Annual report 2020

The Group

The Helen Group consists of the parent company Helen Ltd and the subsidiaries Helen Electricity Network Ltd, Oy Mankala Ab, and Helsingin Energiatunnelit Oy. Tuulipuisto Lakiakangas 3 Oy and Kristinestad Tupaneva Oy are also reported as new subsidiaries. The associated companies consolidated in the Group accounts are Voimapiha Oy, Suomen Merituuli Oy, and Liikennevirta Oy.

Helen Ltd offers its customers electricity, district heat and district cooling, as well as diverse services for small-scale energy production, for customers' own energy use and for improving its efficiency. Energy is generated in power plants located in Helsinki, as well as in other production plants and through power assets owned by the company. Helen Ltd is owned by the City of Helsinki.

Helen Electricity Network Ltd (100%) focuses on electricity network operations by virtue of the Electricity Market Act. It also offers its customers electricity transmission and distribution services in almost all districts of Helsinki. The business operations of the network company account for about 13% of the Helen Group's net sales.

Oy Mankala Ab (100%) is a production company that owns the Mankala, Ahvenkoski, Klåsarö and Ediskoski hydropower plants located on the River Kymijoki. Oy Mankala Ab owns 8.1% of Teollisuuden Voima Oyj, 16.1% of Suomen Hyötytuuli Oy and 50% of Suomen Merituuli Oy.

Helsingin Energiatunnelit Oy (90%) serves the energy, water management and telecommunications networks. The City of Helsinki owns 10% of Helsingin Energiatunnelit Oy.

Tuulipuisto Lakiakangas 3 (60%) is built in Ostrobothnia in partnership with project developer CPC Finland. The project supports Helen's target to increase wind power production fivefold in two years. In addition to the wind farm, Helen and CPC Finland established an electricity transmission company, **Kristinestad Tupaneva Oy** (60%), which is responsible for transmitting the electricity generated by the wind farm to the national grid.

Strategy and values

Helen's strategy, profitability of operations and cash flow enabled investments and inputs in customers, carbon-neutral production, products and solutions, and investments in new growth companies. For example, in wind power, Helen took on an active role during the year by investing in wind farms. Helen also focused on digital applications in both customer solutions and business processes.

Helen's operating environment is characterised by a slow period of recovery from the coronavirus pandemic. Government restrictions safeguarded wellbeing, but at the same time they weakened the financial situation of our client organisations. Helen granted extended payment periods for client organisations during the financial year. As a result of the coronavirus pandemic, ensuring safe working conditions and the economic continuity of operations were placed at the heart of Helen's management activities.

Along with climate change, customers' wishes and new technologies, Helen is developing in a direction where the role of new production and customer solutions will increase. The share of electricity in the end consumption of energy is also growing at the same time. In the electricity market, challenges are raised by the increase of price variations, weather fluctuations and growth in the availability of electricity. In the heating market, new service

providers have systematised their operations and developed their product ranges. Helen is developing the heating business along with the diversification of the market.

Company reorganisations increased in the energy sector and among new service providers.

Helen's vision:
We are the most customer-oriented energy company in the market and make the opportunities of a new energy era available to everyone.

Strategic targets:

Bolder and more agile
We are more customer-focused and we invest in the development of expertise and capabilities that are most important to us. We carry on more cooperation and streamline decision-making.

Higher return
Our stable and increasingly more efficient product and service business in electricity, heat and cooling will enable investments in the solution business.

Strengthening the solution business
It is our goal that new solution areas, such as regional renewable energy, smart property solutions and e-mobility, will form a significant part of the Group's net sales in 2025.

Towards carbon-neutral energy
We aim for a carbon-neutral energy system. We create an increasingly cleaner, smarter and more flexible energy system, and we are a forerunner of sustainable energy systems.

A partner network that supports growth
We carry on an increasing amount of cooperation with our customers, strengthen our partner network, invest in growth companies and are an active player in company reorganisations within the scope of the investment and financing plans.

Values that are shared by all our employees help us on our way towards the targets set by the strategy.

Helen's values are:

- Champions of cooperation
- From people to people
- World-class expertise
- Make it happen

Year 2020 at Helen

The price trend of energy commodities was polarised during the year. The prices of commodities fell in the early part of the year, but they rose considerably towards the end of the year to a higher level than at the beginning of the year. The hydrological situation in the Nordic countries was at a record level in the spring, which reduced the market price of Nordic electricity. The situation normalised during the rest of the year.

