

FINGRID OYJ
www.fingrid.fi

25 July 2024

FINGRID OYJ
HALF-YEAR REPORT
1 JANUARY – 30 JUNE 2024

FINGRID OYJ

www.fingrid.fi

25 July 2024

Financial result and financing

The Group's turnover from January through June increased, while Fingrid's operational costs grew. The drivers of higher operational costs included the extensive grid investment programme, expansion of the power system, increasingly weather-dependent electricity production and the measures needed for ensuring high-quality electricity transmission amid the rapid transition. Balancing the power system results in increasing fluctuations in Fingrid's turnover, which stems from the drastically increased weather-dependency of electricity production, forecast uncertainty in electricity production and consumption, and from the temporary scarcity of balancing capacity. The pricing of Fingrid's services follows the cost development and the allowed regulatory profit set for the operations over time. The use of accrued congestion income to cover the increased costs of transmission grid operations and to waive grid service fees has helped to balance out the seasonal variations in the company's result as well as customer pricing.

The turnover of the balance service grew from the comparison period and amounted to 56 per cent of the Group's total turnover. Income from grid service fees and grid connection fees remained on a par with the comparison period. Fingrid waived grid service fees in January, February and June. Finland's electricity consumption on which grid service revenue is based was 42.7 (39.9) terawatt hours in 2024. The congestion income accrued to Fingrid from cross-border connections amounted to EUR 139.2 (124.9) million, of which Fingrid's share was EUR 112.9 (90.0) million. A total of EUR 234.2 (94.6) million in congestion income was recognised in turnover to cover the waiving of grid service fees and increased operating expenses, and EUR 40.7 (44.4) million in other operating income to cover Financial Transmission Rights and cross-border capacity costs.

The Group's total costs, excluding the change in the fair value of commodity derivatives, amounted to EUR 637.9 (513.0) million. The costs of purchased imbalance power increased to EUR 307.1 (236.5) million due to increased imbalances and the higher price of balancing power. Fingrid's operational costs, excluding costs of balancing power procurement and the FTR costs related to cross-border capacity costs for the cross-border capacity between Estonia and Finland, increased from the comparison period to EUR 304.5 (241.6) million. The factors driving the cost increase include the expansion of operations necessitated by the power system growth and change, the volatility in the price and transmission of electricity which increases loss power costs, and the growing need for reserves for securing the system security of the grid and the power balance. The Group's costs are presented in more detail in the Costs.

In the review period, the company's total investments grew to EUR 198.0 (130.7) million due to increasing capital expenditure to enable the growth of electricity production and consumption and the green transition in Finland. The main grid development plan for the next ten years envisages EUR 4 billion in capital expenditure. The company estimates that gross investments will come to some EUR 2 billion over the next four years, including the current year. The investment commitments concerning future expenditure items came to EUR 848 million on 30 June 2024.

The Group's operating profit excluding the change in the fair value of derivatives was EUR 150.9 (87.1) million. The Group's profit before taxes was EUR 115.7 (-85.0) million. The result of the review period improved compared with the comparison period due to the increased capital expenditure and higher interest rates and the consequently larger allowed regulatory profit as well as due to the change in the fair value of electricity derivatives. Profit for the review period was EUR 92.6 (-67.9) million and comprehensive income was EUR 92.6 (-68.0)

FINGRID OYJ

www.fingrid.fi

25 July 2024

million. The equity ratio at the end of the financial year was 18.7 (31 December 2023: 20.1) per cent.

Turnover and other income, MEUR	1-6/24	1-6/23	change %	1-12/23
Grid service income	83.7	83.7	0.0	164.5
Imbalance power sales	399.4	343.4	16.3	682.6
ITC income	5.9	14.1	-58.4	20.8
Congestion income	234.2	94.6	147.6	284.7
Datahub income	10.4	10.3	1.6	20.6
Other turnover	13.1	8.8	48.4	19.9
Turnover total	746.7	554.8	34.6	1,193.2
Other operating income	42.4	45.3	-6.4	119.7
Turnover and other income total	789.1	600.1	31.5	1,312.9

Costs, MEUR	1-6/24	1-6/23	change %	1-12/23
Purchase of imbalance power	307.1	236.5	29.9	491.1
Loss power costs	42.8	34.1	25.6	75.2
Depreciation	63.7	59.0	8.0	123.3
Cost of reserves	109.3	71.5	52.9	185.6
Personnel costs	24.1	21.3	13.2	42.8
Maintenance costs	10.4	8.6	20.8	22.5
ITC charges	13.8	13.7	0.6	20.7
Financial transmission rights (FTR)	26.3	34.9	32.9	96.2
Other costs	40.4	33.4	21.0	69.4
Costs total	637.9	513.0	24.4	1,126.8

Operating result, excl. the change in the fair value of derivatives	150.9	87.1	73.2	186.1
Operating result	124.7	-79.5	256.9	1.0

The Group's net financial costs from January through June were EUR 9.4 (6.1) million. The net financial costs increased due to increased debt. The increase in net financial costs was curbed by the increased finance income from cash and cash equivalents and by realised interest rate hedges. The change in the fair value of financial derivatives was EUR 5.5 million negative (EUR 3.7 million negative).

