ELENIA VERKKO OYJ

REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

2024

ELENIA

ELENIA VERKKO OYJ GROUP - REPORT OF THE BOARD OF DIRECTORS 2024

Elenia Group's Business Operations

Elenia Verkko Oyj Group (”Elenia or ”Elenia Verkko Oyj”) consisted of Elenia Verkko Oyj (the parent company) and its fully-owned subsidiary Elenia Innovations Oy. Elenia Innovations had no business in 2024. Elenia Verkko Oyj is a fully-owned subsidiary of Elenia Oy.

Business Review – Network Business

Elenia Verkko Oyj is Finland's second-largest electricity distribution system operator (DSO) with a 18 % market share in terms of total length of the network and 12% market share in terms of the number of customers. The company has a regional monopoly position, and it serves all customers in the geographical areas defined in the licence granted by the Energy Authority (EA). The licence holder has the exclusive right to build and operate an electricity distribution network in its geographical area of responsibility.

With an electricity network of approximately 76,900 kilometres, Elenia Verkko Oyj supplies electricity to 442,000 end users. In addition to residential customers, key customer segments include industrial, service, construction and public sectors. The company has operations in more than 100 cities and municipalities spanning a geographical area of nearly 600 km in length across central Finland, from Southern Häme to Northern Ostrobothnia.

During the financial year, Elenia's network business distributed 6,142 GWh of electricity, compared to 6,037 GWh in the previous year. The distribution volume increased by 105 GWh (1.74 %). The increase is mostly attributable to the cold winter weather during the first quarter of 2024.

Revenue from the network business was EUR 341.4 million (EUR 317.9 million in 2023). Revenue increased by EUR 23.5 million (7.4%) driven by distribution volume increase and tariff increases. The EBITDA of the network business was EUR 233.4 million (EUR 213.2 million in 2023). EBITDA increased by EUR 20.2 million (9.5%). The positive EBITDA development was driven by the said higher volumes and tariff increases. Additionally, the temporary grid fee rebates contributed to the positive EBITDA performance.

In 2024 Elenia suffered from several smaller storms and incurred one major power disruption i.e. Storm Jari (20-25 November 2024). Storm Jari caused 2,000 fault repair tasks in our network and impacted approximately 130,000 customers. It caused the most severe damages to our network in nine years. At the worst moment, there were 29,800 customers without electricity. There were 19,200 customers with an outage longer than 12 hours and 10,100 customers with an outage longer than 24 hours. While most of the customers got power back reasonably quickly, but the longest outages were almost five days, which illustrates the need to still improve security of supply and continue the capex rollout. The total costs of Storm Jari were EUR 7.8 million, consisting of mandatory customer compensations of EUR 4.0 million with other costs (mainly repair costs but also voluntary compensations) of EUR 3.8 million. Storm Jari is categorised as class 4 storm and the costs will be treated as exceptional and non-recurring for purposes of calculating EBITDA excluding items affecting comparability as well as in the covenant calculations.

The SAIDI (System Average Interruption Duration Index) was 196 minutes due to the storms (95 minutes in 2023). Excluding the influence of Jari storm, the result was 94 minutes. SAIFI (System Average Interruption Frequency Index) was 3.0 interruptions per customer and excluding storm Jari excellent 2.4 interruptions per customer. The number of short interruptions (less than 3 minutes) per customer was 4.0.

The Electricity Market Act (“EMA”) states that 100% of customers must be within the scope of the quality requirements by the end of 2036[1]. Elenia has sought to achieve this target by increasing the underground cabling rate to 90 % by the end of 2036. The investment plan of Elenia's network business is designed to improve the security of supply via underground cabling. Since 2009, Elenia has built only weatherproof distribution lines. At the end of the year, 65.1 % of Elenia's network was underground, compared to 63.8 % at the end of 2023.

At the end of the year, 83.4 % of the customers of Elenia's network business were within the scope of the quality requirements stipulated by the EMA. The corresponding figure at the end of 2023 was 82%. While the main focus in the development of the security of supply is on underground cabling, Elenia also seeks to improve the security of supply by other means. In 2020, a battery pack was successfully deployed in the Kuru area to provide electricity to local households in case of an outage. Elenia is investing into two additional battery packs, which should be commissioned during 2025.

Elenia invested EUR 133.9 million in developing electricity networks during the financial year. In 2023, the corresponding investments amounted to EUR 140.5 million. Elenia Verkko Oyj cut its investments significantly in 2023 as the result of the sudden mid-period change to the regulatory methods by the EA and investments were maintained at the lower level due to the changes to the regulatory methods that the EA made for the sixth and seventh regulatory periods.

In June 2024 Elenia submitted to the EA its statutory network development plan. Elenia's capex requirements to replace aging overhead lines and improve the security of supply exceeds EUR 1,900 million by 2036. Additionally, green transition related capex is expected to amount to approximately EUR 500 million by 2036. This capex includes for example the deployment of

[1] Pursuant to the EMA, which was amended in 2021, by the end of 2036, all customers (100%) must be connected to a secure network where outages caused by storms or snow cannot last more than 6 hours in zoned areas and not more than 36 hours in other areas. For Elenia, 75% of customers must be connected to a secure network by the end of 2023, and 100% by the end of 2036. The previous deadline for the quality requirements was the end of 2028, which still applies to some network companies (whose underground cabling rate was over 60% at the end of 2018).

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smart meters, increase of the network capacity to enable connection of wind and solar power and electrification of transportation, heating and industrial processes.

Elenia has cut its investments in the coming years, in 2025 by approximately EUR 40 million, compared to the network development plan submitted to the EA in June 2022. At the same time, the investment need is the highest in Elenia's history driven by continuing security of supply investments along with investments to broaden and strengthen the network to enable green transition.

As part of the 2022 network development plan, Elenia was required for the first time to organise a public hearing for its customers and stakeholders on the network development plan. One of the findings of the hearing was that 85% of the customers think that 12 hours is the maximum acceptable outage length, which is significantly shorter than the 36-hour limit set in EMA for 2036.

In 2024, 271 MW of new wind power capacity (300 MW in 2023) and 2,507 new solar panel installations (4,865 in 2023), representing capacity increase 28 MW, were connected to Elenia's distribution grid. At the end of 2024, the wind power capacity connected to Elenia's network totalled 1517 MW. At the end of 2024, the solar power installations connected to Elenia's network totalled 18,514 representing generation capacity of 178 MW. The renewable electricity generated to Elenia's network totalled 3,973 GWh. In relation to the electricity distributed to Elenia's customers, the renewable production was increased to 65%.

There is a clear increase among our corporate customers in industrial electrification solutions and interest in battery solutions. For the consumer customers there is a clear increase in the solar panel installations, electric vehicle charging, rechargeable home batteries, and the interest towards real-time electricity consumption data, our online services and Elenia Aina. For corporate customers the interest is driven by the green transition and the need to move away from fossil-fuel based solutions (such as natural gas) and for consumer customers the interest is driven additionally by the very high volatility in electricity prices.

Elenia Verkko Oyj continued to develop its asset management system according to the international standard ISO 55001:2014. The requirements ISO 55001 guide the construction, operation, maintenance and repairs of Elenia's electricity network. This ensures that the company will continue to operate, maintain and upgrade its electricity network in order to respond to its customers' needs. The standards also require that suppliers and service providers commit to responsible, high-quality operations. The asset management system of Elenia's network business was recertified in November 2022 by LRQA and the second surveillance visit was in 2024.

The EA oversees the operations of Finnish distribution system operators. The regulation is based on four-year regulatory periods. The past year was the first year of the sixth regulatory period (2024–2027). Elenia received a new regulatory decision on 29 December 2023 regarding the regulatory methods that are in force for two consecutive regulatory periods: sixth regulatory period from 1 January 2024 until 31 December 2027 and seventh regulatory period from 1 January 2028 until 31 December 2031.

There are numerous changes in the new regulatory methods compared to the previously applied methods. The key changes to the previous methods include freezing of the asset base to 2022 construction costs and the calculation of industry wide unit prices. The changes compared to the previous methods were significant and in Elenia's view unnecessary, sudden and unjustified. Elenia appealed the methods to the market court and the verdict is expected in the first half of 2025. Regardless of the outcome of the case, it is very likely that the losing party will appeal to the Supreme Administrative Court, which means that the outcome of the proceedings will not be known until 2026, the earliest.

Concurrently with the market court case related to the regulatory methods for the sixth and the seventh regulatory period, Elenia and other Finnish DSOs have another market court case related to sudden mid-period change to the regulatory methods for 2022 and 2023, which is still pending. Again, there is a high likelihood of a further appeal to the Supreme Administrative Court, which means that the outcome of the proceedings will not be known until 2026, the earliest.

In 2024 the reasonable rate of return was 7.37 % and for 2025 the EA has confirmed that the reasonable rate of return is 7.20 %.

Financing

Elenia Group's financing activities are centralised into Elenia Verkko Oyj. In 2024, Elenia Verkko Oyj did not issue any new bonds (no new bonds were issued in 2023). The Group's solvency and liquidity remain very strong. At the end of the financial year, cash and cash equivalents amounted to EUR 43 million (EUR 60 million at the end of 2023).

Bonds issued by Elenia Verkko Oyj are listed at London Stock Exchange. The bonds and notes issued by Elenia Verkko Oyj have BBB (Stable) credit rating from S&P Global Ratings.

The Group's credit facilities consist of a EUR 250 million Capex Facility, a EUR 50 million Working Capital Facility and a EUR 70 million Liquidity Facility that were renewed in 2023 and extended by one year in 2024. The first two mature in May 2029 and they both have a one-year extension option. These facilities also have for the first time a sustainability linkage, meaning that Elenia's performance on LTIF, SAIDI and CO_2 emissions will in the future determine the margin that Elenia pays on these facilities. The five-year Liquidity Facility matures in May 2029 and it is renewed annually. All of the credit facilities were entirely undrawn at year end of 2024 (as was the case at the end of 2023).

During 2024 Elenia solicited consent from the secured creditors to make certain amendments to its finance documents to improve risk management and financing flexibility to reflect changes in market conditions. The amendments included lowering of the hedging ratio requirement, having more flexibility to invest excess cash, and the possibility to have dedicated overdraft facilities and issue Euro commercial money market papers. Approximately 98% of the secured creditors voted in favour of the proposal meaning it was duly passed.

Elenia Group has two financial covenants in its financing agreements: Interest Coverage Ratio (ICR) and Leverage Ratio (LR). For each relevant period until 31 December 2027 ("the First Ratio Adjustment period"[2]), the trigger event ratio levels are 1.46x for ICR and 10.18x for LR and the default ratios are 0.96x for ICR and 11.33x for LR. At the end of 2024, the ICR and LR were 4.59x and 8.15x, respectively. At end of 2023, the corresponding levels were 4.53x and 8.73x. Elenia Group is in compliance with the financial covenants. Elenia always retains

[2] Elenia's financing is based on three core financial documents and all financiers are parties to these agreements. These documents are the Common Terms Agreement (CTA), the Security Trust and Intercreditor Deed (STID) and the Master Definitions Agreement (MDA). In 2018, the trigger event and event of default levels for both ICR and LR were amended in accordance with the requirements of the Common Terms Agreement (CTA) to mitigate the impact of the IFRS 15 standard, which became effective on 1 January 2018 obliging Elenia to change the revenue recognition of connection charges. The change affected only figures such as EBITDA that are reported in accordance with IFRS, it had no impact on FAS, taxes, cash flows or regulatory accounting.

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adequate headroom to both financial covenants on a historical and forward-looking basis.

Employees

Elenia Verkko Oyj number of employees remained the same as in 2023.

	31 Dec 2024 FTE	31 Dec 2023 FTE
Elenia Verkko Oyj	77	77

At the year-end, the total FTE of Elenia Verkko Oyj was 77 (77 in 2023). However, the total employment impact of the Group and its external subcontractor's network is approximately 1,000 people.

In 2024, we continued the safety TUISKU project, which was originally launched in 2022 to promote and improve the safety culture in cooperation with our partners. We have launched the Safety Academy, which further strengthens and deepens the safety behaviour and activities of our people and partners.

We continued to systematically develop our people's competencies and training as the ongoing energy transition changes in job demands. At the end of the year, we launched the third Expert Academy training programme with Aalto University. The first two Expert Academies took place in 2022 and 2023, and they were developed from the Leader Academy organised in 2020. In addition, we have produced topical Elenia Academy webinars for our people on topics such as equality, resilience, recovery and cybersecurity. In our recruitment, we are taking diversity into account. In our collaboration with educational institutions, we emphasise utilisation of the latest technology in our business. We offer internships and thesis opportunities to students throughout the year.

For more information on Elenia's personnel, please see our sustainability report at www.elenia.com.

Acquisitions and Divestments

There were no acquisitions or divestments during the financial year.

Corporate Governance

Elenia Verkko Oy's Board of Directors has six members: Tapani Liuhala (Chairman and board member until end of March), Jorma Myllymäki (Chairman from April 1st), Ville Sihvola, Jarkko Kohtala, Tommi Valento and Anne-Marie Malmberg. There were no other changes to the board during the fiscal year. The Board of Directors made 10 written resolutions during the financial year and no meeting were held. The shareholder of Elenia Verkko Oyj made 3 written resolutions without holding a meeting.

Auditor

Elenia Oy's auditor is Ernst & Young Oy, with Miikka Hietala, Authorised Public Accountant, as the auditor with principal responsibility.

Shares

Elenia Verkko Oyj has ninety (90) outstanding shares. Each share entitles the holder to one vote at the Annual General Meeting and carries equal rights to dividends.

Sustainability

Please see Elenia's sustainability report at www.elenia.com.

Risk Management

Please see Elenia's sustainability report at www.elenia.com.

Cyber Security and IT

In 2024, geopolitical situation in the Europe highlighted the importance of preparedness against cyber threats within critical infrastructure. Elenia was active both in internal cyber security development and in national forums and events such as the Nordic Pine, a joint exercise with NATO dedicated to deeper understanding of the energy-hybrid threats and infrastructural resilience. ISO/IEC 27001 certificate for information security management was successfully renewed and updated to the latest standard version.

From the operational development viewpoint, preparedness for reliable demand flexibility was one of the key themes in Elenia's digital development. Elenia was the first Finnish DSO to launch an easy-to-use digital service to enable customers to optimize their electricity consumption based on electricity market price. This development was based on Elenia's renewal of Automatic Meter Reading technology, providing fast bi-directional connectivity and near real-time communication.

Relevant events after the Balance Sheet Date

Sanna Murtojärvi has been appointed as Chief People Officer and member of the management team effective January 1st, 2025.

Elenia has entered into an EUR 100 million loan agreement with the Nordic Investment Bank ("NIB"). The loan will be used to finance part of Elenia's investment programme that is designed to improve the security of supply and enable green transition. The loan has been fully drawn.

