1	-15.7	-38.7
Received financial income	11.9	13.2	30.7
Taxes paid	-5,4	-0,9	-0.2
Cash flow from financial items and taxes	-25.6	-3.4	-8.1
Net cash flows from operating activities	**29.7**	**162.0**	**167.0**
Cash flows from investing activities			
Investments in tangible assets	-34.2	-21.2	-62.5
Investments in intangible assets	0.0	0.0	-0.2
Investment grants received	1.0	1.8	2.7
Proceeds from sale of tangible assets			
Business acquisitions and disposals			-2.1
Net cash flows from investing activities	**-33.3**	**-19.4**	**-62.2**
Cash flows from financing activities			
Proceeds from subordinated loans			
Proceeds from non-current borrowings			
Repayments of non-current borrowings			
Proceeds from current borrowings			
Repayments of current borrowings			
Payment of leasing liabilities	-6.7	-19.1	-31.7
Net cash flows from financing activities	**-6.7**	**-19.1**	**-31.7**
Net decrease (-)/increase (+) in cash and cash equivalents	**-10.3**	**123.5**	**73.2**
Cash and cash equivalents at the beginning of the period*	278.9	206.2	206.2
Exchange rate differences/Losses on cash and cash equivalents	2.9	4.1	-0.5
Cash and cash equivalents at the end of the period	**271.4**	**333.8**	**278.9**

*Figures from comparison period (H1 2023) has been adjusted to correspond same accounting principles

Notes

Accounting principles

Gasum has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2023 except for the accounting policy change related to financial instruments. (see below)

The figures in the interim report have been rounded and consequently the sum of individual figures may deviate from the sum presented.

Accounting Policy Change

Financial instruments

Derivative financial instruments to which hedge accounting is not applied are classified as financial items at fair value through profit or loss, and gains and losses from their fair value movements are, for hedge derivatives, recorded in profit and loss statement under section *Unrealised gains and losses of hedge derivatives*, separate from other operating income and expenses.

Accounting treatment of derivative financial instruments in balance sheet has remained unchanged. At the reporting date, instruments with a positive fair value have been recognized in the balance sheet as assets and instruments with a negative fair value as liabilities. Items which mature in more than 12 months are recorded in non-current receivables and liabilities and those which mature earlier in current receivables and liabilities.

Revenue by region EUR million	1-6/2024	1-6/2023	1-12/2023
Finland	416.2	419.9	720.6
Others	296.7	325.2	736.4
Total	**712.9**	**745.1**	**1,456.9**

Revenue by business unit EUR million	1-6/2024	1-6/2023	1-12/2023
Industry	159.3	232.3	408.0
Maritime	81.2	51.9	120.6
Traffic	102.3	93.5	194.9
Supply & Trading	606.0	629.7	1,218.1
Projects & Biogas Production	39.9	39.4	84.7
Others and internal sales	-275.9	-301.7	-569.4
Total	**712.9**	**745.1**	**1,456.9**

Materials and services EUR million	1-6/2024	1-6/2023	1-12/2023
Materials and supplies	-603.2	-636.1	-1,210.1
External services	-10.2	-8.2	-16.0
Total	**-613.4**	**-644.4**	**-1,226.1**

Personnel at the end of the period (FTE)	30.6.2024	30.6.2023	31.12.2023
Finland	210	209	197
Sweden	113	98	96
Norway	40	37	38
Germany	2	2	1
Total	**364**	**345**	**331**

Other operating income EUR million	1-6/2024	1-6/2023*	1-12/2023*
Gains from sale of fixed assets	0.1	0.0	0.1
Gains from realized derivative financial instruments	81.3	79.9	110.0
Other income	0.3	4.5	17.6
Total	**81.7**	**84.4**	**127.6**

*Figures for the comparison period have been adjusted to correspond to the reclassification of gains from unrealized derivative instruments

Unrealized gains and losses of hedge derivative instruments EUR million	1-6/2024	1-6/2023	1-12/2023
Gains from unrealized derivative instruments	5.2	27.0	83.6
Gas	0.7	22.7	71.5
Power	3.4	3.4	6.6
EUA	0.1	0.0	0.1
FX	1.0	0.9	5.4
Losses from unrealized derivative instruments	-34.7	-36.2	-47.3
Gas	-27.2	-9.3	-12.2
Power	-6.8	-24.3	-31.1
EUA	0.0	0.0	-0.1
FX	-0.7	-2.6	-3.9
Total	-29.5	-9.2	36.3