Interest-bearing borrowings totalled EUR 1,308.0 (31 December 2023: 998.1) million, of which non-current borrowings accounted for EUR 1,060.9 (654.7) million and current borrowings for EUR 247.1 (343.5) million.

During the review period, the company's cash assets fell due to the use of congestion income for waiving grid service fees and for covering the rising costs of the grid operations. Cash and cash equivalents and other financial assets totalled EUR 529.0 (387.0) million on 30.6.2024. The company's financial position remained strong.

Customers

Fingrid published its production and consumption outlook, which was updated during the spring, envisioning significant growth in both electricity consumption and production in Finland by the end of the decade. The biggest growth drivers are the electrification of industrial processes and heating, and electricity consumption based on hydrogen economy.

Compared with earlier forecasts, the forecasted growth of wind power production is slightly lower for the next few years, whereas the forecasted growth of solar power is higher, especially for the next few years. The long-term growth trends for wind and solar energy remain largely unchanged and support the strong growth of the power system.

The volume of electricity production main grid connection enquiries grew significantly since the corresponding period last year, and their total capacity currently amounts to 411 GW, of which 49 GW accounted for the enquiries received during the review period. The majority of the enquiries concern onshore wind energy, but connection enquiries for offshore wind energy and solar power plants are also growing. In the first half of 2024, 585 MW (772 MW) of new renewable production was connected to the grid.

The increased production of clean electricity and reliable electricity transmission have had a significant impact on industrial consumer demand. In various parts of Finland, numerous projects related to clean electricity consumption are under planning and under way in the hydrogen industry, in data centres, and in the heating sector and the metals industry, and important new investment plans were unveiled this past spring.

Fingrid released a study of the possibilities to connect offshore wind power to the main grid during the review period. The study identified five potential connection areas where linking offshore wind farms to the main grid on the Finnish mainland is technically possible: Ulvila, Närpiö, Vaasa, Raahe and Raisio. The Inkoo area is another potential connection area if offshore wind power development becomes feasible also in Finland's southern sea areas. Fingrid is seeking feedback from stakeholders on the possibilities to connect offshore wind power, on the basis of which the preliminary suggestions for connection points will be defined during the autumn of 2024.

Fingrid proposed reforms to the structure of grid service fees during the review period. The proposed new grid service fee structure aims to increase the efficiency of grid operations to support rapid grid connections of new electricity production and consumption and to create new methods of main grid transmission management. The grid fee reform will proceed with stakeholder consultations and more details will be published during the second half of 2024.

Main grid investments

A total of 560 kilometres of 400 kilovolt transmission lines and roughly 150 kilometres of 110 kilovolt transmission lines are currently under construction in the main grid. A total of 79 substation projects are being implemented. Finland's main grid consists of roughly 14,500 kilometres of transmission lines and 124 substations.

The grid investments will be record-high in 2024, which will reinforce Finland's competitiveness in attracting industrial investments and promote the achievement of Finland's carbon neutrality goals by 2035. The investments in the main grid will enable new customer connections, electricity system growth, increased system security of the whole power system security as well as electricity market operations.

During the review period, Fingrid decided on investments to construct a 400-kilovolt transmission line named Lowlands Line and to construct new substations and expand existing ones. The Lowlands Line, running from Kalajoki to Jämsä, will be a new 400-kilometre-long 400-kilovolt main transmission line to support the transmission of wind power, with production heavily concentrated on Finland's western coast, to the consumers. The project is due for completion in 2027.

Fingrid started the construction of the 300-kilometre long Lake Line from Vaala to Joroinen during the review period. The construction of an underground cable connection for the main grid was started in Helsinki during spring 2024. This joint project between the City of Helsinki, Helen Sähköverkko and Fingrid will meet the needs of growing electricity consumption in the capital region. The new underground cable is due for completion in 2026.

The Tammisto substation in Vantaa, a key hub of electricity transmission in the Helsinki region, will be expanded with a third transformer. Fingrid will also expand a substation located in Kajaani and build new substations in Kouvola and Hamina. A substation located in Jyväskylä will be modernised to improve system security. Fingrid also made an investment decision on the procurement of 20 capacitors for nine of its substations to increase the north–south transmission capacity.

Fingrid is committed to the mitigation of any negative climate impacts from grid construction. The transmission system operator is taking a major step towards more sustainable construction methods by procuring for the first time low-emission steel structures, made from recycled steel, for three new substations, which will significantly reduce the carbon footprint of construction work. Another sustainability measure is the use of SF6-free technology for the gas insulation of substations. Fingrid is committed to cut back the use of the environmentally harmful SF6 gas at its substations and to promote the adoption of new technologies. Fingrid decided on the procurement of 7,300 kilometres of transmission line conductors made from low-emission aluminium during the review period. This will significantly reduce the carbon footprint of the conductors to be installed.

FINGRID OYJ

www.fingrid.fi

25 July 2024

Power system operations

The table below shows key figures for electricity consumption and electricity transmission for the review period.

