



Elenia Group **INVESTOR REPORT** **H1 2025**



ELENIA

INVESTOR REPORT

For the six months ended 30 June 2025

Elenia Group

This investor report provides information on the Elenia Group's ("Elenia") business in the first half of 2025, including regulatory and business developments, Elenia's financial performance and other information in accordance with the requirements of the Common Terms Agreement dated 10 December 2013 as amended and restated from time to time ("CTA").

1. Overview

During the reporting period, Elenia's electricity distribution business ("Elenia Verkko Oyj") continued the roll-out of its long-term investment plan, which is designed to improve the security of supply, and approximately 84 % of Elenia's customers are within the scope of the quality requirements¹.

In the first half of 2025, Elenia's revenue and EBITDA² increased by 0.8% and 3.1% respectively compared to the first half of 2024. The growth due to tariff increase in September 2024 was offset by mild winter weather resulting in lower distribution volumes. The key financial performance indicators for the first half of 2025 are shown in the table below. Further information is available at www.elenia.fi/en/investors.

Key Financial Performance Indicators (€m)	H1 2024	H1 2025	Change (%)
Revenue	181.5	182.8	0.8%
EBITDA ²	122.5	126.3	3.1%
EBITDA ² Margin	67.5%	69.1%	

2. Business Update

a. Storms and Exceptional Weather Events

There were no major power disruptions or storms during the reporting period.

¹ The Electricity Market Act states that the quality requirements should apply to 100% of customers by the end of 2036 and accordingly power needs to be restored within six hours in zoned areas, and within 36 hours in other areas.

² Excluding exceptional and non-recurring items of approximately €1.0 million that included minor network losses and legal expenses related to regulatory changes.

b. Regulation

The Energy Authority ("EA") supervises the operations of the distribution system operators ("DSOs") and regulation is based on four-year periods. The final regulatory confirmation decision for the sixth (2024-2027) and seventh (2028-2031) regulatory periods includes numerous amendments which weaken the investment capabilities of the DSOs. Elenia has appealed to the Market Court to repeal the decision. Elenia has also appealed to the Market Court to repeal the decision of the EA regarding the amendment to the regulation methods of the previous regulatory period for 2022-2023.

In May, Elenia received a decision from the EA requiring it to change the accounting treatment of items that were created in connection with the sale of the district heating business in 2019 and reorganisation of Elenia in 2020. The decision, if it stands, would negatively impact Elenia's regulatory asset base ("RAB") and reasonable return as Elenia's cumulative regulatory position at the end of the previous regulatory period might change from a deficit to a surplus, hence possibly necessitating the offsetting of any regulatory surplus during the current regulatory period ending in 2027. However, any potential impact on Elenia's regulatory accounts beyond 2027 would be limited. Elenia has appealed the decision to the Market Court as Elenia views that the two items in question are not related to the regulated network business.

The EA has published selected regulatory key figures of Finnish DSOs based on the 2023 figures. Elenia Verkkö Oyj's RAB was €1,729.8 million³ at the end of 2023.

c. Investments

Elenia was the first DSO in Europe to incorporate hourly electricity consumption monitoring into digital services and is now replacing 435,000 smart electricity meters with next-generation meters. The project is scheduled to last until the end of 2025 and currently more than 350,000 units have been installed. An increasing share of electricity is being produced from wind and solar energy meaning that changes in weather will affect the volume of electricity production. As consumption of electricity as well as the need to balance production and consumption is increasing, new state-of-the-art technology solutions for electricity networks and electricity metering systems are required to enable demand side flexibility.

Elenia will deliver the updated network development plan to the EA in June 2026. The plan is expected to include clear increase in green transition related investments compared to the current network development plan which already includes capex requirements of €2.4 billion between 2024 and 2036. The network investments in the first half of 2025 were €55.9 million (€120.0 million on a rolling 12-month basis) and the underground cabling rate increased as planned to approximately 66%. Due to significant negative changes in the regulatory methods, Elenia will cut investments in 2024-2026 by approximately €120 million to preserve credit ratios and support the rating. To reach the future capex requirements, Elenia would need to start ramping up the capex programme to sustainable levels in the next few years.

d. Continuity of Operations

Elenia has an asset management system according to the international ISO 55001:2014 standard in place for the three-year period 2022-2025 subject to continuing surveillance visits. Elenia has demonstrated that it continues to have asset management processes, systems and plans which have been implemented and maintained throughout the organization.

³ The figure should be considered preliminary until the final regulatory decision has been given by the EA. The figure may be affected by the ongoing Market Court cases.

An external ISO/IEC 27001 audit was conducted and successfully passed in the beginning of the reporting period. Cybersecurity focus has been on streamlining operational instructions and response processes against potential cyber incidents.

e. Safety, Health and Sustainability

Elenia's sustainability programme and its targets apply to everyone at Elenia. The sustainability program is aligned with the UN's Sustainable Development Goals and there are six selected goals that are linked to Elenia's operations. For each of the goals, the company has set specific targets and the related KPIs are followed monthly. Elenia is also a signatory of the UN's Global compact.

