

VR Group Plc Half-year financial report, 1 January–30 June 2022

Finns have returned to rail in large numbers. As the pandemic eased, the number of rail passengers has been rising steadily since March. Due to Russia's war of aggression, it was decided to run down Eastern traffic, as a result of which VR Group's overall result was at a loss. In order to finance investments in the next few years, the Group's parent company issued its first green bond.

April–June 2022 (Q2):

- The Group's net sales increased by 19.0 per cent to EUR 240.6 (202.2) million.
- Operating profit (EBIT) was at a loss, EUR -39.9 (-8.3) million, or -16.6 per cent (-4.1%) of net sales. Comparable operating profit (EBIT) was EUR 5.4 (-10.3) million, or 2.3 per cent (-5.1%) of net sales.
- The Group wrote off the entire eastern traffic's Allegro-related rolling stock and spare parts, totalling EUR 45.4 million.
- Cash flow from operating activities was EUR 56.2 (48.7) million.
- Journey volumes increased by 99.2% in long-distance trains in April–June, and 3.4 (1.7) million journeys were made.
- The railway transport volumes of VR Transpoint decreased by -26.5 per cent due to run down of Eastern traffic and were 7.1 (9.7) million tonnes.
- The legal form of the Group's parent company was changed into a public limited company.
- To finance its investments in the next few years, the Group issued a EUR 300 million green bond, which was listed on the Helsinki Stock Exchange.

January–June 2022 (H1):

- The Group's net sales increased by 13.6 per cent to EUR 442.7 (389.7) million.
- Operating profit (EBIT) was at a loss, EUR -64.8 (-23.0) million, or -14.6 per cent (-5.9%) of net sales. Comparable operating profit (EBIT) was EUR -19.5 (-25.0) million, or -4.4 per cent (-6.4%) of net sales.
- The Group wrote off the entire eastern traffic's Allegro-related rolling stock and spare parts, totalling EUR 45.4 million.
- Cash flow from operating activities was EUR 59.3 (56.1) million.
- The Group's parent company's CEO Lauri Sipponen was dismissed on 4 April 2022. Topi Simola, SVP VR Passenger Services, was appointed as interim CEO. Elisa Markula (M.Sc. Econ.) was appointed as the new CEO of the company. She will assume responsibilities on 30 August 2022.
- There were 5.6 (3.0) million journeys in long-distance traffic, an increase of 88.0 per cent year-on-year.
- The railway transport volumes of VR Transpoint decreased by -19.7 per cent from last year due to run down of Eastern traffic and were 14.9 (18.5) million tonnes.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

VR Group's key figures	4–6/2022	4–6/2021	1–6/2022	1–6/2021	1–12/2021
Net sales, MEUR	240.6	202.2	442.7	389.7	838.3
Operating profit (EBIT), MEUR	-39.9	-8.3	-64.8	-23.0	-22.7
% of net sales	-16.6	-4.1	-14.6	-5.9	-2.7
Comparable operating profit (EBIT), MEUR	5.4	-10.3	-19.5	-25.0	-14.1
% of net sales	2.3	-5.1	-4.4	-6.4	-1.7
Net profit/loss for the financial year, MEUR	-22.5	-3.2	-37.5	-14.4	-13.7
Cash flow from operating activities, MEUR	56.2	48.7	59.3	56.1	138.1
Investments, MEUR	44.6	36.7	74.8	79.6	168.8
Capital invested at the end of the period, MEUR	1,873.3	1,530.1	1,873.3	1,530.1	1,583.1
Return on capital employed (ROCE), %	-4.8	-1.3	-4.0	-1.9	-0.5
Comparable return on capital employed, %	5.6	-1.9	1.2	-2.2	0.0
Interest-bearing net debt at the end of the period, MEUR	274.1	200.1	274.1	200.1	238.1
Gearing, %	21.4	16.0	21.4	16.0	18.6
Average number of personnel	5,737	5,625	5,681	5,647	5,620

The calculation formulas for the figures are disclosed in VR Group's Annual Report for 2021. The figures are unaudited.

Interim CEO (until 29 August 2022) Topi Simola:

"In VR Group we are pleased that Finns have returned to rail in large numbers. The number of rail traffic passengers has been rising steadily since March – in July, we reached an all-time high in long-distance traffic passengers, with 1.4 million passengers transported in one month.

The increase in the number of journeys has been strong since the pandemic eased. At VR Group, we have worked continuously and productively to increase the attractiveness of rail travel. We have kept ticket prices low despite cost increases, increased supply and modernised our services. Also the increase in fuel prices in the spring decreased the popularity of car traffic.

On the whole, the six-month period was sharply divided by nature. While the pandemic eased and passenger traffic recovered, the Russian-instigated war of aggression in Ukraine caused an international crisis. The Russian war of aggression and sanctions imposed due to the war led to

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

the decision by VR Group to suspend all Russian related operations. As a result of which VR Group's overall result was at a loss.

VR Group has decided to discontinue Eastern freight traffic by the end of the year. Allegro passenger traffic was suspended in March. VR Group has started negotiations in which the Group will divest its associated companies and subsidiaries related to Eastern freight traffic.

During the crisis, VR Group has strived to show its support for Ukraine in many ways. For example in March by donating EUR 160,000 to Ukraine for humanitarian aid, when VR Group celebrated its 160th anniversary. In Finland, Ukrainians can board VR's long-distance and commuter trains free of charge by showing their Ukrainian passports.

The COVID-19 pandemic continued to slow down train travel still in early 2022. The Omicron variant and the restrictions imposed by the authorities affected the number of journeys, especially in January–February. In March, the number of journeys turned into promising growth, and since then, the trend has only been rising. In May and June, the number of journeys reached almost pre-pandemic levels. After the end of the six-month period, we reached an all-time high in long-distance traffic passengers in July, with 1.4 million passengers transported in one month. During the review period the railway maintenance work done by the Finnish Transport Infrastructure Agency hampered the rail traffic and negatively impacted punctuality of trains.

In the next few years, VR Group plans to invest approximately EUR 1 billion in new environmentally friendly rolling stock. In 2022–2026, we will invest in new electric locomotives, commuter and night train rolling stock and the maintenance and lifecycle extension of existing rolling stock, among other things. To finance our investments, we issued our first green bond.

The green financing investment programme will enhance the realization of VR Group's environmental goals. VR Group has set ambitious Group-level environmental goals for the years 2021–2025, consisting of reducing emissions, increasing energy and material efficiency and improved chemical safety. We are also committed to the Finnish state's climate goals, according to which Finland will be carbon neutral in 2035 and carbon negative soon after.

In March, we announce the big news of expanding our operations into Sweden. We acquired the Swedish bus and rail operator Arriva Sverige. The transaction was completed on 1 July 2022. Arriva Sverige was acquired into the group as part of VR Passenger Services. The company has 3,400 employees and its annual net sales are around EUR 300 million. With the transaction, we aim for strategic growth in the Nordic public transport market in accordance with our strategy while strengthening our expertise in urban and commuter transport."

VR Group's activities related to Russia

The decision to shut down the Group's eastern traffic was made as a result of Russia's war of aggression that began on 24 February 2022 and Western sanctions. VR Group complies with

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

sanctions, legislation and instructions issued by the authorities. For the time being, the sanctions do not prevent rail traffic between the EU and Russia.

VR Group's goal is to discontinue Eastern freight traffic as soon as possible, however at the latest, by the end of the year. The termination of freight transport contracts concluded with VR Transpoint's Finnish customers will be carried out as specified in the contracts and negotiated with the customers. By the end of June, approximately 60% of Eastern freight transport had been stopped.

Overall, approximately one-third of VR Transpoint's rail transport volumes have been Eastern traffic, i.e. export, import and transit transport in Finland. In Russia, VR Transpoint has carried out small-scale logistics activities through the local Group company OOO Finnlog LLC. Finnlog has leased freight wagons to a Finnish customer to cover its logistics needs. Finnlog's operations are suspended for the time being, and a responsible solution to divest the company is being pursued. VR Group is also investigating the disposal of its holdings in both ContainerTrans Scandinavia (CTS) and Freight One Scandinavia (FOS), associated companies involved in eastern freight transport. CTS has offered rail container transport and FOS wagon-load transport.

VR Group and Russian Railways (RZD) have jointly operated the Allegro train service between Helsinki and St. Petersburg, and VR FleetCare has provided maintenance and lifecycle services for these trains (VR Passenger Services or VR FleetCare do not operate in Russia). VR Group and RZD have a joint venture, Oy Karelian Trains Ltd, which has been responsible for the ownership and leasing of the Allegro trains.

The Allegro passenger train services between Helsinki and St. Petersburg were suspended on 28 March 2022. The Group wrote off the entire Allegro-related rolling stock and spare parts during the past six-month period, totalling EUR 45.4 million.

In total, operations related to Russia generated approximately EUR 91 million of net sales, accounting for approximately 11 per cent of the Group's net sales. On 30 June 2022, approximately EUR 25 million of the Group's assets were related to operations in Russia.

