

## VR Group half-year report 1 January – 30 June 2023

VR Group's profitability improved as the number of journeys in VR Long-distance Traffic grew and exceeded the pre-pandemic level, largely thanks to leisure travel. The profitability of VR City Traffic was still negatively affected by the terms of long-term agreements, changes in the inflation environment, and acquisition-related integration costs. In VR Transpoint, the weakening business cycle in the industrial sector and the effects of the discontinuation of Eastern traffic led to a decline in net sales. VR is committed to support the Finnish Government in implementing the Government Programme and to promote the growth of the rail market through infrastructure investments and increased competition.

### April-June 2023 (Q2):

- The Group's net sales increased by 30.0% to EUR 312.7 (240.6) million.
- Comparable net sales without the effects of the business acquisition in Sweden completed on 1 July 2022 increased by 4.0% to EUR 250.3 million.
- Comparable operating result (EBIT) was EUR 15.7 (5.4) million or 5.0% (2.3%) of net sales.
- Operating result (EBIT) was EUR 4.2 (-39.9) million, or 1.3% (-16.6%) of net sales.
- Cash flow from operating activities was EUR 55.4 (56.3) million.
- The number of journeys on long-distance trains increased by 12.4% in April-June, to 3.8 (3.4) million journeys.
- Railway transport volumes in freight traffic decreased by -15.9% and amounted to 6.0 (7.1) million tonnes.

### January-June 2023 (H1):

- The Group's net sales increased by 39.1% to EUR 615.6 (442.7) million.
- Comparable net sales without the effects of the business acquisition in Sweden completed on 1 July 2022 increased by 9.0% to EUR 482.6 million.
- Comparable operating result (EBIT) was EUR 15.4 (-19.5) million or 2.5 % (-4.4 %) of net sales.
- Operating result (EBIT) was EUR 7.0 (-64.8) million or 1.1 % (-14.6 %) of net sales.
- Cash flow from operating activities was EUR 83.6 (59.3) million.
- The number of journeys on long-distance trains increased by 28.4% to 7.2 (5.6) million journeys.
- The railway transport volumes of VR Transpoint decreased by -20.2% and amounted to 11.8 (14.9) million tonnes.
- VR invested into procuring new rolling stock for night train traffic from Škoda Transtech Ltd. The value of the equipment acquisition is approximately EUR 50 million.
- VR's business structure was renewed as of 1 January 2023 and business segments are VR Long-distance Traffic, VR City Traffic and VR Transpoint.

Key figures	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales, M€	312.7	240.6	615.6	442.7	1,107.0
Comparable EBITDA, MEUR*	60.6	32.0	109.5	42.7	149.0
% of net sales	19.4	13.3	17.8	9.6	13.5
Operating result (EBIT), MEUR	4.2	-39.9	7.0	-64.8	-58.4
% of net sales	1.3	-16.6	1.1	-14.6	-5.3
Comparable operating result (EBIT), MEUR*	15.7	5.4	15.4	-19.5	6.0
% of net sales	5.0	2.3	2.5	-4.4	0.5
Net profit/loss for the period, MEUR	0.2	-22.5	0.8	-37.5	-47.4
Cash flow from operating activities, MEUR	55.4	56.3	83.6	59.3	179.9
Investments, MEUR	42.5	44.6	79.2	74.8	219.8
Capital invested at the end of the period, MEUR	1,784.4	1,873.3	1,784.4	1,873.3	1,862.5
Return on capital employed (ROCE), %	1.8	-5.0	1.4	-4.2	-1.6
Comparable return on capital employed, %	4.3	5.8	2.4	1.2	2.0
Return on equity (ROE), %	0.1	-7.0	0.1	-5.8	-3.7
Net interest-bearing debt at the end of the period, MEUR	379.1	274.1	379.1	274.1	341.9
Gearing, %	31.1	21.4	31.1	21.4	27.4
Number of personnel at end of period	7,870	5,848	7,870	5,848	7,821

\* VR Group presents comparable EBITDA and comparable operating result (EBIT) as an alternative performance indicators. The aim of comparable performance indicators is to improve comparability between reporting periods.

Comparable EBITDA uses same definitions of items affecting comparability as comparable EBIT. The calculation formulas for the figures are disclosed in VR Group's Annual Report for 2022.

The figures are unaudited.

The comparative figures in brackets refer to the corresponding time period in the previous year, unless otherwise stated.

VR Group acquired the Swedish bus and rail operator Arriva Sverige. The transaction was completed on 1 July 2022 and the company's name was changed to VR Sverige AB.

## CEO Elisa Markula:

"VR's comparable net sales increased by 4% in the second quarter, as the number of domestic long-distance journeys increased. Reported net sales grew by 30%, accelerated by the acquisition carried out in Sweden. Our overall profitability improved thanks to the growth of long-distance traffic, but the negative impacts in the operating environment reduced the result of both city traffic and logistics. We are still in the early stages of pursuing our profit improvement target, and the successful execution of our strategy requires continuous measures to improve the efficiency of operations and achieve closer cooperation across our business units.

The number of journeys in our long-distance traffic increased by over 12% to 3.8 (3.4) million journeys. At the beginning of the year, VR had transferred the VAT reduction directly to customer prices, and the end of the discount at the end of April surprised some of our customers, as ticket prices rose by ten per cent from the beginning of May. However, customer satisfaction of VR's Long-distance Traffic – as measured by the Net

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Promoter Score – increased year-on-year and was 8 (41). Punctuality, which is a key factor in customer satisfaction, improved from the previous year and was 87.3 (83.3).

The weak result of the VR City Traffic was attributable to high inflation and the current low profitability of the long-term agreements signed before the pandemic. Index increases to these agreements will have a delayed effect on the profitability of operations. Integration expenses associated with the acquisition carried out in July 2022 also had a negative effect on the segment's result. In city traffic in Sweden, net sales and profitability will decline compared to last year due to some of the existing agreements expiring and the new agreements not starting until late 2023. VR actively participates in regional competitive tendering for rail and bus contract traffic in Sweden and Finland.

The volumes of our freight transport decreased by 15% due to the weakening of our customers' business cycles and the discontinuation of Eastern traffic last year. We are in the process of revising our customers' service models and pricing. Our freight transport business is significantly dependent on the business cycles in the industrial sector, and the weakened business cycle will continue to have a negative impact on transport volumes. We have had to adjust our railway freight operations with temporary lay-offs.

The foundation for our new strategy is a values-based corporate culture, with highly motivated personnel playing a key role in successful strategy execution. We will continue to develop our services and pricing, as well as improve the customer experience, to increase the popularity of train traffic as we move towards a more sustainable future. In city traffic, we seek growth through the continued electrification of our bus services and by participating in competitive tendering for contract traffic in Sweden and Finland.

VR is seeking EUR 250 million profit improvement measures by 2027 that will enable the financing of its billion-euro rolling stock investments and ensure the company's continued competitiveness in the future. We will improve our profitability by further developing our commercial models and operational efficiency, improving the efficiency of our sourcing procurement and conducting critical assessments of our fixed costs.

We launched an energy efficiency programme for both traffic operations and real estate at the turn of the year, and we are continuing to implement measures under the programme in all of our business segments. Our efforts to reduce energy consumption improved the energy efficiency of train traffic by approximately 7% in the first half of 2023, corresponding to the annual electricity consumption of approximately 1,000 electrically heated single-family homes.

VR is committed to supporting the Finnish Government in implementing the Government Programme. We are in favour of increasing competition in climate-friendly rail transport, as well as the wide-ranging development of the public transport market as a whole. The Swedish model for organizing the rail transport has proved to be an effective solution over the long term. Adequate and appropriately targeted infrastructure investments and the reduction of the maintenance backlog are the most important prerequisites for the growth of rail traffic, increased competition and the achievement of the emission reduction targets for the transport sector. The fastest way to increase competition is to develop regional contract traffic in passenger train operations by enabling municipalities and joint municipal authorities to organise contract traffic. A public rolling stock company that would lease equipment for publicly funded rail transport, as mentioned in the Government Programme, would contribute to the development of the rail transport market. Long-distance traffic and freight traffic must continue on market terms, which will allow competition to develop freely, in accordance with the free competition model based on EU regulations, without the need for public funding. We will focus on our core business as a service company in logistics and passenger traffic, and our aim is to divest station properties and other rail infrastructure that is still under VR's ownership.

I want to thank our personnel for their commitment to our shared journey of discovering our values. Our values – we care, we work together, we drive improvement – guide us forward and enable the successful execution of our strategy. “

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## Outlook for the current year

VR expects that the comparable operating profit (EBIT) for 2023 will improve compared to 2022.

The general economic situation in Finland is clouded by the weakened business cycle in the industrial sector, high inflation, rising interest rates and low consumer confidence in the economy. Industrial order books and export volumes have also shrunk as global demand has declined. The economic situation is significantly reflected in VR's business operations, profitability and near-term outlook. High inflation and the weakened business cycle in heavy industry, in particular, have a negative impact on VR's profitability.

VR discontinued its Eastern freight traffic completely in 2022 due to Russia's war of aggression, which will reduce total volumes of rail logistics again this year. The weakened business cycle in heavy industry in Finland has reduced transport volumes since the second quarter of the year. VR expects domestic transport volumes to decrease in 2023 compared to the previous year. Previously, domestic transport volumes were expected to increase in 2023.

