

**Statnett**

**Half-year 2024**

**Accelerating the green transition**



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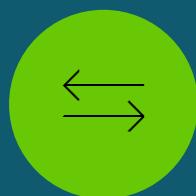
# Half-year 2024



Underlying net profit  
**NOK 1,176 million**



No. of ongoing grid projects  
**210**



Congestion revenue  
**NOK 3,295 million**



Investments  
**NOK 3,376 million**



Serious incident frequency  
rate (SIF)<sup>1</sup>  
**3.2**



Ongoing investment portfolio  
**Approx. NOK 130 billion**

<sup>1</sup> The SIF indicator gives an indication of the most serious incidents involving injuries, near misses, harm to the environment and recorded hazardous conditions relating to electrical safety and working at height per million hours worked.

# CEO's review

## Good security of supply in times of great change

Despite lasting geopolitical instability, the Norwegian and European energy markets have normalized in the wake of the European energy crisis. At the same time, the energy transition is ongoing, and 2023 was a record year for renewable power generation across Europe. Wind and solar power are replacing fossil energy in the energy mix. This affects electricity prices and flexibility. In the years ahead, these changes will accelerate and intensify.

The hydro power reservoirs were at high filling levels at the end of the first half of 2024, driven by large amounts of snow during the winter. A combination of high precipitation and imports of renewable power gave low prices and several hours of negative prices so far this year. Security of supply in the first half-year has been good. Despite some extreme weather events during the winter, outages were brief, and the power grid proved itself to be robust.

## Higher pace and a growing project portfolio

The need for more power increases in a society that is developing. The establishment of new industries, electrification of existing ventures and the transition towards a zero-emission society will make demands on the power system. Statnett has established an ambitious and forward-looking strategy that is set to deliver on the green change of pace.

The number of requests for grid connection is high. To date, Statnett has reserved a capacity of 8,500 MW to customers requesting connection. In addition, a further 4,600 MW is queued from customers with mature projects, and the power consumption in Norway is expected to grow substantially over the coming decade. In 2023 alone, we received applications for connection for an additional 10,700 MW.

To meet the increase in power consumption, we have launched a number of new construction projects. We have established regional area plans that facilitate greater collaboration between grid operators, industrial consumers and power producers. The area



plans also serve as a good starting point for productive dialogue with society, authorities and the supplier market. We are investing heavily in digital infrastructure to prepare for the power system of tomorrow, as well as implementing new technologies and technological standards, and making our procurement processes more efficient. This will substantially increase the pace of implementation.

Limitations in grid capacity is a challenge across Europe, and our neighboring countries all have high ambitions for grid expansion. At the same time, we are operating in shared supplier markets that have strained capacity and increasing cost levels across several areas. For our projects, this represents a challenge both with respect to time and cost. Statnett is working to simplify and standardize technical and commercial requirements to increase our competitiveness in the supplier market and thereby reducing both time and costs. Similarly, we are in close dialogue with licensing authorities to facilitate increased pace in the licensing processes.

As we expand our grid and thus increase capacity, there is also a significant potential for increasing capacity through better utilisation of the existing grid. Risk acceptance, new technology, market initiatives and digital tools that facilitate more effective grid operations are key factors here. These are initiatives

that will realize increased available grid capacity faster than new grid infrastructure can be built.

Statnett is working systematically to strengthen its efforts within occupational health and safety and has implemented a number of measures to improve the Group's safety culture. There is a greater focus on awareness and learning throughout the organisation, with the goal of ensuring that everyone returns home from work safe and in good health.

Sustainability is at the core of everything Statnett does and will become even more important as Statnett increases its activities in the future. We are currently working on implementing the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). This will lay the foundation for the annual and sustainability report for 2024.

### **Solid underlying result**

Statnett has produced a solid underlying result, ending higher than the half-year result in 2023.