Outlook for the current year

VR Group expects that the comparable operating profit for the second half of 2022 will be close to last year's level.

Russia's invasion of Ukraine and global political uncertainty have a significant impact on VR Group's business and profitability. There is a risk that a prolonged war will undermine overall economic growth, increase energy prices and accelerate inflation, increase interest rates and make access to funding more difficult. There is also great uncertainty as to when and to what extent the global political situation will be reflected in freight transport and how rail travel will continue to recover after the COVID-19 pandemic.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

Train travel has recovered faster than expected after the COVID-19 pandemic eased. In July 2022, the number of long-distance journeys was the highest ever and 17% above the level of July 2019. Journey volumes of long-distance traffic are expected to increase compared to the level in August–December 2019. Maintaining high levels of passengers requires a return to business travel and continued strong leisure travel. The attractiveness of rail travel is also influenced by the development of electricity and fuel prices. The unusually high electricity prices are expected to negatively impact the result of VR Passenger Services during rest of the year.

VR Transpoint's transport volumes in the first half of the year were negatively impacted by the decrease in Eastern transport. By the end of June, 60 per cent of Eastern freight transport had been stopped. Eastern traffic is expected to come to a complete end during the current year. Some of the volume losses in Eastern traffic are expected to be offset by an increase in domestic demand. In particular, the volume of roundwood transport has increased significantly, and the transport of raw materials along the western routes in general is increasing.

Overall, the volume of freight traffic is expected to be less than last year. Domestic freight transport contracts include an index clause, according to which changes in energy prices are taken into account in delivery prices. As a result, changes in energy prices will not have a significant impact on the profitability of freight traffic.

In the longer term, VR Group's business is supported by megatrends in environmental awareness and urbanisation. At the societal level, the attitude towards rail and public transport is positive and both passenger and freight traffic customers increasingly aim to increase their use of rail traffic. VR Group also increases the share of rail traffic through its own actions and by meeting the expectations of its customers.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

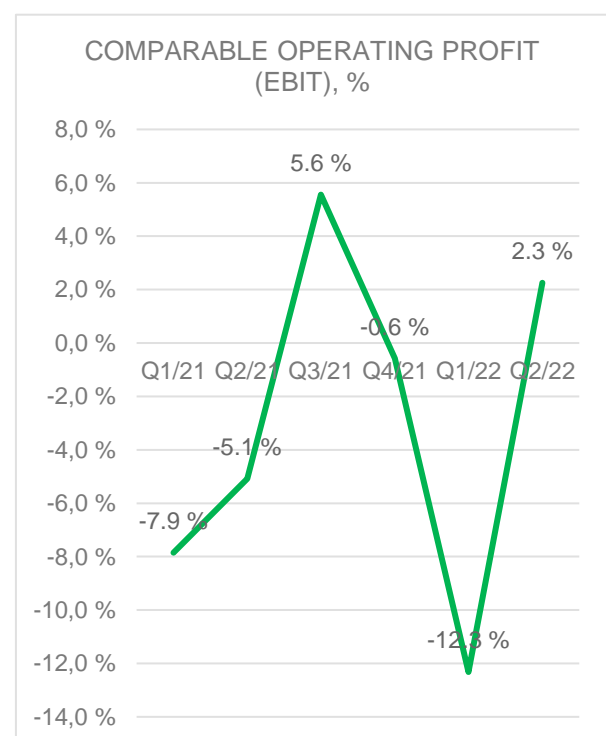
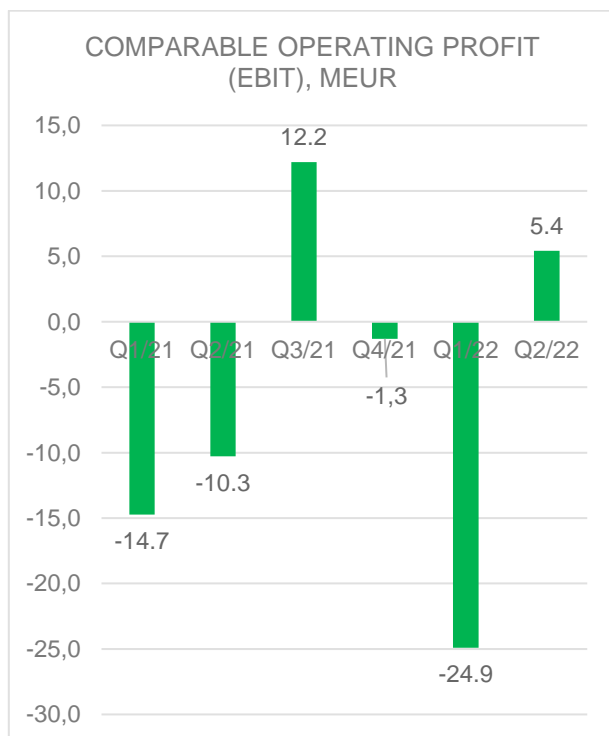
The company's financial development

Net sales and result development by operation

Net sales, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger Services	142.0	95.7	251.6	191.9	431.5
VR Transport	96.1	99.1	186.7	190.7	390.1
VR FleetCare	56.4	48.5	112.4	97.8	203.7
Other operations and eliminations	-53.9	-41.0	-108.0	-90.7	-187.1
VR Group in total	240.6	202.2	442.7	389.7	838.3

Comparable operating profit, Eur million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	9.0	-16.4	-9.1	-37.0	-40.2
VR Transport	0.3	7.2	-4.2	12.0	23.0
VR FleetCare	0.2	0.7	0.6	1.8	4.7
Other and eliminations	-4.1	-1.8	-6.8	-1.8	-1.5
VR Group in total	5.4	-10.3	-19.5	-25.0	-14.1

Operating profit, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	-28.0	-16.4	-46.2	-37.0	-50.4
VR Transport	0.3	7.2	-4.2	12.0	23.0
VR FleetCare	-8.2	0.7	-7.8	1.8	4.7
Other and eliminations	-4.0	0.2	-6.7	0.2	0.0
VR Group in total	-39.9	-8.3	-64.8	-23.0	-22.7



VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

April–June 2022 (Q2)

VR Group's net sales increased by 19.0 per cent compared to April–June 2021 to EUR 240.6 million. The growth in net sales is attributable to the strong increase in domestic rail travel. The favourable development increased VR Passenger Services' net sales by 48.4 per cent, with customer volumes in long-distance traffic increasing significantly year-on-year.

VR Transpoint's net sales decreased by 3.0 per cent year-on-year. The decrease in net sales was caused by the decision to stop eastern freight transport due to economic sanctions against Russia. The volume of freight transported by rail and road was 8.3 (11.1) million tonnes, or 24.5 per cent less than the corresponding period the previous year. Sales prices were increased to compensate for the increase in production costs due to high energy prices.

VR Group's operating profit (EBIT) for the second quarter of 2022 amounted to EUR -39.9 (-8.3) million and the comparable operating profit for the period was EUR 5.4 (-10.3) million. The increased passenger volumes in long-distance traffic and the increase in VR Transpoint's sales prices led to the improvement in comparable operating result. The results were correspondingly negatively affected by high energy prices and the shutdown of Eastern freight traffic.

The Group recognised items affecting comparability of EUR -45.3 (2.0) million. Items affecting comparability in the second quarter of 2022 are mainly related to write-downs as a result of the weakening of the business outlook in Russia. In the second quarter of 2021 the comparability was influenced by sales of properties and land areas and the disposal of a subsidiary.

January–June 2022 (H1)

VR Group's net sales increased by 13.6 per cent to EUR 442.7 (389.7) million. The growth in net sales was driven by strong growth in passenger volumes, especially during Q2. VR Transpoint's net sales was negatively affected by the industrial action early in the year, as well as the decision of VR Group's Board of Directors to shut down Eastern freight traffic by the end of the year. During Q2, VR Transpoint's sales prices were increased to compensate for the increase in production costs due to high energy prices.

The Group's operating profit (EBIT) was EUR -64.8 (-23.0) million in the first half of the year and comparable operating profit (EBIT) was EUR -19.5 (-25.0) million. The Group recognised items affecting comparability of EUR -45.3 (2.0) million during the first half of 2022. Items affecting comparability the first half of 2022 are mainly related to write-downs as a result of the weakening of the business outlook in Russia. In the first half of 2021 the comparability was influenced by sales of properties and land areas and the disposal of a subsidiary. The Group's net profit for the first half of the year was EUR -37.5 (-14.4) million.

Cash flow and financing

The Group's balance sheet total was EUR 2,228.0 (1,883.1) million at the end of June 2022 and gearing was 21.4 per cent (16.1%).

In January–June 2022, the cash flow from operating activities before investments and financing was EUR 59.3 (56.1) million, and the cash flow from investing activities was -72.0 (-69.1) million. Interest-bearing net debt totalled EUR 274.1 (200.1) million at the end of June 2022. The interest-bearing net debt were comprised of the bond issued in May 2022, leasing financing and lease

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

liabilities related to the IFRS 16 and liabilities of the joint arrangement Karelian Trains. The increase in net debt was mainly affected by COVID-19 and a return of capital of EUR 40.0 million paid to the owner on 15 June 2022.