Train travel has recovered after the COVID-19 pandemic eased. Nevertheless, the pandemic has changed the way people work and, as a result, their mobility patterns. Remote work has become increasingly common, and travel demand has been driven by leisure travel. The total number of long-distance journeys is expected to increase from the previous year. This increase will mainly take place in the early part of the year, as the pandemic reduced travel volumes particularly in early 2022. In city traffic in Sweden, net sales and profitability will decline compared to 2022 due to some of the existing agreements expiring and the new agreements not starting until late 2023.

## The Group's financial development

### Net sales and result development by operation

#### SEGMENTS

Net sales, EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	105.3	91.1	197.3	152.9	352.4
VR City traffic	114.0	50.9	232.6	98.7	358.5
VR Transpoint	90.5	96.1	179.7	186.7	386.2
Other	2.8	2.5	6.0	4.4	10.0
<b>Total</b>	<b>312.7</b>	<b>240.6</b>	<b>615.6</b>	<b>442.7</b>	<b>1,107.0</b>
Comparable EBITDA, EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	43.4	32.3	71.2	38.4	111.1
VR City traffic	4.9	0.0	12.7	-0.7	17.7
VR Transpoint	17.7	10.5	24.7	17.0	42.0
Other	1.4	-1.2	4.7	-2.4	-1.6
<b>Total</b>	<b>67.4</b>	<b>41.6</b>	<b>113.3</b>	<b>52.3</b>	<b>169.2</b>

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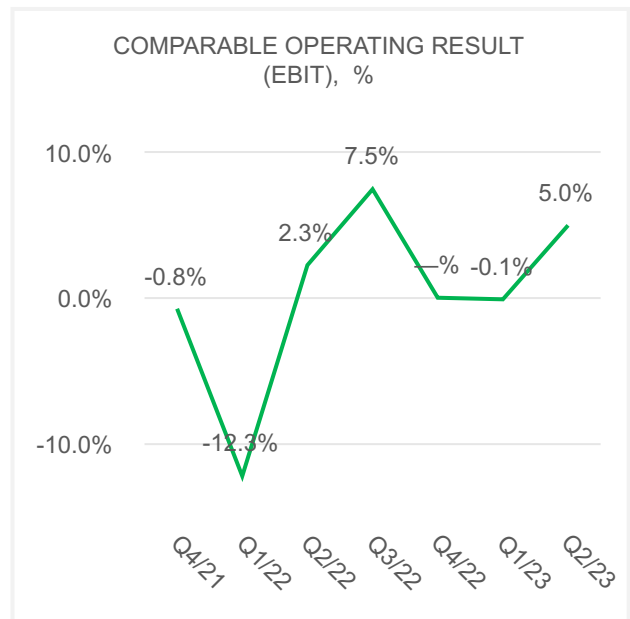
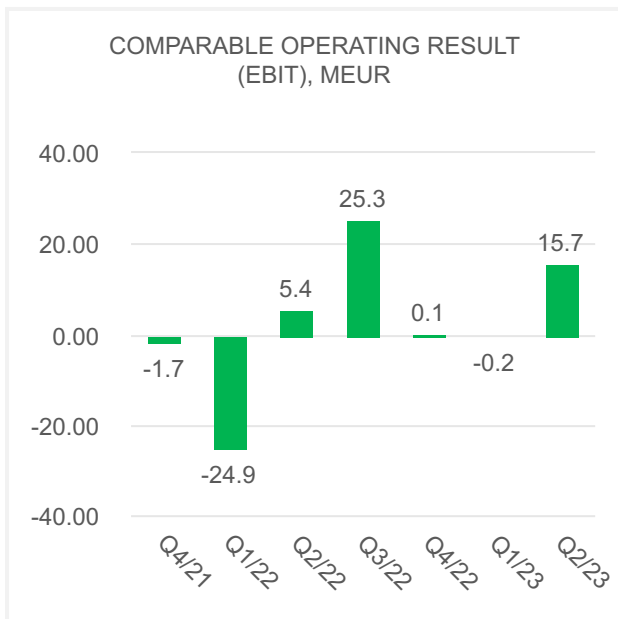
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**Comparable operating result, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	26.8	16.7	39.1	7.5	46.5
VR City traffic	-10.9	-6.1	-18.8	-12.9	-26.2
VR Transpoint	0.5	-0.7	-3.7	-5.0	-3.0
Other	-0.8	-4.6	-1.1	-9.1	-11.4
<b>Total</b>	<b>15.7</b>	<b>5.4</b>	<b>15.4</b>	<b>-19.5</b>	<b>6.0</b>

**Operating result, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	24.4	-28.7	39.7	-37.9	3.6
VR City traffic	-17.3	-6.1	-25.2	-12.9	-42.1
VR Transpoint	-2.1	-0.7	-6.4	-5.0	-5.9
Other	-0.8	-4.5	-1.1	-9.0	-14.1
<b>Total</b>	<b>4.2</b>	<b>-39.9</b>	<b>7.0</b>	<b>-64.8</b>	<b>-58.4</b>


**April–June 2023 (Q2)**

VR's net sales increased by 30.0% compared to April–June 2022, amounting to EUR 312.7 (240.6) million. The growth in net sales was supported especially by the good development in the number of long-distance journeys and VR's expansion into Sweden as a result of an acquisition. The Group's comparable net sales, excluding the impact of the acquisition in Sweden, increased by 4.0% to EUR 250.3 million.

The net sales of VR Long-distance Traffic increased by 15.6% in Q2, as demand remained strong. During the review period, VR transported 3.8 (3.4) million passengers in long-distance traffic, and the net sales of VR Long-distance Traffic amounted to EUR 105.3 (91.1) million.

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The net sales of VR City Traffic increased year-on-year due to the acquisition in Sweden and amounted to EUR 114.0 (50.9) million.

VR Transport's net sales decreased by -5.8% year-on-year due to the discontinuation of Eastern traffic in year 2022, which has had a significant impact on transport volumes and net sales. In addition, the weakened business cycle in the industrial sector had a negative effect on net sales and profitability. Part of the lost volume in Eastern traffic has been compensated for by growth in domestic demand and changes in pricing. VR Transport's net sales in the second quarter amounted to EUR 90.5 (96.1) million. The total volume of freight transported by rail and road was 7.1 (8.3) million tonnes, representing a year-on-year decrease of -15.3%.

VR's comparable operating result (EBIT) for the second quarter of 2023 improved to EUR 15.7 (5.4) million. Improved result was mainly due to strong growth in the number of passengers in long-distance traffic. Declined transport volumes and high cost inflation impacted the result negatively. VR's operating result (EBIT) came to EUR 4.2 (-39.9) million. Comparability was affected by write-offs of goodwill and fixed assets, as well as a credit loss and a provision related to a loss-making agreement.

### January–June 2023 (H1)

VR Group's net sales increased by 39% to EUR 615.6 (442.7) million. The growth in net sales was driven by strong growth in the number of passengers in long-distance traffic, as well as the acquisition in Sweden carried out last year. Net sales were negatively affected by the discontinuation of Eastern freight traffic in year 2022, and the weakened business cycle in the industrial sector during the second quarter.

In the first half of the year, the Group's comparable operating profit (EBIT) improved to EUR 15.4 (-19.5) million. Improved result was mainly due to strong growth in the number of passengers in long-distance traffic. Declined transport volumes and high cost inflation impacted the result negatively.

VR Group's operating profit (EBIT) came to EUR 7.0 (-64.8) million. The Group recognised items affecting comparability in the amount of EUR -8.5 (-45.3) million during the first half of 2023. The items affecting comparability in the first half of 2023 were related to a write-off of goodwill and fixed assets, a credit loss, a provision related to a loss-making agreement and a change in the valuation of assets associated with discontinued Eastern traffic.

The Group's net profit for the first half of the year was EUR 0.8 (-37.5) million.

## Cash flow, investments and financing

VR Group's balance sheet total at the end of June 2023 was EUR 2,238.6 (2,228.0) million, net interest-bearing debt amounted to EUR 379.1 (274.1) million, and gearing was 31.1% (21.4%). In January–June 2023, cash flow from operating activities before investments and financing was EUR 83.6 (59.3) million, and cash flow from investment activities was EUR -72.9 (-76.4) million.

Interest-bearing debt comprised the bond issued in May 2022, as well as IFRS 16 lease financing and lease liabilities.

The company's liquidity remained good during the review period. Liquid assets at the end of the period amounted to EUR 184.9 (291.5) million. VR Group has strengthened the Group's liquidity by means of a revolving credit facility totalling EUR 200 million, which will mature on 3 June 2026. No withdrawals have been

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made under the RCF agreement. The agreement does not involve any financial covenants, but the State is required to hold more than 50% of the shares.

At the end of May 2022, VR Group issued a fixed-rate green bond as part of the Group's Green Finance Framework. The bond has a nominal value of EUR 300 million and a maturity of 7 years. The loan will mature in May 2029 and bears a fixed interest rate of 2.375 per cent.