Congestion revenue in the first six months of this year was significantly reduced due to smaller price differences. In recent years, Statnett has reimbursed a considerable portion of its congestion revenue to customers through both reduced tariffs and extraordinary repayments. Because of a more normalised power situation, Statnett reintroduced the fixed element of the tariff with effect from 1 January.

### **Facilitating offshore wind power**

Statnett is currently planning a future offshore grid. In March, a 1,500 MW offshore wind park in the area known as Sørilige Nordsjø II was awarded in the first ever Norwegian offshore wind auction. Leading up to this, Statnett reserved the necessary grid capacity. A

connection application is currently being processed. Statnett has also been tasked with assessing potential hybrid connections from offshore wind in the area designated as Sørvest F in the North Sea. To ensure the best possible assessment of alternative grid solutions, Statnett has strengthened its cooperation with other TSOs around the North Sea. If hybrid grid solutions are chosen and approved by the authorities, it is expected that Statnett will build and own these.

### **The security situation requires increased cooperation**

The security situation in Europe has changed, and secure access to energy has never been more important. This is a major driver behind the European energy transition and emphasizes the need for increased cooperation between European stakeholders. An accelerated digital development is a necessity to enable the future power system. At the same time, this will also increase vulnerability. It will be increasingly important to coordinate efforts across different sectors to safeguard security of supply and our combined defense capability from a holistic perspective.

Good collaboration between authorities and grid operators, power producers and consumers will contribute to ensuring secure access to energy and enabling the energy transition.



Acting CEO  
Elisabeth Vike Vardheim

# Financial key figures

For definitions, see the section on alternative performance measures (APM) towards the end of this report.

Key figures (Amounts in NOK million)	1. half year		Year
	2024	2023	2023
<b>Accounting profit</b>			
Operating revenue	7 823	4 014	11 600
EBITDA	2 449	-923	1 744
EBIT	747	-2 495	-1 547
Profit/loss for the period	-314	-2 539	-2 617
<b>Adjustments</b>			
Change in accumulated higher/lower revenue (-/+ ) before tax	1 910	4 499	5 387
Change in accumulated higher/lower revenue (-/+ ) after tax	1 490	3 509	4 202
Accumulated higher/lower revenue (-/+ ) after tax	-1 545	-3 728	-3 035
<b>Net profit for the year (adjusted for change in higher/lower revenue)</b>			
Underlying operating revenue	9 733	8 513	16 986
Underlying EBITDA	4 359	3 576	7 131
Underlying EBIT	2 657	2 004	3 839
Underlying Net profit for the period	1 176	970	1 585
<b>Key figures balance sheet</b>			
Investments (additions, assets under construction and construction interest)	3 376	2 752	6 078
Total assets	98 097	91 343	90 303
Regulatory asset base (RAB) and assets under construction	80 922	77 481	79 041
<b>Financial key figures</b>			
EBIT to RAB and assets under construction	1.9 %	-6.3 %	-2.0 %
Underlying total return on grid capital before finance and tax (EBIT)	6.7 %	5.2 %	4.9 %
Equity ratio	23.6 %	26.8 %	26.7 %
Underlying equity ratio	22.0 %	22.8 %	23.3 %
Funds from operations to net debt	1.2 %	-8.5 %	-0.9 %
Underlying funds from operations to net debt	17.9 %	10.4 %	9.9 %
Standard & Poor's and Moody's Investors Service long term ratings	A+ / A2	A+ / A2	A+ / A2

# Sustainability and HSE

## Sustainability

Statnett faces increased demands and expectations, as well as increased interest in our role in a low-emission society. We are a member of UN Global Compact, the United Nations' initiative for sustainable business activity, and report annually on our performance. Our most recent disclosure on this may be found in Statnett's Annual and Sustainability Report 2023.

Statnett is working on implementing the EU's Corporate Sustainability Reporting Directive (CSRD). This includes performing a double materiality assessment, which will form the basis for the Annual and Sustainability Report 2024.