Other operating expenses EUR million	1-6/2024	1-6/2023*	1-12/2023*
Rents	-0.9	-0.7	-1.5
Maintenance expenses	-10.2	-9.8	-20.4
External services	-17.4	-13.6	-27.4
Loss from realized derivative financial instruments	-54.4	-107.2	-168.1
Personnel-related expenses other than salary expenses	-2.0	-1.8	-3.5
Fixed operating expenses	-1.4	-1.2	-2.4
Administrative expenses	-1.9	-2.4	-4.2
Marketing and entertainment expenses	-0.5	-0.5	-1.3
Insurance policies	-0.8	-0.7	-3.0
Other contractual penalties	-0.0	-0.4	-0.4
Other**	-0.6	-5.6	-6.8
Total	**-90.0**	**-144.0**	**-238.9**

*Figures for the comparison period have been adjusted to correspond to the reclassification of losses from unrealized derivative instruments

**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 in 2023.

Derivatives

EUR million		30.6.2024	30.6.2023	31.12.2023
Interest rate derivatives	Nominal value	590.0	917.5	490.0
	Market value	3.1	8.9	2.8
Foreign exchange derivatives	Nominal value	65.9	125.7	95.0
	Market value	0.0	-5.0	0.4
Commodity derivatives	Nominal value	686.0	719.9	685,8
	Market value	2,4	-9.9	32,3
Total	**Nominal value**	**1,341.9**	**1,763.1**	**1,270.8**
	Market value	**5.5**	**-6.0**	**35.5**

Commitments and Contingencies

Legal claims Contingency EUR million	30.6.2024	30.6.2023	31.12.2023
Contingent Liability	173.4	160.6	169.8

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 22 May 2023. Gasum has derecognised EUR 158.0 million asset under inventories regarding the undelivered gas from financial year 2021 and corresponding EUR 158.0 million financial liability. 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 EUR 9.4 million on 30 June 2024. Accrued interest for contingent liability is presented as part of the contingent liability, total contingent liability being EUR 167.4 million on 30 June 2024.

Gasum has also disclosed a contingent liability regarding the Swedish Tax Agency's decision of excise duty EUR 6.0 million. Gasum disagrees with the Swedish Tax Agency's decision and is assessing available options to rectify the Swedish Tax Agency's decision. Company assesses that there is a possible, although not probable, obligation arising from past events and therefore company has disclosed contingent liability according to IAS 37. Disclosed contingent liability covers also similar items outside the audited period in all relevant legal entities in Sweden.

Formulas for key financial indicators

$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Balance sheet total - Advances received}}$$

$$\text{Return on equity (\%)} = 100 \times \frac{\text{Result for the period (annualized)*}}{\text{Total equity (average for the period)}}$$

$$\text{Return on investment (\%)} = 100 \times \frac{\text{Profit before tax (annualized)*}}{\text{Total equity + Interest-bearing debt (average for the period)}}$$

$$\text{Net interest-bearing debt} = \text{Interest-bearing debt - Cash and cash equivalents}$$

$$\text{Gearing ratio (\%)} = 100 \times \frac{\text{Interest-bearing debt - Cash and cash equivalents}}{\text{Total equity}}$$

$$\text{Gearing ratio (\%) excluding the impact of IFRS16 Leases} = 100 \times \frac{\text{Interest-bearing debt - IFRS16 leasing debt - Cash and cash equivalents}}{\text{Total equity}}$$

*Annualized by dividing the figure by the number of months in the reporting period and multiplying by the number of months in the full financial year

Gasum

GASUM GROUP

Revontulenpuisto 2 C, P.O. Box 21
FI-02100 Espoo, Finland
Phone +358 20 44 71
www.gasum.com

FURTHER INFORMATION, PLEASE CONTACT:

Kai Laitinen,
Chief Financial Officer
Phone +358 40 500 2080
kai.laitinen@gasum.com

Olga Väisänen,
Vice President,
Communications and Sustainability
Phone +358 40 554 0578
olga.vaisanen@gasum.com

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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