

FINGRID OYJ

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FINGRID GROUP'S HALF-YEAR REPORT 1.1.–30.6.2025

Fingrid's consolidated financial statements have been compiled in accordance with the International Financial Reporting Standards (IFRS). This half-year report has been drawn up in accordance with the IAS 34 Interim Financial Reporting standard and complies with the same basis for preparation as those presented in the Group's financial statements for 2024. This half-year report is unaudited. Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year.

- The transmission reliability rate of Fingrid's grid was very high. Electricity consumption in Finland was at the previous year's level. The emissions from the electricity consumed in Finland decreased.
- The company estimates that the gross capital expenditure in 2025–2028 will amount to roughly EUR 1.7 billion, EUR 629.8 million of which is committed.
- The renewable production capacity connected to the main grid grew by 794 (585) MW. The number of connection enquiries for new electricity consumption and grid energy storage projects grew significantly.
- Turnover for January–June was significantly lower than in the previous year, mainly due to the mild winter. The balance service's share of the company's turnover decreased to 46 (57) per cent due to lower imbalance power price and increased price volatility. Fingrid's operational costs excluding balance services and financial transmission rights increased.
- Accumulated congestion income was used for covering the increased costs of transmission grid operations. Customers' grid service fees were increased by 8 per cent starting from 1 January 2025.
- Result before taxes excluding the change in the fair value of derivatives was EUR 134.5 (147.4) million. The company's financial position remained strong.

Key figures		1-6/25	1-6/24	change %	1-12/24
Turnover	€M	572.1	746.7	-23.4	1,269.3
Operating result*	€M	140.0	150.9	-7.3	238.9
Result before taxes *	€M	134.5	147.4	-8.8	227.4
Result for the period	€M	107.5	92.6	16.1	149.2
Net cash flow from operations	€M	261.2	109.7	138.2	190.9
Accumulated congestion income	€M	168.4	139.2	21.0	327.5
Capital expenditure, gross	€M	227.4	198.0	14.9	520.9
Interest-bearing net debt	€M	1,047.6	700.1	49.6	1,021.7
EBITDA **	€M	342.5	333.2	2.8	329.3
System security	%	99.99999	99.9995	0.0	99.9995
Electricity consumption in Finland	TWh	43.3	43.1	0.3	82.7
Lost-time injuries frequency (LTIF) **		4.0	6.9	-42.0	4.8
Emission factor, electricity consumed in Finland	gCO2/kWh	30	40	-24.6	33
Renewable production connected to the main grid	MW	794	585	35.7	1,600

* Excluding the change in the fair value of derivatives

** 12-month rolling sum

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Review by the President & CEO: Clean, affordable and variable electricity production attracts data centre and battery storage investments

“The energy transformation is progressing rapidly in Finland. After a boom of investments in electric boilers, we now see great interest in data centre and energy storage investments. The share of data centres in the connection enquiries for electricity consumption received by Fingrid has increased and now makes up roughly half of received enquiries, while the connection enquiries for grid energy storages has rapidly exceeded 30 GW. The energy storages will provide flexibility necessary for a variable power system, but they also compete for grid connection capacity with other types of consumption, including particularly new industrial consumption. Future industrial and energy policy decisions may require guidelines for prioritising new connection of facilities to the grid.

Prime Minister Orpo’s government included the importance of ensuring Fingrid’s investment capacity in its mid-term budget deliberations in April. The aim is to help attracting industrial investments to Finland. Fingrid has continued its review of investment needs in the shape of the preparations for a 10-year grid development plan, due for completion in the autumn, and electricity system vision.

Fingrid continued determined implementation its investment programme during the review period. The section of the Aurora Line cross-border connection on the Finnish side of the border was completed in late June. The other key projects — the Lake Line, the 400-kV underground cable in Helsinki and the Huittinen–Forssa transmission line — progressed on schedule. Another positive event was the completion ahead of schedule of the repairs on the EstLink 2 electricity transmission connection between Finland and Estonia and restoring the connection to commercial use in late June. This cross-border transmission connection was damaged on Christmas Day 2024.

The development on the electricity market progressed rapidly during the first half of the year in the shape of adopting the latest electricity market reforms for power reserves. Cost-effective balancing the increasingly variable power system requires an extensive and well-functioning electricity market, powerful cross-border transmission connections and active market operators. The significance of these three factors was highlighted in June when the Finnish electricity system faced a large surplus. As a result, more balancing power bids were needed than were available and the price of down-regulation hit its price cap of EUR -10,000 per megawatt-hour.