Outlook

Electrification and green transition will continue in Finland and in Elenia's network. Elenia expects to connect more renewable energy to its network in 2025. Also, the number of batteries connected to Elenia's network is expected to increase in 2025 both at the industrial as well as consumer level. Elenia will continue to roll out its capex program albeit at a lower pace than previously envisaged. The network capex is estimated to be approximately EUR 135 million in 2025.

The Board of Directors' Proposal for the distribution of profit

The Board of Directors proposes no dividend to be distributed. However, the Board of Directors proposes repayment of EUR 41,200,000 of equity from the unrestricted equity reserves (in Finnish sijoitetun vapaan oman pääoman rahasto). The distributable funds prior to the repayment are approximately EUR 1,603,811,000. There haven't been any material changes in the financial standing of the company since the balance sheet date. The liquidity position is good, and the proposed repayment will not compromise the company's liquidity.

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CONSOLIDATED FINANCIAL STATEMENTS 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

EUR 1,000	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Revenue	2.1.1	**339 663**	**316 606**
Other operating income	2.2.1	1 694	1 504
Materials and services		-69 792	-73 792
Employee benefit expenses	2.3.3	-4 213	-3 809
Depreciation, amortisation and impairment	3	-97 771	-92 854
Other operating expenses	2.3.1	-33 909	-27 292
Operating profit		**135 672**	**120 363**
Finance income		2 146	2 331
Finance costs		-52 917	-48 495
Finance income and costs	4.1	**-50 771**	**-46 164**
Profit before tax		**84 901**	**74 199**
Income tax	6.1.1	-20 817	-18 534
Profit for the year		**64 084**	**55 664**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

EUR 1,000	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Profit for the year	**64 084**	**55 664**
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent years:		
Re-measurement gains on defined benefit plans	67	-13
Income tax effect	-13	3
Other comprehensive income / (loss) for the year after tax	54	-10
Total comprehensive profit for the year	**64 138**	**55 654**

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

EUR 1,000	Note	31 Dec 2024	31 Dec 2023
Assets			
Non-current assets			
Property, plant and equipment	3.1	1 726 466	1 689 002
Goodwill	3.2	417 823	417 823
Intangible assets	3.2	26 157	27 426
Right-of-use assets	3.1, 3.3	440	638
Other non-current financial assets		194	194
Other non-current receivables		1 322	1 877
Deferred tax assets	6.1.2	11 718	9 966
Total non-current assets		**2 184 121**	**2 146 926**
Current assets			
Trade receivables	2.1.4	15 668	19 330
Other current receivables	2.1.4	63 840	60 706
Cash and cash equivalents		42 745	60 161
Total current assets		**122 252**	**140 197**
Total assets		**2 306 373**	**2 287 123**

EUR 1,000	Note	31 Dec 2024	31 Dec 2023
Equity and liabilities			
Equity			
Share capital	4.4	80	80
Unrestricted equity	4.4	-605 396	-548 843
Retained earnings	4.4	604 744	521 713
Total equity		**-573**	**-27 051**
Non-current liabilities			
Loans from financial institutions	4.2	250 000	250 000
Bonds and notes	4.2	1 685 033	1 684 021
Lease liabilities	3.3	235	548
Employee benefit liability	6.2	99	192
Provisions	2.3.4	6 325	6 521
Liabilities related to contracts with customers	2.1.3	56 095	47 663
Deferred tax liabilities	6.1.2	194 772	174 695
Total non-current liabilities		**2 192 558**	**2 163 641**
Current liabilities			
Lease liabilities	2.3.2, 3.3	237	111
Trade payables	2.3.2	8 497	4 380
Liabilities related to contracts with customers	2.1.3	2 184	1 825
Other current liabilities	2.3.2	103 470	144 218
Total current liabilities		**114 388**	**150 533**
Total equity and liabilities		**2 306 373**	**2 287 123**

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

1 000 EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Operating activities		
Profit for the year	64 084	55 664
Adjustments to reconcile profit to net cash flows		
Depreciation, amortisation and impairment	97 771	92 854
Gains and losses on the disposal of non-current assets	-63	0
Finance income	-2 146	-2 331
Finance costs	52 917	48 495
Taxes	20 817	18 534
Other adjustments	-33	0
Other short-term and low value rental expenses	0	35
Working capital adjustments		
Increase (+) / decrease (-) in trade and other current liabilities	12 206	874
Increase (-) / decrease (+) in trade and other current receivables	1 846	-8 349
Increase (+) / decrease (-) in provisions	-196	350
Interests received	2 146	2 318
Interest and financial expenses paid	-51 552	-46 436
Interest paid on lease liabilities	-12	-13
Taxes paid	-2 506	347
Net cash flows from operating activities	**195 280**	**162 343**

1 000 EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Investing activities		
Capital expenditure	-129 948	-139 631
Changes in investments	150	7
Net cash flows used in investing activities	**-129 798**	**-139 625**
Financing activities		
Proceeds from long-term borrowings	0	100 000
Equity repayment	-100 000	-134 000
Repayment of lease liabilities	-234	-414
Group contributions received/paid	17 336	20 704
Net cash flows from financing activities	**-82 898**	**-13 711**
Net increase in cash and cash equivalents	**-17 416**	**9 008**
Cash and cash equivalents at 1 January	60 161	51 154
Cash and cash equivalents at 31 December	**42 745**	**60 161**

Cash and cash equivalents comprises of cash balance at bank accounts.

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

EUR 1,000	Share capital	Unrestricted equity Reserve for invested unrestricted equity	Common control reserve	Retained earnings	Total equity
Equity at 1 January 2024	80	1 657 400	-2 206 243	521 713	-27 051
Profit for the year				64 084	64 084
Other components of comprehensive income (adjusted by tax effect)					
Change in defined benefit plans				54	54
Total comprehensive income for the year	0	0	0	**64 138**	**64 138**
Transactions with shareholders					
Group contributions				18 893	18 893
Return of equity	0	-56 553	0	0	-56 553
Total transactions with shareholders	**0**	**-56 553**	**0**	**18 893**	**-37 660**
Equity at 31 December 2024	**80**	**1 600 847**	**-2 206 243**	**604 744**	**-573**

for the year ended 31 December 2023

EUR 1,000	Share capital	Unrestricted equity Reserve for invested unrestricted equity	Common control reserve	Retained earnings	Total equity
Equity at 1 January 2023	80	1 657 400	-2 206 243	448 723	-100 041
Profit for the year				55 664	55 664
Other components of comprehensive income (adjusted by tax effect)					
Change in defined benefit plans				-10	-10
Total comprehensive income for the year	0	0	0	55 654	55 654
Transactions with shareholders					
Group contributions				17 336	17 336
Total transactions with shareholders				**17 336**	**17 336**
Equity at 31 December 2023	**80**	**1 657 400**	**-2 206 243**	**521 713**	**-27 051**

The accompanying notes are an integral part of these consolidated financial statements.
Changes in the equity are explained in more details in Note 4.4.

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1 GROUP ACCOUNTING POLICIES

Accounting policies have been described in the relevant note and can be recognized from character:

Significant judgements, estimates and assumptions made by the Group management have been presented in the relevant note and can be recognized from character:

Risk management principles have been described in the relevant note and can be recognized from character:

1.1 GENERAL INFORMATION

Elenia Verkko Oyj is a Finnish limited liability company domiciled in Tampere. Address is Patamäenkatu 7, Tampere, Finland.

Elenia Verkko Oyj's parent company is Elenia Oy, having its registered office at Patamäenkatu 7, Tampere. The ultimate parent of the Group is Elton Investments S.à r.l., domiciled in Luxembourg.

The consolidated financial statements of Elenia Verkko Oyj ("Elenia Networks Group") are consolidated in the financial statements of Elenia Oy ("Elenia Group"), available at the following address: Patamäenkatu 7, 33900 Tampere. Elenia Group is the owner and operator of an electricity distribution network (Elenia Verkko Oyj, 'Elenia Networks') and it also has a customer service business, construction business and intercompany services (Elenia Oy, 'Elenia Services').

Elenia Networks Group is the owner and operator of an electricity distribution network. The group was formed on 1.1.2020.

The Board of Directors approved the consolidated financial statements on 13 March 2025. The shareholders have the right either to approve, reject or change the consolidated financial statements in the Annual General Meeting.

1.2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) approved for application within the European Union (EU). The consolidated financial statements are compliant with the provisions of the Finnish Accounting Act and other regulations governing the preparation of financial statements in Finland.

The consolidated financial statements have been prepared based on a historical cost. All Group companies use euro ("EUR") as their operating currency and all figures are reported in euros. The consolidated financial statements are presented in thousands of euros. There may be rounding discrepancies in the sum totals due to the presentation method used.

1.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied for the first-time certain standards and amendments which are effective for annual periods beginning on or after 1 January 2024. The nature of each new standard and amendment adopted by the Group has been described in the relevant note. New standards, amendments and interpretations not material for the Group have been described in Note 5.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures and the disclosure of contingent liabilities.

Estimates and assumptions are based on the management's best judgement on the reporting date. Estimates are made based on historical experience and expectations of future events that are considered probable on the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets and liabilities affected in future periods. The Group's significant accounting judgements, estimates and assumptions are described either below or in the relevant notes.

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1.4.1 Judgements

The preparation of consolidated financial statements requires management to make judgements in applying the accounting principles. The significant judgements made by the Group management have been presented in the relevant note except for the going concern which is described below.

GOING CONCERN

The consolidated financial statements are prepared on a going concern basis. The Board of Directors has noted that the Group made a profit before tax for 2024 of EUR 84 901 thousands and has a net equity of EUR -573 thousands as at 31 December2024.

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has sufficient resources to continue in business for the foreseeable future. The management's assessment is based on the following:

- The Group has issued bonds under the EUR 3 billion EMTN programme. As at 31 December 2024, the Group has utilized 1 171 million out of this programme. In February 2020 Elenia Verkko Oyj (Elenia Finance Oyj) issued a new EUR 500.0 million benchmark bond maturing in 2027 which was oversubscribed several times, reflecting strong investor demand for the securities issued by Elenia.This programme is supported by strong credit rating of BBB with based on S&P Global Ratings' assessment.
- The Group has sufficient liquidity based on its cash position and undrawn credit facilities of EUR 370 million from a syndicate of international banks (as fully described in Note 4.2.9).

CLIMATE CHANGE

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Elenia's management has assessed the financial risks and opportunities related to climate change to Elenia's business. The main risks are related to extreme weather events and the opportunities are related to the green transition. The impact of extreme weather events on Elenia's business is mitigated by Elenia's significant investment in a weatherproof underground network between 2012 and 2023. These investments will continue until at least 2036, for example increasing the level of underground cabling to around 90%, which will further reduce the impact of extreme weather events. In addition, the electricity network regulation mitigates the economic impact of both risks and opportunities for Elenia. For these reasons, the impact of climate change risks on Elenia's financial statements is not material.

1.4.2 Estimates

Estimates are based on the management's best judgement on the reporting date. Estimates are made on the basis of historical experience and expectations of future events that are considered probable on the reporting date. However, actual results and timing may differ from these estimates. The Group's significant accounting estimates have been described in the relevant note.

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2 OPERATING PROFIT

2.1 REVENUE AND TRADE AND OTHER CURRENT RECEIVABLES

2.1.1 Contracts with customers: revenue recognition and payment terms

ACCOUNTING POLICY

2.1.2 Disaggregation of revenue

Revenue from the distribution of electricity is recognised at the time of delivery. Revenue from customer service operations and other revenue, for example contracting income is recognised in the period in which such services are rendered.

Connection fees paid by customers for joining an electricity network are recognised as revenue in the consolidated statement of profit or loss. Until the end of 2017 revenue from new connections was recognised immediately after signing of the contract or completion of the physical distribution network connection. As a result of the implementation of IFRS 15 standard, from 1 January 2018 onwards the new connection revenue has been recognised over a period of 30 years for the electricity network connections. The time period is in line with the depreciation period of the connection assets.

Electricity network connection fees, which have been paid by the customers before 2008, must be refunded net of demolition costs, if the customer wants to terminate the electricity connection. Similar refunding obligation applies to all district heating connection fees. A provision has been recorded for future refunds.

The Group pays to the customers voluntary outage compensations due to interruption of over 6 hours in the electricity distribution. These compensations are recognised as a reduction of revenue at a point in time and included in the item "distribution of electricity" in the disaggregation of revenue -table below. Outage compensations in accordance with the Electricity Market Act, which are paid to the customers due to interruption of over 12 hours in the electricity distribution, are recognised as other operating expenses (Note 2.3.1).

Payments from all the Group's contracts with customers are generally due within 14 days and consideration for services are paid in cash. Contracts do not have any significant financing components.

Group revenue consists of revenue from the distribution of electricity, connection fees paid by the customers for joining an electricity network and other revenues consist mainly of contracting income.

REVENUE BY TYPE OF SERVICE

EUR 1,000	2024	2023
Distribution of electricity	336 680	313 128
Connection fees	2 003	1 657
Other revenues	981	1 821
Total	**339 663**	**316 606**

TIMING OF REVENUE RECOGNISION

EUR 1,000	2024	2023
Transferrred at a point in time	337 661	314 949
Transferred over time	2 003	1 657
Total	**339 663**	**316 606**

2.1.3 Liabilities related to contracts with customers

EUR 1,000	2024	2023
Non-current liabilities related to contracts with customers	56 095	47 663
Current liabilities related to contracts with customers	2 184	1 825
Total	**58 280**	**49 488**

Liabilities related to contracts with customers include the unrecognised part of new connection revenue for the electricity network. Revenue will be recognised over a period of next 30 years for the electricity network connections. The amount reported as current liabilities will be recognized during the next 12 months.

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2.1.4 Trade and other current receivables

ACCOUNTING POLICY

TRADE RECEIVABLES

Trade receivables are recorded on the balance sheet at their transaction price. Impairment is recorded on trade receivables when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the agreements. The Group records impairment based on lifetime expected credit losses from all trade receivables incurred as a result of transactions subject to IFRS15. The impairment amount is measured as the difference between the asset's original carrying value and the estimated future cash flows.

Trade receivables also include invoiced sales revenue based on estimates.

RISK MANAGEMENT

CREDIT RISK

Invoicing for electricity distribution services is based on measured consumption and the distribution tariffs specified in the public electricity network price list.

The invoicing period may be one month or two months. In the event that a customer fails to pay the invoice, the electricity distribution company has the right to discontinue the supply of electricity after sending the required collection letters. Also, the wide fragmentation of the customer base reduces the credit risk.

DISTRIBUTION VOLUME AND PRICE RISKS

Electricity distribution operations do not involve particular volume or price risks in the medium term due to being subject to reasonable return under electricity distribution license. In the short-term changes in distribution volumes and electricity prices has an impact on revenues and operating expenses respectively.