The company's liquidity remained good during the review period. Liquid assets at the end of the accounting period amounted to EUR 291.5 (78.6) million. The Group has an unused revolving credit facility (RCF) of EUR 200 million, the margin of which is linked to the reduction of greenhouse gas emissions and the improvement of material efficiency. The loan margin will change depending on the extent to which these objectives are achieved. The RCF agreement will expire in June 2025, with a one-year extension option. At the end of the review period, the Group also had a binding financing arrangement related to the acquisition of the Swedish bus and rail operator Arriva Sverige.

At the end of May 2022, VR Group successfully issued its first fixed-rate Green Bond as part of the Group's newly established Green Finance Framework. The loan has a nominal value of EUR 300 million and a maturity of 7 years. The loan will mature in May 2029 and will bear a fixed interest rate of 2.375 per cent. The proceeds from the issue will be used for initiatives and projects that comply with VR Group's Green Finance Framework. The projects include investments in clean transport, renewable energy projects and improving the energy efficiency of buildings owned or occupied by VR Group.

VR Group Plc has a credit rating of A+, with a stable outlook, issued by the international credit rating agency Standard & Poor's.

Investments

In January–June 2022, the Group's total investments totalled EUR 74.8 (79.6) million.

Investments broke down as follows:

Investments, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Rolling stock	28.6	28.7	51.2	56.7	106.1
Transportation equipment (cars)	9.3	1.1	10.6	10.4	31.6
Real estate	3.4	3.4	7.5	5.8	15.9
ICT-investments	2.2	2.5	3.8	5.2	10.7
Other	1.1	1.0	1.7	1.5	4.5
VR Group in total	44.6	36.7	74.8	79.6	168.8

For the rolling stock, the largest investments were the new Sr3 (Vectron) locomotives, of which five were delivered during the review period and of which VR Group now operates a total of 47. VR Group has ordered 60 new diesel locomotives from Stadler. They will mainly be used in freight traffic. Test runs of the new diesel locomotives are underway to ensure that the locomotive works on the Finnish railway network. The locomotives will enter commercial traffic in 2023. In 2022, five locomotives will be delivered to Finland, and after that the deliveries will continue until the end of 2026. The investments in new locomotives will reduce the climate footprint and the goal is to increase the cost-effectiveness of transport. VR Transport's investments in new raw wood wagons will cover the growing volumes of roundwood at the Kemi plant.

VR Group Plc

Postal address

 PO Box 488, FI-00096 VR,
Finland

Street address

 Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

Corporate acquisitions

On 24 March 2022, VR Group agreed to acquire the Swedish bus and rail operator Arriva Sverige Ab. Arriva, or the current VR Sverige, operates in Stockholm city traffic, as well as in regional traffic in southern Sweden and eastern Götaland, and its net sales exceeded EUR 300 million last year. The company was previously part of the European Arriva group, owned by Deutsche Bahn.

Personnel

In January–June 2022, VR Group had an average of 5,681 employees (FTE). The number of employees increased by 0.9 per cent compared to the comparison period.

Average number of employees	1-6/2022	1-6/2021	1-12/2021
VR Passenger Services	2 507	2 430	2 454
VR Transpoint	981	1 088	1 038
VR FleetCare	991	923	926
Other	1 203	1 206	1 202
VR Group total	5 681	5 647	5 620

Major events after the end of the review period

The acquisition of Arriva Sverige Ab was completed on 1 July 2022. Arriva Sverige will continue as a wholly owned subsidiary of VR Group, as part of VR Passenger Services under the VR brand.

VR Passenger Services set a historic record in the monthly passenger volumes in July. A total of 1,427,000 trips were made on long-distance trains in July, which is 46 per cent more than in July 2021, and 17 per cent more than in 2019.

VR Group's Board of Directors has appointed Elisa Markula (M.Sc. Econ.) as the new CEO of the company. Prior to joining VR Group, Markula was the CEO of Oriola Corporation, the CEO of Tikkurila Group and Managing Director of the Coffee Division for Paulig Group. Markula will assume responsibilities on 30 August 2022.

Business & segment overview

The operating segments reported in the Group are VR Passenger Services, VR Transpoint and VR FleetCare. In addition, other functions include the property unit, group functions and train operations unit. The financial indicators of the train operations unit, which is responsible for the locomotives and train operations, are, however, included in the VR Passenger Services and VR Transpoint reporting segments.

VR Passenger Services

VR Passenger Services offers public transport services in long-distance and commuter traffic with trains and Pohjolan Liikenne's buses. VR also operates the trams in Tampere, which began operating in summer 2021. The passenger service operations are focused on Finland. Catering

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

services of long-distance train traffic are provided by Avecra, a company that is part of the business unit and that also operates restaurants and cafés at railway stations.

VR Passenger Services	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales, M€	142.0	95.7	251.6	191.9	431.5
Comparable operating profit, M€	9.0	-16.4	-9.1	-37.0	-40.2
% of net sales	6.4 %	-17.2 %	-3.6 %	-19.3 %	-9.3 %
Operating profit (EBIT), M€	-28.0	-16.4	-46.2	-37.0	-50.4
% of net sales	-19.7 %	-17.2 %	-18.3 %	-19.3 %	-11.7 %
Investments, M€	18.7	12.6	26.0	28.1	59.8
VR journeys (million)	27.8	18.9	50.9	36.5	83.9
long-distance traffic	3.4	1.7	5.6	3.0	8.5
commuter traffic	15.9	10.5	28.8	19.8	46.5
bus services	8.5	6.7	16.5	13.7	28.9
Passenger-kilometres in train traffic (million)	901.7	583.5	1 516.1	1 060.6	2 903.1
Punctuality					
long-distance traffic	85.1	90.4	83.0	87.0	86.9
commuter traffic	96.1	94.7	94.9	93.7	92.6

April–June (Q2)

The net sales of VR Passenger Services increased by 46.3 per cent during the review period to EUR 142.0 (95.7) million. The comparable operating profit (EBIT) for Passenger Services increased by EUR 25.4 million from 2021 and was EUR 9.0 (-16.4) million. As an item affecting comparability, VR Passenger Services wrote off its entire stake in Allegro's rolling stock owned through the Karelian Trains joint venture, amounting to EUR -35.7 million, and its spare parts stocks related to rolling stock, amounting to EUR -1.3 million. The operating profit for passenger services was EUR -28.0 (-16.4) million. The growth in net sales and comparable operating profit were mainly due to the picking up of travel compared to the COVID-19 situation a year before.

A total of 27.8 (18.9) million journeys were made in VR Passenger Services in April–June 2022. The total volume of journeys increased by 46.8 per cent compared to 2021. In long-distance traffic, travel increased by 99.2 per cent, with a total of 3.4 (1.7) million journeys made. In VR's commuter traffic, on the other hand, the volume of journeys increased by 79.1 per cent and in HSL commuter train traffic by 49.0 per cent. In bus services, a total of 8.5 (6.7) million journeys were made. The number of journeys rose by 26.1 per cent from the previous year.

January–June (H1)

The net sales of VR Passenger Services increased by 31.1 per cent during the review period to EUR 251.6 (191.9) million. The comparable operating profit (EBIT) for Passenger Services increased by EUR 27.9 million to EUR -9.1 (-37.0) million. As an item affecting comparability, VR Passenger Services wrote off its entire stake in Allegro's rolling stock owned through the Karelian Trains joint venture, amounting to EUR -35.7 million, and its spare parts stocks related to rolling stock, amounting to EUR -1.3 million. The operating profit (EBIT) of VR Passenger Services was EUR -46.2 (-37.0) million. The growth in net sales and comparable operating profit were mainly due to the picking up of travel compared to the COVID-19 situation a year before.

VR Group Plc

Postal address

 PO Box 488, FI-00096 VR,
Finland

Street address

 Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

A total of 50.9 (36.5) million journeys were made in VR Passenger Services in January–June 2022. The total volume of journeys increased by 39.5 per cent compared to 2021. In long-distance traffic, travel increased by 89.0 per cent, with a total of 5.6 (3.0) million journeys made. In VR's commuter traffic, on the other hand, the volume of journeys increased by 72.3 per cent and in HSL commuter train traffic by 43.2 per cent. In bus services, a total of 16.5 (13.7) million journeys were made. The number of journeys increased by 20.1 per cent from the previous year.

The recovery of travel that began at the end of the first quarter continued to improve throughout the second quarter, and in May, we reached the 2019 level. The number of journeys increased driven especially by leisure travel. Better-than-predicted travel volumes are also reflected in a positive comparable operating profit for the second quarter. Due to the good journey volume development, VR flexibly returned new services to long-distance traffic, and at the end of June, our service offering was already close to the level of 2019.

Due to the recovery of the number of journeys, Avekra's customer volumes also increased and were clearly higher than a year ago.

The Allegro service to Russia was suspended at the end of the first quarter due to the war in Ukraine.