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

The Group's total investments amounted to EUR 79.2 (74.8) million. Investments broke down as follows:

Investments, EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Rolling stock	35.6	28.6	66.9	51.2	145.3
Transportation equipment (cars)	1.9	9.3	2.2	10.6	44.1
Real estate	0.9	3.4	1.8	7.5	11.4
ICT-investments	3.0	2.2	5.1	3.8	11.9
Other	1.2	1.1	3.2	1.7	7.1
<b>Total</b>	<b>42.5</b>	<b>44.6</b>	<b>79.2</b>	<b>74.8</b>	<b>219.8</b>

VR announced on 18 January 2023 that it will purchase nine sleeper cars and eight car-carrier wagons from Škoda Transtech Ltd. The new rolling stock will be in use by the end of 2025. The value of the equipment acquisition is approximately EUR 50 million. Night train traffic is part of the contract traffic agreed between VR and the Ministry of Transport and Communications.

Rolling stock investments progressed as planned during the period under review. The first diesel locomotives delivered by Stadler were deployed in commercial traffic during the period. The deliveries of diesel locomotives and electric locomotives will continue until 2026.

## Personnel

Number of employees at end of period	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	1,699	1,630	1,575
VR City traffic	4,080	2,043	4,060
VR Transport	1,761	1,938	1,923
Other	330	237	264
<b>Total</b>	<b>7,870</b>	<b>5,848</b>	<b>7,821</b>

The reporting of the number of personnel has been revised as of 1 January 2023 so that the number of personnel at the end of period is the average number of personnel for the last month of the reporting period rather than the average number of personnel for the entire reporting period, as was the case previously.

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## Business and segment overview

VR's core businesses are passenger services in Finland and Sweden, and freight traffic in Finland. As of 1 January 2023, the Group's reported business units are VR Long-distance Traffic, VR City Traffic, VR Transport, and other operations.

### VR Long-distance Traffic

VR Long-distance Traffic is responsible for long-distance train journeys in Finland. The business unit also includes AVECRA, which provides restaurant and café services.

VR Long-distance traffic	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales, M€	<b>105.3</b>	91.1	<b>197.3</b>	152.9	352.4
Comparable (EBITDA), M€	<b>43.4</b>	32.3	<b>71.2</b>	38.4	111.1
<i>% of net sales</i>	<b>41.2</b>	35.4	<b>36.1</b>	25.1	31.5
Comparable operating result (EBIT), M€	<b>26.8</b>	16.7	<b>39.1</b>	7.5	46.5
<i>% of net sales</i>	<b>25.5</b>	18.4	<b>19.8</b>	4.9	13.2
Operating result (EBIT), M€	<b>24.4</b>	-28.7	<b>39.7</b>	-37.9	3.6
<i>% of net sales</i>	<b>23.1</b>	(31.5)	<b>20.1</b>	-24.8	1.0
Capital employed at end of the period, M€	<b>745.1</b>	815.6	<b>745.1</b>	815.6	736.1
Comparable return on capital employed, (ROCE) %	<b>6.6</b>	(4.5)	<b>6.6</b>	-4.5	6.1
Investments, M€	<b>6.9</b>	11.9	<b>27.4</b>	22.3	42.8
Number of employees at end of period	<b>1,699</b>	1,630	<b>1,699</b>	1,630	1,575
Long distance journeys (million)	<b>3.8</b>	3.4	<b>7.2</b>	5.6	13.2
Punctuality	<b>87.3</b>	83.3	<b>86.6</b>	83.0	82.6

### April–June (Q2)

During the review period, the net sales of VR Long-distance Traffic increased by 15.6% year-on-year and amounted to EUR 105.3 (91.1) million. The comparable operating result (EBIT) of VR Long-distance Traffic increased to EUR 26.8 (16.7) million. The operating result (EBIT) was EUR 24.4 (-28.7) million. The growth in net sales and the comparable operating result were mainly due to the strong growth in the number of passengers compared to the reference period. The profitability of VR Long-distance Traffic was also supported by the significant decline in energy costs. The number of journeys in long-distance traffic increased by 12.4% in April–June, to 3.8 (3.4) million journeys.

In the second quarter, the customer satisfaction of VR's long-distance traffic – as measured by the Net Promoter Score – increased year-on-year and came to 48 (41).

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## January–June (H1)

During the review period, the net sales of VR Long-distance Traffic increased by 29,0% and amounted to EUR 197.3 (152.9) million. The comparable operating result (EBIT) of VR Long-distance Traffic increased to EUR 39.1 (7.5) million. The operating result (EBIT) was EUR 39.7 (-37.9) million. The growth in net sales and the comparable operating result were mainly due to the strong growth in the number of passengers compared to the reference period. The COVID-19 pandemic still had a significant impact on passenger volumes in the first half of 2022. The profitability of VR Long-distance Traffic was also supported by the significant decline in energy costs. The Finnish Parliament reduced the VAT rate for public transport to 0% for the period of 1 January–30 April 2023. VR passed on the temporary VAT rate reduction directly to the prices of customer tickets, which had a significant positive impact on the number of long-distance journeys. The number of journeys increased by 28.4% in January–June and the number of long-distance journeys was 7.2 (5.6) million.

During the period under review, VR gradually expanded the use of dynamic pricing in long-distance traffic. The number of journeys increased at a good rate during the six-month period, and the transport capacity utilisation rate has also developed favourably. Growth was slightly slowed by the four-day strike in the railway sector in March.

In January, VR announced investments in rolling stock used on night trains. Nine new sleeper cars and eight car-carrier wagons was ordered from Škoda Transtech Ltd, which will be deployed by the end of 2025. The value of the equipment acquisition is approximately EUR 50 million.

VR Long-distance Traffic has significantly improved its customer satisfaction. The net promoter score (NPS) for the half-year period was 51 (37). The post-journey customer satisfaction index (NPS) was at a record-high level, 53, at the end of Q1. The factors behind the excellent customer experience for the first half of the year include improved punctuality, the development of the conductor service experience, and customer perceptions of digital services.

## VR City Traffic

VR City Traffic comprises commuter train, tram and bus services in Finland and Sweden.

VR City traffic	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales, M€	114.0	50.9	232.6	98.7	358.5
Comparable (EBITDA), M€	4.9	0.0	12.7	-0.7	17.7
% of net sales	4.3	0.1	5.5	-0.7	4.9
Comparable operating result (EBIT), M€	-10.9	-6.1	-18.8	-12.9	-26.2
% of net sales	-9.5	-11.9	-8.1	-13.1	-7.3
Operating result (EBIT), M€	-17.3	-6.1	-25.2	-12.9	-42.1
% of net sales	-15.2	-11.9	-10.9	-13.1	-11.7
Capital employed at end of the period, M€	428.6	220.0	311.5	220.0	300.8
Comparable return on capital employed, (ROCE) %	-7.4	-10.0	-7.4	-10.0	-7.8
Investments, M€	3.0	12.7	5.2	14.9	95.7
Number of employees at end of period	4,080	2,043	4,080	2,043	4,060

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**April–June (Q2)**

In the second quarter, the net sales of VR City Traffic increased by 124% to EUR 114.0 (50.9) million. The growth of net sales was driven by the acquisition completed in Sweden in the third quarter of 2022. The acquisition had an effect of EUR 62.4 million on net sales. The net sales of city traffic excluding the impact of the acquisition increased by 1.4%.

The comparable operating result (EBIT) for the second quarter declined to EUR -10.9 (-6.1) million. The factors contributing to the decline in the operating result included high cost inflation and integration expenses associated with business operations in Sweden. The weak result of the city traffic was also attributable to the low profitability of some of the long-term agreements signed before the pandemic on different operating environment. Items affecting comparability in the second quarter included a write-off recognised in the diesel bus fleet and a provision recognised for a loss-making agreement in city traffic, totalling to EUR -6.4 million.

**January–June (H1)**

In the first half of the year, net sales increased by 136% to EUR 232.6 (98.7) million. The growth was driven by the acquisition carried out in Sweden, which had an effect of EUR 133.0 million on net sales. The net sales of city traffic excluding the impact of the acquisition increased by 0.8%.

The comparable operating result (EBIT) for the first half of the year decreased to EUR -18.8 (-12.9) million. The factors contributing to the decline included high cost inflation and integration expenses associated with business operations in Sweden. The weak result of the city traffic was also attributable to the low profitability of some of the long-term agreements signed before the pandemic on different operating environment.

**VR Transpoint**

VR Transpoint (freight transport) offers rail logistics and road logistics services. The services include railway and road transport and customised logistics chains with additional services.

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VR Transpoint	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales, M€	<b>90.5</b>	96.1	<b>179.7</b>	186.7	386.2
Comparable (EBITDA), M€	<b>17.7</b>	10.5	<b>24.7</b>	17.0	42.0
<i>% of net sales</i>	<b>19.6</b>	10.9	<b>13.8</b>	9.1	10.9
Comparable operating result (EBIT), M€	<b>0.5</b>	-0.7	<b>-3.7</b>	-5.0	-3.0
<i>% of net sales</i>	<b>0.6</b>	-0.7	<b>-2.1</b>	-2.7	-0.8
Operating result (EBIT), M€	<b>-2.1</b>	-0.7	<b>-6.4</b>	-5.0	-5.9
<i>% of net sales</i>	<b>-2.3</b>	-0.7	<b>-3.5</b>	-2.7	-1.5
Capital employed at end of the period, M€	<b>502.6</b>	461.9	<b>502.6</b>	461.9	494.0
Comparable return on capital employed, (ROCE) %	<b>-3.4</b>	-3.8	<b>-3.4</b>	-3.8	-0.6
Investments, M€	<b>4.6</b>	15.6	<b>15.2</b>	28.3	27.2
Number of employees at end of period	<b>1,761</b>	1,938	<b>1,761</b>	1,938	1,923
Total transport volumes, million tonnes	<b>7.1</b>	8.3	<b>14.1</b>	17.4	34.4
railway transports	<b>6.0</b>	7.1	<b>11.8</b>	14.9	29.7
road transports	<b>1.1</b>	1.2	<b>2.2</b>	2.5	4.7

## April–June (Q2)

In the second quarter, the net sales of VR Transpoint decreased by -5.8% to EUR 90,5 (96,1) million. The railway transport volumes decreased by -15.9% to 6.0 (7.1) million tonnes. The decline was due to the discontinuation of Eastern traffic during year 2022 and weakened demand in industry.