In July, Statnett experienced a material environmental incident when too many trees were cut down in an area designated for limited felling. The incident was reported to the Norwegian Water Resources and Energy Directorate (NVE) and remedial measures are being followed up with the contractor. During the first six months of 2024, a total of 12 environmental incidents relating to our operations were recorded, compared with six such incidents in the first half of 2023. None of these were of a serious nature. Their scope has been identified and restorative measures have been implemented.

## HSE

In the first six months of 2024, measures have been implemented to reinforce systematic HSE-related efforts and Statnett's internal control process. Statnett is continuously working to enhance its safety culture through regular awareness-raising initiatives. To date in 2024, efforts have focused on work at height, electrical safety and learning from actual incidents and submitted reports.

To reduce the risk of injury to contractors' employees, Statnett now offers the "Safe in Partnership with Statnett" training course to those intending to enter our construction sites. The projects have also implemented quarterly safety campaigns.

Although the serious incident frequency rate (SIFR<sup>1</sup>) rose during the first six months of the year, it remains within the target set for 2024. Of the eight serious incidents recorded, three were internal while five related to external contractors. Seven Lost-Time Injuries (LTIs) were also recorded, causing a slight increase in the Lost-Time Injury Frequency Rate (LTIFR<sup>2</sup>).

A supplier's employee suffered a serious electrical injury in March. An internal investigation has been carried out and measures to prevent any recurring incidents have been implemented. The Norwegian Labour Inspection Authority has also carried out routine inspections. The incident underlines the importance of efforts to promote electrical safety both within the company and among employees working for third parties at Statnett's facilities.

On a rolling basis, sickness absence in the first half of 2024 totalled 3.3 per cent, slightly down from the corresponding period last year, when it was 3.6 per cent.

We aim to increase the proportion of women and increase diversity in the workforce. On 30 June 2024, women made up 28.3 per cent of Statnett's workforce. On 30 June 2024, the Group employed a total of 1,936 people: 1,860 at Statnett SF and 76 at subsidiaries.

	1st half		Year
	2024	2023	2023
Serious Incident Frequency (SIF)	8	5	11
Serious Incident Frequency (SIF) rate <sup>1)</sup>	3,2	3,8	2,6
Lost-time injuries (LTI), own employees	4	4	7
Lost-time injuries (LTI), contractors	3	1	3
LTIFR, own employees <sup>2)</sup>	2,1	1,7	2,2
LTIFR, incl. contactors <sup>2)</sup>	2.3	2.6	2.7
Sickness absence	3.3 %	3.6 %	4.0 %
Women in the workforce	28.3 %	27.8 %	28.5 %

<sup>1)</sup> Number of serious (red) incidents involving injuries, near misses, environmental harm and hazardous conditions relating to electrical safety and working at height per million working hours.

<sup>2)</sup> Lost-time injury frequency rate (LTIFR), number of lost-time injuries per million hours worked.



# Operating and market information

## The power situation in 2024 has been stable

The hydrological balance was normalised at the close of the first half-year.

Security of supply in the first six months of 2024 has been satisfactory. No incidents or extreme weather events have had a material impact on security of supply. The international interconnectors have had some short outages.

## Lower electricity prices in Southern Norway, while prices in Northern Norway remain at a higher level

In the first six months of 2024, electricity prices fell in Southern Norway. It has been more snow than usual, which resulted in high reservoir water levels. Combined with lower prices in continental Europe, this resulted in lower prices. In Northern Norway, however, there was less snow than usual, which resulted in lower reservoir water levels and higher prices.

The inflow to Norwegian hydropower plants has been elevated this summer. At the same time, import levels were high from European solar and wind power facilities. This resulted in lower prices, including some hours with negative prices. On 11 August, the unit

price in East and South Norway was down to NOK - 0.71/kWh.