Electricity system operation	1-6/24	1-6/23	1-12/23
Electricity consumption in Finland, TWh	42.7	39.9	79.7
TSO transmission in Finland, TWh	1.6	3.3	6.5
Transmission within Finland, TWh	44.3	43.2	86.2
Fingrid's electricity transmission volume, TWh	36.1	35.0	71.7
Fingrid's electricity transmission to customers, TWh	33.5	30.3	62.4
Fingrid's loss energy volume, TWh	0.7	0.7	1.6

Electricity transmission Finland - Sweden

Exports to Sweden TWh	5.7	1.4	2.2
Imports from Sweden, TWh	1.4	5.3	10.7

Electricity transmission Finland - Estonia

Exports to Estonia, TWh	1.2	3.3	7.0
Imports from Estonia, TWh	0.2	0.0	0.1

The long and exceptionally cold spell during the first week of 2024, combined with failures in thermal power plants, resulted in the most challenging period of the winter in terms of adequate supply of electricity. Due to the strained power balance, Fingrid raised its state of readiness on 4 January 2024. Despite the challenging circumstances, there was enough electricity and Fingrid cancelled the heightened state of readiness on 5 January 2024. A significant factor was the price flexibility of consumers, which also played a part in ensuring the availability of electricity.

Last winter's consumption peak was reached on Wednesday 3 January 2024, between 7 and 8 pm. The average consumption during that hour was 14,993 MWh. The production peak of the winter, also Finland's all-time high in electricity production, 14,246 MWh, was measured on 26 January 2024 between 6 and 7 pm. This peak production hour of the winter was comprised of large amounts of wind power (roughly 80% of the installed capacity) and the nuclear power plants running at full power.

In January–June, the system security of Fingrid's grid system was at a good level, despite several disturbances caused by frequent thunderstorms early in the summer. The grid's transmission reliability rate during the review period was 99.9995 (99.99991) per cent.

During the review period, disturbance-clearing readiness was raised in southern and central Finland on 16 and 17 February due to freezing rain.

The transmission capacity between Finland and Sweden operated reliably, but the link with northern Sweden was constricted during the review period, in May and June, due to construction and maintenance work in the Finnish and Swedish main grids and due to the construction of the new Aurora Line transmission connection.

The transmission capacity between Finland and Estonia operated under limitations since 26 January 2024 due to a failure of the EstLink 2 connection. The location of the failure was pinpointed off the Estonian coast and the repair work will continue until the end of August 2024. Fingrid expended EUR 2.6 (0.2) million in countertrade during the first half of 2024.

Electricity market

The price of electricity was affected during the review period in particular by the exceptionally cold weather at the start of 2024, the failure of EstLink 2 in late January 2024 and by the delays in the Olkiluoto 3 nuclear power plant's annual maintenance.

Regional price differences have levelled out compared to the corresponding period of the previous year. Congestion income between Finland and Sweden in January–June totalled EUR 172.8 (100.5) million, and between Finland and Estonia EUR 51.3 (104.7) million. Fingrid's share of the congestion income from those cross-border connections is 50 per cent.

Electricity market	1-6/24	1-6/23	1-12/23
Nord Pool system price, average €/MWh	46.82	70.42	56.44
Area price Finland, average €/MWh	56.41	60.36	56.47
Congestion income between Finland and Sweden, €M*	172.8	100.5	229.9
Congestion hours between Finland and Sweden %*	47.8	36.2	37.8
Congestion income between Finland and Estonia, €M*	51.3	104.7	290.2
Congestion hours between Finland and Estonia %*	60.7	46.5	53.6

* The congestion income between Finland and Sweden and between Finland and Estonia is divided equally between the relevant TSOs.

The importance of system balancing increases as the production of renewable electricity grows. Fingrid lowered the balance service fees for balance responsible parties to EUR 1.33/MWh starting from 1 March 2024. The lower fee is due to the lower-than-expected costs of power system reserves.

The continuing development of the electricity market and new solutions will transform the market in a more real-time and market-driven direction. The increasing weather dependence of the power system highlights the significance of the flexibility in consumption and production and the related opportunities, as well as a broad electricity market.

The go-live of the new auction system of the intraday energy markets took place in June 2024. The Intraday Auctions provide more adequate price formation and balance the demand and supply closer to the time of production. The auctions system is part of the common

FINGRID OYJ

www.fingrid.fi

25 July 2024

European intraday markets, which aim to promote the effectiveness and integration of the internal energy market.

The new automatic Frequency Restoration Reserve (aFRR) marketplace went live in Finland on 12 June 2024. The planned extension of the Frequency Restoration Reserve to PICASSO, the European platform for the exchange of aFRR energy, was postponed to autumn 2024 due to technical challenges on the new marketplace.

Fingrid and Nord Pool started co-operation to impose regular market surveillance on the aFRR energy market after the go-live of the new aFRR energy market. Under this arrangement, Nord Pool's market surveillance department is in charge of regularly monitoring the aFRR energy market and reporting any violations to Fingrid.