TRADE AND OTHER CURRENT RECEIVABLES

EUR 1,000	2024	2023
Trade receivables	15 668	19 331
Accrued income and prepaid expenses	44 718	43 137
Group contribution receivable	18 893	17 336
Other current receivables	229	232
Total trade and other receivables	**79 507**	**80 036**

BREAK-DOWN OF ACCRUED INCOME AND PREPAID EXPENSES

EUR 1,000	2024	2023
Sales accruals	43 950	42 474
Accrued financial items (prepayments)	560	564
Other accrued income and receivables	208	99
Total accrued income	**44 718**	**43 137**

TRADE RECEIVABLES

The Group's trade receivables at the end of 2024 were EUR 15.7 million (2023: EUR 19.3 million). EUR 0,0 million collateral securities were received for trade receivables (2023: EUR 0.0 million).

CHANGE IN EXPECTED CREDIT LOSSES

EUR 1,000	2024	2023
Expected credit loss 1 Jan	655	662
Additions	1033	764
Realized credit losses	-853	-771
Expected credit loss 31 Dec	**835**	**655**

IMPAIRMENT OF TRADE RECEIVABLES

Group records lifetime expected credit losses from all trade receivables incurred as a result of transactions subject to IFRS15. Trade receivables do not contain any significant financing component.

However, applying the impairment requirements of IFRS 9 has had an impact on the method used in calculation of the credit loss allowance for trade receivables, but the amount of credit loss allowances has not changed remarkably. The Group has applied the simplified approach and recorded lifetime expected losses on all trade receivables.

The amount of Credit loss allowance for trade receivables is checked and updated quarterly and it is recognised with similar principals both in IFRS- and FAS-reporting. Uncertain receivables are booked to separate book-keeping account in Group reporting. The calculation of the amount of credit loss reserve is based on the relative proportion of credit losses calculated from historically realized level. The customers are segmented to private and company customers to be able to take into account the differences between these customer groups in the calculation. Generally, trade receivables are written-off on a monthly basis based on customers' credit rating level and payment history.

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BREAKDOWN AND IMPAIRMENT OF TRADE RECEIVABLES BY AGE

31 Dec 2024	Trade receivables				
EUR 1,000	Undue	1-90 days	91-180 days	Over 180 days	Total
Trade receivables by age	11 458	3 585	491	968	16 502
Expected credit loss rate, private customers	0,1 %	6,8 %	35,1 %	54,0 %	
Expected credit loss, private customers	-10	-169	-134	-259	-573
Expected credit loss rate, company customers	0,1 %	2,4 %	30,1 %	46,5 %	
Expected credit loss, company customers	-3	-26	-28	-206	-262
Total expected credit losses	**-13**	**-195**	**-162**	**-465**	**-835**
Total trade receivables	**11 445**	**3 390**	**329**	**503**	**15 668**

31 Dec 2023	Trade receivables				
EUR 1,000	Undue	1-90 days	91-180 days	Over 180 days	Total
Trade receivables by age	14 596	4 267	400	722	**19 985**
Expected credit loss rate, private customers	0,1 %	6,5 %	34,4 %	51,8 %	
Expected credit loss, private customers	-13	-177	-109	-126	**-425**
Expected credit loss rate, company customers	0,1 %	2,4 %	23,3 %	35,7 %	
Expected credit loss, company customers	-3	-37	-20	-171	**-231**
Total expected credit losses	**-16**	**-214**	**-128**	**-297**	**-655**
Total trade receivables	**14 580**	**4 053**	**272**	**425**	**19 331**

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2.2 OTHER OPERATING I NCOME

ACCOUNTING POLICY

2.2.1 Other operating income

Other operating income includes income from non-operating activities, such as income from trade receivables collection and from sales of used fixed assets, insurance compensation and rental income.

Government grants relating to the other purpose than the purchase of property, plant and equipment are recognised as other income in the consolidated statement of profit or loss for the period in which the expenses relating to the grant are incurred and in which the decision on the grant is received.

OTHER OPERATING INCOME

EUR 1,000	2024	2023
Rental income	52	0
Indemnities	557	433
Income from the trade receivables collection	1 019	943
Gains on sales of fixed assets	63	0
Other operating income	3	127
Total	**1 694**	**1 504**

2.3 OTHER OPERATING EXPENSES AND RELATED LIABILITIES

ACCOUNTING POLICY

2.3.1 Other operating expenses

Outage compensations

Outage compensations in accordance with the Electricity Market Act, which are paid to the customers due to interruption of over 12 hours in the electricity distribution, are recognised as other operating expenses and included in the item "Outage compensation costs" in the table below. The Group pays to the customers voluntary outage compensations due to interruption of over 6 hours in the electricity distribution. These compensations are recognised as a reduction of revenue at a point in time (Note 2.1.1).

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset only when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. The Group has not recognised any development expenditures as an intangible asset.

OTHER OPERATING EXPENSES

EUR 1,000	2024	2023
Lease expenses	-531	-489
External services	-3 152	-3 134
IT and communication expenses	-4 141	-3 768
Research and development costs	250	234
Marketing and communications	-152	-81
Insurances	-312	-252
Mailing expenses	-306	-173
Other personnel expenses	-272	-238
Travelling expenses	-88	-84
Outage compensation costs	-4 804	-726
Elenia service expenses	-16 995	-15 752
Other expenses	-3 406	-2 830
Total	**-33 909**	**-27 292**

Research and development costs mainly include costs of research projects that do not meet the criteria for capitalization.

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AUDIT FEES

EUR 1,000	2024	2023
Auditing fees	-233	-160
Fees for tax services	-4	-6
Fees for other services	-31	-15
Total	**-268**	**-181**

Ernst & Young was appointed as the auditor until the Annual General Meeting held in the 2025 reporting period.

AUDITING FEES

Auditing fees include fees for auditing the consolidated financial statements and interim accounts and for auditing the parent company and subsidiaries. Fees for tax services include fees charged for tax advice. Fees for other services consist of other assignments.

2.3.2 Trade and other current payables

TRADE AND OTHER CURRENT PAYABLES

EUR 1,000	2024	2023
Short-term financial lease liabilities	237	111
Trade payables	8 497	4 380
Accrued expenses		
Employee benefits expenses	1 768	1 688
Interest expenses	16 225	16 694
Other accrued expenses	50 075	42 049
Liabilities related to contracts with customers	2 184	1 825
Other liabilities		
VAT liability	14 458	15 509
Energy taxes	16 816	19 069
Prepayments received	2 561	3 880
Equity repayment liability	0	43 447
Other liabilities	1 568	1 881
Total	**114 388**	**150 533**

According to the management's estimate, the fair value of trade and other payables does not materially deviate from the balance sheet value.

Trade payables are non-interest bearing and are normally settled on 14-30 days terms. Other accrued expenses comprise mainly of deferred material and service purchases as well as deferred financing items.

2.3.3 Employee benefits expense

The total remuneration paid by Elenia Verkko to its employees consists of salaries, fringe benefits and short-term performance bonuses.

EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2024	2023
Salaries and remuneration	-3 523	-3 166
Pensions		
Defined contribution plans	-630	-568
Social security costs	-60	-75
Total	**-4 213**	**-3 809**

EUR 1,000	2024	2023
Salaries and remuneration paid to other key members of the management		
Salaries and other short-term employee benefits	228	261
Other long-term employee benefits	53	36
Pension expenses related to salaries and employee benefits	51	53
Total	**332**	**351**

Salaries and remuneration were not paid to CEO in 2024 and 2023.

Elenia Group applies two incentive plans. All employees of the Elenia Group are included within the scope of the short-term annual performance bonus plan; in addition, the key members of the management are included by a long-term incentive plan. Both of the plans are company-specific, but the principles and criteria are mainly uniform. Companies' Boards of Directors approve both the criteria as well as payment under the plans. The total remuneration paid by the Group to its employees consists of salaries, fringe benefits and short-term performance bonuses.

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All employees of the Group are included within the scope of the performance bonus scheme.

The annual performance bonuses (i.e. short-term annual performance bonus plan) are based for example on the Group profitability, work safety and customer or personnel satisfaction. Also the achievement of the individual key objectives in employee's own responsibility area is taken into consideration.

The key members of the management personnel of Elenia Group companies are included within the scope of the long-term incentive plan. The purpose of the plan is to align the interests of the management with those of the shareholders in order to improve the competitiveness of the business and promote long-term financial success. Key management includes management team and Board members of Elenia Oy.

The long-term incentive plan is measured over a three-year period and potential remunerations are paid during the following three years after the earnings period. The payment is made only if the goals have been achieved also during the year preceding the payment. In 2024, the remunerations related to the 2019-2021, 2020-2022 and 2021-2023 programmes were paid. During 2024 there were three programmes on-going: 2022-2024, 2023-2025 and 2024-2026.

During 2024 EUR 28 thousand (2023: EUR 43 thousand) was paid out related to the long-term incentive plan in Elenia Verkko Oyj.

The key members of the management have no share or option-based incentive schemes. Five of the key management persons of Elenia Oy and Elenia Verkko Oyj have invested into Elton Investment S.à r.l. which is the ultimate owner of Elenia Oy. The management investment is channelled through a management owned holding company Manco Investment Oy, which owns approximately 0.3% of Elton Investment S.à r.l. after the arrangement. The equity investment has been made at fair market values and it therefore is not a compensation plan. The equity ownership forms an additional tool for retaining key management members and therefore promotes continuity, and it also signals strong commitment from the senior management into the long-term development of Elenia.

2.3.4 Provisions

ACCOUNTING POLICY

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events to a third party, provided that it is probable that the obligation will be realised, and the amount can be reliably estimated.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

PROVISIONS

Electricity network connection fees, which have been paid by the customers prior to 2008, must be refunded net of demolition costs, if the customer wants to terminate the electricity connection.

A provision for refundable connection fees for electricity network has been calculated by discounting estimated future annual connection fee refunds to their present value. The calculation is based on the management's estimate of the volume and timing of refundable connection fees. The historical level of refunded connection fees is taken into account while compiling the calculations and the discount rates applied correspond to the rates used in impairment testing of goodwill for network.

PROVISIONS
2024

EUR 1,000	Provision for refunds of connection fees
Provisions at 1 January	6 521
Increase	113
Use of provisions	-309
Provisions at 31 December	**6 325**

PROVISIONS
2023

EUR 1,000	Provision for refunds of connection fees
Provisions at 1 January	6 119
Decrease	994
Use of provisions	-592
Provisions at 31 December	**6 521**

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3 INVESTMENTS AND LEASE COMMITMENTS

3.1 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment comprise mainly electricity distribution networks, machinery, equipment and buildings.

Property, plant and equipment are stated at original acquisition cost less accumulated depreciation and accumulated impairment losses, if any (see Note 3.2 Accounting policy for Impairment of non-financial assets). The original acquisition cost includes expenditure that is directly attributable to the acquisition of an item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the acquisition cost of the item can be reliably measured.

When a property, plant and equipment asset no longer has any expected revenue streams, the asset is dismantled and the remaining carrying value is recognised as an expense under depreciation, amortisation and impairment.

Acquired assets on the acquisition of a new subsidiary are stated at their fair values at the date of acquisition.

The same principles are followed as in the Elenia Group and have been followed before the restructuring and the formation of the Elenia Network Group. Until December 31, 2018 land use rights for underground cables have been capitalized in intangible assets for other long-term expenditure, but those rights have been capitalized in property, plant and equipment as networks as of January 1, 2019. According to the estimate of the Group's management, they are not treated as lease contracts under IFRS 16.

All other repairs and maintenance costs are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Land and water areas are not depreciated since they have indefinite useful lives. Depreciation on other assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	15-50 years
Electricity distribution network	10-30 years
Electricity transmission network	25-40 years
Machinery and equipment	3-30 years

Right-of-use assets are depreciated on a straight-line basis over the lease term between the commencement date of the lease and the end of the lease term or using the estimated useful life of the asset. Leases of buildings and vehicles generally have lease terms between 3 and 5 years.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the as set's carrying amount is greater than its estimated recoverable amount.

Gains and losses on the sales of property, plant and equipment are recorded as the difference between the selling price and carrying value and recognised in the consolidated statement of profit or loss under other operating income or expenses.

Government grants
Government grants relating to the purchase of property, plant and equipment are recognised by reducing the book value of the asset they relate to when the decision on the grant has been received. The grants are thus reflected in the form of lower depreciation over the useful life of the asset.

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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PROPERTY PLANT AND EQUIPMENT

EUR 1,000	Land and water areas	Buildings	Networks	Machinery and equipment	Other tangible assets	Prepayments	**Total**
Cost at 1 January 2024	2 175	6 837	2 799 569	199 145	56	19 264	**3 027 046**
Additions	128	0	106 607	24 986	0	222	**131 943**
Disposals	0	0	-4 137	0	0	0	**-4 138**
Transfers between balance sheet items	33	0	7 235	3	0	-7 270	**0**
Cost at 31 December 2024	**2 335**	**6 837**	**2 909 273**	**224 134**	**56**	**12 216**	3 154 851
Accumulated depreciation, amortisation and impairment at 1 January 2024	0	-6 127	-1 176 719	-154 504	-56		**-1 337 406**
Depreciation and amortisation for the year	0	-154	-85 275	-7 243	0		**-92 672**
Accumulated depreciation and amortisation on disposals	0	0	4 050	0	0		**4 050**
Impairment for the year*	-1	0	-1 916	0	0		**-1 917**
Accumulated depreciation, amortisation and impairment at 31 December 2024	**-1**	**-6 281**	**-1 259 860**	**-161 746**	**-56**		-1 427 945
Book value at 31 December 2024	**2 334**	**556**	**1 649 413**	**62 387**	**0**	**12 216**	**1 726 907**
Book value at 31 December 2023	**2 174**	**710**	**1 622 850**	**44 641**	**0**	**19 264**	**1 689 639**

*Networks' impairment for the year relates to the demolition of electricity networks.