The availability of Helen's power plants was at a high level, and the optimisation of energy production was a success. The reliability of the electricity and district heating networks was at a record level in Helsinki. Security of supply in electricity distribution broke the European

record: the average power cut in Helsinki lasted 1.2 minutes. In the district heating network, the number of leaks was also record low.

The Finnish area price difference of power exchange electricity at the annual level was historically high. The price of electricity in Finland was highest in August. The significantly higher area price in Finland is due to the bottleneck of transmission capacity between Finland and Sweden.

The amount of wholesale electricity sold in 2020 was considerably lower than predicted. The major contributing factors were the unseasonably mild weather and the resulting reduced volumes of combined heat and power generation, as well as the low spot price of electricity. The price hedgings of the sales margins maintained a good profit level at the same time as the market price of electricity was very low. We were able to take advantage of favourable fuel prices especially in natural gas procurement.

The natural gas market opened to competition in Finland in early 2020. Helen benefited from the increased competition and the resulting lower gas prices especially in the second and third quarter.

The price competitiveness of district heat improved especially due to the reduced prices of fuels, emission allowances and electricity. It was possible to cut energy prices by 10% in the winter season, by 13% in the spring season and by 6% in the summer season in comparison with prices in the corresponding seasons in the previous year. In terms of district heat sales, the weather risk materialised with force, and the sales were clearly below the forecast figures due to the exceptionally mild weather both early and late in the year. District cooling sales progressed almost as expected.

The target of 550,000 electricity contracts with households and small businesses was achieved, and Helen increased its customer numbers by more than 50,000 customers during the year. As a result of the coronavirus pandemic, the electricity consumption of business customers fell significantly as from March. The competition situation in the electricity market remained challenging, and the competitors' market activities and the price competition were intensive. However, Helen succeeded in expanding profitable business operations in the challenging operating environment.

Helen's solution business grew significantly in the selected three markets: regional solutions (incl. solar energy), e-mobility, and smart properties.

Helen launched Helen Ventures, an investment function for growth companies in the energy sector, in order to promote the strategy and to build capacities for growth, innovation and sector transformation. During its first year of operation, Helen Ventures made two investments. The German e-mobility company EcoG and the Dutch software company Gradyent focusing on the optimisation of district heat were both successful in winning important new customers and increasing their business operations.

Helen was involved in establishing Liikennevirta Oy, and it has been a key owner of the company for a considerable time. Helen also provided funding for the company in the financial year 2020.

Group's financial results

The Group's net sales fell considerably on the previous year. The trend in net sales was affected by the reduced heat sales due to a mild weather, the low price level in the wholesale market, and the produced volumes. The volume and net sales of electricity sold to businesses were significantly below the estimated levels due to a reduction in electricity consumption as a result of the coronavirus pandemic.

The Group's results were at the previous year's level. Helen Ltd was able to utilise the electricity market situation and its fluctuations with successful measures in the electricity wholesale market. The price trend of fuels and the profitable growth in electricity retail sales also supported the excellent level of operating profit. The net sales and profitability of Helen Electricity Network Ltd fell slightly on the previous year due to the coronavirus epidemic.

Net sales for 2020 totalled EUR 1,054 million (EUR 1,151 million in 2019) and operating profit stood at EUR 176 (176) million. Electricity sales volume was 6,032 (6,752) GWh, down by 11%. District heat sales stood at 5,829 (6,523) GWh, a fall of 11% on the previous year. The sale of district cooling energy fell by 1% to 169 GWh (171 GWh). Electricity distribution in Helsinki amounted to 4,178 GWh (4,383 GWh), down by 5%.