Personnel

The Group's total headcount has increased as a result of the expansion of Fingrid's operations and the growth of the power system. The number of employees averaged 577 (514), with an average of 515 (460) in a permanent employment relationship. Personnel costs amounted to EUR 24.1 (21.3) million. Wages and salaries amounted to EUR 20.4 (17.9) million, which equals 2.7 (3.2) per cent of the turnover.

Fingrid received an excellent employee net promoter score (eNPS) of +68 (on a scale of -100 to +100) in the review period's personnel survey and a positive response to the content of jobs, the company as an employer and supervisory work. MIELI Mental Health Finland awarded Fingrid with its 'A feel-good workplace' (Hyvän mielen työpaikka) label for the efforts promoting mental health and well-being.

This year, Fingrid is employing a total of 66 employees in various summer jobs throughout Finland. As in previous years, the company is part of the Responsible Summer Job campaign, which challenges employers to offer young people successful and high-quality summer job experiences.

Legal proceedings and proceedings by authorities

The EU Agency for the Cooperation of Energy Regulators (ACER), on 14 September 2022, made a decision on long-term price risk hedging opportunities between Finland and Sweden. In its decision, ACER requested that the Finnish and Swedish TSOs ensure the availability of other long-term cross-zonal hedging products and develop the necessary arrangements for providing hedging products. Fingrid filed an appeal against the decision to ACER's Board of Appeal on 14 November 2022. The Board of Appeal issued its resolution on the appeal on 24 October 2023, where it confirmed ACER's original decision. Fingrid submitted to the Energy Authority on 22 December 2023 its proposal for improving the price risk hedging opportunities between Finland and Sweden.

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

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 has appealed the decision concerning the Torna–Lautakari tree stands' expropriation to the Southwest Finland District Court's Land Rights Court on 22 December 2023.

On 20 December 2023, Fingrid Datahub Oy filed a proposal with the Energy Authority to change the model concerning Fingrid Datahub Oy's financial regulation for the regulatory period 2024–2027 and simultaneously proposed that the regulatory model be developed further.

On 2 January 2024, Fingrid appealed the Energy Authority's decision on the terms and conditions of balance service at the Market Court. 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, to enter into force on 1 December 2024. 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.

On 29 January 2024, Fingrid appealed 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 at the Market Court. 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. 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 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 Olkiluoto 3 nuclear power plant at the Market Court. 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 grid load limitation falls under Fingrid's responsibility based on a transmission system operator's special protection system 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. Fingrid delivered the above-mentioned determination principles for fees, the related memorandum of justifications and terms & conditions, and the statements received during stakeholder consultation to the Energy Authority on 30 April 2024. Fingrid proposes that the costs of the Olkiluoto 3 grid load limitation be in their entirety born by TVO because the Olkiluoto 3 grid load limitation only benefits the company itself and because TVO is the only party capable of controlling Olkiluoto 3's output in relation to the costs of the Olkiluoto 3 grid load limitation.

HiQ Finland Oy (name changed on 6 February 2024 to Friends Technology Oy) presented a claim for a revised decision and filed an appeal with the Market Court on Fingrid's procurement decision related to the procurement of the user license for an integration platform on 6 February 2024. On 16 February 2024, Fingrid revoked its procurement decision and reported on 19 February 2024 to the Market Court that the procurement decision had been revoked. Following the revoking of the procurement decision, the Market Court will decide on the claim for legal costs presented by HiQ Finland Oy. The Market Court issued its decision on 21 May 2024 and adjusted Friends Technology Oy's claim for legal costs downwards. The remaining legal costs to be paid by Fingrid are EUR 4,500. No appeals against the Market Court's decision have been filed.

Fingrid filed a complaint at the District Court of Oulu on 24 May 2024 concerning a decision on an expropriation procedure issued on 25 April 2024 in a compensation case due to the loss of a rock material extraction site. Fingrid finds no grounds for awarding compensation in this case because the extraction site was located, at the time when Fingrid assumed control of the right-of-way, far from the right-of-way and the possibility to expand rock material expansion to the vicinity of the right-of-way will be available for several decades according to the estimations presented at the expropriation meeting. The rock material extraction site remaining within the right-of-way therefore cannot be regarded to have any unambiguous compensable value.

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

On 25 July 2024, 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 18,100.00 for each Series A share and EUR 6,600.00 for each Series B share, totalling EUR 45,842,000.00 in dividends, will be paid on 30 July 2024.

Increasing weather dependence in electricity production makes it more difficult to forecast electricity transmission and increases fluctuations in the national power balance, resulting in an increasing need for resources to balance power system and more advanced operating models. The availability of flexible power production and power system flexibility will influence the cost of the reserves necessary for managing the power balance and safeguarding system security. Fluctuations in the electricity market prices and availability of flexibility will increase uncertainty in the company's market-based costs. The extensive need for investments meeting customer needs as well as the expansion and transformation of the power system will

FINGRID OYJ

www.fingrid.fi

25 July 2024

increase Fingrid's costs. The recognition of congestion income accrued to Fingrid in the company's turnover and other operating income will be continued. 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 of 27 February 2024.