EUR 1,000	Land and water areas	Buildings	Networks	Machinery and equipment	Other tangible assets	Prepayments	**Total**
Cost at 1 January 2023	2145	6 632	2 692 192	175 228	56	20 146	**2 896 399**
Additions	33	7	112 896	23 952	0	-472	**136 415**
Additions due to revaluations	0	205	0	0	0	0	**205**
Disposals	0	-7	-5 519	-36	0	0	**-5 561**
Transfers between balance sheet items	-3	0	0	0	0	-410	**-412**
Cost at 31 December 2023	**2 175**	**6 837**	**2 799 569**	**199 145**	**56**	**19 264**	**3 027 046**
Accumulated depreciation, amortisation and impairment at 1 January 2023	-1	-5 960	-1 097 460	-149 637	-55		**-1 253 113**
Depreciation and amortisation for the year	0	-167	-82 428	-4 867	-1		**-87 462**
Accumulated depreciation and amortisation on disposals	0	0	5 519	0	0		**5 519**
Impairment for the year*	0	0	-2 350	0	0		**-2 351**
Accumulated depreciation, amortisation and impairment at 31 December 2023	**-1**	**-6 127**	**-1 176 719**	**-154 504**	**-56**		-1 337 407
Book value at 31 December 2023	**2 174**	**710**	**1 622 850**	**44 641**	**0**	**19 264**	**1 689 639**
Book value at 31 December 2022	**2 144**	**671**	**1 594 732**	**25 591**	**1**	**20 146**	**1 643 285**

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3.2 INTANGIBLE ASSETS

ACCOUNTING POLICY

Intangible assets, except goodwill and intangible assets with indefinite life, are stated at original acquisition cost less accumulated amortisation and impairment losses if applicable and amortised on a straight-line method over their expected useful lives.

Computer software and licenses
Acquired computer software licenses are capitalised based on the costs incurred from the acquisition and implementation of the software. These costs are amortised over their estimated useful lives (three to five years). Costs associated with developing or maintaining computer software are recognised as an expense as incurred. IFRS interpretations committee issued an agenda decision in April 2021 on configuration and customization costs in a cloud computing arrangement. In the agenda decision the committee considered whether an intangible asset according to IAS 38 can be recognised related to configuration and customization costs of a cloud-based software and if not, how these costs should be accounted for.

Licenses concerning cloud-based software can only be capitalized if the group has the right and ability to take possession of the software and run it on own servers. Otherwise, the license is considered to be a service contract, and costs are expensed when incurred. Concerning the implementation costs of a cloud-based software only customization related costs can be capitalized if they create and asset that is distinct, controlled by the group and it creates economic benefits that flow to the group. The part of the implementation costs that is not capitalized is expensed when incurred.

Compensation paid to landowners
One-time compensation payments paid to landowners for inconvenience and damage caused by the network company's overhead lines, cables and equipment are capitalized.

Until December 31, 2018 land use rights for underground cables have been capitalized in intangible assets for other long-term expenditure, but those rights have been capitalized in property, plant and equipment as networks as of January 1, 2019. According to the estimate of the Group's management, they are not treated as lease contracts under IFRS 16. Recurring annual compensation payments are recognised as an expense on the consolidated statement of profit or loss under other operating expenses.

Contractual customer relationships
Contractual customer relationships acquired in a business combination are recognised at fair value on the acquisition date. The contractual customer relations have a finite useful life and are carried at acquisition cost less accumulated amortisation and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is calculated using the straight-line method over the useful economic life of the customer relationship.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at acquisition cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Amortisation periods for intangible assets

Computer software and licenses	3-5 years
Customer relationships	20 years
Compensation paid to landowners	10-30 years

The assets' useful lives are reviewed and adjusted, if appropriate, at each financial year end.

Impairment of non-financial assets
Besides the information given below, disclosures relating to impairment of non-financial assets are also provided in the note 3.1 concerning property, plant and equipment.

The carrying values for individual assets are assessed at each reporting date to determine whether there is any indication of impairment. When considering the need for impairment, the Group assesses whether events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised if the carrying value of an asset or cash-generating unit exceeds its recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use.

An impairment loss relating to property, plant and equipment and intangible assets other than goodwill is reversed in the event of a change in circumstances that results in the asset's recoverable amount changing from the time the impairment loss was recorded. An impairment loss recorded on goodwill is not reversed under any circumstances.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash-generating unit level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. In assessing value in use, the estimated future cash flows expected to be derived from a cash-generating unit are discounted to their present value. The financial projections used in the calculations are based on business plans approved by management.

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SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

GOODWILL IMPAIRMENT TESTING

The Group tests goodwill annually for impairment. The recoverable amounts of cash-generating units are based on estimated future cash flows. Preparation of these estimates requires management to make assumptions relating to future cash flows. The main variables in determining cash flows are the discount rate and the assumptions and estimates used.

The Group has conducted a sensitivity analysis of the effects of the key assumptions underlying the impairment testing on the test results.

IMPAIRMENT TESTING OF GOODWILL

Goodwill has been allocated to the cash generating unit, Network business segment, of EUR 418 million. Projected cash flows have been assessed based on long-term operational plans, which have been approved by the senior management and the Board of Directors. Cash flows have been discounted to determine the value in use. The discount rate applied (pre-tax) reflects the risk profile of the business.

The company performed its annual impairment test in January 2025. Due to the regulated and stable nature of the electricity distribution business, the basis for cash flow projections is the long-term business plan covering the period 2024-2055 which has been approved by the Board of Directors. A volume growth of approximately 0.5% p.a. has been incorporated for the forecast period. The discount rate applied is 6.0% (pre-tax), calculated based on relevant studies and the Energy Authority's communication regarding the required rate of return in the distribution business (in 2023 the applied discount rate was 6.0%). Long term capital expenditure plans have been prepared to meet the security of supply requirements in line with the Electricity Market Act as well as the expected requirements of electrification as per the government's national net zero emission commitment of 2035.

The projected cash flows reflect the regulatory methods confirmed by the Energy Authority for the period 2024-2031, but based on the current understanding of the company senior management and the Board of Directors as well as public communication by other system operators and stakeholders, the current regulatory methods do not enable the execution of the investments required by the electrification of the society, nor the security of supply investments required by the Electricity Market Act (588/2013) within the required period by the end of 2036. Therefore, Elenia and other DSOs have appealed the confirmed regulatory methods to the market court. As a result, the impairment test calculation has been performed using scenarios taking into account the impacts of the alternative outcomes of the court process on the company's business plan. One scenario assumes a ruling in favor of the industry with regards to the definition of the asset base, and the other scenario, a ruling against the industry resulting in cash flow projections based on the regulatory methods confirmed by the Energy Authority on December 29, 2023 with no changes. The value in use has been calculated based on these outcomes, weighting them equally (50%/50%). This reflects the view of the senior management and the Board of Directors on the company's recoverable value Based on the analysis in January 2025 there is a headroom of 1 807 million euros.

SENSITIVITY TO CHANGES IN ASSUMPTIONS IN DISCOUNT RATE

Discount rate of the projected cashflows is based on the actual risk-free interest rates of the valuation timing and the parameters based on the Energy Authority's communication regarding the required rate of return in the distribution business. The discount rate (pre-tax) increasing by 3.4% (342 bps) would cause the recoverable value of the assets to be equal to its book value.

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INTANGIBLE ASSETS

EUR 1,000	Goodwill	Intangible rights	Other long-term ex-penditure	Total
Cost at 1 January 2024	417 823	22 707	46 503	**487 033**
Additions	0	162	1 752	**1 914**
Cost at 31 December 2024	**417 823**	**22 869**	**48 255**	**488 947**
Accumulated depreciation, amortisation and impairment at 1 January 2024	0	-15 338	-26 445	**-41 783**
Depreciation and amortisation for the year	0	-493	-2 691	**-3 184**
Accumulated depreciation, amortisation and impairment at 31 December 2024	**0**	**-15 831**	**-29 136**	**-44 967**
Book value at 31 December 2024	**417 823**	**7 038**	**19 119**	**443 980**
Book value at 31 December 2023	**417 823**	**7 368**	**20 058**	**445 249**

EUR 1,000	Goodwill	Intangible rights	Other long-term ex-penditure	Total
Cost at 1 January 2023	417 823	22 583	42 862	**483 269**
Additions	0	123	4 007	**4 130**
Disposals	0	0	-366	**-366**
Cost at 31 December 2023	**417 823**	**22 707**	**46 503**	**487 033**
Accumulated depreciation, amortisation and impairment at 1 January 2023	0	-14 802	-23 940	**-38 742**
Depreciation and amortisation for the year	0	-537	-2 505	**-3 042**
Accumulated depreciation, amortisation and impairment at 31 December 2023	**0**	**-15 338**	**-26 445**	**-41 783**
Book value at 31 December 2023	**417 823**	**7 368**	**20 058**	**445 249**
Book value at 31 December 2022	**417 823**	**7 782**	**18 922**	**444 527**

As a result of acquisitions in 2012 goodwill of EUR 515.6 million was created. Goodwill is based on the assessment of organisational competence and knowhow which is expected to benefit business operations in coming years. At the end of 2021 the value of Goodwill is 417,8 million euros, since 97,8 million euros was allocated to heating business which was sold in 2019.

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3.3 LEASE COMMITMENTS

ACCOUNTING POLICY

3.3.1LEASES (ACCOUNTING POLICY)
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.3.2 GROUP AS THE LESSOR (ACCOUNTING POLICY)
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other operating income in the period in which they are earned (See Note 2.2).

Lease agreements comprise fixed-term agreements and agreements which are valid until further notice.

3.3.3 THE GROUP AS THE LESSEE (ACCOUNTING POLICY)
According to the requiremets of IFRS 16 the Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets concerning certain lease contracts related to office premises, car leasing contracts, and lease contracts related to electricity meters.

The Group applies the short-term lease exemption to a part of the contracts related to office premises and to IT-contracts. Lease payments on short-term leases are recognised in the consolidated statement of profit or loss as other operating expenses over the lease term. The impact of these costs on the income statement in 2024 was approximately EUR 45 thousand (2023: Approximately EUR 35 thousand).

The Group's management has estimated that lease contracts related to indoor secondary substations, primary substations and certain office premises are immaterial contracts (referring to IAS 1 which defines the materiality of the information presented in the financial statements) and therefore IFRS 16 has not been applied to these contracts. The definition of contracts as "immaterial" is based on the low value of leases paid under these contracts which causes the lease liabilities arising from them to be immaterial in relation to the Group's consolidated statement of financial position. Lease payments on these contracts are recognised on the consolidated statement of profit or loss as other operating expenses over the lease term. The effect of these costs on the income statement in 2024 was approximately EUR 149 thousand (2023: EUR 117 thousand).

One-time subsurface rights compensations are paid to landowners based on perpetual contracts. Compensations are capitalized to the network's assets in the consolidated statement of financial position and amortized over their expected useful lives. Normally subsurface rights should be recognised as leases under IFRS 16 but as compensations are paid based on perpentual contracts, they are not treated as lease contracts under IFRS 16.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term between the commencement date of the lease and the end of the lease term or using the estimated useful life of the asset. Leases of buildings and vehicles generally have lease terms between 3 and 5 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculate using the estimated useful life of the asset. The right-of-use assets are also subject to impairment (see accounting policies in Notes 3.1 and 3.2).

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses as interest rate an estimated average medium-term financing cost at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease

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term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in non-current and current financial liabilities.

Amounts recognised in profit or loss

EUR 1,000	2024	2023
Depreciation expense of right-of-use assets	-243	-243
Interest expense on lease liabilities	-12	-13
Expense related to short-term leases (incl. in other operating expenses)	-45	-35
Total amount recognised in profit or loss	**-300**	**-291**

During 2024 the Group had total cash outflows for leases of EUR 427 thousand (2023: EUR 566 thousand).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in in managing the leased-asset portfolio according to needs of business. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 1.4).

The lease contract concerning the main premises of the group changed from a valid untill further notice to a two-year fixed term contract in March 2023.

According to management's assumption, the Group estimates that it will not use termination options of car's leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

EUR 1,000	Buildings	Machinery and equipment	Total
As at 1 January 2024	462	176	638
Additions	0	46	46
Depreciations	-143	-101	-243
As at 31 December 2024	**319**	**122**	**440**

EUR 1,000	Buildings	Machinery and equipment	Total
As at 1 January 2023	412	140	552
Additions	0	159	159
Revaluations	205	0	205
Disposals	0	-36	-36
Depreciations	-155	-88	-243
As at 31 December 2023	**462**	**176**	**638**

Set out below are the carrying amounts of lease liabilities and the movements during the period

LEASE LIABILITIES

EUR 1,000	2024	2023
As at 1 January	659	735
Additions	292	765
Disposals	-234	-414
Payments	-234	-414
Interest expenses	-12	-13
As at 31 December	**471**	**659**

The maturity analysis of lease liabilities are disclosed in Note 4.2.6.

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4 CAPITAL STRUCTURE AND FINANCIAL ITEMS

4.1 FINANCE INCOME AND COSTS

FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The management of financial risks is based on the following principles.

The Group's Treasury policy, approved by the Board of Directors, defines financial risk management governance, responsibilities and processes for reporting risks and risk management. Treasury Policy defines principles covering currency, liquidity, interest rate and counterparty risks. Also, the Group's existing loan arrangements include guidelines and restrictions pertaining to financial risk management. Elenia Verkko Oyj is responsible for the Group financial risk management.

- For credit risk management refer Note 2.1.4.2
- For liquidity risk, refinancing risk, interest rate risk and currency risk management refer Note 4.2.9.

CAPITAL MANAGEMENT

As the electricity distribution business is a capital-intensive, the Group must ensure it has adequate capital to meet its operating requirements. Business planning includes assessing the adequacy of available capital in relation to the risks arising from business operations and the operating environment.

ACCOUNTING POLICY

TRANSLATION DIFFERENCES

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or consolidated statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments on the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The assets and liabilities of foreign operations are translated into EUR at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

EUR 1,000	2024	2023
Interest expenses		
Loans from financial institutions	-11 904	-8 674
Bonds and notes	-37 050	-36 836
Interest expenses related to lease liabilities	-12	-13
Other interest expenses	-7	-10
Total interest	**-48 973**	**-45 533**
Other finance costs	-3 942	-2 961
Exchange rate losses		
Loans and receivables	-2	-1
Total finance costs	**-52 917**	**-48 495**
Interest income		
Other interest income	2 146	2 330
Exchange rate gains		
Other finance income	0	1
Total finance income	2 146	2 331
Finance costs (net)	**-50 771**	**-46 164**

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4.2 FINANCIAL ASSETS AND LIABILITIES

IFRS 9 FINANCIAL INSTRUMENTS

The initial measurement of financial instruments is made at fair value for all financial assets. Financial assets that are debt instruments and to which the fair value option is not applied are measured following initial recognition either at amortized cost or fair value, depending on the company's business model for the management of financial assets and contractual cash flows of the financial assets.

As a rule, all equity instruments are measured at fair value following the initial measurement, either through consolidated statement of profit or loss or through consolidated statement of other comprehensive income. All equity instruments held for trading are to be measured at fair value through profit or loss. Items that are recognized through other comprehensive income will no longer be recognized in the consolidated statement of profit or loss if the entity has elected to measure it at fair value through consolidated statement of other comprehensive income.