Key figures of the Group and parent company

	Group		Parent company	
	2020	2019	**2020**	2019
Net sales, EUR mill.	**1,054**	1,151	**942**	1,034
Operating profit, EUR mill.	**176**	176	**133**	130
Operating profit, %	**17**	15	**14**	13
Profit before appropriations, EUR mill.	**154**	160	**154**	150
Investments, EUR mill.	**201**	69	**127**	46
Equity ratio, %	**77**	77	**78**	78
Return on investment (ROI), %	**7**	7	**7**	7
Personnel 31 Dec.	**992**	957	**906**	863
Balance sheet total, EUR mill.	**2,806**	2,710	**2,739**	2,681

Equity ratio, (*) =
100 * own funds / balance sheet total
Own funds = balance sheet equity + voluntary provisions + depreciation difference deducted by tax liability

Return on capital invested % = 100 * (profit before appropriations + financing costs) / average capital invested
Capital invested = balance sheet total – non-interest-bearing debt

Investment

The projects to implement the carbon neutrality target progressed well despite the coronavirus pandemic, which had impacts on the availability of workforce for the projects, on equipment deliveries and on the organisation of works at the project worksites. We were able to continue the projects, and employees were given instructions in order to ensure a safe workplace on the basis of government guidance and advice.

The decision to invest in the Vuosaari bioenergy heating plant was made by the Board of Directors of Helen Ltd in January. The main equipment acquisitions and the worksite were started in early March. The implementation also includes four separate projects related to heat pumps.

The Mustikkamaa cavern heat accumulator project progressed almost on schedule, but the costs of the project were higher than anticipated. The filling of the heat accumulator with water started as planned in late November, and it is estimated to last about three and a half months.

In terms of the preliminary studies, large-scale sea water heat, geothermal heat solutions and new heat pump projects made progress. In the sea water heat pump project, the start of the environmental impact assessment and the planning in support of it are being prepared. In December, measuring sensors were lowered in potential water intake locations in the open sea in order to study the conditions during the winter. The study on utilisation of waste heat in the Kilpilahti industrial area continued.

The implementation project for the wind-power joint venture Lakiakangas 3 and the electricity transmission company Kristinestad Tupaneva was launched in August, and it progressed according to plan. Energy generated by the new wind farm will be available to Helen's customers in 2022. In addition, the implementation project of Suomen Hyötytuuli's Alajoki-Peuralinna wind farm, which was decided on in September, commenced. Helen is part owner of Suomen Hyötytuuli. Helen has a 25% share in the new wind farm of Hyötytuuli.

The Group's investments totalled EUR 201 million. Investments in the parent company's production structure amounted to EUR 93 million, of which the district heat and district cooling networks account for a total of EUR 35 million. The value of the investments in the electricity network stands at EUR 23 million. The investments of Tunneliverkko and Mankala were both EUR 2 million. Wind power investments in Lakiakangas 3 totalled EUR 42 million and in Tupaneva EUR 4 million. Other investment areas were mainly new services and solutions.

Emissions trend

Helen's total carbon dioxide emissions fell by as much as 19% last year due to unseasonably mild weather, lower sales of wholesale electricity and the increase in the share of carbon-neutral and lower-emission production. Specific emissions were down by 13%.

5-year trend in total emissions and specific emissions:

	2016	2017	2018	2019	2020
Mt	3.3	3.3	3.5	3.3	2.7
g/kWh	250	251	252	252	220

Financing

The Helen Group's financial situation is strong and its liquidity is good. At the end of the financial period, the Group's equity ratio was 77% and interest-bearing debts stood at EUR 390 (410) million. The Helen Group is included in the consolidated account of the City of Helsinki. In order to ensure liquidity, the consolidated account and the subsidiaries' member accounts have a credit limit. For short-term financial needs, the parent company has a commercial paper programme of EUR 100 million, which has not been used for the time being.

The objective of the Helen Group's financial policy is to minimise net financial charges at the Group level. This objective can be achieved through managed risk-taking so that any losses are limited and the continuity of operations is not jeopardised. Investment in growth companies carried out by Helen Ventures is managed with a separate management model. The Helen Group's equity ratio is kept at a level that enables the availability of external capital in a flexible way and at a reasonable cost. Helen complies with a low risk profile

when investing in financial and cash assets. Interest rate risks are managed with interest rate hedging and foreign exchange risks with currency hedging. Derivatives are used only for hedging purposes. Refinancing risk is managed with time diversification, and counterparty risk in financing is managed with diversification of lenders. Counterparty risk of investments is managed with a credit rating requirement in terms of direct investments, with diversification of investments in terms of investment funds, and by setting a limit for the share of investment in the market value of the fund.