Due to the rapidly weakened economic outlook in heavy industry and the uncertain market situation, the operations related to rail transportation were adapted to the situation with change negotiations.

The comparable operating result (EBIT) of VR Transpoint for the second quarter was EUR 0.5 (-0.7) million. The result was negatively impacted by volume losses and high cost inflation. The result was supported by actions for adapting costs, price increases and decline in energy costs.

## January–June (H1)

In the first half of the year, the net sales of VR Transpoint decreased by -3.7% to EUR 179.7 (186.7) million. The railway transport volumes declined by -20.2% to 11.8 (14.9) million tonnes. The decline in net sales and volumes was affected by the discontinuation of Eastern traffic in year 2022 and the weakened demand in the industrial sector especially during the second quarter of the year. The comparable operating profit (EBIT) was EUR -3.7 (-5.0) million. The result was negatively impacted by volume losses and high cost inflation. The result was supported by actions for adapting costs, price increases and decline in energy costs.

## Other operations

Other operations include VR FleetCare's sales to external customers, property services that are not allocated to the business functions, and the Group's other common functions.

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Other operations	4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
Net sales, MEUR	2.8	2.5	6.0	4.4	10.0
Comparable EBITDA, MEUR	1.4	-1.2	4.7	-2.4	-1.6
Comparable operating result (EBIT), MEUR	-0.8	-4.6	-1.1	-9.1	-11.4
Operating result (EBIT), MEUR	-0.8	-4.5	-1.1	-9.0	-14.1
Investments, MEUR	28.1	4.4	31.4	9.3	54.1

In April, VR FleetCare signed an agreement with the Swedish rail traffic operator SJ regarding a modernisation project for 27 electric trains, which aims to extend the life cycle of the fleet and improve travel comfort for customers. The total value of the agreement is over EUR 35 million.

## Corporate responsibility

VR Group’s sustainability efforts are guided by the UN Sustainable Development Goals, and the company is committed to Finland’s objective of carbon neutrality by 2035. The areas of our corporate responsibility efforts include safety and security, customer orientation, employee experience, environmental responsibility and corporate social responsibility. We want to accelerate the transition to more sustainable transport, and we will update our corporate sustainability programme accordingly.

### Safety and security

At the core of VR’s updated safety and security strategy are safety and security management and culture, common operating practices, proactive risk management and compliance. The safety and security culture programme, which is based on the safety and security strategy, began in the spring with an analysis of the current situation. The programme will be used to establish a safety and security culture monitoring and continuous improvement model for VR.

The early months of the year were challenging in terms of safety deviations, but the situation improved towards the summer. In the summer, our cumulative indicators for accident frequency and railway safety incidents were at the target level in both Finland and Sweden. Employees have been encouraged to participate in the development of safety and security by highlighting the importance of safety observations.

In May, we participated in a rail traffic cybersecurity exercise together with other industry members. To improve international situational awareness of the cybersecurity situation, VR has been involved in establishing the European Railway CISO forum with other significant European railway companies.

### Customer orientation

In the first half of the year, the smoothness of commuting and business travel were in focus for development, along with customer touchpoint, also across virtual channels. The most widely used commuter vouchers in Finland can now be used for payment in VR’s channels. Business travellers can also conveniently buy their tickets from VR’s new online store at vr.fi. VR launched a digital cooperation platform referred to as the VR Developer Community, the members of which can participate in VR’s development efforts on an interactive basis.

In May, VR organised an accessibility forum for transport industry operators and representatives of disability organisations to discuss accessible travel chains and sensory accessibility. VR and HSL established a joint

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development group for accessibility. Users of accessible services will be invited to innovate ideas for improving accessibility in travelling.

## Employee experience

VR Group's new values were published in December 2022. During the first half of the year, the new values were put into action in day-to-day operations and they were actively communicated. During the remainder of the year, the aim is to reach all of the Group's personnel and engage in discussions on what alignment with the values means in each employee's work.

The monitoring of the measures that were agreed upon on the basis of VR Group's personnel survey results last year continued at the Group level and in teams.

## Environmental responsibility

The energy efficiency programme introduced in December 2022 is creating positive results. In rail logistics, the change in traffic structure is causing challenges to the development of energy efficiency. At the same time, new and more energy-efficient rolling stock and new, more efficient operating practices support the achievement of the goal.

VR's first new diesel locomotives were deployed in commercial traffic in roundwood transport in Kolari in May. The Dr19 locomotives play a significant role in freight traffic transport. The modern diesel locomotive enables larger train sizes and increasingly climate-friendly transport. The locomotives are more efficient, more reliable and safer than the old diesel locomotives, enabling even higher operational reliability for customers along with lower-emission transport chains. The locomotives will be delivered to Finland gradually. The full fleet of 60 locomotives will be delivered by the end of 2026.

Electrically powered roundwood rail transport operations began in April to support trial runs of Metsä Group's bioproduct mill in Kemi. VR and the client designed the highly efficient and environmentally friendly solution together to ensure the supply of wood by railway transport to the bioproduct mill. The railway transport will enable emission reductions of 20 per cent per cubic metre.

## Corporate social responsibility

VR Group engaged in active lobbying efforts in connection with the parliamentary elections in the spring and the subsequent negotiations on the Government Programme. VR Group proposed solutions to be included in the Government Programme to grow the rail transport market, especially with regard to promoting competition and infrastructure investments.

Advocates for sustainable change is an important part of the corporate social responsibility of a state-owned company. Through active societal dialogue and by providing expert views for use for stakeholders and decision-makers, VR aims to ensure that decisions are aligned with the Group's interests as well as sustainable with regard to society and the environment. In addition to promoting climate goals, VR aims to promote Finland's reachability, the security of supply and the competitiveness of the business sector.

## 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.

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VR Group has a systematic method for identifying, evaluating and monitoring business risks. The most recent Group-wide risk survey was carried out in spring 2023. 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 2022 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. Russia's war of aggression against Ukraine has significantly increased energy prices and consumer prices, which has weakened consumer purchasing power and economic growth, among other things. The deterioration of the economic situation may reduce the Finnish industrial sector's need for rail and road logistics services, and it has a negative impact on customer volumes in passenger services. Increased inflation has a negative impact on VR Group's investment and personnel expenses, and tightened monetary policy affects financing costs. VR Group's energy costs have increased due to the rise in energy prices. Although the situation has stabilised, the development of energy prices next winter is uncertain. VR Group aims to minimise the impact of the materialisation of these risks through continuous monitoring of its own cost competitiveness and close customer cooperation. Cost increases due to inflation can be prepared for through index-linked customer contracts, for example.

**Due to Russia's war of aggression**, VR Group completely discontinued Eastern freight traffic and passenger services by the end of 2022. This may lead to potential customer claims, and some of the losses in volume may be permanent. The elevation of cyber threats due to the war and potential acts of sabotage against Finland's rail and energy infrastructure may have an impact on VR Group's business continuity. The continuation of the war has also increased geopolitical risks. Should they be realised, these risks can lead to, for example, new economic sanctions and increased problems in production and supply chains. To manage the impacts of the potential realisation of the risk, VR maintains close contact with customers and the authorities, has launched an action plan to develop IT continuity, and has drawn up a preparedness and contingency plan that is regularly monitored and maintained by an internal working group.

**Profit improvement measures**, which VR Group is seeking to implement in line with its strategy and with a target of EUR 250 million, are essential to cover the additional costs arising from inflation and to improve the company's profitability. There is a risk that the near-term profit improvement measures – including the targeted profitable growth in city traffic, in particular – are not successfully implemented in time or at all. The Group seeks to manage this risk by reacting quickly with regard to resource allocation and prioritisation, continuously identifying new measures and ensuring the Group's competitiveness.

**Employee availability challenges** or uncertainties in the labour market may impair VR's ability to carry out traffic operations. They may also lead to strikes or other industrial action and thereby have a negative impact on VR Group's business. To manage this risk, VR Group continues to engage in close cooperation with personnel organisations and employer organisations.

**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 green transition 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.

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**Changes in the rail traffic policy** may have adverse impacts on VR Group's business operations. 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 for all parties.

**Compliance risks** related to data protection, competition law, corruption, bribery and sanctions may, should they materialise, have adverse impacts on the Group's businesses 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

On 15 December 2022, the Helsinki Court of Appeal handed down its decision in a matter concerning 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 Court of Appeal overturned the district court's decision and rejected the claim. The claimants have been granted leave to appeal to the Supreme Court.