The impairment requirements in IFRS 9 are based on an expected credit loss model. In addition, IFRS 9 standard comprises hedge accounting model in which the criteria for applying the hedge accounting are relieved and more designations of groups of items as the hedged items are possible. The hedge accounting model aims to enable companies to better reflect their risk management strategy and objectives in the financial statements. The Group has applied the simplified approach and recorded lifetime expected losses on all trade receivables.

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ACCOUNTING POLICY

FINANCIAL INSTRUMENTS – INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Classification of current and non-current assets and liabilities
An asset or a liability is classified as current when it is expected to be realized within twelve months after the financial year end or it is classified as financial assets or liabilities held at fair value through profit or loss. Liquid funds are classified as current assets.

All other assets and liabilities are classified as non-current assets and liabilities.

4.2.1 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

4.2.2 Financial assets

Initial recognition and measurement
Financial assets within the scope of IFRS 9 are classified as financial assets carried at amortized cost, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income (OCI), as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets are recognized on the trade date.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The group does not have any financial assets measured at fair value in 2022. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS15. Refer to the accounting policies in Note 2.1.1 Revenue from contracts with customers.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets carried at amortised cost
Financial assets carried at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets carried at amortised cost also include trade receivables and other receivables. Loans are carried at amortised cost using the effective interest rate method less accumulated impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced using an allowance account and the loss is recognised in the consolidated statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for measuring the impairment loss. The interest income is recorded as finance income in the consolidated statement of profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial as-sets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9.Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the consolidated statement of profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IFRS 9 are satisfied.

Financial assets at fair value through other comprehensive income (OCI)

Derivatives are measured at fair value and gains and losses from fair value measurement are treated as determined by the purpose of the derivatives. The effects on results of changes in the value of derivatives that are eligible for hedge accounting and that are effective hedging instruments are presented consistent with the hedged item. Derivatives eligible for hedge accounting are classified as financial assets at fair value through other comprehensive income. The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income.

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Any ineffective portion is recognized immediately in the consolidated statement of profit or loss as financial income or costs. The group had no derivatives at the balance sheet date.

Derecognition of financial assets

Financial assets are derecognized when:

- The rights to receive cash flows have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and reward s of the asset, but has transferred control of the asset.

4.2.3 Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECL' are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default evets that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.2.4 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of FRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

The Group has two financial covenants in its financing agreements. According to IAS1 the liability is to be classified as non-current, if the company has the right to defer settlement of the liability for at least twelve months after the reporting period. If the company is required to comply with covenants on or before the end of the reporting period, these covenants will affect whether such a right exists at the end of the reporting period.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss.

Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

4.2.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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4.2.6 Carrying amounts by category and maturity profile of financial assets and liabilities

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

VALUES at 31 DECEMBER 2024

Balance sheet item, EUR 1,000	Note	Amortised cost	Carrying value of balance sheet items	Fair value
Current financial assets				
Trade receivables and other non-interest-bearing receivables	2.1.4	15 668	15 668	15 668
Cash and cash equivalents		42 745	42 745	42 745
Total Current assets		**58 412**	**58 412**	**58 412**
Carrying amount by category		**58 412**	**58 412**	**58 412**
Non-current financial liabilities				
Bonds and notes	4.2.8-9	-1 685 033	-1 685 033	-1 605 853
Loans from financial institutions	4.2.8-9	-250 000	-250 000	-250 000
Interest-bearing non-current liabilities				
- Leases	3.3	-235	-235	-235
Total interest-bearing non-current liabilities		**-1 935 268**	**-1 935 268**	**-1 856 088**
Bonds and notes				
Other current interest-bearing liabilities				
- Leases	3.3	-237	-237	-237
Trade payables	2.3.2	-8 497	-8 497	-8 497
Total current financial liabilities		**-8 734**	**-8 734**	**-8 734**
Carrying amount by category		**-1 944 002**	**-1 944 002**	**-1 864 822**

VALUES at 31 DECEMBER 2023

Balance sheet item, EUR 1,000	Note	Amortised cost	Carrying value of balance sheet items	Fair value
Current financial assets				
Trade receivables and other non-interest-bearing receivables	2.1.4	19 330	19 330	19 330
Cash and cash equivalents		60 161	60 161	60 161
Total Current assets		**79 491**	**79 491**	**79 491**
Carrying amount by category		**79 491**	**79 491**	**79 491**
Non-current financial liabilities				
Bonds and notes	4.2.8-9	-1 684 021	-1 684 021	-1 585 123
Loans from financial institutions	4.2.8-9	-250 000	-250 000	-250 000
Interest-bearing non-current liabilities				
- Leases	3.3	-548	-548	-548
Total interest-bearing non-current liabilities		**-1 934 569**	**-1 934 569**	**-1 835 671**
Bonds and notes	4.2.8-9			
Other current interest-bearing liabilities				
- Leases	3.3	-111	-111	-111
Trade payables	2.3.2	-4 380	-4 380	-4 380
Total current financial liabilities		**-4 491**	**-4 491**	**-4 491**
Carrying amount by category		**-1 939 060**	**-1 939 060**	**-1 840 162**

The valuation of financial assets and liabilities at fair value has not had an effect on the income statement or the statement of comprehensive income in 2024 and 2023.

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CASH AT BANKS AND ON HAND

Elenia had short-term bank deposits amounting to EUR 42.7 million (2023: EUR 60.2 million). All bank deposits were denominated in euros.

BONDS AND NOTES

The fair value of the bonds have been calculated based on the required rate of return estimated using the EUR-denominated swap rate yield curve and the estimated risk premium calculated based on the market quotes of Elenia Verkko Oyj's bonds at the balance sheet date.

FINANCIAL LIABILITIES

Interest-bearing liabilities decreased by EUR 4.6 million (2023: growth EUR 99.9 million) during the year and interest-bearing liabilities at the balance sheet date totaled EUR 1,940 million (2023: EUR 1,944.5 million).

The fair value of short-term trade receivables and payables, other non-interest-bearing receivables, finance leases and cash and cash equivalents corresponds essentially the carrying amount.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments.

31 December 2024		Maturity			
EUR 1,000	Effective interest rate %	Within 1 year	1-5 years	Over 5 years	Total
Loans from financial institutions	4,03 %	0	50 000	200 000	250 000
Bonds	1,96 %	0	692 000	479 000	1 171 000
Notes	2,71 %	0	107 500	411 000	518 500
Lease liabilities		0	235	0	235
Total interest-bearing non-current liabilities		**0**	**849 735**	**1 090 000**	**1 939 735**
Lease liabilities		237	0	0	237
Total current interest-bearing liabilities		**237**	**0**	**0**	**237**
Trade payables		8 497	0	0	8 497
Total current financial liabilities		**8 497**	**0**	**0**	**8 497**
Total		**8 734**	**849 735**	**1 090 000**	**1 948 469**

31 December 2023		Maturity			
EUR 1,000	Effective interest rate %	Within 1 year	1-5 years	Over 5 years	Total
Loans from financial institutions	4,84 %	0	50000	200 000	250 000
Bonds	1,98 %	0	640 000	531 000	1 171 000
Notes	2,71 %	0	79000	439 500	518 500
Lease liabilities		0	548	0	548
Total interest-bearing non-current liabilities		**0**	**769 548**	**1 170 500**	**1 940 048**
Lease liabilities		111	0	0	111
Total current interest-bearing liabilities		**111**	**0**	**0**	**111**
Trade payables		4 380	0	0	4 380
Total current financial liabilities		**4 380**	**0**	**0**	**4 380**
Total		**4 491**	**769 548**	**1 170 500**	**1 944 539**

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4.2.7 Changes in financial liabilities arising from financing activities

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

EUR 1,000	1 January 2024	Cash flows	New leases IFRS 16	Other changes	**31 December 2024**
Current obligations under lease liabilities	111	-234	0	360	237
Non-current interest-bearing loans and borrowings (excl. items listed below)	1 934 021	0	0	1 011	1 935 033
Non-current obligations under lease liabilities	548	0	364	-678	235

EUR 1,000	1 January 2023	Cash flows	New leases IFRS 16	Other changes	**31 December 2023**
Current obligations under lease liabilities	425	-414	0	100	111
Non-current interest-bearing loans and borrowings (excl. items listed below)	1 833 025	100 000	0	995	1 934 021
Non-current obligations under lease liabilities	311	0	556	-319	548

The "Other changes" column includes the effect of reclassification of non-current portion of obligations under finance leases to current due to passage of time, the effect of capitalization of interests of other long-term loans and the effect amortisation of transaction costs of bonds and notes using the effective interest rate method.

The Group classifies interest paid as cash flows from operating activities.

4.2.8 Fair value hierarchy of financial assets and liabilities

ACCOUNTING POLICY

FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value related to disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 4.2.6 and 4.2.8
- Quantitative disclosures of fair value measurement hierarchy Note 4.2.8
- Financial instruments (including those carried at amortised cost) Note 4.2.6

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

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For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The transfers between levels of the fair value hierarchy shall be disclosed at the date of the event or change in circumstances that caused the transfer.

For fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained next.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Notes 4.2.6 and 4.2.8.

FAIR VALUE HIERARCHY

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

As at 31 December 2023, the Group held the following financial instruments carried at amortised cost in the consolidated statement of financial position:

FINANCIAL ASSETS AND LIABILITIES

	Level 1		Level 2		Level 3		Total	
EUR 1,000	2024	2023	2024	2023	2024	2023	2024	2023
Financial instruments, non-current liabilities								
Bonds and notes	0	0	-1 605 853	-1 585 123	0	0	-1 605 853	-1 585 123
Loans from financial institutions	-250 000	-250 000	0	0	0	0	-250 000	-250 000
Total non-current financial liabilities	**-250 000**	**-250 000**	**-1 605 853**	**-1 585 123**	**0**	**0**	**-1 855 853**	**-1 835 123**
Total financial liabilities								

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4.3 OTHER COMMITMENTS AND CONTINGENCIES

OTHER COMMITMENTS

EUR 1,000	2024	2023
Registered floating charges: Provided on behalf of own and Group liabilities	9 000 000	9 000 000
Mortgages	202 000	202 000
Refundable connection fees	284 633	284 437

Group bank accounts have been pledged as security for loans from financial institutions and bonds.

4.4 EQUITY

Share capital

The share is issued and fully paid.

Reserve for invested unrestricted equity

The reserve for invested non-restricted equity comprises of all other equity investments and paid share subscription price, that has not been specifically booked as share capital.

Equity repayment

Elenia Verkko Oyj decided on April 25,2024 the equity repayment of €56.6m. The euity repayment was done from Unrestricted equity.

The meeting of Elenia Verkko Oyj's shareholders decided on December 15, 2020, proactively the equity repayment of €550.0m to its sole shareholder Elenia Oy during 2020-2023. The equity repayment was done from Unrestricted equity and was transferred to short-term payables in December 2020.

Equity investment and common control reserve

In 2023 or 2024 there were no restructurings.

EUR 1,000	2024	2023
Unrestricted equity 1 Jan	-548 843	-548 843
Equity repayment	-56 553	0
Unrestricted equity 31 Dec	**-605 396**	**-548 843**

Retained earnings

The change in retained earnings of 18 893 thousand euros for the fiscal year 2024 is due to group contribution received from Elenia Oy. The change in retained earnings of 17 336 thousand euros for the fiscal year 2023 consists of the group contribution received from Elenia Oy.

Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to equity holders of the parent by the average number of shares during the reporting period:

EUR	2024	2023
Profit attributable to equity holders of the parent, EUR	64 137 934	55 654 083
Average number of shares, pcs	90	90
Earnings/share, EUR - basic = diluted	**712 644**	**618 379**

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5 CONSOLIDATION

5.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the parent company Elenia Oy and its subsidiaries which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. The consolidated financial statements also include, as associated companies, any companies over which the Group has significant influence. Significant influence generally involves a shareholding of over 20% of the voting rights or when the Group has the power to participate in the financial and operating policy decisions of the investee but has not control or joint control over those policies.

Subsidiaries are included in the consolidated financial statements using the acquisition cost method. The acquisition cost is measured as the aggregate of the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Costs related to acquisitions are recorded on the consolidated statement of profit or loss as other operating expenses. The excess of the cost of acquisition over the fair value of the Group's share of the net assets acquired is recorded as goodwill. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, receivables and debts are eliminated in the consolidated financial statements.

Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the accounting policies adopted by the Group.

As at 31 December 2024, the subsidiaries do not have non-controlling interests.

5.2 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit or loss. It is then considered in the determination of goodwill. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised either in the statement of profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

5.3 ACQUISITIONS AND DISPOSALS

In 2024 or 2023 there were no business disposals. In 2024 and 2023 there were no acquisitions to be accounted for as business combinations.

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5.4 OTHER CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES / NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

5.4.1 Changes in accounting policies and disclosures

The Group applied for the first-time certain standards and amendments which are effective for annual periods beginning on or after 1 January 2024. The nature of each new standard and amendment adopted by the Group has been described in the relevant note. New standards and amendments not material for the Group have been described below:

AMENDMENTS ON IFRS 16: LEASE LIABILITY IN SALES AND LEASEBACK

The amended standards will be effective for annual periods beginning on or after 1 January 2024 with early adoption permitted.

The changes affect how the seller-lessee handles the variable rental payments arising in a sale and leaseback transaction. With the changes, a new variable payment accounting model will be introduced, which requires that seller-lessees reevaluate and possibly correct sales and leaseback transactions made since 2019.

The amendments do not have a material impact on the consolidated financial statements.

AMENDMENTS TO IAS 7 AND IFRS 7: SUPPLIER FINANCE ARRANGEMENTS

The amended standards will be effective for annual periods beginning on or after 1 January 2024 with early adoption permitted.

The amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the consolidated financial statements.

AMENDMENTS TO IAS 12: INTERNATIONAL TAX REFORM–PILAR TWO MODEL RULES

The amended standards will be effective for annual periods beginning on 1 January 2023.

The amendment introduces a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar two model rules and requirements to disclose if the exception has been applied or not as well as disclosure requirements to help users of the financial statements better understand an entity's exposure to Pillar two taxes, particularly before its effective.

The amendments do not have a material impact on the consolidated financial statements.

5.4.2 New and amended standards and interpretations issued but not yet effective

Certain new and amended standards and interpretations are issued but not yet effective up to the date of issuance of the consolidated financial statements. The Group intends to adopt these standards, amendments and interpretations, if applicable, when they become effective. The nature of each new standard and amendment to be adopted by the Group has been described below:

IFRS 18: PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

The standard will be effective for annual periods beginning on or after 1 January 2027 with early adoption permitted.

The new standard brings changes to the structure of the income statement and mandatory subtotals, as well as the requirement to present additional information on certain key figures defined by management.