In accordance with the financing policy, Helen Ltd also manages the financing of its subsidiaries in a centralised way. The interest-bearing debt of Helen Ltd consists of a subordinated loan of EUR 157 million from the owner, a so-called senior debt of EUR 190 million from the owner, and loans from financial institutions at EUR 21 million. Helen Electricity Network Ltd has external debt of EUR 5 million.

Shares

Helen Ltd' registered, fully paid share capital totals EUR 600 million. The total number of shares is 1,000, and all shares are owned by the City of Helsinki.

Key events during the financial period

Energy market and carbon neutrality

- **The natural gas market opened up at the beginning of the year.** As a result of the opening of the market, it is now possible to diversify Helen's natural gas procurement.
- **Helen is speeding up the substitution of coal and is building a bioenergy heating plant in Vuosaari.** Bringing the commissioning of the plant forward by a year enables partial discontinuation of coal use even sooner than anticipated. The value of the investment is about EUR 260 million.
- **Helen is investing more in the utilisation of waste heat: the Katri Vala heating and cooling plant located in Sörnäinen is expanded with a new heat pump, the seventh in total.** The investment will substitute 10 per cent of heat production at the Salmisaari power plant and enable a reduction in the use of coal also at Salmisaari at an earlier time than expected. The value of the investment is about EUR 30 million.
- **The Kilpilahti waste heat project progressed to the techno-economic assessment stage.** If implemented, the project would meet a quarter of the district heating volume required in the Helsinki region.
- **Helen is increasing heat sales with Vantaa Energy:** the extension of Vantaa Energy's waste-to-energy plant will produce carbon-neutral heat also for Helsinki.
- **Helen Ventures invested in a Dutch growth company**, which optimises district heating systems with artificial intelligence. **Helen Ventures invested in a German growth company**, which develops digital systems for electric vehicle charging services.
- **Helen significantly increases its wind power production – total investment of EUR 100 million in a new wind farm, of which Helen's share is EUR 60 million.** Helen has started the construction work of the Lakiakangas 3 wind farm in Ostrobothnia in partnership with the project developer CPC Finland. The project supports Helen's target to increase wind power production fivefold in two years. Energy generated by the new wind farm will be available to Helen's customers in 2022.
- **Helen's wind power production will also increase when the associated company Hyötytuuli builds a new wind farm in Central Ostrobothnia.** The wind farm will start production in 2022. **Helen collaborates in a study on the utilisation of small-scale nuclear power in district heating.** Funded by Business Finland, the two-year EcoSMR (Finnish Ecosystem for Small Modular Reactors) project was launched in September. **The**

environmental impact assessment was prepared in the preliminary study on sea water heat pump. In December, measuring sensors were lowered in potential water intake locations in the open sea in order to study the conditions during the winter.

- **Helen's new artificial intelligence system improves the planning of energy production and reduces emissions.** As the efficiency of the energy system improves, emissions will also decrease. Implemented in partnership with Silo AI, this is Helen's first artificial intelligence system taken into production use.
- **Helen is piloting new solar power technology in the power plants of its own properties.** The first solar power plants will be built at the Patola and Myllypuro heating plants and on the roof of a warehouse at the Vuosaari power plant.
- Helen has started to fill Finland's largest heat storage facility with water. The heat caverns located underground in Mustikkamaa are a unique case even on a global scale and an important step on the carbon neutral path of Helsinki.
- Helen is the first Finnish energy company to commit to a science-based emissions reduction target – emissions will be halved in the next few years. Helen is committed to limiting the rise in temperature to 1.5 degrees in accordance with the Paris Agreement. The company is setting a science-based emissions reduction target.