FINGRID OYJ

www.fingrid.fi

25 July 2024

Financial information

CONSOLIDATED STATEMENT OF COMPRE- HENSIVE INCOME	1 Jan - 30 June, 2024	1 Jan - 30 June, 2023	1 Jan - 31 Dec, 2023
	MEUR	MEUR	MEUR
TURNOVER	746.7	554.8	1,193.2
Other operating income	42.4	45.3	119.7
Materials and services	-523.7	-410.1	-914.6
Personnel expenses	-24.1	-21.3	-42.8
Depreciation	-63.7	-59.0	-123.3
Other operating expenses	-52.8	-189.1	-231.2
OPERATING RESULT	124.7	-79.5	1.0
Finance income	12.6	8.5	25.1
Finance costs	-22.0	-14.6	-25.4
Finance income and costs	-9.4	-6.1	-0.2
Share of profit of associated companies	0.4	0.5	0.6
RESULT BEFORE TAXES	115.7	-85.0	1.3
Income taxes	-23.1	17.1	-0.2
RESULT FOR THE PERIOD	92.6	-67.9	1.2
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be transferred to profit or loss			
Transferred to the profit for the period	-0.0	-0.0	-0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	92.6	-68.0	1.1
Profit attributable to:			
Equity holders of parent company	92.6	-67.9	1.2
Total comprehensive income attributable to:			
Equity holders of parent company	92.6	-68.0	1.1

FINGRID OYJ

www.fingrid.fi

25 July 2024

CONSOLIDATED BALANCE SHEET

ASSETS	30 June 2024	30 June 2023	31 Dec 2023
	MEUR	MEUR	MEUR
NON-CURRENT ASSETS			
Intangible assets:			
Goodwill	87.9	87.9	87.9
Land use rights	102.8	101.8	102.5
Other intangible assets	58.6	60.4	63.6
	249.3	250.1	254.0
Property, plant and equipment:			
Land and water areas	24.4	21.5	24.1
Buildings and structures	356.1	291.8	355.3
Machinery and equipment	632.2	558.9	642.0
Transmission lines	686.7	691.4	695.6
Other property, plant and equipment	0.1	0.1	0.1
Right-of-use-assets	31.4	31.4	30.0
Prepayments and purchases in progress	422.6	308.7	271.8
	2,153.5	1,903.7	2,019.0
Investments in associated companies	13.7	13.2	13.3
Other long-term investments	78.9	70.9	75.9
Other long-term receivables	0.1	0.1	0.1
Derivative instruments	8.8	41.0	6.2
Deferred tax assets	52.4	57.2	51.5
TOTAL NON-CURRENT ASSETS	2,556.6	2,336.2	2,420.0
CURRENT ASSETS			
Inventories	19.5	18.9	19.1
Derivative instruments	5.0	35.0	36.1
Trade receivables and other receivables	47.5	32.7	67.0
Other financial assets	192.6	261.4	133.3
Cash in hand and cash equivalents	336.4	363.4	253.7
TOTAL CURRENT ASSETS	600.9	711.4	509.2
TOTAL ASSETS	3,157.5	3,047.7	2,929.2

FINGRID OYJ

www.fingrid.fi

25 July 2024

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES	30 June 2024	30 June 2023	31 Dec 2023
	MEUR	MEUR	MEUR
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	55.9	55.9	55.9
Share premium account	55.9	55.9	55.9
Translation reserve	0.0	0.0	0.0
Retained earnings	477.3	451.3	476.0
TOTAL EQUITY	589.2	563.1	587.9
NON-CURRENT LIABILITIES			
Deferred tax liabilities	103.8	107.2	107.0
Borrowings	1,031.8	652.2	626.6
Provisions	2.9	3.1	2.9
Derivative instruments	19.5	35.5	19.9
Lease liabilities	29.1	29.3	28.0
Accruals	580.7	640.8	507.9
	1,767.8	1,468.2	1,292.3
CURRENT LIABILITIES			
Borrowings	243.9	364.2	340.3
Derivative instruments	6.0	7.7	1.4
Lease liabilities	3.2	3.2	3.2
Trade payables and other liabilities	547.5	641.4	704.2
	800.6	1,016.4	1,049.1
TOTAL LIABILITIES	2,568.4	2,484.6	2,341.4
TOTAL EQUITY AND LIABILITIES	3,157.5	3,047.7	2,929.2

FINGRID OYJ

www.fingrid.fi

25 July 2024

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY, MEUR					
Equity attributable to shareholders of the parent company	Share capital	Share premium account	Translation reserve	Retained earnings	Total equity
Balance on 1 January 2023	55.9	55.9	0.0	607.9	719.8
Comprehensive income for the re-view period					
Profit or loss				-67.9	-67.9
Other comprehensive income					
Translation reserve			-0.0		-0.0
Total other comprehensive income adjusted by tax effects			-0.0		-0.0
Total comprehensive income			-0.0	-67.9	-68.0
Transactions with owners					
Dividend relating to 2022				-88.7	-88.7
Balance on 30 June 2023	55.9	55.9	0.0	451.3	563.1
Comprehensive income for the re-view period					
Profit or loss				69.1	69.1
Other comprehensive income					
Translation reserve			-0.0		-0.0
Total other comprehensive income adjusted by tax effects			-0.0		-0.0
Total comprehensive income			-0.0	69.1	69.1
Transactions with owners					
Dividend relating to 2022				-44.3	-44.3
Balance on 31 December 2023	55.9	55.9	-0.0	476.0	587.9
Balance on 1 January 2024	55.9	55.9	-0.0	476.0	587.9
Comprehensive income for the re-view period					
Profit or loss				92.6	92.6
Other comprehensive income					
Translation reserve			-0.0		-0.0
Total other comprehensive income adjusted by tax effects			-0.0		-0.0
Total comprehensive income			-0.0	92.6	92.6
Transactions with owners					
Dividend relating to 2023				-91.3	-91.3
Balance on 30 June 2024	55.9	55.9	-0.0	477.3	589.2