The standard has a considerable impact on the consolidated financial statements

REGULATORY ASSETS AND REGULATORY LIABILITIES: POSSIBLE NEW STANDARD

The International Accounting Standards Board published in January 2021 an exposure draft on Regulatory Assets and Regulatory Liabilities. The Exposure Draft sets out the IASB's proposals for a model to account for regulatory assets and regulatory liabilities. If issued as a new IFRS Standard, the proposals would replace IFRS 14 *Regulatory Deferral Accounts*. The IASB discussed feedback on the Exposure Draft during October and November 2021 and will begin redeliberating the proposals in the Exposure Draft at a future meeting.

Group is following closely the development of this initiative and evaluating impacts.

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6 OTHER NOTES

6.1 TAXES

6.1.1 Income taxes

ACCOUNTING POLICY

INCOME TAXES

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

INCOME TAXES

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the tax estimation.

The Group companies establish provisions based on reasonable estimates. In the case that the final taxes are different than the amounts initially recognized, these differences will affect income tax and provisions for deferred tax during the year when the determination of tax differences took place. Management estimates that the estimated tax shown in the consolidated financial statement represent a reasonable estimate of the Group's tax position.

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

EUR 1,000	2024	2023
Current income tax charge	-2 503	-2 504
Adjustments in respect of current income tax of previous periods	-3	1
Deferred taxes	-18 311	-16 031
Income tax expense reported in the consolidated statement of profit or loss	**-20 817**	**-18 534**

CONSOLIDATED STATEMENT OF OCI

EUR 1,000	2024	2023
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains (losses) on defined benefit plans	-13	3
Deferred tax charged to OCI	**-13**	**3**

INCOME TAX RATE

Tax on profit before tax deviates from the nominal tax calculated according to the tax rate as follows:

EUR 1,000	2024	2023
Profit before tax	**84 901**	**74 199**
Theoretical income tax using the nominal tax rate of 20.0% (2023: 20.0%)	-16 980	-14 840
- expenses that are non-deductible in taxation	-55	-229
- adjustment of taxes based on previous periods	-3	1
- deductible income not recorded in profit and loss (group contribution)	-3 779	-3 466
Income tax in the income statement	**-20 817**	**-18 534**

Effective tax rate was 25% (2023: 25%)

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6.1.2 Deferred tax

ACCOUNTING POLICY

DEFERRED TAX
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit or loss is recognised outside the statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.,

ACCOUNTING JUDGEMENTS

DEFERRED TAX
The Group recognizes deferred tax assets by taking into account their recoverability, based on the existence of deferred tax liabilities with similar maturities for netting and the possibility of generation of sufficient future taxable profits. The management assessed the deferred tax booked in the financial statements to be recoverable.

The estimations and the actual flows of taxes paid or received could differ from the estimates made by the Group as a result of unforeseen future legal changes in estimates.

ACCOUNTING ESTIMATES

DEFERRED TAX
The Group has deferred tax assets and liabilities which are expected to be realised through the consolidated statement of profit or loss over certain periods of time in the future. The calculation of deferred tax assets and liabilities involves making certain assumptions and estimates regarding the future tax consequences attributable to differences between the carrying amounts of assets and liabilities as recorded in the financial statements and their tax basis.

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CHANGE IN DEFERRED TAX ASSETS AND LIABILITIES IN 2024

Deferred tax assets

EUR 1,000	Balance sheet 1 Jan 2024	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance sheet 31 Dec 2024
Defined benefit plans	39	-6	-13	20
Liabilities related to contracts with customers	9 899	1 758	0	11 657
Finance leases	11	-5	0	6
Cloud computing arrangements	18	18	0	36
Total	**9 967**	**1 765**	**-13**	**11 719**
Deferred tax assets	**9 967**			**11 719**

Deferred tax liabilities

EUR 1,000	Balance sheet 1 Jan 2024	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance sheet 31 Dec 2024
Interest-bearing liabilities	949	-155	0	794
Depreciation differences	123 982	24 546	0	148 527
Measurement of assets at fair value in acquisition	49 762	-4 313	0	45 449
Total	**174 693**	**20 077**	**0**	**194 770**
Deferred tax liabilities	**174 693**			**194 770**

CHANGE IN DEFERRED TAX ASSETS AND LIABILITITES IN 2023

Deferred tax assets

EUR 1,000	Balance sheet 1 Jan 2023	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance sheet 31 Dec2023
Defined benefit plans	49	-13	3	39
Liabilities related to contracts with customers	8 086	1 813	0	9 899
Finance leases	53	-42	0	11
Cloud computing arrangements	0	18	0	18
Total	**8 188**	**1 776**	**3**	**9 967**
Deferred tax assets	**8 188**			**9 967**

Deferred tax liabilities

EUR 1,000	Balance sheet 1 Jan 2023	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance sheet 31 Dec2023
Interest-bearing liabilities	1 101	-152	0	949
Depreciation differences	101 711	22 272	0	123 983
Measurement of assets at fair value in acquisition	54 076	-4 314	0	49 762
Total	**156 888**	**17 806**	**0**	**174 693**
Deferred tax liabilities	**156 888**			**174 693**

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6.2 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICY

PENSION OBLIGATIONS

Pension arrangements are categorised as defined benefit or defined contribution plans. Under defined contribution plans, the Group pays fixed pension contributions and has no legal or constructive obligation to make additional payments. This category includes the Finnish Statutory Employment Pension Scheme (TyEL). Payments relating to defined contribution pension plans are recognised in the consolidated statement of profit or loss under personnel expenses for the period in which they are due. For defined benefit plans, pension costs are assessed using the projected unit credit method. The cost of providing pensions is recorded in the consolidated statement of profit or loss as to spread the service cost over the service lives of employees. The defined benefit obligation is calculated annually on the reporting date and is measured as the present value of the estimated future cash flows.

The Group applies the IAS 19 standard to calculations on defined benefit pension plans. Under this standard, all actuarial gains and losses are recognised in the period in which they occur in total in other comprehensive income and the net defined benefit liability or asset is presented in full on the consolidated statement of financial position. The expected return on plan assets is calculated using the same discount rate as applied for discounting the benefit obligation to its present value. Current and past service costs as well as net interest on net defined benefit liability is recorded in the consolidated statement of profit or loss. Items arising from the remeasurement of the net defined benefit liability are recognised in consolidated statement of other comprehensive income. The Group has defined contribution pension plans concerning additional pensions. The benefits are insured with an insurance company.

The benefits include both defined benefit (DB) and defined contribution (DC) parts as defined in IAS 19. In the following tables, figures are presented for DB part of the plan.

Items recognised on the consolidated statement of financial position at 31 December:

EUR 1,000	2024	2023
Items recognised on the consolidated statement		
Current value of funded obligations	1 528	1 557
Fair value of assets	-1 429	-1 365
Deficit	99	192
Value of the obligation on the consolidated	**99**	**192**

The obligations of defined benefit pension plans have changed as follows:

EUR 1,000	2024	2023
Obligation at the beginning of the year	1 557	1 625
Interest expenses	60	60
Actuarial losses	90	48
Benefits paid	-180	-175
Obligation at the end of the year	**1 528**	**1 557**

The fair value of the assets of defined benefit pension plans has developed as follows:

EUR 1,000	2024	2023
Fair value of plan assets at the beginning of the year	1 365	1 381
Expected income from assets	54	50
Actuarial gains	158	35
Payments by the employer	33	74
Benefits paid	-180	-175
Fair value of plan assets at the end of the year	**1 429**	**1 365**

The obligation in the consolidated statement of financial position consists of the following items:

EUR 1,000	2024	2023
Obligation at the beginning of the year	192	244
Net cost recognised in the statement of profit or loss	6	9
Payments by the employer	-33	-74
Profits and losses recognised in other comprehensive income	-67	13
Value of the obligation at year end	**99**	**192**

Items recognised in the consolidated statement of profit or loss:

EUR 1,000	2024	2023
Interest income	-54	-50
Interest expenses	60	60
Total	**6**	**9**

Items recognised in the consolidated statement of other comprehensive income for the year:

EUR 1,000	2024	2023
Actuarial gains/(losses) on assets	-158	-35
Actuarial gains/(losses) on obligations	90	48
Total	**-67**	**13**

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Sensitivity analysis of defined benefit pension plans

The following table shows how the discount rate affects to projected benefit obligation, related service cost and interest cost.

2024

Assumption EUR 1,000	Defined benefit obligations	Fair value of Plan assets	Net Liability	Net interest
Discount rate 3.1%	1 528	1 429	99	3
0.5% increase	1 457	1 368	89	3
0.5% decrease	1 605	1 496	109	3

2023

Assumption EUR 1,000	Defined benefit obligations	Fair value of Plan assets	Net Liability	Net interest
Discount rate 4.1 %	1 557	1 365	192	6
0.5% increase	1 488	1 310	178	6
0.5% decrease	1 633	1 424	209	6

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As the defined benefit plans are managed by an external insurance company, it is not possible to present a division of the fair values of the plan assets.

Expected contributions for 2024 are estimated to be EUR 8 thousand.

The weighted average duration of defined benefit obligation is 10-13 years.

The following table shows the maturity profile of the future benefit payments.

EUR 1,000	2024	2023
Under 1 year	183	185
1-10 years	882	959
10-20 years	611	697
20-30 years	334	410
Over 30 years	171	235
Total	**2 181**	**2 486**

ACTURIAL ASSUMPTIONS USED IN CALCULATIONS

%	2024	2023
Discount rate	3,1 %	4,1 %
Estimate of salary increases	2,1 %	2,7 %
Inflation	1,9 %	2,5 %

6.3 RELATED PARTY DISCLOSURES

In accordance with IAS 24, related parties include the board of directors, CEO and other members of the Elenia Oy group's management team, the head of the Elenia Oy group's procurement and development unit, their close family members, and entities in which the above-mentioned persons directly or indirectly exercise control. In addition, related parties include Elenia's significant shareholders who own more than 20 percent of the company's shares or the combined number of votes of all shares.

The company maintains lists of related parties. The company has guidelines for identifying related party transactions of entities identified in the related party register, and they are obliged to notify the company in advance of their planned contracts and legal actions with companies belonging to the group, if the value of the transaction exceeds EUR 5,000.00. In addition, they are asked annually to confirm the related party activities that have been carried out. Related party transactions that are not part of the company's normal business or are made outside of the usual commercial terms are handled in the company in accordance with the applicable related party administration guidelines.

Shareholders

All of the shares in Elenia Verkko Oyj are owned by a Finnish company, Elenia Oy.

Elenia's ultimate parent Elton Investments S.à r.l. is majority owned by a consortium of infrastructure investors: Société Foncière Européenne B.V.(SFE) and Allianz Infrastructure Luxembourg I S.à r.l. (AIL), Lynx Elton S.à r.l. (Lynx Elton), Allianz European Infrastructure Acquisition Holding S.à r.l. (AEIAH), Elton Ventures S.à r.l., Manco Investment Oy and Valtion Eläkerahasto (VER).

SFE and AIL are fully indirect subsidiaries of Allianz SE, and therefore members of the Allianz Group. AEIAH is an investment vehicle of the Allianz European Infrastructure Fund S.A. RAIF (AEIF), a fund managed by Allianz Capital Partners (ACP) and Lynx Elton is a vehicle managed by CapMan Infra and advised by ACP. Elton Ventures S.à r.l. is an entity managed by Macquarie Infrastructure and Real Assets (Europe) Limited (MIRA) and whose majority shareholder is Macquarie Super Core Infrastructure Fund SCSp. Manco Investment Oy is owned by five Elenia's key management persons.

SUBSIDIARIES AND ASSOCIATES

Elenia Verkko Group was formed on January 1, 2020 as a result of corporate restrucutrings. Elenia Verkko Oyj owns all the shares in Elenia Innovations Oy.

SENIOR MANAGEMENT

Elenia Verkko Oyj is managed by its Board of Directors. Elenia's senior management includes the Board of Directors and the CEO. Elenia Group has not had any business transactions with persons included in its senior management and Elenia Group has not granted loans to these persons.

Five of the key management persons have invested into Elton Investment S.à r.l. which is the ultimate owner of Elenia Oy. The management investment is channelled through a management owned holding company Manco Investment Oy, which owns approximately 0.3% of Elton Investment S.à r.l. after the arrangement. The equity investment has been made at fair market values.

MANAGEMENT TEAM

Management team of Elenia Verkko Oyj's parent company Elenia Oy is included within the scope of the long-term incentive plan. Description of the long-term incentive plan has been disclosed in note 2.3.3

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BUSINESS TRANSACTIONS

All transactions with related parties take place in an arm's length manner.

Group companies have no intercompany transactions but Elenia Verkko Oyj has transaction with a parent company Elenia Oy and upper Finnish entity Elenia Group Oy. Transactions are related to internal services and construction provided by Elenia Oy and Elenia Group Oy to Elenia Verkko Oyj.

During the fiscal year 2024, the group did not have any long-term loans with related parties.

The meeting of Elenia Oy's shareholders decided on 13 November 2020 the equity repayment of €550.0m based on the interim financial statements as of September 30, 2020 to its sole shareholder Elenia Investment S.à r.l. during 2020-2023. During financial year 2023 the payment period was extended until end of 2025.

The equity repayment was done from Unrestricted equity and was transferred to short-term payables in December 2020. The following table includes the specification of equity repayments from 2021 to 2024.

EUR 1,000	Unrestricted equity repayment liability 1 Jan 2021	Decrease during 2021-2023
Elenia Oy	550 000	550 000

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6.4 EVENTS AFTER THE REPORTING PERIOD

Sanna Murtojärvi has been appointed as Chief People Officer and member of the management team effective January 1st, 2025.

Elenia has entered into an EUR 100 million loan agreement with the Nordic Investment Bank ("NIB"). The loan will be used to finance part of Elenia's investment programme that is designed to improve the security of supply and enable green transition. The loan has been fully drawn.

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6.5 CONSOLIDATED STATEMENT OF PROFIT OR LOSS (ADJUSTED FOR COMPARABILITY)

ACCOUNTING POLICY

COMPARABILITY WITH PREVIOUS YEAR FIGURES

Items affecting comparability include items whose adjustment substantially improves the comparability of figures from different years. Typically, they are exceptional either due to their size or nature, one-off or otherwise items that do not relate to the actual operative business of the Group. Such items may arise for example from unusually strong storms, legal costs, corporate and structural arrangements or financial arrangements. These items have been specified in the notes of the consolidated financial statements.

EUR 1,000	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Revenue	2.1.1	339 663	316 606
Items affecting comparability included in revenue		-116	-3 295
Other operating income	2.2.1	1 694	1 504
Materials and services		-69 792	-73 792
Employee benefit expenses	2.3.3	-4 213	-3 809
Other operating expenses	2.3.1	-33 909	-27 292
Operating expenses Total		**-107 914**	**-104 893**
Items affecting comparability included in operating expenses		1 997	1 587
EBITDA		**233 443**	**213 216**
EBITDA before Items affecting comparability		**231 563**	**214 925**
Depreciation and amortisation	3	-97 771	-92 854
Operating profit		**135 672**	**120 363**
Operating profit before Items affecting comparability		**133 791**	**122 071**

The purpose of the table is to illustrate the underlying profitability of the business without any items affecting comparability (defined in the finance documentation as “exceptional, one off, non-recurring or extraordinary items”). The financial covenants related to Group’s financing are calculated excluding Exceptional Items.