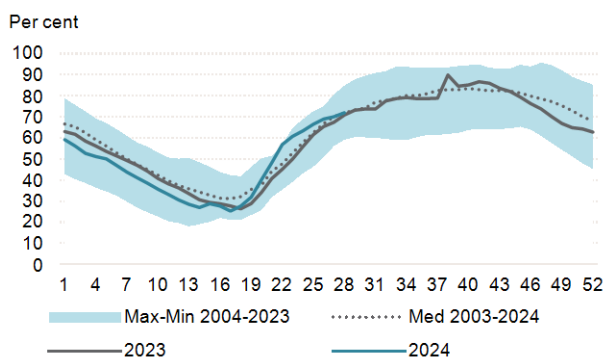
In the first half of 2024, Norway produced a total of 76 TWh, while consumption was 68 TWh. This resulted in a net export of about 8 TWh.

## Restrictions on the international interconnectors

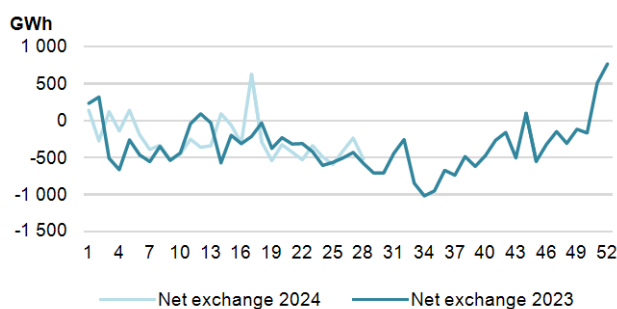
Uptime on the international interconnectors improved in the first six months of 2024, although some limitations remained. There were brief outages on the NordLink interconnector between Norway and Germany in the first half-year. Capacity on the NorNed interconnector between Norway and the Netherlands is currently reduced due to a weakness in the cable on the Dutch side.

Norway has had slightly reduced outbound transmission capacity on the North Sea Link (NSL) between Norway and the UK to facilitate the balanced exchange of power in line with the scheme's licensing terms.

Reservoir water levels Norway



Net exchange Norway



# Financial results

Statnett's operating revenue derives mainly from regulated activities. The Norwegian Energy Regulatory Authority (RME) determines how much revenue Statnett can collect from regulated activities each year, and the underlying profit/loss is based on this permitted revenue. However, the revenue derives from transmission charges (tariff) and congestion revenue, which vary. This means the accounting profit/loss may deviate from the underlying profit/loss.

The Group made a consolidated underlying profit of NOK 1,176 million in the first half of 2024. This is NOK 206 million higher than in the same period last year. The underlying EBIT, adjusted for higher/lower revenue, came to NOK 2,657 million, compared with NOK 2,004 million in the same period in 2023. The improvement in the underlying EBIT is largely attributable to an increase in permitted revenue due to a higher cost base for ancillary services. The cost base for ancillary services is calculated based on costs incurred two years earlier. The increase in costs from the first half of 2021 to the first half of 2022 is now contributing to the higher permitted revenue in the first half of 2024 compared to the same period in 2023.

The Group made an accounting net loss of NOK 314 million in the first half of 2024, compared with a loss of NOK 2,539 million in the same period last year. The reduction in the accounting loss is attributable primarily to the reintroduction of the fixed element of the tariff with effect from 1 January 2024. The energy element of the tariff remains capped at NOK 350/MWh in 2024. Furthermore, there has been no higher revenues reimbursements directly to the owners of the underlying grids so far this year. Following record-high congestion revenue in the autumn of 2022, a time-limited statutory regulation was adopted which enabled Statnett to reimburse higher revenues directly to the owners of the underlying grids. Statnett made use of this opportunity in 2022 and 2023. So far in

2024 the level of congestion revenues has not led to any reimbursements.

Statnett made an accounting EBIT of NOK 747 million in the first six months of 2024, compared with a negative accounting EBIT (loss) of NOK 2,495 million in the same period last year.