FINGRID OYJ

www.fingrid.fi

25 July 2024

CONSOLIDATED CASH FLOW STATEMENT	1 Jan - 30 June, 2024	1 Jan - 30 June, 2023	1 Jan - 31 Dec, 2023
	MEUR	MEUR	MEUR
Cash flow from operating activities:			
Result before taxes	115.7	-85.0	1.3
Adjustments:			
Business transactions not involving a payment transaction:			
Depreciation	63.7	59.0	123.3
Capital gains/losses (-/+) on tangible and intangible assets		1.1	1.9
Share of profit of associated companies	-0.4	-0.5	-0.6
Gains/losses from the assets and liabilities recognised in the income statement at fair value	26.3	166.6	185.1
Other business transactions not involving a payment transaction	5.6	29.5	36.2
Congestion income recognition	-274.9	-139.0	-402.7
Finance income and costs	9.4	6.1	0.2
Impact from changes in the fair value of the investment	1.6	3.1	4.8
Changes in working capital:			
Change in trade receivables and other receivables	17.5	57.5	23.8
Change in inventories	-0.4	-0.2	-0.4
Change in trade payables and other liabilities	31.0	-16.2	-30.0
Congestion income	139.2	124.9	317.0
Change in provisions			-0.0
Interests paid	-26.6	-22.9	-35.5
Interests received	19.4	12.1	29.0
Taxes paid	-15.9	-21.2	-34.2
Net cash flow from operating activities	111.3	174.8	219.3
Cash flow from investing activities:			
Purchase of property, plant and equipment	-174.7	-110.1	-287.9
Purchase of intangible assets	-3.2	-5.5	-10.0
Purchase of other assets	-33.5	-149.3	-161.6
Proceeds from sale of other assets	32.9	50.1	60.7
Gains on disposal of property, plant and equipment, and intangible			0.1
Payments of financing (liabilities)		0.2	0.2
Contributions received			5.5
Capitalised interest paid	-5.3	-2.4	-6.5
Net cash flow from investing activities	-183.8	-217.0	-399.6
Cash flow from financing activities:			
Proceeds from non-current financing (liabilities)	494.9		
Payments of non-current financing (liabilities)	-312.6	-4.3	-56.0
Proceeds from current financing (liabilities)	147.3		
Payments from current financing (liabilities)	-19.8		
Dividends paid	-91.3	-88.7	-133.0
Payments of lease liabilities	-1.7	-1.5	-3.1
Net cash flow from financing activities	216.8	-94.5	-192.2
Change in cash as per the cash flow statement	144.3	-136.7	-372.4
Opening cash as per the cash flow statement	361.0	733.4	733.4
Closing cash as per the cash flow statement	505.3	596.7	361.0

FINGRID OYJ

www.fingrid.fi

25 July 2024

Notes to the half-year report

Accounting policies

Fingrid's consolidated financial statements have been drawn up 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 accounting principles as those presented in the Group's financial statements for 2023. This half-year report is unaudited. Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year. There have been no changes in the Group structure during the review period.

The consolidated half-year financial statements are drawn up in accordance with the IFRS in a situation where the company management needs to make estimates and assumptions which have an impact on the amounts of assets, liabilities, income and expenses recorded and conditional items presented. These estimates and assumptions are based on historical experience and other justified assumptions which are believed to be reasonable under the conditions which constitute the foundation for the estimates of the items recognised in the financial statements. The actual amounts may differ from these estimates. In this half-year report, estimates have been used, for example, when specifying the economic lives of tangible and intangible asset items, and in conjunction with deferred taxes and provisions. Critical estimates and judgements by management are described in greater detail by topic in the notes to Fingrid's financial statements for 2023.

1. Operating segments

The segment information is FAS-compliant, and it is reconciled with the IFRS consolidated financial statements. The segments' results are assessed on the basis of the operating result. The segments' combined operating results constitute grid operations' operating result, which serves as the basis for the calculation of the actual adjusted result compatible with regulation. Costs are allocated to the segments in accordance with the matching principle, which creates a basis for pricing the services. Finance income and costs are not allocated to the segments, as the Group's cash assets are controlled by Group Treasury.

Variations between the segments' results and turnover are typical. The segments form the basis for the calculation of Fingrid's adjusted result compatible with the reasonable return regulation, and thus the results development of one segment can also affect the other segment over time to avoid exceeding the allowed regulatory profit set for the operations. The segments' service prices are adjusted to correspond to costs over time.