Customer solutions and services

- **Helen launches new app for monitoring energy consumption – Oma Helen promotes smarter energy choices.** The Oma Helen service was launched as a mobile version and it will be extended to browser use at a later date.
- **Energy Genius of the Year award: waste heat from Paulig's coffee roastery utilised as district heat.** The project was presented with the Energy Genius of the Year award, which is granted by the Ministry of Economic Affairs and Employment, the Energy Authority, and the state-owned sustainable development company Motiva.
- **Carbon-neutral cooling for the refurbished section of Shopping Centre Hertsi – Helen's cooling available in all districts of Helsinki. The electric vehicle charging network is growing in Helsinki:** Helen is delivering 33 new electric vehicle charging points at eight locations in connection with ice halls in Helsinki and the venues of Urheiluhallit Oy.
- **Korkeasaari is heated with zero emissions.** The zoo chose Helen's Recycled Heat as its heating solution: heat is recycled from waste heat completely without emissions.
- **Leanheat and Helen to launch cooperation.** Leanheat's AI-based solution is a new feature that complements Helen's Kiinteistövahti service and helps to reduce greenhouse gas emissions in an effective way.
- **All of Helen's cooling became carbon neutral.** Only renewable energy sources are utilised in cooling production.
- **Helen is creating a new heat production model with a new pilot project – geothermal heat was added to the carbon-neutral range of energy solutions for properties.**
- **The Vallila offices of OP are now heated with emission-free Recycled Heat**, which is 100-per-cent recycled waste heat. **Helen's new virtual battery enables storing of solar power in properties for later use.**
- **Helen opened Helsinki's first high-power electric vehicle charger in Suvilahti.** It is several times more efficient than the current chargers, with a capacity to charge an electric vehicle in just 20 minutes.

Employees

Helen Ltd had 906 (863) employees at the end of the year. The number of employees grew significantly. The company recruited especially experts in sales, the solution business and digital solutions in accordance with its strategy. The number of permanent employees was 850 (818) and fixed-term employees 56 (45). The average number of employees was 905 (861). The average age of the employees was 45.5 (46.2) and the average length of

employment was 14.9 (15.9) years. Wages and salaries in 2020 totalled EUR 53.7 (49.4) million.

Helen Electricity Network Ltd had 86 (94) employees at the end of the year. Six employees moved to another company as a result of the transfer of business on 3 April 2020. The number of permanent employees was 82 (91) and fixed-term employees 4 (3). The average number of employees was 88 (96). The average age of the employees was 45.8 (45.4) and the average length of employment was 14.9 (14.1) years. Wages and salaries in 2020 totalled EUR 5.9 (6.3) million.

The other subsidiaries did not have any employees at the end of 2020.

Research and development

Helen carries out research and development activities on a wide scale in different business units, with subject matters including, e.g. carbon neutral energy production, new business opportunities, and digitalisation.

There are several projects around the theme of carbon neutrality. Helen collaborates in a study on the utilisation of small-scale nuclear power in district heating. Funded by Business Finland, the two-year EcoSMR (Finnish Ecosystem for Small Modular Reactors) project was launched in September. It brings together Finnish actors to develop business around the possibilities of small modular reactors.

Helen is also studying the utilisation of sea water heat in district heat production. Measuring sensors were installed in the open sea in December 2020 and they will be collected in spring 2021. The sensors gather information about the seabed conditions throughout the winter season.

In addition, Helen is planning to build Helsinki's first geothermal heating plant in Ruskeasuo. A medium-deep heat well will be used as a test site for the new technology. At the same time, 3D seismic reflection surveying, unique in urban conditions in Finland, and the use of artificial intelligence are being prepared for analysing the survey results. Geothermal heat is seen as a possible replacement for part of the coal use in Salmisaari.

The possibilities of a hydrogen economy combined with the utilisation of carbon dioxide are among the main themes of new business opportunities. Helen is involved in the BECCU and eFuels Co-Innovation projects of Business Finland, studying the possibilities of power-to-X technologies where transport fuels or high-grade end products in the chemical industry are produced with carbon dioxide and hydrogen. Helen is also taking part in the FlexCHX EU project coordinated by VTT, studying the possibilities of using hydrogen as part of the synthesis gasification technology.

The "City Refinery", a joint venture of Helen, L&T and VTT, ended in its current form at the end of 2020 because, based on the preliminary study, the project did not have the preconditions to progress towards an investment decision. The subject matter will be studied further under hydrogen economy, where applicable.

In relation to digitalisation, Helen developed, e.g. a solution based on artificial intelligence for more accurate forecasting of heat consumption and more efficient planning of production. As the efficiency of the energy system improves, emissions will also decrease. Implemented in partnership with Silo AI, this is Helen's first artificial intelligence system taken into production use.