VR Transpoint

VR Transpoint offers domestic and international logistics services. The services include railway and road transports and customised logistics chains with additional services. VR Transpoint's customers are domestic and international companies that need logistics solutions for raw material and product transports.

VR Transpoint	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales, M€	96.1	99.1	186.7	190.7	390.1
Comparable operating profit, M€	0.3	7.2	-4.2	12.0	23.0
% of net sales	0.3 %	7.2 %	-2.2 %	6.3 %	5.9 %
Operating profit (EBIT), M€	0.3	7.2	-4.2	12.0	23.0
% of net sales	0.3 %	7.2 %	-2.2 %	6.3 %	5.9 %
Investments, M€	7.1	9.2	14.0	21.0	39.6
Total transport volumes, million tonnes	8.3	11.1	17.4	21.1	42.7
railway transports	7.1	9.7	14.9	18.5	37.4
road transports	1.2	1.4	2.5	2.5	5.3
Punctuality	91.0	90.2	88.3	85.5	87.1

April–June (Q2)

VR Transpoint's net sales decreased by 3.0 per cent to EUR 96.1 (99.1) million. Net sales decreased by 11.7 per cent in rail logistics and increased by 33.7 per cent in road transport year-on-year. VR Transpoint's operating profit (EBIT) decreased by EUR 6.9 million to EUR 0.3 (7.2) million, or 0.3 (7.2) per cent of net sales. The decrease in net sales and operating profit was mainly due to the shutdown of Eastern traffic. During Q2, VR Transpoint's sales prices were increased to compensate for the increase in production costs due to high energy prices. VR Transpoint's total volumes decreased by 24.5 per cent year-on-year, amounting to 8.3 (11.1) million tonnes.

VR Group Plc

Postal address

 PO Box 488, FI-00096 VR,
Finland

Street address

 Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

January–June (H1)

VR Transport's net sales decreased by 2.1 per cent to EUR 186.7 (190.7) million. Net sales decreased by 9.1 per cent in rail logistics and increased by 28.9 per cent in road transport year-on-year. VR Transport's operating profit (EBIT) decreased by EUR 16.2 million to EUR -4.2 (12.0) million, or -2.2 (6.3) per cent of net sales. The decrease in net sales was mainly due to the shutdown of Eastern traffic and industrial action early in the year. In addition, the operating profit (EBIT) was negatively affected by high energy and fuel prices, which were mainly shifted to customer prices through the energy price index during Q2. VR Transport's total volumes decreased by 17.6 per cent year-on-year, amounting to 17.4 (21.1) million tonnes.

The railway transport volumes decreased by 19.7 per cent and were 14.9 (18.5) million tonnes. Early in the year, freight traffic volumes were affected by strikes in the Finnish industry in particular. In addition, since the start of the war of aggression instigated by Russia, Eastern freight traffic has halved as a result of sanctions against Russia and customers' own policies. In April, we announced that we would completely disengage from Eastern traffic. VR Transport, which is responsible for freight traffic, drew up a plan to halt traffic, and Eastern traffic will end by the end of the year at the latest, taking the customer contracts into consideration.

In road transport, the transported volume was 2.5 (2.5) million tonnes, showing a decrease of 1.7 per cent from the previous year. Increasingly high inflation of fuel and other costs has challenged the road logistics industry since last summer and it has been necessary to pass the strong rise in costs on to prices at a faster pace.

During the review period, VR Transport's customer satisfaction was exceptionally measured only once, and the Net Promoter Score (NPS) of customer satisfaction decreased to 8 (29). VR Transport receives positive feedback on its reliability as a partner, while there is room for improvement in terms of delivery reliability.

VR FleetCare

VR FleetCare is a subsidiary of VR Group, which is active in rail maintenance and lifecycle management, modernisation projects and component services. The company's main customers are VR Group's business units and other rail traffic operations, mainly in Finland and other neighbouring areas. VR FleetCare seeks growth and new customers in other rail traffic equipment and in the neighbouring areas.

VR FleetCare	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales, M€	56.4	48.5	112.4	97.8	203.7
Comparable operating profit, M€	0.2	0.7	0.6	1.8	4.7
% of net sales	0.3 %	1.5 %	0.5 %	1.9 %	2.3 %
Operating profit (EBIT), M€	-8.2	0.7	-7.8	1.8	4.7
% of net sales	-14.5 %	1.5 %	-6.9 %	1.9 %	2.3 %
Investments, M€	1.7	1.2	2.7	2.5	6.0

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

April–June (Q2)

The net sales of VR FleetCare increased by 16.4 per cent during the review period to EUR 56.4 (48.5) million. Comparable operating profit (EBIT) excluding the non-recurring write-down was EUR 0.2 (0.7) million. Operating profit decreased strongly due to the write-down of EUR 8.4 million in the spare parts inventory related to the Eastern business and was EUR -8.2 (0.7) million.

January–June (H1)

The net sales of VR FleetCare increased by 14.9 per cent during the review period to EUR 112.4 (97.8) million. Comparable operating profit (EBIT) excluding the non-recurring write-down was EUR 0.6 (1.8) million. Operating profit decreased strongly due to the write-down of EUR 8.4 million in the spare parts inventory related to the Eastern business and was EUR -7.8 (1.8) million. The increase in the net sales of maintenance during the review period was driven by the increased volumes of both passenger service and freight traffic. Net sales are also boosted by higher inflation and, in particular, by higher prices of commodity-weighted components.

The train traffic kilometres of passenger service grew as traffic picked up, increasing the need for maintenance. As the number of services increased, the passenger car stock that had been idle during the COVID-19 pandemic was fully returned to traffic. The maintenance of e-buses commenced at VR FleetCare's Tampere freight wagon shop in June.

Other operations

VR Group's other operations include the property unit and group services, and also elimination of intragroup items in group consolidation. The Property Unit manages VR Group's properties and is responsible for the maintenance and rental of the premises. Group services, such as the HR and finance units, support the success of all the businesses of the Group. Other operations also include the train operations unit, which is responsible for the tractive stock, train drivers and train traffic disruption management.

Other	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales, EUR million	-53.9	-41.0	-108.0	-90.7	-187.1
Comparable operating profit, M€	-4.1	-1.7	-6.8	-1.8	-1.5
Operating profit (EBIT), EUR million	-4.0	0.2	-6.7	0.2	0.0
Investments, EUR million	17.2	13.6	32.1	28.0	63.4

VR Group's other operations' operating profit (EBIT) for the first half of 2022 amounted to EUR -6.7 (0.2) million and the comparable operating profit for the period was EUR -6.8 (-1.8) million. The items affecting comparability were connected to sales of properties and land areas and the disposal of a subsidiary.

Responsibility

The UN Sustainable Development Goals guide VR Group's work, and the company is committed to the Finnish Government's objective for a carbon-neutral Finland by 2035. Safety, customer orientation, employee experience, environmental responsibility and social responsibility have been

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

selected as the core areas of responsibility work. VR Group's responsibility programme is presented in more detail in the Sustainability Report as part of the Annual Report for 2021.

Safety and security

VR Passenger traffic moved from a mask requirement to a mask recommendation in trains from 7 March 2022. The focus on health security continued, for example through enhanced cleaning.

Due to difficult winter conditions, the first part of the year was challenging in terms of traffic and occupational safety. There were a lot of minor workplace safety incidents. However, significant accidents and accidents were avoided. As the summer approached, the development of safety turned for the better.

Customer orientation

During the review period, first and last mile connections and event cooperation were developed in rail services. Tickets for local transport were brought to the VR Matkalla app in various locations, and a new train service was opened to Repovesi National Park for the summer. VR Transport's close customer cooperation continued to minimise the consequences of the end of Eastern traffic.

Employee experience

In February, VR Group's employees received their first separate survey on diversity and inclusion. Its results and measures will be combined during the summer and autumn with a wider discussion of VR Group's values and culture on the eve of internationalisation.

Environmental responsibility

On 7 June 2022, the District Court issued its decision regarding the environmental accident in Kinni in April 2018 and ordered VR to pay a corporate fine for its part in causing the accident. VR has taken care of its environmental restoration responsibility resulting from the accident and has taken immediate measures to prevent similar accidents. More than EUR 6 million has been spent on rehabilitation and there have been transparent and regular communications regarding the state of the environment.

During the review period, VR Group decided to make the rolling stock that it has decided to recycle publicly available going forward. In the coming years, passenger cars and freight wagons and tractive stock will be put on sale.

During the review period, VR Group published the Green Finance Framework and issued a EUR 300 million unsecured Green Bond that supports VR Group's plans to invest approximately EUR 1 billion in rail transport rolling stock between 2022 and 2026.

Corporate social responsibility

During the review period, VR Group showed its support for Ukraine: As part of VR Group's 160th anniversary celebrations, EUR 160,000 was donated to Ukraine for humanitarian aid. As an indication of support to the Ukrainians, the company also refrained from communicating directly with RZD except when directly required by cross-border traffic, offered free travel on VR Passenger Services trains with a Ukrainian passport, and flew the Ukrainian flag at the main railway station.