## Operating revenue

The Group had a recognized operating revenue of NOK 7,823 million in the first half of 2024, compared with NOK 4,014 million in the first half of 2023. This increase is explained by the reintroduction of the fixed part of the tariff and no reimbursement of higher revenues to the owners of underlying power grids. Congestion revenues fell from NOK 4,347 million in the first half of 2023 to NOK 3,295 million in the first half of 2024 because of lower price differences between Norway and continental Europe, and between price areas within Norway.

This led to Statnett recording a lower revenue of NOK 1,910 million in the first half of 2024, compared with a lower revenue of NOK 4,499 million in the same period last year. At the close of the first half of 2024, Statnett had accumulated higher revenue in the amount of NOK 1,981 million. Accumulated higher or lower revenue may not be recognised in the balance sheet under the IFRS accounting standard. See Note 2 to the financial statements concerning operating revenue.

## Operating expenses

The Group's operating expenses amounted to NOK 7,075 million in the first six months of 2024, compared with NOK 6,509 million in the same period last year. A large portion of the increase is attributable to higher costs relating to Statnett's responsibility for and initiatives to maintain the instantaneous balance in the power system and to ensure satisfactory quality of supply.

Increased volatility in the power system and the introduction of a new market for tertiary reserves (mFRR) from February 2024 have led to increased

reserve requirements in the Nordic region. Going forward, this cost is expected to rise in line with the escalation of volume requirements for reserve purchases. Costs relating to transmission losses decreased because of lower power prices and a slightly lower volume. Other operating expenses increased, in part due to higher staffing levels, higher maintenance costs and increased activity relating to digitalisation.

### Finance

The Group recorded a net financial expense of NOK 1,165 million in the first half of 2024, compared with a net expense of NOK 767 million in the corresponding period last year. The increase is attributable primarily to a higher average debt balance and a higher rate of interest.

### Cash flow and balance sheet

The Group had a net cash flow of NOK 3,345 million in the first half of 2024, compared with NOK 1,253 million in the corresponding period last year. The net cash outflow from the Group's operating activities was lower than the year before due to increased revenue deriving from the reintroduction of the fixed part of the tariff and no reimbursement of higher revenues to the owners of underlying power grids. The net cash outflow from investing activities was somewhat higher than the year before due to increased activity.

The change in liquidity from financing activities includes the net effect of the repayment of NOK 4,641 million in interest-bearing debt and the raising of NOK 11,867 million of new interest-bearing debt.

During the first half of 2024, green bonds worth a combined NOK 8,867 million and with tenors varying

from 3–12 years were issued. Our green bond issues are used to finance construction projects that have a positive impact on the climate. In June 2024, moreover, a bond worth NOK 3,000 million and with a 10-year tenor was issued. In July 2024, the company drew down on a loan from the European Investment Bank (EIB) totaling EUR 130 million.

During the first six months of 2024, commercial papers worth NOK 1,000 million and bonds worth NOK 3,400 million were repaid.

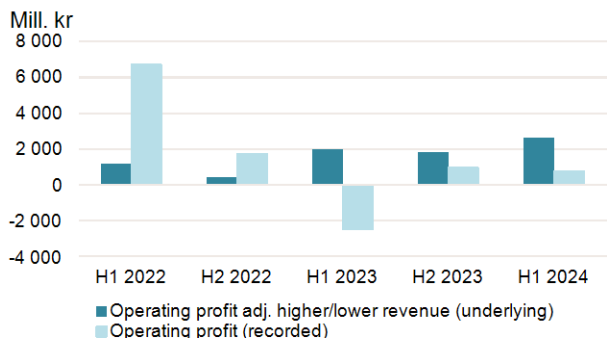
Statnett SF has a high credit rating. Standard & Poor's and Moody's Investor Service have given Statnett SF credit ratings for long-term borrowings of A+ and A2 respectively. The high credit rating helps provide good borrowing opportunities for Statnett. Statnett has NOK 8,000 million in undrawn lines of credit, including incentives relating to sustainability.

Total assets rose to NOK 98,097 million in the first half of 2024, up from NOK 91,343 million in the same period last year. Interest-bearing debt rose to NOK 63,413 million in the first half of 2024, up from NOK 56,528 million in the same period in 2023.