Internal control and risk management

The target of risk management is to ensure the security of energy supply and the safeguarding of and increasing the value of the Group in the long term. For Helen, risk management means a systematic and predictive way of identifying, analysing and managing uncertainties related to its activities. Comprehensive risk management is a business-oriented, systematic and harmonious procedure that directs decision-making and operations throughout the company.

The management is responsible for ensuring that the company has effective risk management and internal control with respect to the extent and contents of its finances and operations. The company has estimated the key risks and uncertainties in terms of the scope and structure of operations, as well as other factors having an impact on operational development.

Internal control and risk management have been organised by including risk management thinking as part of all operations. In terms of energy trade, the operating principles for the energy trade and the risk management manual have been updated. The manual sets out the principles for energy trade, approved by the Board of Directors, and for managing the related risks.

Strategic risks
The key uncertainty in long-term development of business operations is the operating environment where the steering mechanisms, targets and schedules are constantly changing as a result of political decision-making. In this kind of situation, long-term planning of investments related to carbon-neutral energy production is challenging but, nevertheless, the target is clear. Helen is phasing out the use of coal by 2029, and energy production will be carbon neutral in 2035.

External risks
Key business risks are essentially related to the strong fluctuation and increasingly low predictability of the electricity market. Competition in the electricity retail market is also tightening further. Fluctuations in the electricity exchange prices result in business risks in wholesale and end customer sales and in the procurement of electricity. The Group prepares for the risks by hedging procurement and sales risks with derivatives. In the procurement of fuels, the key risks are volume and price risks. These risks are managed, e.g. with procurement and derivative contracts. The level and capability of cyber security are assessed and developed constantly.

Internal risks
Key operational risks may result in malfunctions in production plants or networks and interruptions in production. This will present extra costs in energy procurement and potential disturbances in energy distribution. Operational risks at the plants are managed, e.g. with predictive maintenance of equipment and networks, condition monitoring, and training of personnel.

The employee pension insurance and group life insurance are with Keva. Other insurance policies are divided between four different insurance companies, covering damage to property, business interruption, liability damage, personal injury, and vehicle damage. The extent of the insurance policies and the excess levels are set separately for each company in accordance with the companies' risk tolerance.

Responsibility and interest representation

Helen aims to achieve carbon neutrality by 2035.The use of coal will be phased out already before that, by 2029, and its use will be halved in the next few years when the operation of the Hanasaari power plant will end. New, carbon-neutral production is in use and more is being built in a number of projects. Climate change mitigation has a key impact on the planning of future energy solutions and forthcoming investments.Progressive investments are made in reducing emissions and increasing renewable energy in order to exploit fully the opportunities presented by new technologies.New energy production solutions are also developed together with customers.The entire energy production of Helen Ltd is covered by the EU Emissions Trading Scheme.

Helen is the first Finnish energy company to commit to a science-based emissions reduction target. As the use of coal will be halved in the next few years, emissions will also fall significantly.

The impacts of local emissions from energy production on the air quality in the Helsinki metropolitan area are monitored as part of the air quality monitoring carried out by the Helsinki Region Environmental Services Authority HSY. According to this monitoring, energy production has very low impacts on the air quality in Helsinki.

In addition to the climate and environment, Helen's operations also have an impact on people. The objective is to communicate about activities openly with the stakeholders and to know their views and expectations. Due to the exceptional year of the coronavirus pandemic, communication with stakeholders was at a low level, and Helen organised only one webinar in relation to the sustainability of bioenergy and biodiversity.

Helen's electricity generation and the production and distribution of heating and cooling are certified in accordance with the ISO 14001 standard on environmental management systems. Helen Electricity Network Ltd uses an integrated operating system that complies with the standards ISO 9001, ISO 14001 and OHSAS 18001. Helen Electricity Network has an occupational health and safety system complying with standard OHSAS 18001. In other respects, the operating system complies with the asset management standard ISO 55000, which is not, however, certified. The environmental impacts of our offices are managed with the Green Office environmental programme.

Helen wants to emphasise the importance of sustainability in its products and services throughout their life cycle, and the company has introduced for all purchases the Supplier Code of Conduct, to which all Helen's suppliers must be committed.

Annual General Meeting

The Annual General Meeting 2020 of Helen Ltd was held on 26 March 2020.
KPMG Oy Ab was selected as the auditor (principal auditor Esa Kalliala, KHT auditor).