In 2024 in total EUR 1 881 thousand was recognised as items affecting comparability. This amount consists of exceptional network losses of EUR 274 thousand, costs that relate to legal actions due to regulatory changes of EUR 1 600 thousand, temporary network upstream cost rebate of EUR 11 551 thousand and exceptional costs EUR 7 796 thousand.

The maximum monthly average electricity price in Finland during the previous 10-year period was 57 €/MWh as per June 2021. On this basis, costs from network losses exceeding 60 €/MWh on a monthly basis are treated as exceptional. In September 2023 and in May 2024 Finland’s transmission system operator, Fingrid granted rebate for January, February and June 2024. In 2023 Fingrid granted rebate for January, February and June and also in July, November and December. The rebate is the result of significantly higher than expected congestion income caused by electricity price differences at Finland’s boarders. Elenia’s distribution revenue decreased correspondingly by the proportion of grid service fees invoiced directly from customers connected to Elenia’s high voltage network.

In 2023 in total EUR 1 709 thousand was recognised as items affecting comparability. This amount consists of exceptional network losses of EUR 17 328 thousand, costs that relate to legal actions due to regulatory changes of EUR 225 thousand, temporary rebate to customers of EUR 19 431 thousand, temporary network upstream cost rebate of EUR 3 295 thousand and increased costs of electricity used in substations EUR 292 thousand.

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PARENT COMPANY FINANCIAL STATEMENTS (FAS)

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PARENT COMPANY INCOME STATEMENT

EUR	Notes	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Revenue	1.1	**348 763 694,63**	**326 264 136,09**
Other operating income	1.2	1 693 568,54	1 503 792,93
Materials and services	1.3	-69 792 141,05	-73 792 084,56
Personnel expenses	1.4	-4 245 235,93	-3 882 588,08
Depreciation, amortisation and impairment	1.5	-166 781 511,96	-161 851 539,70
Other operating expenses	1.6	-34 282 473,75	-27 267 977,19
Operating profit		**75 355 900,48**	**60 973 739,49**
Finance income and expenses	1.7	-49 976 665,89	-45 382 189,46
Profit / loss before appropriations and taxes		**25 379 234,59**	**15 591 550,03**
Appropriations	1.8		
Change in accelerated depreciations		-122 727 932,64	-111 362 112,43
Group contributions		18 893 000,00	17 336 000,00
Income taxes	1.9	1 751 916,64	1 754 757,66
Profit / loss for the year		**-76 703 781,41**	**-76 679 804,74**

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PARENT COMPANY BALANCE SHEET

EUR	Notes	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	2.1		
Intangible rights		22 321 344,87	22 449 136,77
Goodwill		1 987 841 752,70	2 043 837 295,10
Other capitalized long-term expenditure		19 297 549,72	20 058 141,34
		2 029 460 647,29	**2 086 344 573,21**
Tangible assets	2.2		
Land and water areas		2 334 274,42	2 174 123,88
Buildings and constructions		236 860,17	248 129,97
Network		2 137 960 627,46	2 124 845 487,04
Machinery and equipments		62 265 924,09	44 465 200,35
Other tangible assets		0,00	222,80
Advance payments and construction in progress		12 216 354,26	19 352 342,95
		2 215 014 040,40	**2 191 085 506,99**
Investments	2.3		
Other shares and holdings		194 229,69	194 229,69
		194 229,69	**194 229,69**
Total non-current assets		**4 244 668 917,38**	**4 277 624 309,89**

EUR	Notes	31 Dec 2024	31 Dec 2023
Current assets			
Long-term receivables	2.4		
Loan receivables		1 582 937,54	2 373 707,39
		1 582 937,54	**2 373 707,39**
Short-term receivables	2.4		
Trade receivables		15 667 639,04	19 330 013,96
Receivables from group companies		18 933 783,82	17 394 771,35
Other receivables		464 809,89	468 211,08
Prepayments and accrued income		44 685 520,60	43 087 772,63
		79 751 753,35	**80 280 769,02**
Cash and cash equivalents	2.4	**42 744 688,22**	**60 161 110,56**
Total current assets		**124 079 379,11**	**142 815 586,97**
TOTAL ASSETS		**4 368 748 296,49**	**4 420 439 896,86**

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PARENT COMPANY BALANCE SHEET

EUR	Notes	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Capital and reserves	3.1		
Subscribed capital		80 000,00	80 000,00
Non restricted equity		1 600 846 997,76	1 657 400 000,00
Retained earnings		-240 440 585,02	-163 760 780,28
Profit / Loss for the financial year		-76 703 781,41	-76 679 804,74
		1 283 782 631,33	**1 417 039 414,98**
Cumulative accelerated depreciations	3.2	**742 643 554,74**	**619 915 622,10**
Liabilities	3.3		
Non-current liabilitites			
Connection fees		201 433 677,35	201 742 349,81
Bonds and notes		1 689 500 000,00	1 689 500 000,00
Loans from financial institutions		250 000 000,00	250 000 000,00
Deferred tax liabilities		89 421 305,41	93 679 462,81
		2 230 354 982,76	**2 234 921 812,62**
Current liabilities			
Trade payables		8 497 303,52	4 379 866,44
Liabilities to group companies		32 603 524,32	79 575 498,84
Other short-term liabilities		32 841 050,64	36 459 360,79
Accruals and deferred income		38 025 249,18	28 148 321,09
		111 967 127,66	**148 563 047,16**
Total liabilities		**2 342 322 110,42**	**2 383 484 859,78**
TOTAL EQUITY AND LIABILITIES		**4 368 748 296,49**	**4 420 439 896,86**

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PARENT COMPANY CASH FLOW STATEMENT

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flow fron operating activities		
Profit / Loss before appropriations and taxes	25 379 234,59	15 591 550,03
Adjustments		
Depreciation, amortisation and impairment	166 781 511,96	161 851 539,70
Finance income and expenses	49 976 665,89	45 382 189,46
Other adjustments	-62 829,36	0,00
Cash flow before change in working capital	**242 074 583,08**	**222 825 279,19**
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing receivables	2 082 015,67	-9 946 677,72
Increase (+) / decrease (-) in non-interest-bearing liabilities	2 796 897,28	-9 376 252,30
Operating cash flow before financial items and taxes	**246 953 496,03**	**203 502 349,17**
Interest payments	-49 380 780,40	-42 186 123,18
Interests received	2 146 395,29	2 318 479,19
Payments for other finance items	-2 372 890,75	-2 555 981,04
Connection fee refunds	308 672,46	591 756,68
Taxes paid	-2 506 240,76	346 587,02
Cash flow from operating activities	**195 148 651,87**	**162 017 067,84**

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flow from investing activities		
Capital expenditures	-130 051 074,21	-139 719 533,25
Proceeds from disposals of investments	150 000,00	6 504,30
Cash flow from investing activities	**-129 901 074,21**	**-139 713 028,95**
Cash flow from financing activities		
Proceeds from long-term borrowings	0,00	100 000 000,00
Equity repayment	-100 000 000,00	-134 000 000,00
Group contributions received and paid	17 336 000,00	20 703 500,00
Cash flow from financing activities	**-82 664 000,00**	**-13 296 500,00**
Change in cash and cash equivalents	**-17 416 422,34**	**9 007 538,89**
Cash and cash equivalents 1 Jan	**60 161 110,56**	**51 153 571,67**
Cash and cash equivalents 31 Dec	**42 744 688,22**	**60 161 110,56**

Cash and cash equivalents comprise of bank deposits.

In the balance sheet, the group bank account is presented as receivables from group companies, and in the cash flow statement as liquid assets.

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The financial statements of Elenia Oy have been prepared in accordance with the Finnish Accounting Standards (FAS).

Transactions denominated in foreign currencies and derivative agreements

Transactions denominated in foreign currencies are recognised at the rate prevailing at the time of the transaction. At the balance sheet date the receivables and liabilities in balance sheet denominated in foreign currencies are converted to Euro using the exchange rate prevailing at the balance sheet date. The possible currency exchange rate differences are recognised in finance income or costs or other operating costs in accordance with the underlying item.

Presentation of bank balances

The company's group bank account is presented as either an asset or liability from/to entities within the same group.

Deferred tax liabilities and receivables

Deferred tax liabilities or assets have been calculated for temporary differences between taxation and the financial statements using the tax rate established at the balance sheet date for the following years. The balance sheet includes the deferred tax liability in its entirety and the deferred tax asset in the amount of the estimated probable receivable

Intangible and tangible assets

For tangible and intangible assets have been used direct acquisition prices which have been deducted with planned depreciations. Depreciations according to the plan are linear and are based on the following assets economical lifetimes:

Intangible fixed assets	3–30 years
Goodwill	40 years
Other capitalized long-term expenditures	5–25 years
Buildings and construction	15–50 years
Transmission network	25–40 years
Distribution network	10–30 years
Machinery and equipment	3–30 years

Connection fees are non-refundable and therefore they have been booked as revenue in the profit and loss account.

1 NOTES TO INCOME STATEMENT

1.1 Revenue

EUR 1,000	2024	2023
Distribution income	336 684	313 149
Contracting income	1 286	2 375
Connection fee income	10 794	10 724
Other sales income	340	319
Outage compensation	-341	-302
Total	**348 764**	**326 264**

1.2 Other operating income

EUR 1,000	2024	2023
Revenue from collection of trade receivables	1 019	943
Gains on the sale of scrap and used fixed assets	63	0
Other operating income	612	561
Total	**1 694**	**1 504**

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1.3 Materials and services

EUR 1,000	2024	2023
Grid costs	-24 878	-16 210
Network losses	-16 331	-32 862
External services	-26 689	-22 985
Materials	-1 895	-1 735
Total	**-69 792**	**-73 792**

1.4 Personnel expenses

EUR 1,000	2024	2023
Salaries	-3 523	-3 166
Pension expenses	-663	-642
Other employee expenses	-60	-75
Total	**-4 245**	**-3 883**

Salaries and remuneration were not paid to CEO in 2024 or 2023.

Average number of personnel during the financial year	75	75

1.5 Depreciations according to the

EUR 1,000	2024	2023
Impairment	-1 917	-2 351
Intangible fixed assets	-1 101	-1 119
Goodwill	-55 996	-55 996
Other capitalized long-term expenditure	-2 704	-2 505
Buildings and constructions	-11	-12
Network	-97 912	-95 091
Machinery and equipments	-7 142	-4 779
Total	**-166 782**	**-161 852**

1.6 Other operating expenses

EUR 1,000	2024	2023
Lease expenses	-812	-955
Other external services	-24 439	-21 795
Other operating expenses	-9 032	-4 518
Total	**-34 282**	**-27 268**

AUDIT CHARGES

EUR 1,000	2024	2023
Auditing fees	-233	-160
Fees for tax services	-4	-7
Fees for other services	-31	-15
Total	**-268**	**-182**

1.7 Financial income and expenses

EUR 1,000	2024	2023
Interest and other financial income		
Other interest and financial income	2 146	2 331
Total	**2 146**	**2 331**
Interest and other financial expenses		
Interest expenses	-48 955	-45 511
Other financial expenses	-3 168	-2 202
Total	**-52 123**	**-47 713**
Total financial income and expenses	**-49 977**	**-45 382**

1.8 Appropriations

EUR 1,000	2024	2023
Change in accelerated depreciations	-122 728	-111 362
Group contribution received	18 893	17 336
Total	**-103 835**	**-94 026**

1.9 Income taxes

EUR 1,000	2024	2023
Income taxes for the financial period	-2 503	-2 504
Adjustment in income taxes for the previous periods	-3	1
Change in deferred taxes	4 258	4 258
Total	**1 752**	**1 755**

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2 NOTES TO THE BALANCE SHEET ASSETS

2.1 Intangible assets

INTANGIBLE RIGHTS

EUR 1,000	2024	2023
Cost 1 Jan	40 469	39 678
Investments	973	790
Cost 31 Dec	41 442	40 469
Accumulated depreciation 1 Jan	-18 020	-16 900
Depreciation according to the plan	-1 101	-1 119
Book value 31 Dec	**22 321**	**22 449**

GOODWILL

EUR 1,000	2024	2023
Cost 1 Jan	2 259 730	2 259 730
Cost 31 Dec	2 259 730	2 259 730
Accumulated depreciation 1 Jan	-215 893	-159 897
Depreciation according to the plan	-55 996	-55 996
Book value 31 Dec	**1 987 842**	**2 043 837**

OTHER CAPITALIZED LONG-TERM EXPENDITURE

EUR 1,000	2024	2023
Cost 1 Jan	337 990	334 349
Investments	1 943	4 007
Disposals	0	-366
Cost 31 Dec	339 933	337 990
Accumulated depreciation 1 Jan	-317 932	-315 427
Depreciation according to the plan	-2 704	-2 505
Book value 31 Dec	**19 298**	**20 058**

2.2 Tangible assets

LAND AND WATER AREAS

EUR 1,000	2024	2023
Cost 1 Jan	2 175	2 145
Investments	160	30
Cost 31 Dec	2 335	2 175
Impairment	-1	-1
Book value 31 Dec	**2 334**	**2 174**

BUILDINGS AND CONSTRUCTIONS

EUR 1,000	2024	2023
Cost 1 Jan	3 119	3 119
Investments	0	7
Disposals	0	-7
Cost 31 Dec	3 119	3 119
Accumulated depreciation 1 Jan	-2 871	-2 860
Depreciation according to the plan	-11	-11
Book value 31 Dec	**237**	**248**

NETWORK

EUR 1,000	2024	2023
Cost 1 Jan	3 349 535	3 242 825
Investments	113 030	112 229
Disposals	-4 137	-5 519
Cost 31 Dec	3 458 428	3 349 535
Accumulated depreciation 1 Jan	-1 224 689	-1 132 768
Impairment	-1 916	-2 350
Disposals	4 050	5 519
Depreciation according to the plan	-97 912	-95 091
Book value 31 Dec	**2 137 961**	**2 124 845**

MACHINERY AND EQUIPMENT

EUR 1,000	2024	2023
Cost 1 Jan	108 020	84 227
Investments	24 940	23 793
Cost 31 Dec	132 963	108 020
Accumulated depreciation 1 Jan	-63 555	-58 776
Depreciation according to the plan	-7 142	-4 779
Book value 31 Dec	**62 266**	**44 465**