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

In Finland, youth work with various youth organisations played a major role. For example, a new youth conductor model was introduced in commuter traffic. VR Group also launched an art and cultural cooperation project with the Red Carpet Film Festival. The aim of the cooperation is to increase the engagement of young people in society and to prevent marginalisation. The collaboration includes, for example, the production of a historical film related to VR's 160th anniversary.

Risks and uncertainties

In addition to the general economic situation, VR Group's operations are affected by a variety of strategic, political, operational and damage risks, as well as associated reputational risks. The risk management is used to ensure that risks affecting the Group's operations are identified, prepared for and monitored. In addition to the Group's risk management policy, the risk management with its responsibilities are guided by other sector-specific guidelines for risks.

VR Group has a systematic method for identifying, evaluating and monitoring business risks. The latest date for a group-wide risk survey was spring 2022. A summary of the monitoring and impact of risks is regularly compiled for VR Group's Management Team and the Board of Directors.

More information on VR Group's risks and risk management can be found in the Annual Report 2021 in the sections *Annual Report and Financial Statements* and *Corporate Governance Statement*.

Risks and uncertainties in the near future

The general economic situation has significant knock-on effects on VR Group's operations. The deterioration of the economic situation may reduce the need of Finnish industrial production for rail and road logistics services, and it can also have a negative impact on the customer volumes of passenger services. The increase in the general interest rates affects the Group's financing costs, and further increasing inflation may increase, for example, investment and personnel costs in addition to energy costs. Through continuous monitoring of its own cost competitiveness and close customer cooperation, VR Group aims to minimise the impact of risk realisation. The costs raised by inflation can be prepared for through index-linked customer contracts, for example.

Changes in the Finnish rail traffic policy may have adverse effects on VR Group's business. Any decisions to change the current market-based operating environment, and uncertainty relating to politics in general, may have significant impacts on the functioning and predictability of VR Group's business environment. In addition to ensuring its own competitiveness and monitoring and anticipating the political situation, VR Group actively seeks to highlight the effects of regulation on the operating environment of rail transport with the aim of keeping the operating environment equal to all parties.

The withdrawal from Russia and ending the business associated with Eastern traffic have knock-on effects on VR Group's operations. Despite the controlled liquidation of operations, it can result in customers' claims for damages and payment delays, for example. It might not be possible to compensate for all lost logistics business by expanding operations elsewhere, which may result, at least temporarily, in an oversizing of human and equipment resources, for example.

A prolonging of the COVID-19 pandemic due to new virus variants or the emergence of another pandemic would have a wide-ranging impact on travel demand and, thus, on the Group's operations. Health security regulations imposed by public authorities and travel restrictions on public

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

transport, if prolonged, will weaken people's willingness and ability to travel. Due to the pandemic, business travel is estimated to remain at a lower level. In order to manage the situation, ensure the safety of personnel and customers and minimise business risks, VR Group has, among other things, initiated numerous health security measures and also adapted its service and product range.

The condition and maintenance of railway infrastructure has a significant impact on VR Group's business. Infrastructure degradation and inadequate maintenance work or failed maintenance projects can cause, for example, functional constraints and disruptions on the lines, even accidents. Insufficient investments in railway infrastructure can become an obstacle to the growth and greening of railway traffic and can, as a result, have a negative impact on the implementation of VR Group's investment and growth plans. VR Group aims to actively influence stakeholders in the development of the traffic system and infrastructure investments together with, for example, the Finnish Transport Infrastructure Agency, which manages the state's fairway assets and is responsible for the care, development and maintenance of the railway network as a client organisation.

In its operations, VR Group also takes into account **compliance risks** related to, for example, data protection, competition law, corruption, bribery and especially sanctions against Russia, which, if implemented, may have detrimental impacts on the Group's business operations and financial situation. In addition to compliance with regulatory guidelines and practices, VR Group also requires compliance with ethical guidelines from its employees as well as from its supply chain. Any non-compliance is being recognised through regular inspections and auditing processes.

Legal proceedings and disputes

The South Savo District Court issued a decision on 7 June 2022 regarding the environmental accident that occurred in Kinni in April 2018 and has ordered VR-Group Plc to pay a corporate fine of EUR 80,000. The judgement is final.

On 17 June 2021, the Helsinki District Court issued its decision concerning the matter related to the supplementary pensions paid by VR Pension Fund. The claimants demand VR to compensate for the amount by which the claimants' overall pension remains lower after the supplementary pension is adjusted for the reduction for early retirement. The District Court accepted the claimants' demands. VR has made an appeal to the Helsinki Court of Appeal.

Share capital & shareholders

VR Group Plc's shares are owned by the State of Finland. The company's share capital consists of 2,200,000 shares and amounts to EUR 370,013,438.22. The company did not hold treasury shares during the review period.

	30.6.2022	31.12.2021
Share capital (trade register) EUR	370 013 438.22	370 013 438.22
Number of shares	2 200 000	2 200 000
Number of shares owned by the company	0	0

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

Administration

Annual General Meeting 2022

The Annual General Meeting of VR Group Plc was held on 17 March 2022. The Annual General Meeting approved the financial statements for the financial year 2021 and granted discharge from liability to the members of the Board of Directors and the President and CEO. On the proposal of the Board of Directors, the Annual General Meeting decided that a capital return of EUR 40 million would be distributed for 2021, but no dividend would be paid.

At the Annual General Meeting, the number of the Board members was confirmed to be eight (8). The remuneration of the Board of Directors and the Supervisory Board remained unchanged. As remuneration, the Chairman of the Board is paid EUR 54,750 per year, the Deputy Chairman EUR 25,800 per year and the members of the Board EUR 22,800 per year. In addition, the Chairman and members of the Board of Directors are paid EUR 600 per meeting.

At the Annual General Meeting, the number of members of the Supervisory Board was agreed to be twelve (12). The Annual General Meeting decided on the remuneration of the members of the Supervisory Board as follows:

As remuneration, the Chairman of the Supervisory Board is paid EUR 800 per meeting, the Deputy Chairman EUR 600 per meeting and the members of the Supervisory Board EUR 500 per meeting. In addition, each member of the Board of Directors and the Supervisory Board is given free VR tickets.

KPMG Oy Ab, Authorised Public Accountants, was elected as auditor for 2021, with Ari Eskelinen, APA, as principal auditor.

In addition, the Annual General Meeting decided to change the company form from a limited company (Ltd) into a public limited company (Plc).

Board of Directors and the Supervisory Board

The Annual General Meeting of 17 March 2022 elected Kjell Forsén as Chairman of the Board. Nermin Haired, Pekka Hurtola, Virve Laitinen, Sari Pohjonen, Markus Holm, Jaakko Kiander and Turkka Kuusisto were elected as members of the Board of Directors.

The Board of Directors elected the following persons to the Human Resources Committee: Kjell Forsén (Chairman), Nermin Hairedin, Pekka Hurtola and Turkka Kuusisto.

The Board of Directors elected the following persons to the Audit Committee: Sari Pohjonen (Chairman), Markus Holm, Jaakko Kiander and Virve Laitinen.

At the Annual General Meeting on 17 March 2022, Sheikki Laakso was elected as Chairman of VR Group Plc's Supervisory Board. Seppo Eskelinen, Raimo Piirainen, Katja Taimela, Ruut Sjöblom, Matias Marttinen, Jouni Kotiaho, Sanna Antikainen, Arto Pirttilahti, Hanna Holopainen, Mai Kivelä and Anders Adlercreutz will continue as members of the Supervisory Board.

Sheikki Laakso, Chairman of the Supervisory Board, resigned on 15 June 2022, and Vilhelm Junnila was elected as the new Chairman of the Supervisory Board at VR Group Plc's Extraordinary General Meeting on 17 June 2022.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Representatives of personnel organisations also attend the meetings of VR Group Plc's Supervisory Board. The following have been representatives of the personnel organisations: Teppo Järnstedt, Chairman of the Association of Railway Professionals (JHL); Tero Palomäki, President of the Union of Railway Unions; Johanna Wäre, Chairman of the Association of Railway Technical and Employees (RTTL); Olli-Pekka Nyman, Chairman of VR Akava; Juri Aaltonen, President of ERTO; Pekka Lehtonen, Acting Chair of AKT; and Annika Rönni-Sällinen, President of the Trade Union of Services.

Changes in the Management Team

Laura Ansaharju was appointed as Senior Vice President, HR, and a member of the Group's management team in January 2022 and she took up her duties on 1 April 2022.

VR Group Plc's CEO Lauri Sipponen was dismissed on 4 April 2022. Topi Simola, SVP, VR Passenger Services, was appointed interim CEO. After the review period Elisa Markula (M.Sc. Econ.) was appointed as the new CEO of the company. She will assume responsibilities on 30 August 2022.

Eljas Koistinen was appointed as Senior Vice President, VR Transpoint, and a member of the Group's management team, as of 1 June 2022.