## VR Group's activities related to Russia

In response to Russia's invasion of Ukraine, which began on 24 February 2022, and the sanctions imposed by the West against Russia, VR Group discontinued the company's Eastern traffic by the end of 2022. VR Group has complied with the sanctions, the guidance issued by the authorities and the applicable legislation. For the time being, the sanctions do not prevent rail traffic between the EU and Russia.

VR Group discontinued Eastern freight traffic completely by the end of 2022. Overall, approximately one-third of VR Transport's rail transport volumes have been Eastern traffic, comprising export, import and transit transport in Finland. In Russia, VR Transport has carried out small-scale logistics activities through the VR Group-owned local Group company OOO Finnlog LLC. Finnlog has leased freight wagons to a Finnish customer to cover its logistics needs. Finnlog's business operations have been discontinued and the company has been placed in liquidation. VR Group's Finnish associated company ContainerTrans Scandinavia has provided railway container transport services, and the Finnish associated company Freight One Scandinavia has provided wagon-load transport services. Freight One Scandinavia has been dissolved via liquidation, and has been delisted from trade register on August 16, 2023. VR Group is also in the process of exiting its ownership in the associated company ContainerTrans Scandinavia.

VR Passenger Services 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. Neither VR Passenger Services nor VR FleetCare operates 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, and VR Group is assessing the termination of the joint arrangement. In 2022, VR wrote off all Allegro-related rolling stock and spare parts.

In 2023, VR Group has not had significant net sales related to Russia, and the Group did not have significant assets related to Russia on 30 June 2023.

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## Share capital

VR Group Plc's shares are owned by the State of Finland. The company's share capital consists of 2,200,000 shares. The company's share capital amounts to EUR 370,013,438.19.

There were no changes in the number of shares or the share capital during the reporting period or the comparison period.

## Governance

### Decisions of the Annual General Meeting of VR-Group Plc, held on 30 March 2023

VR-Group Plc's Annual General Meeting was held in Helsinki on 30 March 2023. The Annual General Meeting approved the financial statements for 2022. The Annual General Meeting granted discharge from liability to the members of the Board of Directors, the members of the Supervisory Board, and to the CEOs for the financial year 2022. The Annual General Meeting also decided on the following matters:

The Annual General Meeting confirmed the number of members of the Board of Directors as eight (8). Esa Rautalinko was elected as the Chair of the Board of Directors of VR-Group Plc, and Sari Pohjonen was re-elected as the Vice Chair. Markus Holm, Jaakko Kiander, Turkka Kuusisto, Nermin Hairedin, Pekka Hurtola and Virve Laitinen were re-elected as members of the Board of Directors. Kjell Forsén stepped down from the Board of Directors.

Vilhelm Junnila (Finns Party) was re-elected as the Chair of the Supervisory Board, with Raimo Piirainen (Social Democratic Party) as the Vice Chair. Anders Adlercreutz (Swedish People's Party), Sanna Antikainen (Finns Party), Seppo Eskelinen (Social Democratic Party), Hanna Holopainen (Green League), Mai Kivelä (Left Alliance), Jouni Kotiaho (Finns Party), Matias Marttinen (National Coalition Party), Arto Pirttilahti (Centre Party), Ruut Sjöblom (National Coalition Party) and Katja Taimela (Social Democratic Party) were re-elected to the Supervisory Board.

As remuneration, the Chair of the Board of Directors is paid EUR 54,750 per year, the Vice Chair EUR 25,800 per year and the members of the Board EUR 22,800 per year. In addition, the Chair of the Board and members of the Board are paid EUR 600 per meeting. As remuneration, the Chair of the Supervisory Board is paid EUR 800 per meeting, the Vice Chair EUR 600 per meeting and the members of the Supervisory Board EUR 500 per meeting. Every member of the company's Board of Directors and Supervisory Board also gets a free VR rail pass. No changes were made to the fees from the previous year.

In accordance with the proposal of the Board of Directors, the AGM decided that no dividend will be distributed for the result of the year 2022.

KPMG Oy Ab was selected as the auditor and has stated that Ari Eskelinen will be acting as the principal auditor. The auditor will be paid remuneration according to a reasonable invoice.

In addition, the AGM decided to authorise the Board of Directors to decide on donations of a maximum of EUR 200,000 for public benefit or for comparable purposes.

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## Decisions of the constitutive meeting of the Board of Directors on 31 March 2023

On 30 March 2023, the Annual General Meeting of VR-Group Plc appointed Esa Rautalinko as the Chair of the Board of Directors and Sari Pohjonen as the Vice Chair of the Board of Directors. Markus Holm, Jaakko Kiander, Turkka Kuusisto, Nermin Hairedin, Pekka Hurtola and Virve Laitinen were re-elected as members of the Board of Directors.

Sari Pohjonen was re-elected as the Chair of the Audit Committee, and Markus Holm, Jaakko Kiander and Virve Laitinen were re-elected as its members.

The Board of Directors elected Esa Rautalinko as the Chair of the Human Resources Committee and re-elected Nermin Hairedin, Pekka Hurtola and Turkka Kuusisto as its members.

## Shareholder's decision of VR-Group Plc on 17 August 2023 – composition of the Supervisory Board

After the review period, the State of Finland, being the sole shareholder of VR-Group Plc, on 17 August 2023 appointed the Supervisory Board of VR-Group Plc. Markku Eestilä (National Coalition Party) was appointed as Chair and Juho Eerola (Finns Party) as Vice Chair. Aura Salla (National Coalition Party), Teemu Kinnari (National Coalition Party), Kaisa Garedeu (Finns Party), Arto Luukkanen (Finns Party), Niina Malm (Social Democratic Party), Lauri Lyly (Social Democratic Party), Juha Viitala (Social Democratic Party), Tuomas Kettunen (Centre Party), Hanna Holopainen (The Greens) and Anna Mäkipää (Left Alliance) were appointed as members of the Supervisory Board. The appointments of the Supervisory Board will take effect as of 17 August 2023.

After the review period, The State of Finland, the sole shareholder of VR Group Plc, has by decision of 29 August 2023 appointed Vilhelm Junnila (Finns Party) as a member and deputy chairman of VR-Group Plc's Supervisory Board, replacing the previously appointed Juho Eerola (Finns Party). The appointment was effective immediately.

## Changes in the Management Team

In June, Kia Haring was appointed as Senior Vice President, Communications, Public Relations and Sustainability. She took up her post on 1 August 2023. Kia Haring was also appointed as a member of the VR Leadership Team. The previous Senior Vice President of Communications, Tatu Tuominen, left VR in April.

In June, VR appointed Johan Oscarsson as the Senior Vice President, City Traffic Sweden, effective from 7 August 2023. Janne Hattula was appointed as Senior Vice President, City Traffic Finland, effective from 1 August 2023. He was previously the CEO of Pohjolan Liikenne. Both were appointed as members of VR's Leadership Team. In the Group's financial reporting, the country units for city traffic will still be reported as one segment. In June, VR announced that the previous Senior Vice President in charge of the city traffic unit, Topi Simola, would leave the company effective from August.

VR has appointed Melisa Bärholm as Senior Vice President, People and Culture. She will take up her post on 11 September 2023. Laura Ansaharju, the previous Senior Vice President, People and Culture, left the company in August.

After the review period on 22 August 2023, VR announced that VR's Chief Financial Officer (CFO) Erkkä Repo will be leaving VR Group by the end of February 2024. The recruitment of the successor has been initiated.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - unaudited**

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Net sales</b>	<b>312.7</b>	240.6	<b>615.6</b>	442.7	1,107.0
Other operating income	20.1	12.1	32.4	22.4	58.6
Materials and services	-87.8	-87.2	-180.1	-161.5	-385.6
Production for own use	14.0	15.5	26.8	33.1	64.1
Personnel expenses	-134.0	-100.3	-263.5	-198.3	-470.5
Depreciation and amortisation	-56.4	-71.9	-102.5	-107.5	-207.4
Other operating expenses	-62.1	-48.8	-120.5	-95.7	-224.7
<b>Operating result (EBIT)</b>	<b>4.2</b>	-39.9	<b>7.0</b>	-64.8	-58.4
Net financial items	-1.8	12.5	-4.6	19.2	11.9
Share of result of associated companies	0.0	0.1	-0.1	0.1	0.1
<b>Profit before tax</b>	<b>2.4</b>	-27.2	<b>2.3</b>	-45.5	-46.4
Income taxes	-2.1	4.7	-1.5	8.0	-1.0
<b>Profit for the period</b>	<b>0.2</b>	-22.5	<b>0.8</b>	-37.5	-47.4
<b>Attributable to</b>					
Equity holders of the parent	0.2	-22.5	0.8	-37.5	-47.4
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