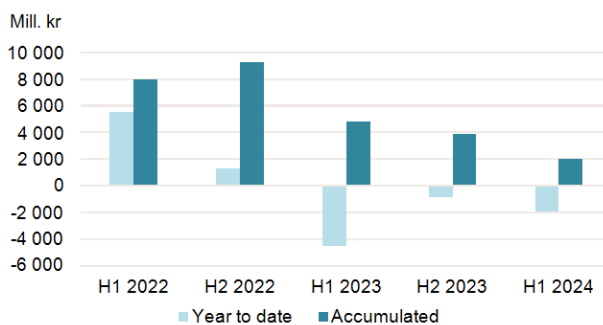
Compared with the close of the first half in 2023, equity as of 30 June 2024 had decreased by NOK 1,402 million to NOK 23,120 million.

The Group's equity ratio decreased from 26.8 per cent at the close of the first six months of 2023 to 23.6 per cent on 30 June 2024. Adjusted for higher revenue, however, it decreased from 22.8 per cent to 22.0 per cent.

Underlying EBIT



Higher/ lower revenue



Investments and grid facilities put into operation

In total, Statnett invested NOK 3,376 million in the first six months of 2024, up from NOK 2,752 million in the corresponding period last year. The investments included both completed and ongoing grid infrastructure projects and digital development.

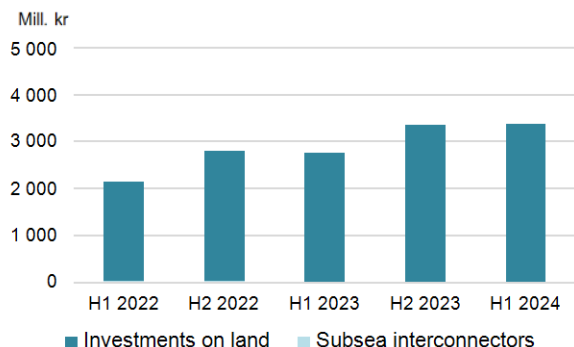
So far this year, Statnett has completed the strategically important station project, Sylling reinvestment, which will ensure sufficient electricity in Eastern Norway and facilitate further consumption growth. In the north, the project to renew the cable system in Hadsselfjorden has been completed, thus securing the power supply in the area.

Societal development requires significantly more renewable energy and transmission capacity in the grid. Statnett's strategy and system development plan facilitates this, with an expected investment level in the coming ten-year period of up to NOK 150 billion.

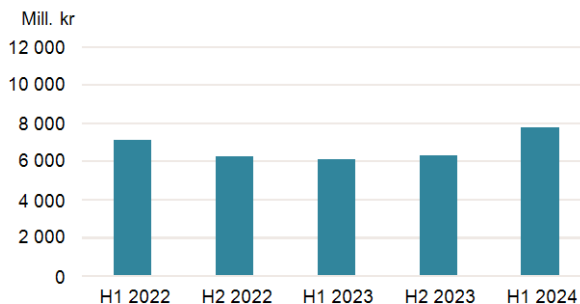
In addition to a generally increasing cost level, Statnett's key supplier markets are characterized by significantly increased demand from many countries. Increased time consumption and higher costs require Statnett to work actively with portfolio management and measures to reduce time and cost in its own processes. One initiative has been to establish a new separate business area for technology and transformation that works with the development of technology and technology standards to standardise and simplify all parts of the value chain. This work is particularly important in relation to the supplier market and in the work of updating procurement strategies.

The area plans are an important contribution to effective management of the portfolio and serves as a basis for the licensing process. The area plans that were launched two years ago will be revised during 2024 and 2025. During the first half of 2024, the ongoing grid portfolio has increased from around NOK 100 billion to NOK 130 billion. The number of large and small ongoing projects has increased from about 160 to 210.