Otso Ikonen was appointed as CEO of VR FleetCare and a member of VR Group's Management Team and he took up his new role on 15 August 2022.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

HALF-YEAR REPORT INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - unaudited

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	240.6	202.2	442.7	389.7	838.3
Other operating income	12.1	9.4	22.4	19.4	45.3
Materials and services	-87.2	-57.9	-161.5	-122.2	-272.0
Production for own use	15.5	8.9	33.1	25.7	47.8
Personnel expenses	-100.3	-92.2	-198.3	-183.7	-360.0
Depreciation and amortisation	-71.9	-33.9	-107.5	-67.2	-151.9
Other operating expenses	-48.8	-44.8	-95.7	-84.8	-170.2
Operating profit (EBIT)	-39.9	-8.3	-64.8	-23.0	-22.7
Net financial items	12.5	0.2	19.2	2.0	2.8
Share of result of associated companies	0.1	0.3	0.1	0.3	0.5
Profit before tax	-27.2	-7.8	-45.5	-20.7	-19.5
Income taxes	4.7	4.7	8.0	6.3	5.8
Profit for the period	-22.5	-3.2	-37.5	-14.4	-13.7
Attributable to					
Equity holders of the parent	-22.5	-3.2	-37.5	-14.4	-13.7
Non-controlling interest	0.0	0.0	0.0	0.0	0.0

OTHER COMPREHENSIVE INCOME - unaudited

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net profit for the period	-22.5	-3.2	-37.5	-14.4	-13.7
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	1.2	-0.1	2.4	-0.2	-0.2
Cash flow hedges	42.2	4.9	61.2	7.0	16.6
Taxes on items that may be reclassified subsequently to profit or loss	-8.4	-1.0	-12.2	-1.4	-3.3
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	43.9	1.0	45.5	1.0	14.9
Financial assets at fair value through other comprehensive income	-3.2	-1.1	-8.3	-18.5	-8.2
Taxes on items that will not be reclassified subsequently to profit or loss	-8.1	0.0	-7.4	3.5	-1.4
Total other comprehensive income for the period net of taxes	67.5	3.7	81.1	-8.5	18.5
Total comprehensive income for the period	45.0	0.5	43.6	-23.0	4.9
Comprehensive income for the financial year attributable to					
Equity holders of the parent company	45.0	0.5	43.6	-23.0	4.9
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

CONSOLIDATED STATEMENT OF FINANCIAL POSITION unaudited

EUR million	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Non-current assets			
Intangible assets	35.2	36.9	40.2
Goodwill	7.5	4.9	7.5
Property, plant and equipment	1 192.1	1 207.9	1 203.4
Right-of-use assets	271.3	256.7	281.2
Investment properties	12.7	11.4	13.1
Holdings in associates and joint ventures	2.1	2.0	2.0
Investments	24.1	22.0	32.4
Other receivables	151.9	80.1	95.1
Non-current assets, total	1 696.9	1 621.9	1 674.8
Current assets			
Inventories	66.6	78.4	77.8
Accounts receivables and other receivables	98.1	50.0	71.8
Prepaid expenses and accrued income	50.0	54.2	47.5
Financial securities	25.0	0.0	0.0
Cash and cash equivalents	291.5	78.6	65.8
Current assets, total	531.1	261.3	263.0
Assets, total	2 228.0	1 883.1	1 937.8

EUR million	30.6.2022	30.6.2021	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent			
Share capital	370.0	370.0	370.0
Fair value reserve	4.3	-54.0	-38.0
Invested non-restricted equity reserve	336.2	376.2	376.2
Retained earnings	609.7	573.6	584.6
Net profit for the financial year	-37.5	-14.4	-13.7
Equity attributable to owners of the parent company, total	1 282.8	1 251.4	1 279.2
Non-controlling interests	0.0	0.0	0.0
Equity, total	1 282.8	1 251.4	1 279.2
Non-current liabilities			
Provisions	46.8	48.9	47.8
Financial liabilities	326.1	30.2	29.0
Lease liabilities	236.2	221.8	246.7
Accounts payable and other liabilities	11.6	38.0	32.3
Deferred tax liabilities	94.6	76.3	82.8
Non-current liabilities, total	715.3	415.2	438.4
Current liabilities			
Financial liabilities	3.9	2.9	4.3
Lease liabilities	24.3	23.9	24.0
Advances received	17.6	10.6	11.8
Accounts payable and other liabilities	59.7	58.8	61.6
Accrued expenses and prepaid income	124.4	120.4	118.5
Current liabilities, total	229.9	216.6	220.2
Liabilities, total	945.2	631.6	658.6

VR Group Plc			
Equity and liabilities, total	2 228.0	1 883.1	1 937.8

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Phone number
(0)29 4343
E-mail
firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

CONSOLIDATED STATEMENT OF CASH FLOWS - unaudited

EUR million	1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities			
Profit before tax	-45.5	-18.9	-19.5
Adjustments:			
Depreciation and amortisation	95.5	55.7	128.8
Amortisation right-of-use assets	11.9	11.5	23.2
Profit and loss from sale of tangible and intangible assets and other adjustments	-7.9	-6.7	12.1
Cash flow from operating activities before changes in working capital	54.1	41.6	144.6
Change in current receivables (increase -, decrease +)	-8.6	-0.4	-14.6
Change in inventories (increase -, decrease +)	11.2	-3.9	-3.3
Change in current liabilities (increase +, decrease -)	8.1	22.0	24.9
Change in working capital	10.7	17.7	7.0
Net financial expenses	-4.6	1.9	-8.8
Income taxes paid	-0.9	-5.1	-3.7
Cash flows from financial items and taxes	-5.5	-3.3	-12.5
Cash flow from operating activities (A), total	59.3	56.1	139.1
Cash flow from investing activities			
Tangible and intangible assets purchases	-74.8	-72.7	-152.2
Tangible and intangible assets sales	2.8	3.1	5.3
Shares and holdings acquired	0.0	-0.1	-3.9
Shares and holdings sold	0.0	0.6	0.6
Cash flow from investing activities (B), total	-72.0	-69.1	-150.2
Cash flow before financing activities (A)+(B)	-12.6	-13.0	-11.1
Cash flow from financing activities			
Dividends paid and returns of capital to owners of parent company	-40.0	-100.0	-100.0
Change in non-current receivables	20.2	8.0	7.9
Change in current interest bearing receivables	-24.6	0.0	-0.4
Change in non-current liabilities	296.5	-1.7	-3.0
Repayments of lease liabilities	-13.5	-13.5	-27.4
Change in current interest bearing liabilities	-0.4	0.0	1.0
Cash flows from financing activities (C), total	238.2	-107.2	-121.9
Change in cash flows (a)+(B)+(C)	225.6	-120.2	-133.0
Cash and cash equivalents 1 Jan.	65.8	198.8	198.8
Change in cash and cash equivalents	225.6	-120.2	-133.0
Cash and cash equivalents 30 Jun.	291.5	78.6	65.8

VR Group Plc

 Postal address
 PO Box 488, FI-00096 VR,
 Finland

 Street address
 Radiokatu 3, FI-00240 Helsinki,
 Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
 www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Consolidated statement of changes in equity - unaudited

1-6/2022, EUR million

	Share capital	Fair value reserve	Invested non-restricted equity reserve	Translation differences	Retained earnings	Total attributable to owners of parent company	Attributable to non-controlling interests	Total equity
Equity 1 Jan 2022	370.0	-38.0	376.2	0.2	570.8	1 279.2	0.0	1 279.2
Comprehensive income								
Net profit (loss) for the financial year					-37.5	-37.5		-37.5
Translation differences				2.4		2.4		2.4
Cash flow hedges		49.0				49.0		49.0
Remeasurements of defined benefit plans					36.4	36.4		36.4
Changes in fair value with effects on comprehensive income.		-6.6				-6.6		-6.6
Total comprehensive income for the financial year	0.0	42.4	0.0	2.4	-1.1	43.6	0.0	43.6
Return of capital to owners of parent company			-40.0			-40.0		-40.0
Transactions with owners, total			-40.0			-40.0	0.0	-40.0
Equity 30 Jun 2022	370.0	4.3	336.2	2.5	569.7	1 282.8	0.0	1 282.8

1-6/2021, EUR million

	Share capital	Fair value reserve	Invested non-restricted equity	Translation differences	Retained earnings	Total attributable to owners of parent	Attributable to non-controlling interests	Total equity
Equity 1 Jan 2021	370.0	-44.8	376.2	0.4	572.5	1 274.3	0.0	1 274.3
Comprehensive income								
Net profit (loss) for the financial year					-14.4	-14.4		-14.4
Translation differences				-0.2		-0.2		-0.2
Cash flow hedges		5.6				5.6		5.6
Remeasurements of defined benefit plans					0.8	0.8		0.8
Changes in fair value with effects on comprehensive income.		-3.6				-3.6		-3.6
Total comprehensive income for the financial year	0.0	-9.2	0.0	-0.2	-13.6	-22.9	0.0	-22.9
Equity 30 Jun 2021	370.0	-54.0	376.2	0.2	559.0	1 251.4	0.0	1 251.4

VR Group Plc

 Postal address
 PO Box 488, FI-00096 VR,
 Finland

 Street address
 Radiokatu 3, FI-00240 Helsinki,
 Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
 www.vrgroup.fi/en

Business ID 1003521-5

NOTES:**Accounting principles**

The half-yearly financial report is prepared in accordance with IAS 34 Interim Financial Reporting Standard and the accounting principles specified in the previous financial statements. The benchmarks in brackets refer to the corresponding time period in the previous year, unless otherwise stated.