**OTHER COMPREHENSIVE INCOME - unaudited**

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Net profit for the period</b>	<b>0.2</b>	-22.5	<b>0.8</b>	-37.5	-47.4
<b>Items that may be reclassified subsequently to profit or loss</b>					
Currency translation differences	-0.7	1.2	-1.0	2.4	0.3
Cash flow hedges	-3.5	42.2	-34.6	61.2	37.1
Taxes on items that may be reclassified subsequently to profit or loss	0.7	-8.4	8.6	-12.2	-7.4
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of defined benefit plans	5.4	43.9	7.3	45.5	62.6
Financial assets at fair value through other comprehensive income	-0.9	-3.2	-5.6	-8.3	-13.8
Taxes on items that will not be reclassified subsequently to profit or loss	-1.1	-8.1	-1.5	-7.4	-24.3
<b>Total other comprehensive income for the period net of taxes</b>	<b>-0.2</b>	67.5	<b>-26.8</b>	81.1	54.4
<b>Total comprehensive income for the period</b>	<b>0.0</b>	45.0	<b>-26.0</b>	43.6	7.0
<b>Total comprehensive income for the period attributable to</b>					
Equity holders of the parent company	0.0	45.0	-26.0	43.6	7.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION unaudited**

EUR million	30.6.2023	31.12.2022	30.6.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	48.9	59.1	35.2
Goodwill	8.1	10.9	7.5
Property, plant and equipment	1,314.1	1,302.5	1,192.1
Right-of-use assets	274.0	299.0	271.3
Investment properties	11.7	12.1	12.7
Investments	14.7	20.5	26.3
Other receivables	152.2	143.7	151.9
<b>Non-current assets, total</b>	<b>1,823.8</b>	<b>1,847.6</b>	<b>1,696.9</b>
<b>Current assets</b>			
Inventories	84.4	75.1	66.6
Accounts receivable and other receivables	95.8	118.2	98.1
Prepaid expenses and accrued income	49.5	51.1	50.0
Other financial assets		50.0	25.0
Cash and cash equivalents	185.1	224.4	291.5
<b>Current assets, total</b>	<b>414.7</b>	<b>516.5</b>	<b>531.1</b>
<b>Assets, total</b>	<b>2,238.6</b>	<b>2,365.3</b>	<b>2,228.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to holders of the parent company, total	1,220.2	1,246.2	1,282.8
Non-controlling interest	0.0	0.0	0.0
<b>Equity, total</b>	<b>1,220.2</b>	<b>1,246.2</b>	<b>1,282.8</b>
<b>Non-current liabilities</b>			
Provisions	83.2	78.2	46.8
Financial liabilities	300.3	325.1	326.1
Lease liabilities	220.8	243.6	236.2
Accounts payable and other liabilities	8.0	3.4	11.6
Deferred tax liabilities	111.7	117.4	94.6
<b>Non-current liabilities, total</b>	<b>724.1</b>	<b>767.7</b>	<b>715.3</b>
<b>Current liabilities</b>			
Lease liabilities	43.0	44.7	24.3
Advances received	26.8	18.3	17.6
Accounts payable and other liabilities	76.9	94.6	58.5
Accrued expenses and prepaid income	145.1	190.1	124.4
<b>Current liabilities, total</b>	<b>294.3</b>	<b>351.4</b>	<b>229.9</b>
<b>Liabilities, total</b>	<b>1,018.3</b>	<b>1,119.1</b>	<b>945.2</b>
<b>Equity and liabilities, total</b>	<b>2,238.6</b>	<b>2,365.3</b>	<b>2,228.0</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS - unaudited**

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Cash flow from operating activities</b>					
Profit before taxes	2.4	-27.2	2.3	-45.5	-46.4
Depreciation and amortisation	56.4	71.9	102.5	107.5	207.4
Profit and loss from sale of tangible and Intangible assets and other adjustments	-4.2	-1.9	-4.3	-7.9	-2.9
Cash flow from operating activities before change in working capital	54.5	42.7	100.5	54.1	158.0
Change in working capital	6.9	16.0	-14.3	10.7	15.5
Net financial expenses	-6.0	-2.4	-5.8	-4.6	0.5
Income taxes paid	0.0	-0.1	3.2	-0.9	5.9
<b>Cash flow from operating activities (A), total</b>	<b>55.4</b>	<b>56.3</b>	<b>83.6</b>	<b>59.3</b>	<b>179.9</b>
<b>Cash flow from investing activities</b>					
Tangible and intangible assets purchases	-42.5	-44.6	-121.4	-74.8	-167.2
Tangible and intangible assets sales	0.3	2.4	0.6	2.8	16.9
Shares and holdings acquired				0.0	-69.7
Change in investment receivables	-1.8	-24.3	47.9	-4.4	-21.2
<b>Cash flow from investing activities (B), total</b>	<b>-44.1</b>	<b>-66.5</b>	<b>-72.9</b>	<b>-76.4</b>	<b>-241.3</b>
<b>Cash flow before financing (A)+(B)</b>	<b>11.3</b>	<b>-10.2</b>	<b>10.7</b>	<b>-17.0</b>	<b>-61.4</b>
<b>Cash flow from financing activities</b>					
Dividends paid and returns of capital to owners of parent company		-40.0		-40.0	-40.0
Change in bond liability		298.5		298.5	298.5
Change in non-current liabilities	-25.0	-2.2	-24.8	-2.0	-3.1
Repayments of lease liabilities	-12.8	-7.9	-22.3	-13.5	-34.1
Change in current interest-bearing liabilities	-2.9	0.0	-2.9	-0.4	-1.4
<b>Cash flow from financing activities (C), total</b>	<b>-40.6</b>	<b>248.5</b>	<b>-50.1</b>	<b>242.6</b>	<b>219.9</b>
<b>Change in cash flows (A)+(B)+(C)</b>	<b>-29.3</b>	<b>238.3</b>	<b>-39.3</b>	<b>225.6</b>	<b>158.6</b>
<b>Cash and cash equivalents 1 Jan.</b>	<b>214.4</b>	<b>53.2</b>	<b>224.4</b>	<b>65.8</b>	<b>65.8</b>
<b>Cash and cash equivalents end of period</b>	<b>185.1</b>	<b>291.5</b>	<b>185.1</b>	<b>291.5</b>	<b>224.4</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY -UNAUDITED**

EUR million	Share capital	Fair value reserve	Invested non-restricted equity reserve	Translation differences	Retained earnings	Attributable to holders of parent company, total	Attributable to non-controlling interest	Equity total
<b>Equity 1 Jan 2023</b>	<b>370.0</b>	<b>-34.0</b>	<b>336.2</b>	<b>0.5</b>	<b>573.5</b>	<b>1,246.2</b>	<b>0.0</b>	<b>1,246.2</b>
<b>Comprehensive income</b>								
Net result for the financial year					0.8	0.8	0.0	<b>0.8</b>
Translation differences				-1.0		-1.0		<b>-1.0</b>
Cash flow hedges		-26.0				-26.0		<b>-26.0</b>
Remeasurements of defined benefit plans					5.8	5.8		<b>5.8</b>
Changes in fair value with effects on comprehensive income		-5.6				-5.6		<b>-5.6</b>
<b>Other comprehensive income total</b>	<b>0.0</b>	<b>-31.6</b>	<b>0.0</b>	<b>-1.0</b>	<b>5.8</b>	<b>-26.8</b>	<b>0.0</b>	<b>-26.8</b>
<b>Total comprehensive income for the financial year</b>	<b>0.0</b>	<b>-31.6</b>	<b>0.0</b>	<b>-1.0</b>	<b>6.6</b>	<b>-26.0</b>	<b>0.0</b>	<b>-26.0</b>
<b>Equity 30 Jun 2023</b>	<b>370.0</b>	<b>-65.6</b>	<b>336.2</b>	<b>-0.5</b>	<b>580.1</b>	<b>1,220.2</b>	<b>0.0</b>	<b>1,220.2</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY -UNAUDITED**

EUR million	Share capital	Fair value reserve	Invested non-restricted equity reserve	Translation differences	Retained earnings	Attributable to holders of parent company, total	Attributable to non-controlling interest	Equity total
<b>Equity 1 Jan 2022</b>	<b>370.0</b>	<b>-38.0</b>	<b>376.2</b>	<b>0.2</b>	<b>570.8</b>	<b>1,279.2</b>	<b>0.0</b>	<b>1,279.2</b>
<b>Comprehensive income</b>								
Net result 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
<b>Other comprehensive income total</b>	<b>0.0</b>	<b>42.4</b>	<b>0.0</b>	<b>2.4</b>	<b>36.4</b>	<b>81.1</b>	<b>0.0</b>	<b>81.1</b>
<b>Total comprehensive income for the financial year</b>	<b>0.0</b>	<b>42.4</b>	<b>0.0</b>	<b>2.4</b>	<b>-1.1</b>	<b>43.6</b>	<b>0.0</b>	<b>43.6</b>
Dividends and returns of invested capital			-40.0			-40.0		-40.0
<b>Transactions with owners, total</b>			<b>-40.0</b>			<b>-40.0</b>		<b>-40.0</b>
<b>Equity 30 Jun 2022</b>	<b>370.0</b>	<b>4.3</b>	<b>336.2</b>	<b>2.5</b>	<b>569.7</b>	<b>1,282.8</b>	<b>0.0</b>	<b>1,282.8</b>

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## NOTES OF THE HALF YEAR REPORT

### 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 valuation of the groups fixed assets, defined benefit pension plans and provisions on environmental responsibilities and loss making contracts.

### Segments

From 1 January 2023 onwards, VR Group's reporting segments are VR Long-distance Traffic, VR City Traffic, VR Transport and Other operations.

**VR Long-distance Traffic** provides long-distance train journeys in Finland and offers restaurant and café services on trains and at railway stations.