OTHER TANGIBLE ASSETS

EUR 1,000	2024	2023
Cost 1 Jan	56	56
Cost 31 Dec	56	56
Accumulated depreciation 1 Jan	-56	-55
Depreciation according to the plan	0	-1
Book value 31 Dec	**0**	**0**

ADVANCE PAYMENTS AND CONSTRUCTION IN PROGRESS

EUR 1,000	2024	2023
Cost 1 Jan	19 352	20 146
Increase	134	-384
Decrease	-7 270	-410
Book value 31 Dec	**12 216**	**19 352**

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2.3 Investments

OTHER SHARES AND HOLDINGS

EUR 1,000	2024	2023
Cost 1 Jan	194	194
Book value 31 Dec	**194**	**194**

2.4 Receivables

LONG-TERM RECEIVABLES

EUR 1,000	2024	2023
Other receivables	1 583	2 374
Long-term receivables total	1 583	2 374

SHORT-TERM RECEIVABLES

Receivables from group companies

EUR 1,000	2024	2023
Accrued income	41	58
Group contribution receivables	18 893	17 336
Group bank account		
Receivables from group companies total	18 934	17 395

External receivables

EUR 1,000	2024	2023
Trade receivables	15 668	19 330
Other short-term receivables	465	468
Accrued income	44 686	43 088
External receivables total	**60 818**	**62 886**

External accrued income

EUR 1,000	2024	2023
Sales accruals	43 950	42 474
Other accrued income and receivables	176	50
External accrued income total	**44 686**	**43 088**
Short term receivables total	**79 752**	**80 281**
Total receivables	**81 335**	**82 654**
Cash and cash equivalents	**42 745**	**60 161**

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3 NOTES TO THE BALANCE SHEETS EQUITY AND LIABILITIES

3.1 Capital and reserves

EUR 1,000	2024	2023
Subscribed capital	80	80
Non restricted equity 1 Jan	1 657 400	1 657 400
Equity repayment	-56 553	0
Non restricted equity 31 Dec	**1 600 847**	**1 657 400**
Retained earnings 1 Jan	-240 441	-163 761
Profit / Loss for the financial year	-76 704	-76 680
Total capital and reserves	**1 283 783**	**1 417 039**
Distributable equity	1 283 703	1 416 959

3.2 Cumulative accelerated depreci-

EUR 1,000	2024	2023
Cumulative accelerated depreciations	742 644	619 916

Accelerated depreciations include deferred tax liability of EUR 148 529 thousand.

3.3 Liabilities

NON-CURRENT LIABILITIES

EUR 1,000	2024	2023
Connection fee liability 1 Jan	201 742	202 334
Connection fee refunds	-309	-592
Connection fee liability 31 Dec	**201 434**	**201 742**
Bonds and notes	1 689 500	1 689 500
Loans from financial institutions	250 000	250 000
Deferred tax liabilities	89 421	93 679
Total non-current liabilities	**2 230 355**	**2 234 922**

Elenia Verkko Oyj has recognized a deferred tax liability for the merger loss allocated to the electricity network.

CURRENT LIABILITIES

EUR 1,000	2024	2023
Trade payables	8 497	4 380
Other short term liabilities	32 841	36 459
Accrued expenses		
Salaries and social expenses	1 768	1 688
Accrued interest expenses	16 225	16 660
Other accrued expenses	20 033	9 801
Total	38 025	28 148
Liabilities to group companies		
Accrued expenses	4 783	2 925
Equity repayment liability	0	43 447
Group bank account	27 821	33 203
Total	32 604	79 575
Total current liabilities	**111 967**	**148 563**
Total liabilities	**2 342 322**	**2 383 485**

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Maturity breakdown of financial liabilities

31 December 2024 1,000 EUR	Effective interest rate	1-5 years	Maturity over 5 years	Total
Bonds	4,03 %	692 000	479 000	1 171 000
Notes	1,96 %	107 500	411 000	518 500
Loans from financial institutions	2,71 %	50 000	200 000	250 000
Total interest-bearing non-current liabilities		849 500	1 090 000	1 939 500

Maturity breakdown of financial liabilities

31 December 2023 1,000 EUR	Effective interest rate	1-5 years	Maturity over 5 years	Total
Bonds	4,84 %	640 000	531 000	1 171 000
Notes	1,98 %	79 000	439 500	518 500
Loans from financial institutions	2,71 %	50 000	200 000	250 000
Total interest-bearing non-current liabilities		769 000	1 170 500	1 939 500

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3.4 Liabilities and quarantees for debts

EUR 1,000	2024	2023
Provided on behalf of own and group liabili-		
Guarantees		
Floating charges	9 000 000	9 000 000
Mortgages	202 000	202 000
Leasing agreements		
Within one year	142	142
After one year but not more than five years	45	143
Total	187	284
Other own liabilities		
Connection fees not included in the bal-	85 114	85 114

Group bank accounts have been pledged as security for loans from financial institutions and bonds.

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Shares and Holdings

	Domicile	Share	Vote share	Share of ownership	Nominal value EUR 1,000	Book value EUR 1,000
Subsidiary						
Elenia Innovations Oy	Tampere	100 %	100 %	100 %	0	0
Other shares and holdings					194	194

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ELECTRICITY NETWORK BUSINESS DIFFERENTIATED STATEMENT OF PROFIT AND LOSS

1 000 EUR	1.1.–31.12.2024	1.1.–31.12.2023
Revenue	**348 561**	**326 093**
Other operating income	**1 662**	**1 456**
Materials and services		
Materials and goods		
Purchase during the financial period		
Network losses	-16 331	-32 862
Other materials	-1 835	-1 689
Services		
Grid costs	-26 262	-16 210
Other external services	-26 605	-22 921
Personnel expenses		
Salaries	-3 478	-3 119
Other personnel related costs	-709	-702
Depreciation, amortisation and impairment		
Impairment of network	-1 916	-2 350
Merger loss	-90 988	-90 988
Network assets	-71 876	-66 841
Other assets	-2 001	-1 673
Other operating expenses		
Lease expenses	-413	-359
Network rents and network leasing expenses	-377	-574
Other operating expenses	-32 085	-26 319
Operating profit	**75 349**	**60 941**

1 000 EUR	1.1.–31.12.2024	1.1.–31.12.2023
Finance income and expenses		
Interest and other financial income		
From group companies		
From other companies	2 146	2 331
Interest and other financial expenses		
From other companies	-52 123	-47 713
Profit / loss before appropriations and taxes	**25 372**	**15 559**
Appropriations		
Change in accelerated depreciations		
Network assets	-121 916	-110 159
Other assets	-876	-1 289
Group contributions		
Group contribution received	18 893	17 336
Income taxes	**1 752**	**1 755**
Loss for the year	**-76 775**	**-76 798**

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ELECTRICITY NETWORK BUSINESS DIFFERENTIATED BALANCE SHEET

1 000 EUR	31.12.2024	31.12.2023
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	24 291	25 258
Goodwill	1 987 842	2 043 837
Other capitalized long-term expenditure	17 328	17 249
	2 029 461	2 086 345
Tangible assets		
Land and water areas	190	190
Buildings and constructions	237	248
Electricity network	1 466 762	1 400 476
Merger losses	734 840	769 832
Machinery and equipments	769	986
Advance payments and construction in progress	12 216	19 352
	2 215 014	2 191 086
Total non-current assets	**4 244 475**	**4 277 430**

1 000 EUR	31.12.2024	31.12.2023
Current assets		
Long-term receivables		
Other long-term receivables	1 583	2 374
	1 583	2 374
Short-term receivables		
Trade receivables	15 668	19 330
Receivables from group companies	18 934	17 395
Other receivables	228	231
Prepayments and accrued income	44 686	43 088
	79 515	80 044
Cash and cash equivalents	28 985	0
Total current assets	**110 083**	**82 418**
TOTAL ASSETS	**4 354 558**	**4 359 848**

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ELECTRICITY NETWORK BUSINESS DIFFERENTIATED BALANCE SHEET

1 000 EUR	31.12.2024	31.12.2023
Capital and reserves		
Subscribed capital	80	80
Non restricted equity	1 600 847	1 657 400
Retained earnings	-226 534	-149 737
Profit / Loss for the financial year	-76 775	-76 798
	1 297 618	**1 430 946**
Cumulative accelerated depreciations		
Cumulative accelerated depreciations, network assets	736 809	614 893
Cumulative accelerated depreciations, other assets	5 643	4 767
	742 452	**619 660**
Liabilities		
Non-current liabilitites		
Non-current liabilities, interest-free		
Connection fees	201 434	201 742
Deferred tax liability	89 421	93 679
Non-current liabilities, interest-bearing		
Loans from financial institutions and other long-term loans	1 939 500	1 939 500
	2 230 355	2 234 922
Current liabilities		
Current liabilities, interest-free		
Trade payables	8 484	4 374
Liabilities to group companies	4 783	5 338
Other short-term liabilities	32 841	36 459
Accruals and deferred income	38 025	28 148
	84 133	74 320
Total liabilities	**2 314 488**	**2 309 242**
TOTAL EQUITY AND LIABILITIES	**4 354 558**	**4 359 848**

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NOTES TO DIFFERENTIATED FINANCIAL STATEMENTS

According to the Electricity Market Act, a company operating on electricity market must differentiate its electricity network business from other business activities. This differentiation requirement also applies to legally separated network operator. Only items that are relevant for network business operations are included in the differentiated financial statements. The differentiated financial statements of electricity business should be published and attached to company's official financial statements.

Differentiated financial statements include income statement and balance sheet, which should be derived from the accounting.

In addition to Electricity Network business Elenia Verkko Oyj contains Elenia group's financing and administrative related services and items.

Differentiation principles

Income statement items have been allocated into the differentiated business directly on the basis of accounting.

Balance sheet items have been allocated to the differentiated business directly on the basis of accounting or using an allocation key.

Depreciation principles for intangible and tangible assets are based on Elenia Verkko Oyj's depreciations rules which have been presented in the beginning of parent company notes.

In connection with its routine end-of-regulatory-period review, the Energy Authority (the “EA”) has determined that Elenia Verkko Oyj has incorrectly presented two items in its differentiated accounts. These items were created in connection with the sale of the district heating business in 2019 and Elenia group’s reorganization in 2020. In the same context, the EA specified the accounting treatment of the reserve for invested unrestricted equity as well as cash and cash equivalents in the differentiated accounts.

On February 4th 2025 Elenia Verkko Oyj received a draft decision from the EA, requiring it to change the accounting treatment accordingly and as further detailed below. The decision pertains solely to information presented in this note and does not require the restatement of historical financial statements. Elenia does not concur with the EA on their view of the correct accounting treatment and will appeal to the market court. However, despite the upcoming market court case, Elenia is obliged to follow EA’s instructions at this time.

Elenia Verkko Oyj has made changes to the differentiation principles of financial statements for the financial period 1 January – 31 December 2024 and its comparative information based on the draft decision received from the EA on February 4th 2025 as follows:

Deferred tax liability (EUR 89.4 million at the end of the financial period ended 31 December 2024 / EUR 93.7 million at the end of the financial period ended 31 December 2023) and change in deferred taxes during the year (EUR 4.3 million during the financial period 2024 / EUR 14.9 million during the financial periods 2020–2023) resulting from group restructurings have been allocated to network business.

As a result of the sale of the district heating business in 2019, the liability related to the return of equity to the parent company Elenia Oy in the financial years 2020–2023 (EUR 0 at the end of the financial year ended 31 December 2024 / EUR 43.4 million at the end of the financial year ended 31 December 2023) has been allocated partly to the network business (EUR 2.4 million at the end of the financial year ended 31 December 2023) and partly to other than network business (EUR 41.0 million).

The non restricted equity (EUR 1,600.8 million at the end of the financial year ended 31 December 2024 / EUR 1,657.4 million at the end of the financial year ended 31 December 2023) has been allocated in its entirety to the network business.

The interest income received by Elenia Verkko Oyj from the loan receivable from Elenia Group Oy in the financial years 2020 and 2021 has been allocated to other than network business. The impact of the change on retained earnings for both the financial years 1.1.-31.12.2024 and 1.1.-31.12.2023 is EUR 2.6 million.

Any reconciliations between the balance sheets of the differentiated financial statements have been made to the item cash and cash equivalents.

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Electricity Network business' key figures

1 000 EUR	2024	2023
INVESTMENTS		
Intangible assets		
Intangible rights	1 066	1 248
Other capitalized long-term expenditures		
Connection fees	1 607	2 400
Other capitalized long-term expenditures	244	783
Tangible assets of electricity network business		
Land and water areas	160	30
Electricity network	111 113	109 570
Demolition costs	1 917	2 659
Meters	24 943	23 221
Other tangible assets	0	572
OTHER KEY FIGURES		
Refundable connection fees	201 434	201 742
Capital gain on the sales of a power line included in the other operating income	63	-
Mandatory outage compensations	4 804	726
EU DSO Entity membership fees	5	3
R&D expenses in the profit and loss account during the financial year	224	431
Operative expenses included in security of supply incentive during the financial year		
Demolition costs in the balance sheet at the end of the financial year	41 326	41 062
Return On Equity, network business (%)	1,43 %	0,90 %
Average number of personnel in the network business	75	75

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SIGNATURES TO THE FINANCIAL STATEMENTS

Tampere, 12 March 2025

Jorma Myllymäki Chairman of the Board of Directors CEO	Jarkko Kohtala
Anne-Marie Malmberg	Ville Sihvola
Tommi Valento	

AUDITORS NOTE

A report on the audit carried out has been issued today.

Tampere, 13 March 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Miikka Hietala
KHT

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AUDITOR'S REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Annual General Meeting of Elenia Verkko Oyj

REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Elenia Verkko Oyj (business identity code 3001882-6) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.3.1. to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition *We refer to the Group's accounting policies and the notes to the consolidated financial statements 2.1.* Revenue from the distribution of electricity is recognized at the time of delivery. Revenue includes large volume of transactions and the Group focuses on revenue as a key performance measure which could create an incentive for premature revenue recognition.	Our audit procedures included, among others: • We assessed the reasonableness of the Group's accounting policies over revenue recognition and compliance with applicable accounting standards. • We assessed the IT-systems, processes, and methods for revenue recognition. • We examined the recorded sales transactions during the year against underlying documents. • We examined the sales accruals. • We obtained confirmations of open accounts receivable balances at year end from customers and analyzed credit invoices issued after the balance sheet date.

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	• We performed data-analytics procedures on revenues. • We considered the appropriateness of the Group's disclosures in respect of revenues.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Information on our audit engagement

We were first appointed as auditors on 13.5.2019, and our appointment represents a total period of uninterrupted engagement of 6 years. Elenia Verkko Oyj has been a public interest entity since 1.7.2020.

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Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Tampere March 13th, 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Miikka Hietala
Authorized Public Accountant

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