Variability of the electricity system is the new normal. In combination with the increased investments, maintaining the variable power system has increased Fingrid’s operational costs and the risks related to cost volatility. Fingrid raised its grid service fees by 8 per cent at the beginning of the year.”

Main business events

- The electricity system operated reliably during the review period. The transmission reliability rate of the main grid was high. Due to the mild winter the availability of electricity was good.
- Electricity consumption in Finland in January–June amounted to 43.3 (43.1) terawatt hours. During this period, the electricity Fingrid transmitted to its customers amounted to 34.7 (33.5) terawatt hours, which represented 80.3 (77.7) per cent of Finland’s total electricity consumption.

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- In the first half of 2025, 794 MW (585 MW) of new renewable production was connected to the grid: 536 MW of wind power and 258 MW of solar power.
- The number of new connection enquiries for the grid received by Fingrid has exceeded 400 GW for electricity production, roughly 70 GW for electricity consumption and roughly 30 GW for grid energy storages.
- The capital expenditure in the main grid has grown. Roughly 560 km of transmission lines are under construction. A total of 70 substation projects are underway.
- The Aurora Line between Finland and Sweden will be completed on schedule during 2025. The Aurora Line is a major joint undertaking of Fingrid and Svenska Kraftnät that will increase the transmission capacity between the countries by roughly 35%.
- The EstLink 2 electricity transmission connection between Finland and Estonia was restored to commercial operation on 20 June 2025. The connection had been out of operation since becoming damaged on 25 December 2024.
- The system protection scheme facilities that enable the Olkiluoto 3 power plant's output of more than 1,300 MW were selected for the period starting on 1 July 2025 and ending on 31 December 2026. Fingrid will charge TVO for the compensation paid for the system protection scheme facilities.
- Fingrid raised its fees for grid services by 8% from the beginning of 2025. The increase is necessitated by the increased investments in the main grid and the growing costs of managing the electricity system.
- As of 1 June 2025, the volume fee for production and consumption paid by balance responsible parties fell to EUR 1.66 per megawatt hour (previously EUR 1.73 per MWh). The fee was lowered because of lower than expected reserve costs. Strong volatility in the price of balancing power and in the availability of balancing capacity increase the riskiness and cost uncertainty related to the balance service.
- Fingrid joined the European PICASSO marketplace for aFRR reserves as planned on 26 March 2025. The trading in aFRR energy between Finland and Estonia started in May. The new Nordic mFRR energy marketplace started operating in March. The Nordic intraday trading and imbalance pricing went over to the 15-minute market time unit (MTU) in March 2025. The mFRR market has experienced significant price volatility and several high peaks in balancing power prices.

Legal proceedings and proceedings by authorities

On 2 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the terms and conditions of balance service. The appeal mainly concerns the collateral model for balance responsible parties presented in the decision. In November 2023, the Energy Authority issued a decision on the terms and conditions for balance responsible parties, which include the principles for how collateral requirements are determined. The Energy Authority's decision includes major changes to the current collateral terms and conditions and sets apart Finland's collateral model from that used in other Nordic countries. The most significant changes to the current collateral model include a major reduction in the required collaterals, elimination of the requirement to provide an adequate additional collateral and a possible collateral ceiling. The reduction of collaterals required from a balance responsible party will increase joint liability for counterparty risks among all the balance responsible parties.

On 29 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the methods concerning the specification of the profit for the electricity transmission grid operations for the sixth regulatory period 1 January 2024–31 December 2027 and seventh regulatory period 1 January 2028–31 December 2031. According to Fingrid's assessment, the decision on the regulatory methods is a significant weakening of the electricity transmission grid operations' reasonable profit regulatory method that expired at year-end. In Fingrid's view, the assessment of impacts in preparing the regulatory model decision has been deficient and there are still issues open to interpretation related to the presented decision. The decision weakens Fingrid's ability to invest. Fingrid's goal is a solution that would also enable the future development of the grid, allowing the hundreds of billions in green transition investments in Finland to be implemented as planned.