The half-yearly report is unaudited. The disclosed figures are rounded, and therefore the sum of individual items can differ from the total disclosed.

Key assessments and judgment-based solutions

Preparing IFRS financial statements requires management to make decisions based on judgment and to use estimates and assumptions. The estimates and assumptions in question are based on past experience and other justifiable factors, such as expectations regarding future events. The management's estimates are based on the best vision and knowledge of VR Group's management during the reporting period on the end date.

During the review period, the most significant decisions based on judgment were related to the downsizing of the group's Eastern traffic and the resulting write-downs.

VR Group's operations related to Russia

A total of EUR 91 million in turnover was generated from business operations related to Russia in the 2021 fiscal year. VR Group has decided to wind down all of its operations related to Russia by the end of the year. Due to this, in the review period, write-downs of 45.4 million euros were recorded for the equipment committed to operations in Russia and their spare parts stocks. After write-downs, on June 30, 2022, approximately EUR 25 million of the group's assets were related to operations in Russia.

Notes according to IFRS 3

In March 2022, VR Group signed an agreement to purchase the Swedish bus and rail operator Arriva Sverige. The acquisition took place after the end of the review period on July 1, 2022. Arriva Sverige and its subsidiaries will be consolidated into VR Group as part of VR Passenger services as of July 1, 2022. At the time of the acquisition, 3 400 people worked in the companies and their annual turnover is approximately EUR 300 million. The acquisition is not expected to generate significant goodwill.

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

SEGMENTS

Net sales, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger Services	142.0	95.7	251.6	191.9	431.5
VR Transpoint	96.1	99.1	186.7	190.7	390.1
VR FleetCare	56.4	48.5	112.4	97.8	203.7
Other operations and eliminations	-53.9	-41.0	-108.0	-90.7	-187.1
VR Group in total	240.6	202.2	442.7	389.7	838.3

Net sales based on services, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Rail services	174.9	147.2	322.1	288.3	612.8
VR Passenger services	104.1	76.7	180.8	132.9	302.2
VR Transpoint	70.7	70.5	141.2	155.4	310.6
Road services (car or bus)	53.6	47.6	101.3	88.4	188.8
VR Passenger services	28.2	27.5	55.8	53.1	109.4
VR Transpoint	25.4	20.1	45.5	35.3	79.5
Catering and restaurant services	9.6	5.4	15.0	5.9	19.9
VR Passenger services	9.6	5.4	15.0	5.9	19.9
Other and eliminations	56.4	56.0	112.4	97.8	203.7
VR FleetCare	56.4	56.0	112.4	97.8	203.7
Other operations and eliminations	-53.9	-54.1	-108.0	-90.7	-187.1
VR Group in total	240.6	202.1	442.7	389.7	838.3

Net sales by geographical area, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Finland	240.3	202.2	439.3	381.2	836.5
Rest of Europe	0.4	0.0	3.5	8.5	1.8
VR Group in total	240.6	202.2	442.7	389.7	838.3

Gross profit, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	28.1	2.8	30.0	1.1	28.8
VR Transpoint	10.8	16.3	16.5	30.0	60.9
VR FleetCare	-7.6	1.2	-6.6	2.7	6.7
Other and eliminations	0.7	5.3	2.8	10.3	32.8
VR Group in total	32.0	25.6	42.7	44.2	129.2

Operating profit, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	-28.0	-16.4	-46.2	-37.0	-50.4
VR Transpoint	0.3	7.2	-4.2	12.0	23.0
VR FleetCare	-8.2	0.7	-7.8	1.8	4.7
Other and eliminations	-4.0	0.2	-6.7	0.2	0.0
VR Group in total	-39.9	-8.3	-64.8	-23.0	-22.7

Comparable operating profit, Eur million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	9.0	-16.4	-9.1	-37.0	-40.2
VR Transpoint	0.3	7.2	-4.2	12.0	23.0
VR FleetCare	0.2	0.7	0.6	1.8	4.7
Other and eliminations	-4.1	-1.7	-6.8	-1.8	-1.5
VR Group in total	5.4	-10.3	-19.5	-25.0	-14.1

VR Group Plc

 Postal address
 PO Box 488, FI-00096 VR,
 Finland

 Street address
 Radiokatu 3, FI-00240 Helsinki,
 Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
 www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Depreciations and amortisations, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	-56.1	-19.2	-76.2	-38.1	-79.2
VR Transport	-10.5	-9.2	-20.6	-18.1	-37.8
VR FleetCare	-0.6	-0.5	-1.2	-0.9	-2.1
Other	-4.7	-5.1	-9.5	-10.1	-32.8
Total	-71.9	-33.9	-107.5	-67.2	-151.9

Investments, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
VR Passenger services	18.7	12.6	26.0	28.1	59.8
VR Transport	7.1	9.2	14.0	21.0	39.6
VR FleetCare	1.7	1.2	2.7	2.5	6.0
Other	17.2	13.6	32.1	28.0	63.4
Total	44.6	36.7	74.8	79.6	168.8

Items affecting comparability, EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Profits and losses from sales of real estates	0.9	1.7	0.9	1.7	3.1
Profits and losses from sales of subsidiaries	0.0	0.3	0.0	0.3	0.3
Sales of other properties	-0.1	0.0	-0.1	0.0	0.0
One-off amortisations	-46.2	0.0	-46.2	0.0	-12.0
Items affecting comparability total	-45.3	2.0	-45.3	2.0	-8.6

The one-off impairments during the financial year were related to the termination of VR Group's eastern traffic. The most significant items are EUR -37.0 million of fixed assets and spare parts inventory written down in VR Passenger Services and EUR -8.4 million of spare parts inventory written down in VR FleetCare.

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Changes in tangible and intangible assets

Property, plant and equipment

Land and water areas

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	60.0	61.2	61.2
Increases	0.0		0.0
Decreases	-0.7	-0.9	-1.1
Reclassifications	0.8		-0.2
Closing balance 30 June	60.1	60.3	60.0
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	0.0	0.0	0.0
Closing balance 30 June	0.0	0.0	0.0
Carrying amount at 1 January	60.0	61.2	61.2
Carrying amount at 30 June	60.1	60.3	60.0

Buildings and structures

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	370.7	379.9	379.9
Increases			2.9
Decreases	-0.9		
Reclassifications	6.3	0.6	-12.1
Closing balance 30 June	376.1	380.5	370.7
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-185.3	-179.9	-179.9
Accumulated depreciation for decreases and transfers	0.4		
Depreciation and amortisation for the financial year	-6.7	-6.9	-13.7
Reclassifications			8.4
Closing balance 30 June	-191.6	-186.8	-185.3
Carrying amount at 1 January	185.4	200.0	200.0
Carrying amount at 30 June	184.5	193.7	185.4

VR Group Plc

Postal address

 PO Box 488, FI-00096 VR,
Finland

Street address

 Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

 firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Machinery and equipment

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	2 125.5	2 030.5	2 030.5
Increases	8.0	28.6	91.8
Decreases	-5.6	-5.0	-51.3
Reclassifications	62.8	31.5	54.3
Closing balance 30 June	2 190.7	2 085.6	2 125.5
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-1 292.0	-1 233.2	-1 233.2
Accumulated depreciation for decreases and transfers	0.2	4.8	32.2
Depreciation and amortisation for the financial year	-81.8	-43.0	-88.8
Reclassifications	-0.6		-2.2
Closing balance 30 June	-1 374.2	-1 271.5	-1 292.0
Carrying amount at 1 January	833.5	797.3	797.3
Carrying amount at 30 June	816.5	814.1	833.5

Advance payments, incomplete acquisitions and other property, plant and equipment

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	135.1	147.4	147.4
Increases	76.5	38.2	54.6
Decreases	0.0		-3.3
Reclassifications	-69.5	-36.2	-63.6
Closing balance 30 June	142.2	149.4	135.1
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-10.6	-9.7	-9.7
Depreciation and amortisation for the financial year	-0.4	0.0	-0.9
Closing balance 30 June	-11.0	-9.7	-10.5
Carrying amount at 1 January	124.6	137.7	137.7
Carrying amount at 30 June	131.2	139.8	124.6

Property, plant and equipment total

1 192.1	1 207.9	1 203.4
---------	---------	---------

Intangible assets

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	160.5	167.0	167.0
Increases		0.8	5.3
Decreases	0.0		-28.2
Reclassifications	1.2	4.1	16.3
Closing balance 30 June	161.6	172.0	160.5
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-112.7	-125.1	-125.1
Accumulated depreciation for decreases and transfers			28.0
Depreciation and amortisation for the financial year	-6.1	-5.1	-11.3
Reclassifications			-4.4
Closing balance 30 June	-118.8	-130.2	-112.7
Carrying amount at 1 January	47.8	42.0	42.0
Carrying amount at 30 June	42.8	41.9	47.8