The seventh Sustainability Report prepared in accordance with the Global Reporting Initiative standards (as well as the relevant GRI Electric Utilities Sector Supplement themes) was published in March 2025. The reporting takes into account the requirements of the Sustainability Accounting Standards Board (SASB) and it also includes a Task Force on Climate-related Financial Disclosures (TCFD) report facilitating the assessment of the impacts of climate-related risks and opportunities on the business, strategy and financial decision-making.

Elenia has been approved for the Science Based Targets initiative climate target. As part of an ambitious future-oriented sustainability vision Elenia focuses on its own operations to reach carbon-neutrality. Elenia is committed to reduce absolute greenhouse gas Scope 1 and 2 emissions 42% by 2030 in accordance with the Paris Climate Agreement. Additionally, Elenia is committed to setting Net Zero targets that cover also the emissions from the entire value chain (Scope 1, 2 and 3). The Net Zero targets must be met by 2050. Currently the number of all Elenia's suppliers committed to the SBTi has reached 37% which will have a significant impact on emissions reduction targets in the future.

The EU taxonomy is a classification system establishing a list of environmentally sustainable activities. Approximately 98 % of Elenia's revenue, 99 % of capex and 78 % of operating expenses are taxonomy eligible and taxonomy aligned. When examining the proportion of Elenia's EU taxonomy eligible activities, it can be noted that Elenia's taxonomy eligible revenue, capex and operating expenses are in line with the criteria set for climate change mitigation. Elenia has also taken into account EU taxonomy alignment requirements for companies to comply with minimum social safeguards regarding human rights, corruption and bribery, taxation and fair competition.

Elenia has in place the Safety Manifesto with its main contractors, indicating that they are jointly committed to safety and that everyone is entitled to return home healthy after work. This is monitored on the highest level and all accidents are reported to the Board. Elenia has launched an HSEQ (Health, Safety, Environment and Quality) development project together with partners aiming at preventing accidents and improve safety, sustainability and quality in work performed for Elenia. The project involves HSEQ coordinators conducting visits to construction sites to observe on-site work and activities, as well as safety attitudes.

During the reporting period Elenia also participated in the GRESB Infrastructure Assessment focusing on environmental, social and governance performance. The 2025 results from the assessment are expected to be released in autumn.

3. Changes to the Board of Directors

In May, Philip Swift ceased to be a member of the board of directors of Elenia Oy and was replaced by Jan Montell.

4. Financing and Hedging Position

Elenia has five-year sustainability-linked revolving credit facilities from a syndicate of nine banks. The facilities include sustainability KPIs aiming to reduce CO2 emissions, improve security of supply and enhance safety among personnel and service providers. As at 30 June 2025, the facilities consisting of €250 million capex facility, €50 million working capital facility and €70 million liquidity facility, were undrawn.

In February, Elenia signed a €100 million five-year loan with the Nordic Investment Bank to finance Elenia's investment programme which is designed to improve the security of supply and enable green transition.

In May, Elenia was the first in the Nordics and the third European corporate issuer to publish a green finance framework aligned with the new EU Green Bond standard enabling future bond issues that meet the requirements of the EU taxonomy. The standard is the most advanced and ambitious framework in the financial markets in terms of asset allocation, reporting accuracy and external verification. S&P Global Ratings provided an independent external assessment of the framework and granted it the highest Dark Green rating based on the environmental objectives and impacts.

The Hedging Ratio was 81.6% as of 30 June 2025 and Elenia was in compliance with the Hedging Policy.

5. Acquisitions or Disposals

There were no material acquisitions or disposals in the reporting period.

6. Restricted Payment

The amount of Restricted Payments made since the date of the previous Investor Report is €25 million.

7. Recent Development

In July, the storm Ulla hit southern Finland affecting also Elenia's network area. At worst approximately 5,000 Elenia's customers were simultaneously without electricity with longest outages lasting less than 24 hours.

In August, Toivo Hurme was appointed as Chief Strategy and Public Affairs Officer in the management team of Elenia.

8. Ratios

In respect of this investor report dated 17 September 2025 covering the 6-month period ending 30 June 2025, by reference to the most recent Financial Statements delivered to you in accordance with Paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 2 (Security Group Covenants) of the CTA:

The Interest Coverage Ratio (FFO / Net Finance Charge) in respect of the Relevant Periods are:

30 June 2025	€234.3m / €49.6m = 4.72
30 June 2026	€233.3m / €57.6m = 4.05

The Leverage Ratio (Total Net Debt / EBITDA) in respect of the Relevant Periods are:

30 June 2025 €1,912.5m / €236.9m = 8.07

30 June 2026 €2,106.1m / €235.8m = 8.93

(together “the Ratios”).

Each of the above Ratios has been calculated in respect of the Relevant Period(s) or as at the Calculation Dates for which it is required to be calculated under the CTA.

9. Confirmations

We confirm that as at 30 June 2025:

- (a) no Default or Trigger Event has occurred and was continuing
- (b) the Security Group was in compliance with the Hedging Policy; and
- (c) the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully,



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Tommi Valento

Chief Financial Officer

Signing without personal liability, for and on behalf of

Elenia Verkko Oyj as Security Group Agent