**VR City Traffic** includes commuter train, tram and bus transport services in Finland and Sweden.

**VR Transport** offers rail and road logistics services. The services include railway and road transports and customized logistics chains with additional services.

**Other operations** include VR FleetCare's sales to external clients, property management and other group operations which are not allocated to business segments.

Revenue, EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance Traffic	105.3	91.1	197.3	152.9	352.4
VR City Traffic	114.0	50.9	232.6	98.7	358.5
VR Transport	90.5	96.1	179.7	186.7	386.2
Other operations	2.8	2.5	6.0	4.4	10.0
<b>Total</b>	<b>312.7</b>	240.6	<b>615.6</b>	442.7	1,107.0

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**Net sales based on services,  
EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Rail services</b>	<b>220.1</b>	174.9	<b>424.1</b>	322.1	762.9
VR Long-distance Traffic	94.7	81.5	177.4	137.9	317.2
VR City Traffic	56.4	22.7	109.2	42.9	151.8
VR Tranpoint	69.0	70.7	137.5	141.2	294.0
<b>Road services (car or bus)</b>	<b>79.1</b>	53.6	<b>165.6</b>	101.3	299.0
VR City Traffic	57.6	28.2	123.4	55.8	206.8
VR Tranpoint	21.5	25.4	42.2	45.5	92.2
<b>Catering and restaurant services</b>	<b>10.6</b>	9.6	<b>19.9</b>	15.0	35.2
VR Long-distance Traffic	10.6	9.6	19.9	15.0	35.2
<b>Other operations and eliminations</b>	<b>2.8</b>	2.5	<b>6.0</b>	4.4	9.9
<b>Total</b>	<b>312.7</b>	240.6	<b>615.6</b>	442.7	1,107.0

**Net sales by geographical area,  
EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Finland	250.3	240.3	482.6	441.0	954.3
Sweden	62.4	0.0	133.0	0.0	151.0
Rest of Europe	0.0	0.4	0.0	1.8	1.7
<b>Total</b>	<b>312.7</b>	240.6	<b>615.6</b>	442.7	1,107.0

**Comparable EBITDA, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	43.4	32.3	71.2	38.4	111.1
VR City traffic	4.9	0.0	12.7	-0.7	17.7
VR Transpoint	17.7	10.5	24.7	17.0	42.0
Other	1.4	-1.2	4.7	-2.4	-1.6
<b>Total</b>	<b>67.4</b>	41.6	<b>113.3</b>	52.3	169.2

**EBITDA, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	40.9	22.6	71.8	28.7	100.3
VR City traffic	0.5	0.0	8.3	-0.7	6.1
VR Transpoint	17.7	10.5	24.7	17.0	42.0
Other	1.4	-1.1	4.7	-2.3	0.6
<b>Total</b>	<b>60.6</b>	32.0	<b>109.5</b>	42.7	149.0

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**Comparable operating result, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	26.8	16.7	39.1	7.5	46.5
VR City traffic	-10.9	-6.1	-18.8	-12.9	-26.2
VR Transpoint	0.5	-0.7	-3.7	-5.0	-3.0
Other	-0.8	-4.6	-1.1	-9.1	-11.4
<b>Total</b>	<b>15.7</b>	<b>5.4</b>	<b>15.4</b>	<b>-19.5</b>	<b>6.0</b>

**Operating result, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	24.4	-28.7	39.7	-37.9	3.6
VR City traffic	-17.3	-6.1	-25.2	-12.9	-42.1
VR Transpoint	-2.1	-0.7	-6.4	-5.0	-5.9
Other	-0.8	-4.5	-1.1	-9.0	-14.1
<b>Total</b>	<b>4.2</b>	<b>-39.9</b>	<b>7.0</b>	<b>-64.8</b>	<b>-58.4</b>

**Depreciations and amortisations, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long-distance traffic	-16.6	-51.3	-32.1	-66.6	-96.7
VR City traffic	-17.8	-6.1	-33.6	-12.2	-48.1
VR Transpoint	-19.8	-11.2	-31.1	-22.0	-48.0
Other	-2.2	-3.4	-5.8	-6.7	-14.6
<b>Total</b>	<b>-56.4</b>	<b>-71.9</b>	<b>-102.5</b>	<b>-107.5</b>	<b>-207.4</b>

**Investments, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
VR Long distance traffic	6.9	11.9	27.4	22.3	42.8
VR City traffic	3.0	12.7	5.2	14.9	95.7
VR Transpoint	4.6	15.6	15.2	28.3	27.2
Other	28.0	4.4	31.4	9.3	54.1
<b>Total</b>	<b>42.5</b>	<b>44.6</b>	<b>79.2</b>	<b>74.8</b>	<b>219.8</b>

**Items affecting comparability, EUR million**

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Operating result (EBIT)</b>	<b>4.2</b>	<b>-39.9</b>	<b>7.0</b>	<b>-64.8</b>	<b>-58.4</b>
Profits from the sale of assets and other one off profits		-0.9	-3.0	-0.9	-3.3
Losses from the sale of assets and exceptional amortisations	11.5	46.2	11.5	46.2	67.7
Items affecting comparability, total	11.5	45.3	8.5	45.3	64.4
<b>Comparable operating result (EBIT)</b>	<b>15.7</b>	<b>5.4</b>	<b>15.4</b>	<b>-19.5</b>	<b>6.0</b>

In the second quarter, the Group recorded items affecting comparability with a negative impact of EUR 11.5 million. Items affecting comparability are mainly related to asset write-downs, of which a total of EUR 7.1 million was recorded. In addition, a provision of EUR 4.4 million was recorded for a loss making contract.

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## Property plant and equipment

### Land and water areas

<b>Acquisition cost</b>	<b>1-6/2023</b>	<b>1-6/2022</b>	<b>1-12/2022</b>
Opening balance 1 January	77.5	60.0	60.0
Increases	0.8	0.0	18.0
Decreases	0.0	-0.7	-1.3
Reclassifications	-0.6	0.8	0.8
Closing balance	77.7	60.1	77.5
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	0.0	0.0	0.0
Closing balance	0.0	0.0	0.0
Carrying amount 1 January	77.5	60.0	60.0
Carrying amount 30 June	77.7	60.1	77.5

### Buildings and structures

<b>Acquisition cost</b>	<b>1-6/2023</b>	<b>1-6/2022</b>	<b>1-12/2022</b>
Opening balance 1 January	367.3	370.7	370.7
Translation differences	0.0	0.0	0.0
Increases		0.0	0.8
Decreases		-0.9	-3.4
Reclassifications	13.0	6.3	-0.9
Closing balance	380.3	376.1	367.3
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-187.3	-185.4	-185.4
Accumulated depreciations for decreases and transfers	0.0	0.4	1.5
Depreciation for the financial year	-5.8	-6.7	-13.0
Amortisation for the financial year	0.0	0.0	-4.6
Reclassifications	0.0	0.0	14.9
Closing balance	-193.1	-191.7	-187.3
Carrying amount 1 January	180.0	185.3	185.3
Carrying amount 30 June	187.2	184.5	180.0

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### Machinery and equipment

Acquisition cost	1-6/2023	1-6/2022	1-12/2022
Opening balance 1 January	2,357.2	2,125.5	2,125.5
Translation differences	-9.1	8.0	1.5
Increases through business acquisitions			162.0
Increases	6.7	0.1	5.0
Decreases	-11.5	-5.6	-66.7
Reclassifications	68.6	62.8	129.9
Closing balance	2,411.9	2,190.7	2,357.2
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-1,499.6	-1,292.0	-1,292.0
Increases through business acquisitions			-122.0
Accumulated depreciations for increases	-1.3		
Accumulated depreciations for decreases and transfers	10.2	0.2	54.6
Depreciation for the financial year	-57.4	-46.2	-103.0
Amortisation for the financial year	0.0	-35.7	-35.5
Reclassifications	-3.3	-0.6	-1.7
Closing balance	-1,551.3	-1,374.2	-1,499.6
Carrying amount 1 January	857.6	833.5	833.5
Carrying amount 30 June	860.6	816.5	857.6

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

<b>Acquisition cost</b>	<b>1-6/2023</b>	<b>1-6/2022</b>	<b>1-12/2022</b>
Opening balance 1 January	214.4	135.1	135.1
Increases	85.2	76.6	218.8
Decreases	-2.6	0.0	-0.1
Reclassifications	-78.1	-69.5	-139.6
Closing balance	218.9	142.2	214.4
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-26.9	-10.5	-10.5
Accumulated depreciations for decreases and transfers	-2.0	0.0	0.0
Depreciation for the financial year	-1.4	-0.4	-1.4
Amortisation for the financial year	0.0	0.0	-0.1
Reclassifications	0.0	0.0	-14.9
Closing balance	-30.3	-11.0	-26.9
Carrying amount 1 January	187.4	124.6	124.6
Carrying amount 30 June	188.6	131.1	187.4
<b>Property, plant and equipment total</b>	<b>1,314.1</b>	<b>1,192.1</b>	<b>1,302.5</b>