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Right of use assets

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	444.1	403.4	403.4
Increases	2.1	6.9	47.3
Decreases	-0.1	-0.4	-4.5
Reclassifications			-2.1
Closing balance 30 June	446.1	409.9	444.1
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-162.9	-141.9	-141.9
Accumulated depreciation for decreases and transfers	0.0	0.2	1.4
Depreciation and amortisation for the financial year	-11.9	-11.5	-24.4
Reclassifications			2.0
Closing balance 30 June	-174.8	-153.2	-162.9
Carrying amount at 1 January	281.2	261.5	261.5
Carrying amount at 30 June	271.3	256.7	281.2

Investment properties

Acquisition cost	1-6/2022	1-6/2021	1-12/2021
Opening balance 1 January	50.5	13.4	13.4
Decreases		-2.5	-0.6
Reclassifications			37.7
Closing balance 30 June	50.5	10.9	50.5
Accumulated depreciation, amortisation and impairment			
Opening balance 1 January	-37.4	-1.3	-1.3
Accumulated depreciation for decreases and transfers		2.0	
Depreciation and amortisation for the financial year	-0.4	-0.3	-0.5
Reclassifications			-35.6
Closing balance 30 June	-37.8	0.5	-37.4
Carrying amount at 1 January	13.1	12.1	12.1
Carrying amount at 30 June	12.7	11.4	13.1

Changes in other non-current receivables

Other non-current receivables, EUR million	30.6.2022	30.6.2021	31.12.2021
Defined benefit pension plans	107.1	68.2	81.8
Derivatives	34.2	2.0	2.5
Other receivables	10.6	9.9	10.8
Other non-current receivables total	151.9	80.1	95.1

Defined benefit pension arrangements include the net assets of VR Pension Foundation's funded assets and pension obligations. During the review period, the value of net receivables was most significantly affected by the reduction of pension obligations due to changes in the actuarial assumptions used and corrections based on experience.

Derivative receivables increased during the financial period due to the increase in the fair values of interest and electricity derivatives. The growth was driven by the rise in interest rates and the price of electricity.

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

Financial assets and liabilities and fair values

Interest bearing liabilities, EUR million	30.6.2022	30.6.2021	31.12.2021
Non-current interest bearing liabilities			
Bond loan	298.4	0.0	0.0
Loans from financial institutions	27.7	30.2	29.0
Leasing liabilities	236.2	221.8	246.7
Current interest bearing liabilities			
Loans from financial institutions	3.9	2.9	4.3
Leasing liabilities	24.3	23.9	24.0
Interest bearing liabilities total	590.5	278.7	304.0

At the end of May 2022, VR Group issued its first green bond. The nominal value of the loan is 300 million euros and the maturity is 7 years. The loan matures in May 2029 and the loan pays a fixed interest rate of 2.375%.

Fair values of financial assets and liabilities

The table below shows the categories of financial assets and liabilities and the classification of items recognised at fair value in the fair value hierarchy. There were no transfers between level 1 and level 2 or to level 3 of the fair value hierarchy during the reporting period.

Financial assets and liabilities 30 June 2022 EUR million	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Derivatives in hedge accounting	Carrying amount total	Fair value	Level 1	Level 2	Level 3
Financial assets									
Non-current financial assets									
Loan receivables	8.1				8.1				
Investments			24.1		24.1	24.1	24.1		
Derivatives				34.2	34.2	34.2		34.2	
Current financial assets									
Accounts receivables and other receivables	148.1				148.1				
Derivatives		1.2		30.3	31.4	31.4		31.4	
Financial securities	25.0				25.0	25.0	25.0		
Cash and cash equivalents	291.5				291.5				
Financial assets total	472.7	1.2	24.1	64.5	562.4	114.7	49.1	65.6	0.0
Financial liabilities									
Non-current financial liabilities									
Bond loan	298.4				298.4	288.1	288.1		
Loans from financial institutions	27.7				27.7				
Lease liabilities	236.2				236.2				
Derivatives		7.2		1.7	8.9	8.9		8.9	
Accounts payable and other liabilities	2.6				2.6				
Current financial liabilities									
Loans from financial institutions	3.9				3.9				
Lease liabilities	24.3				24.3				
Derivatives		1.2			1.2	1.2		1.2	
Accounts payable and other liabilities	182.9				182.9				
Financial liabilities total	776.0	8.4	0.0	1.7	786.1	298.2	288.1	10.1	0.0

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Financial assets and liabilities 30 June 2021 EUR million	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Derivatives in hedge accounting	Carrying amount total	Fair value	Level 1	Level 2	Level 3
Financial assets									
Non-current financial assets									
Loan receivables	8.2				8.2				
Investments			22.0		22.0	22.0	22.0		
Derivatives				2.0	2.0	2.0		2.0	
Current financial assets									
Accounts receivables and other receivables	100.4				100.4				
Derivatives				3.8	3.8	3.8		3.8	
Cash and cash equivalents	78.6				78.6				
Financial assets total	187.2	0.0	22.0	5.9	215.0	27.9	22.0	5.9	0.0
Financial liabilities									
Non-current financial liabilities									
Loans from financial institutions	30.2				30.2				
Lease liabilities	221.8				221.8				
Derivatives		30.7		3.8	34.5	34.5		34.5	
Accounts payable and other liabilities	3.5				3.5				
Current financial liabilities									
Loans from financial institutions	2.9				2.9				
Lease liabilities	23.9				23.9				
Derivatives				0.0	0.0	0.0		0.0	
Accounts payable and other liabilities	179.2				179.2				
Financial liabilities total	461.5	30.7	0.0	3.8	496.0	34.5	0.0	34.5	0.0

Group's contingent liabilities

Contingent liabilities and commitments, EUR million	30.6.2022	30.6.2021	31.12.2021
Guarantees given			
On own behalf	67.0	67.4	66.0
Total	67.0	67.4	66.0

Other commitments

On 12 February 2014, VR Group Plc and a consortium formed by Siemens Oy and Siemens AG signed a contract, by which VR Group Plc ordered 80 electric locomotives, their documentation, spare parts, tools and training. The commitment was worth EUR 314.5 million when the contract was signed. The deliveries will take place during 2017–2026. As of 30 June 2022, 47 locomotives have been delivered with an open purchase commitment amounting to EUR 116.6 million (EUR 143.2 million on 31 December 2021).

On 12 April 2019, VR Group Plc entered into an agreement with Stadler Rail Valencia S.A.U. for 60 diesel locomotives and related documentation, spare parts, tools and training. The value of the commitment was EUR 208.0 million at the time of signing. The first locomotives are estimated to be introduced into commercial traffic in 2023 and all 60 locomotives to be delivered by the end of 2026. The amount of the open purchase commitment is EUR 162.5 million on 30 June 2022.

The uncertainty reported in the 2021 financial statements regarding the VAT treatment of the clean-up costs of contaminated land areas is still open, as VR Group has not yet received an answer from the tax authority to its request for a preliminary ruling on the right to deduct VAT. Before getting a resolution, it is not possible to reliably assess the effect on the amount of the required mandatory provision.

VR Group Plc

Postal address

PO Box 488, FI-00096 VR,
Finland

Street address

Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5

30.8.2022

Public

Derivatives

Fair and nominal values of derivatives

EUR million

	30.6.2022		30.6.2021		31.12.2021	
	Nominal value	Fair value, net	Nominal value	Fair value, net	Nominal value	Fair value, net
Interest rate derivatives	252.4	-3.8	279.5	-34.1	300.7	-27.8
subject to hedge accounting	83.5	3.4	95.9	-3.4	124.7	-1.7
non-hedge accounted	168.9	-7.2	183.6	-30.7	176.0	-26.1
Electricity derivatives	22.2	56.1	21.2	4.0	18.7	11.7
subject to hedge accounting	22.2	56.1	21.2	4.0	18.7	11.7
Fuel derivatives	2.0	3.3	3.7	1.4	3.0	1.4
subject to hedge accounting	2.0	3.3	3.7	1.4	3.0	1.4
Currency derivatives	96.3	0.0	0.0	0.0	2.9	0.0
non-hedge accounted	96.3	0.0	0.0	0.0	2.9	0.0
Total	372.9	55.6	304.4	-28.7	325.3	-14.6

Changes in the fair value of derivatives subject to hedge accounting are recorded in equity in the fair value fund. During the review period, EUR 49.0 million was recorded in the fair value fund from the increase in the value of interest and electricity derivatives. The rise in fair values of derivatives is driven by the rise in interest rates and electricity prices.

Changes in the value of interest rate derivatives outside of hedge accounting are recorded in financial items in the result of the financial year. In the review period, these changes in value generated a profit of 16.8 million euros.

VR Group Plc

Postal address
PO Box 488, FI-00096 VR,
Finland

Street address
Radiokatu 3, FI-00240 Helsinki,
Finland

Tel. +358 (0)29 4343

firstname.lastname@vr.fi
www.vrgroup.fi/en

Business ID 1003521-5