Main grid segment

The main grid segment includes development & maintenance of the main grid, the connection of new production and consumption to the network, electricity transmission, grid operation and the development of unified electricity markets and reserves related to maintaining the electricity system.

FINGRID OYJ

www.fingrid.fi

25 July 2024

MAIN GRID SEGMENT, MEUR	1-6/2024	1-6/2023	1-12/2023
Turnover	352.4	241.0	549.0
Profit before taxes	124.8	54.7	145.8

The main grid segment's turnover grew to EUR 352.4 (241.0) million in January–June as a result of growing operating costs. We waived grid service fees in January, February and June. The increase in costs and waiving of grid service fees was compensated by recognising EUR 234.2 (94.6) million in congestion income in the company's result.

The operating result increased to EUR 124.8 (54.7) million. The increase in operating profit was driven by the higher allowed regulatory profit resulting from growing capital expenditure and the higher interest rate level.

Balance services segment

The balance services segment includes activities related to national balance management and imbalance settlement. In addition, development of the reserve markets related to balance management is included in the balance services segment.

BALANCE SERVICES SEGMENT, MEUR	1-6/2024	1-6/2023	1-12/2023
Turnover	415.9	350.8	700.5
Profit before taxes	28.8	57.6	68.7

In January–June, the turnover of the balance service grew due to increased imbalances and the higher price of balancing power to EUR 415.9 (350.8) million. Imbalance power tariffs were reduced in March to EUR 1.33/MWh.

The balance service's operating result was EUR 28.8 (57.6) million. Changes in imbalance power tariffs follow the cost development and the accumulation of imbalance power trade's gross profit. Variations in reserve costs have been great, and the reserve costs were lower than predicted early in the year, as a result of which imbalance power tariffs were lowered in March. In 2023, imbalance power tariffs were used to cover the balance service's losses from previous years.

Result by business segment

The segment information is FAS-compliant, and it is reconciled with the IFRS consolidated financial statements.

1-6/2024				
MEUR				
Business segment	Main grid	Balance services	Other activities and eliminations	Group, total
Turnover	352.4	415.9	-21.6	746.7
Depreciation	-59.9	-0.4	-3.5	-63.7
Operating profit	124.8	28.8	-28.8	124.7
Finance income and costs			-9.4	-9.4
Profit before taxes				115.7

FINGRID OYJ

www.fingrid.fi

25 July 2024

1-6/2023

MEUR

Business segment	Main grid	Balance ser- vices	Other activities and eliminations	Group, total
Turnover	241.0	350.8	-37.0	554.8
Depreciation	-55.5	-0.3	-3.2	-59.0
Operating profit	54.7	57.6	-191.7	-79.5
Finance income and costs			-6.1	-6.1
Profit before taxes				-85.0

1-12/2023

MEUR

Business segment	Main grid	Balance ser- vices	Other activities and eliminations	Group, total
Turnover	549.0	700.5	-56.3	1,193.2
Depreciation	-116.0	-0.7	-6.6	-123.3
Operating profit	145.8	68.7	-213.5	1.0
Finance income and costs			-0.2	-0.2
Profit before taxes				1.3

Other activities include Fingrid's other statutory public service obligations that are not part of actual transmission grid operations or transmission system responsibility. These tasks include centralised information exchange services for the electricity market as well as peak load capacity services and guarantee-of-origin services for electricity, which are provided by the Group companies Fingrid Datahub Oy and Finextra Oy. Other activities also includes the parent company's administrative and ICT services for subsidiaries. Income and expense items between the parent company and subsidiaries are eliminated in the Group reporting. IFRS items include among other things, changes in the market value of electricity derivatives, recognition of connection fees over time according to IFRS 15, and recognition of leases over time according to IFRS 16.

2. Changes in property, plant and equipment

CHANGES IN PROPERTY, PLANT AND EQUIPMENT, MEUR	1-6/2024	1-6/2023	1-12/2023
Carrying amount at beginning of period	2,019.0	1,827.1	1,827.1
Increases	192.0	131.6	306.2
Decreases	0.0	-1.1	-2.0
Depreciation and amortisation expense	-57.5	-53.9	-112.3
Carrying amount at end of period	2,153.5	1,903.7	2,019.0

FINGRID OYJ

www.fingrid.fi

25 July 2024

3. Capital expenditure

INVESTMENTS, MEUR	1-6/2024	1-6/2023	1-12/2023
Grid investments	187.4	122.5	303.8
Substations	105.9	85.7	195.0
Transmission lines	81.6	36.7	108.8
Gas turbine investments	2.2	1.1	2.8
Other investments	8.3	7.1	15.4
ICT	2.9	4.6	8.8
Other	5.5	2.5	6.6
Total investments	198.0	130.7	322.0
Investment commitments	848.3	384.0	520.9

4. Contingent liabilities

COMMITMENTS AND CONTINGENT LIABILITIES, MEUR	30 June	30 June	31 Dec
Pledged cash assets	0.3	0.3	0.3
Right-of-use agreements for reserve power plants	17.6	24.3	20.1
Credit facility commitment fees	1.5	1.5	1.9
Total	19.4	26.1	22.2

5. Related party transactions

Related parties are presented in the notes to Fingrid's 2023 financial statements. All transactions between Fingrid and related parties take place on market terms. The company has not lent money to the senior management, and the company has no transactions with the senior management. At the end of the reporting period, the Republic of Finland owned 53.1 per cent of the company's shares. According to the authorisation by the Finnish Parliament, the minimum limit for the State of Finland's ownership is 50.1 per cent of the company's shares and votes.