Board of Directors

The Annual General Meeting of 26 March 2020 re-elected the following as members of the Board of Directors: Osmo Soininvaara; Wille Rydman; Marko Karvinen; Hillevi Mannonen; Timo Piekkari; Sirpa Puhakka; Daniel Sazonov; Pirja Heiskanen; and Sallamaari Muhonen. Osmo Soininvaara was re-elected as Chairman of the Board of Directors and Wille Rydman as Vice Chairman.

In 2020, the Board of Directors convened 13 times, with 11 meetings carried out remotely and 2 by email. The Board members' attendance rate in the meetings of the Board of Directors was 99.1%.

Committees of the Board of Directors

The committees of the Board of Directors include the audit committee and the nomination and remuneration committee. The committees help the Board in carrying out its duties.

Members of the audit committee are Hillevi Mannonen as Chairman and Pirja Heiskanen and Sirpa Puhakka as members. The meetings of the committee are regularly attended by the CFO and the Vice President, General Counsel as the secretary of the committee, as well as other experts invited by the committee at any given time. The audit committee convened eight times during 2020.

Members of the nomination and remuneration committee were Osmo Soininvaara as Chairman and Wille Rydman and Timo Piekkari as members. The meetings of the committee are regularly attended by the CEO and Senior Vice President, Human Resources, as the secretary of the committee. The nomination and remuneration committee convened five times during 2020.

President and CEO

In its meeting on 26 September 2019, the Board of Directors elected Juha-Pekka Weckström, M.Sc. (Eng.), as President and CEO of Helen Ltd as from 1 April 2020. Mr Weckström took up his post as deputy President and CEO on 1 February 2020 and as President and CEO on 1 April 2020 when Pekka Manninen started leave and then retired.

During the financial year, a total of EUR 434,245 (483,483) was paid as salaries, fees and bonuses to the members of the company's Board of Directors and to the President and CEO and his deputy.

Events after the financial period

There have been no significant events in the Helen Group after the financial period.

The Board of Directors' proposal for measures concerning the profit for the financial period

The distributable equity of the parent company Helen Ltd stands at EUR 1,331,171,897.99, of which profit of the previous financial years amounts to EUR 38,727,655.81 and profit for the financial year EUR 41,271,848.73.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 75,000.00 per share be paid, i.e. a total of EUR 75,000,000.00, and that EUR 4,999,504.54 be held as retained earnings. The Board of Directors proposes that the distribution of dividend shall take place on 30 April 2021. The company's liquidity is good and, according to the Board of Directors, the proposed profit sharing will not jeopardise the company's solvency.

Outlook

Year 2020 was extraordinary and exceptional but, for Helen, it was very successful, and the company is now facing a year of significant challenges in 2021. Helen's inputs in investments and development will grow, focusing on the same areas as in 2020. As new development areas, Helen assesses industrial waste heat and sea water heat, which are studied actively. Customer orientation and digital systems for the customer interface are also given a greater emphasis than before. The objective is to raise Helen's customer focus to a level that provides a competitive advantage. Everything is based on a change of culture towards more commercial operations in accordance with Helen's values.

Price fluctuations in the electricity wholesale market are expected to gain strength in the next few years along with the increase in weather-dependent production. Weather-dependent production is balanced out by nuclear power and hydropower procured by Helen. The Nordic hydrological situation has lately improved from normal levels, which has a key impact on the low market price of Nordic electricity.

When implemented, the change in the tax category of heat pumps will promote carbon-neutral investments, which is a precondition for many significant future investments.

Helen is responding to the energy transition through strong investment in carbon neutral production and in the solution business, and by building partnerships that support its strategy. Helen joins forces with customers and other stakeholders in building a carbon-neutral future. The process of resolving the climate challenge continues, and the energy industry plays a major role as a global trendsetter.

The result for 2021 is estimated to be lower than in 2020. The outlook of the company is generally compounded with the growing uncertainty in the energy market in relation to the increase in the share of weather-dependent production in the Nordic energy market. This together with the opening of the natural gas market will result in higher price fluctuations than before in the energy commodity market. Helen has world-class expertise in operating on the market, and the company will continue the development of these capabilities. The fluctuation in the company’s result is expected to increase.