On 15 February 2024, Fingrid appealed to the Market Court against the decision given by the Energy Authority on 11 January 2024 on the scope of the national transmission system operator's systems responsibility regarding the grid connection of the OL3 nuclear power plant. Teollisuuden Voima Oyj ("TVO") lodged a request for an investigation with the Energy Authority on 25 May 2022 related to the claims by TVO that Fingrid has neglected its obligation to develop the main grid as stated in the Finnish Electricity Market Act and/or other applicable legislation, and that, as a result, it has placed unlawful restrictions on connecting the Olkiluoto 3 nuclear power plant to the grid, and that Fingrid is in breach of its administrative obligations linked to carrying out its public administrative task. The Energy Authority states in its decision of 11 January 2024 that Fingrid fulfilled its development, connection and transmission obligations in accordance with the Electricity Market Act. The Energy Authority also found the 1,300 MW power limit specified in Fingrid's connection terms justified and did not find Fingrid to have restricted Olkiluoto 3's access to the grid. In its decision, the Energy Authority sees, however, that Olkiluoto 3's protection scheme falls under Fingrid's responsibility based on a transmission system operator's protection scheme as intended by legislation and that Fingrid is in breach of Article 9 of the Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation and its obligation in line with Section 10, Subsection 1 of the Act on the Control of the Electricity and Natural Gas Market (2013/590) to bring the determination principles for fees it applies before the Energy Authority for approval prior to their implementation.

In accordance with the Energy Authority's decision, Fingrid submitted its proposal concerning the determination principles for fees related to the OL3 protection scheme on 30 April 2024. The Energy Authority issued its decision on the determination principles for fees on 30 December 2024. According to the decision, TVO shall bear the costs for reimbursements to response resources connected to system protection and for the construction, maintenance and use of data communication connections. The decision states that Fingrid shall bear the costs for acquiring the response resources and awarding contracts, managing the protection scheme and the tests to be carried out on the response resources for system protection, as well as for the maintenance of the measurement and monitoring system for system protection in Fingrid's operation control system. Fingrid and TVO have agreed on fee arrangements for Olkiluoto 3's protection scheme as of 1 January 2025. The agreement is based on the decision issued by the Energy Authority on the costs for the protection scheme on 30 December 2024. The fee arrangements for the protection scheme do not directly affect the legal proceedings concerning the protection scheme's extent, which are still ongoing in the Market Court.

Fingrid received an expropriation permit for the widening of the Torna–Lautakari right-of-way for the neutral line on 27 October 2022. In the kick-off meeting for the expropriation procedure on 1 December 2022, the expropriation committee decided that the expropriating party is

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obligated to assume responsibility for the tree stands within the scope of the rights and restrictions set in the expropriation permit, unless otherwise agreed. The final meeting of the expropriation procedure was held on 16 November 2023. Fingrid appealed against the decision concerning the Torna–Lautakari tree stands' expropriation to the Southwest Finland District Court's Land Rights Court on 22 December 2023.

Events after the review period and outlook for the rest of the year

On 24 July 2025, the Board of Directors decided, in compliance with the authorisation granted by the AGM, that the second instalment of dividends shall be paid after the half-year report has been approved and the Board has assessed the company's solvency, financial position and financial performance. Based on the authorisation received by the Board, the second dividend instalment of EUR 17,800.00 for each Series A share and EUR 6,500.00 for each Series B share, totalling EUR 45,093,900.00 in dividends, will be paid on 29 July 2025.

The rapid change of the electricity system and the increasing weather dependence of electricity production make forecasting of transmission conditions more difficult and increase fluctuations in national power balance management. The availability of flexible power production and power system flexibility will influence power balance management and safeguarding system security of the main grid. The price fluctuations on the electricity market and temporary scarcities of electric power increase uncertainty of Fingrid's costs. The extensive demand for grid investments to meet the customer needs together with the increasing transmission needs and the transforming power system will increase the company's operational costs. Electricity consumption in Finland is forecasted to grow. The recognition of congestion income accrued to Fingrid in the company's turnover and other operating income will be continued, relieving the pressure to increase the grid fees. Congestion income will also fund the investments related to cross-border transmission capacity. The Energy Authority annually decides on the use of the congestion income. The company's debt service capacity is expected to remain stable. The company has not changed its earnings guidance from what is stated in the Financial Statements Bulletin of 4 March 2025.