TRANSACTIONS WITH ASSOCIATED COMPANIES, MEUR	1-6/2024	1-6/2023	1-12/2023
Interest income		0.0	0.0
Purchases	6.3	4.7	9.7
Trade receivables	1.2	2.7	18.0
Trade payables			0.4

FINGRID OYJ

www.fingrid.fi

25 July 2024

6. Interest-bearing borrowings and net debt

Interest-bearing borrowings totalled EUR 1,308.0 (31 December 2023: 998.1) million, of which non-current borrowings accounted for EUR 1,060.9 (654.7) million and current borrowings for EUR 247.1 (343.5) million. In March, the company issued a EUR 500 million green bond to cover long-term financing needs. The company paid back a EUR 300 million bond maturing in April.

RECONCILIATION OF DEBT, MEUR			
	Borrowings due within one year	Borrowings due after one year	Total
Debt on 1 Jan 2023	65.8	990.4	1,056.2
Cash flow from financing activities		-56.0	-56.0
Exchange rate adjustments		-3.7	-3.7
Other changes not involving a payment transaction	0.4	1.3	1.6
Transfer to short-term loans	277.3	-277.3	
Debt on 31 Dec 2023	343.5	654.7	998.1
Cash flow from financing activities	-185.1	496.3	311.1
Exchange rate adjustments		-0.7	-0.7
Other changes not involving a payment transaction	0.1	-0.7	-0.5
Transfer to short-term loans	88.6	-88.6	
Debt on 30 Jun 2024	247.1	1,060.9	1,308.0

RECONCILIATION OF NET DEBT, MEUR	30.6.2024	31.12.2023
Cash in hand and cash equivalents	336.4	253.7
Financial assets recognised in the income statement at fair value	98.9	107.3
Financial assets recognised at amortised cost	70.0	
Purchase of other assets	102.6	101.9
Borrowings - due within one year	247.1	343.5
Borrowings - due after one year	1,060.9	654.7
Net debt	700.1	535.2

Financial assets recognised at fair value through profit and loss are liquid investments traded on active markets.

The net fair value of interest and currency derivatives was EUR -19.3 (31 December 2023: -13.0) million.

The exposure of the loan portfolio to interest rate risk is measured by using a Cash Flow at Risk (CFaR) type of model. According to the model, there is a 95% probability that Fingrid's interest expenditure will amount to no more than EUR 50.8 million over the next 12 months.

FINGRID OYJ

www.fingrid.fi

25 July 2024

7. Derivative instruments

DERIVATIVE INSTRUMENTS, MEUR

	30 June 2024				30 June 2023				31 Dec 2023				Hierarchy level
Interest rate and currency derivatives	Fair value pos.	Fair value neg.	Net fair value	Nominal value	Fair value pos.	Fair value neg.	Net fair value	Nominal value	Fair value pos.	Fair value neg.	Net fair value	Nominal value	
Cross-currency swaps		-9.6	-9.6	56.0		-12.4	-12.4	56.0		-7.9	-7.9	56.0	Level 2
Currency derivatives	0.0	-0.2	-0.2	3.3	0.0	-0.6	-0.6	8.3	0.0	-0.3	-0.3	5.2	Level 2
Interest rate swaps	0.0	-9.5	-9.5	180.0		-17.3	-17.3	280.0	0.3	-10.2	-9.9	280.0	Level 2
Bought interest rate options					10.4		10.4	450.0	5.2		5.2	300.0	Level 2
Total	0.0	-19.3	-19.3	239.3	10.4	-30.3	-19.9	794.3	5.5	-18.4	-13.0	641.2	
Electricity derivatives	Fair value pos.	Fair value neg.	Net fair value	Volume TWh	Fair value pos.	Fair value neg.	Net fair value	Volume TWh	Fair value pos.	Fair value neg.	Net fair value	Volume TWh	
Electricity forward contracts	13.5	-6.1	7.4	4.30	65.6	-12.8	52.8	3.16	36.8	-2.7	34.0	4.05	Level 1
Total	13.5	-6.1	7.4	4.30	65.6	-12.8	52.8	3.16	36.8	-2.7	34.0	4.05	
Metal derivatives	Fair value pos.	Fair value neg.	Net fair value	mt	Fair value pos.	Fair value neg.	Net fair value	mt	Fair value pos.	Fair value neg.	Net fair value	mt	
Metal options													Level 2
Metal swaps	0.2		0.2	171	0.0	-0.1	-0.0	473	0.1	-0.0	0.0	302	Level 2
Total	0.2		0.2	171	0.0	-0.1	-0.0	473	0.1	-0.0	0.0	302	