**Intangible assets**

<b>Acquisition cost</b>	<b>1-6/2023</b>	<b>1-6/2022</b>	<b>1-12/2022</b>
Opening balance 1 January	206.9	160.5	160.5
Translation differences	-2.1		0.0
Increases	0.2	0.0	36.7
Decreases	0.0	0.0	-8.4
Reclassifications	1.7	1.2	18.1
Closing balance	206.7	161.6	206.9
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-136.9	-112.7	-112.7
Translation differences	0.9		0.1
Accumulated depreciations for acquisitions			-7.6
Accumulated depreciations for decreases and transfers	0.0	0.0	0.4
Depreciation for the financial year	-11.1	-6.1	-17.2
Amortisation for the financial year	-2.6		0.0
Closing balance	-149.7	-118.8	-136.9
Carrying amount 1 January	70.0	47.8	47.8
Carrying amount 30 June	57.0	42.8	70.0

### Right of use assets

Acquisition cost	1-6/2023	1-6/2022	1-12/2022
Opening balance 1 January	505.7	444.1	444.1
Translation differences	-3.0	0.0	0.0
Increases	0.8	2.1	167.7
Decreases	0.0	-0.1	-104.0
Reclassifications	-3.6	0.0	-2.0
Closing balance	499.9	446.1	505.7
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-206.8	-162.9	-162.9
Translation differences	1.4	0.0	0.3
Accumulated depreciations for acquisitions			-71.1
Accumulated depreciations for decreases and transfers	0.0	0.0	63.2
Depreciation for the financial year	-21.8	-11.9	-38.1
Amortisation for the financial year	-2.0		
Reclassifications	3.3	0.0	1.7
Closing balance	-225.9	-174.8	-206.8
Carrying amount 1 January	299.0	281.2	281.2
Carrying amount 30 June	274.0	271.3	299.0

### Investment properties

Acquisition cost	1-6/2023	1-6/2022	1-12/2022
Opening balance 1 January	49.2	50.5	50.5
Increases			0.5
Decreases			-1.7
Closing balance	49.2	50.5	49.2
<b>Accumulated depreciation, amortisation and impairment</b>			
Opening balance 1 January	-37.1	-37.4	-37.4
Accumulated depreciations for decreases and transfers			1.3
Depreciation for the financial year	-0.4	-0.4	-1.0
Closing balance	-37.5	-37.8	-37.1
Carrying amount 1 January	12.1	13.1	13.1
Carrying amount 30 June	11.7	12.7	12.1

### Financial assets and liabilities

The table below describes the groups of financial assets and liabilities as well as the classification of items to be recognized at fair value in the fair value hierarchy. There were no transfers between levels 1 and 2 of the fair value hierarchy or to level 3 in the review period or in the comparative year 2022.

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**30.6.2023** EUR million

	At amortised cost	At fair value through profit or loss	At fair value through other comprehensiv e income	Derivatives in hedge accounting	Book value total	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>									
<b>Long-term financial assets</b>									
Investments			12.6		12.6	12.6	12.6		
Derivatives				7.3	7.3	7.3		7.3	
<b>Short-term Financial assets</b>									
Loan receivables	7.1				7.1	7.1			
Accounts receivable and other receivables	81.9				81.9	81.9			
Derivatives		1.9		4.9	6.8	6.8		6.8	
Cash and cash equivalents	185.1				185.1	185.1			
<b>Financial assets, total</b>	<b>274.1</b>	<b>1.9</b>	<b>12.6</b>	<b>12.2</b>	<b>300.8</b>	<b>300.8</b>	<b>12.6</b>	<b>14.1</b>	<b>0.0</b>
<b>Financial liabilities</b>									
<b>Long-term financial liabilities</b>									
Bond	298.6				298.6	274.2	274.2		
Loans from financial institutions	1.7				1.7	1.7			
Lease liabilities	220.8				220.8	220.8			
Derivatives		0.5		4.9	5.4	5.4		5.4	
<b>Short-term financial liabilities</b>									
Loans from financial institutions					0.0	0.0			
Lease liabilities	43.0				43.0	43.0			
Derivatives		0.0		1.9	1.9	1.9		1.9	
Accounts payable and other liabilities	103.7				103.7	103.7			
<b>Financial liabilities, total</b>	<b>667.9</b>	<b>0.5</b>	<b>0.0</b>	<b>6.8</b>	<b>675.2</b>	<b>675.2</b>	<b>0.0</b>	<b>7.3</b>	<b>0.0</b>

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30.6.2022 EUR million									
Financial assets	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Derivatives in hedge accounting	Book value total	Fair value	Level 1	Level 2	Level 3
<b>Long-term financial assets</b>									
Investments			18.3		18.3	18.3	18.3		
Derivatives				9.2	9.2	9.2		9.2	
<b>Short-term Financial assets</b>									
Accounts receivable and other receivables	86.4				86.4	86.4			
Derivatives		0.1		30.3	30.4	30.4		30.4	
Other financial assets	50.0				50.0	50.0			
Cash and cash equivalents	224.4				224.4	224.4			
<b>Financial assets, total</b>	<b>360.8</b>	<b>0.1</b>	<b>18.3</b>	<b>39.5</b>	<b>418.6</b>	<b>418.6</b>	<b>18.3</b>	<b>39.6</b>	<b>0.0</b>
<b>Financial liabilities</b>									
<b>Long-term financial liabilities</b>									
Bond	298.5				298.5	265.6	265.6		
Loans from financial institutions	25.1				25.1	25.1			
Lease liabilities	243.6				243.6	243.6			
Derivatives				0.8	0.8	0.8		0.8	
Accounts payable and other liabilities	4.0				4.0	4.0			
<b>Short-term financial liabilities</b>									
Loans from financial institutions	2.9				2.9	2.9			
Lease liabilities	44.7				44.7	44.7			
Accounts payable and other liabilities	94.6				94.6	94.6			
<b>Financial liabilities, total</b>	<b>713.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>714.3</b>	<b>681.4</b>	<b>265.6</b>	<b>0.8</b>	<b>0.0</b>

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## Off balance sheet items

### Commitments and other open liabilities

#### Contractual obligations for equipment procurement

VR-Group Plc has signed contracts for the supply of locomotives and electric motor trains as well as sleeping cars and car transporters with the consortium formed by Siemens Oy and Siemens AG, Stadler Rail Valencia S.A.U, Stadler Bussnang AG and Škoda Transtech. In addition to the procurement of locomotives, trains and wagons, the contract packages include documentation, spare parts, tools and training related to the new equipment. In addition to the amounts presented below, the contracts include options for additional purchases.

	Quantity pcs		Contractual obligation EUR million		Estimated realization time of the remaining liability		
	Ordered	Delivered	Obligation at signing date	remaining obligation 30.6.2023	under 12 months	1-5 years	Over 5 years
Siemens, electric locomotives	80	55	314.5	90,3	15.2	74.9	0
Stadler, diesel locomotives	60	5	208.0	157,1	26.7	130.7	0
Stadler, Flirt SmX electric motor trains	20	0	250.0	177,8	0.0	177,8	0
Škoda Transtech, train cars	17	0	50.5	41.2	7.0	34.2	0

Contingent liabilities and commitments, EUR million	30.6.2023	30.6.2022	31.12.2022
Guarantees given on own behalf	145.5	67.0	146.2
<b>Total</b>	<b>145.5</b>	<b>67.0</b>	<b>146.2</b>

### Litigations

The uncertainty reported in the 2022 financial statements regarding the VAT treatment of the clean up costs of contaminated land is still open. On January 27, 2023, VR Group filed an appeal against the Tax Administration's decision to the administrative court, and the administrative court has not yet issued a decision on the appeal.

## Derivatives

Nominal and fair values of derivatives EUR million	30.6.2023		30.6.2022		31.12.2022	
	Nominal value	Fair value, net	Nominal value	Fair value, net	Nominal value	Fair value, net
<b>Interest rate derivatives</b>	<b>21.2</b>	<b>-0.5</b>	<b>252.4</b>	<b>-3.8</b>	<b>22.4</b>	<b>-0.6</b>
subject to hedge accounting			83.5	3.4		
non-hedge accounted	21.2	-0.5	168.9	-7.2	22.4	-0.6
<b>Electricity derivatives</b>	<b>30.6</b>	<b>4.8</b>	<b>22.2</b>	<b>56.1</b>	<b>24.8</b>	<b>39.4</b>
subject to hedge accounting	30.6	4.8	22.2	56.1	24.8	39.4
<b>Fuel derivatives</b>			<b>2.0</b>	<b>3.3</b>		
subject to hedge accounting			2.0	3.3		
<b>Currency derivatives</b>	<b>62.3</b>	<b>2.6</b>	<b>96.3</b>	<b>0.0</b>	<b>41.7</b>	<b>0.1</b>
subject to hedge accounting	18.3	0.7				
non-hedge accounted	44.0	1.9	96.3	0.0	41.7	0.1
<b>Total</b>	<b>95.8</b>	<b>6.2</b>	<b>289.4</b>	<b>52.2</b>	<b>88.9</b>	<b>38.9</b>

Changes in the fair value of derivatives subject to hedge accounting are recorded in equity in the fair value reserve. During the review period, EUR -33.9 million was recorded in the fair value reserve from the change in the value of electricity and currency derivatives. The reason behind the decrease in the fair values of derivatives is the decrease in electricity prices. Changes in the value of derivatives outside of hedge accounting are recorded in financial items in the result of the financial year. The increase in nominal values of derivatives in the review period is largely explained by currency derivatives purchased to hedge the SEK-denominated sales income of VR FleetCare Ltd's wagon modernization project.