Investments Statnett, Group



Assets under construction, Group



# Comprehensive income statement

<i>(Not audited amounts in NOK million)</i>	Note	First half 2024	First half 2023	Year 2023
<b>Operating revenue</b>				
Regulated operating revenue	2	7 450	3 755	10 994
Other operating revenue		373	260	606
<b>Total operating revenue</b>		<b>7 823</b>	<b>4 014</b>	<b>11 600</b>
<b>Operating expenses</b>				
Ancillary services		2 249	1 564	3 390
Transmission losses		857	1 301	2 203
Salaries and payroll costs		814	722	1 547
Depreciation, amortisation and impairment		1 701	1 572	3 291
Other operating expenses		1 454	1 350	2 716
<b>Total operating expenses</b>		<b>7 075</b>	<b>6 509</b>	<b>13 147</b>
<b>Operating profit</b>		<b>747</b>	<b>-2 495</b>	<b>-1 547</b>
Financial income		77	163	217
Financial expenses		1 242	931	2 032
<b>Net financial items</b>		<b>-1 165</b>	<b>-767</b>	<b>-1 815</b>
<b>Profit before tax</b>		<b>-417</b>	<b>-3 262</b>	<b>-3 362</b>
Income tax expense		-104	-724	-745
<b>Profit for the period</b>		<b>-314</b>	<b>-2 539</b>	<b>-2 617</b>
<b>Other comprehensive income</b>				
Changes in fair value for cash flow hedges		141	408	115
Tax effect		-31	-90	-25
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<b>110</b>	<b>318</b>	<b>90</b>
Changes in estimate deviations of pension liabilities		-	79	-46
Tax effect		-	-17	10
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	<b>61</b>	<b>-36</b>
<b>Total other comprehensive income</b>		<b>110</b>	<b>379</b>	<b>54</b>
<b>Total comprehensive income</b>		<b>-204</b>	<b>-2 159</b>	<b>-2 562</b>

# Balance sheet

<i>(Not audited amounts in NOK million)</i>	Note	30.6.2024	30.6.2023	31.12.2023
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		2 902	1 650	1 937
Tangible assets		70 558	70 033	71 119
Assets under construction	4	7 770	6 118	6 320
Investments in joint ventures and associates		196	173	173
Pension assets		193	181	118
Derivatives	3	3 987	5 302	4 360
Other non-current financial assets	3	200	126	138
<b>Total non-current assets</b>		<b>85 805</b>	<b>83 584</b>	<b>84 164</b>
<b>Current assets</b>				
Inventories		41	16	22
Trade and other current receivables	3	988	1 064	1 221
Market-based securities	3	3 996	2 790	1 855
Derivatives	3	1 278	128	397
Cash and cash equivalents	3	5 989	3 760	2 644
<b>Total current assets</b>		<b>12 293</b>	<b>7 759</b>	<b>6 139</b>
<b>Total assets</b>		<b>98 097</b>	<b>91 343</b>	<b>90 303</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Contributed capital		5 950	5 950	5 950
Hedge reserve		682	800	572
Other equity accrued		16 489	17 772	17 596
<b>Total equity</b>		<b>23 120</b>	<b>24 522</b>	<b>24 118</b>
<b>Non-current liabilities</b>				
Deferred tax liability		4 983	5 219	5 039
Pension liabilities		276	264	270
Other liabilities		909	823	895
Derivatives	3	1 234	1 010	863
Long-term interest-bearing debt	3	50 351	45 143	44 843
<b>Total non-current liabilities</b>		<b>57 755</b>	<b>52 458</b>	<b>51 909</b>
<b>Current liabilities</b>				
Short-term interest-bearing debt	3	11 829	10 375	9 993
Trade and other current payables	3	5 335	3 975	4 211
Derivatives	3	7	1	-
Tax payable		51	12	71
<b>Total current liabilities</b>		<b>17 222</b>	<b>14 362</b>	<b>14 275</b>
<b>Total equity and liabilities</b>		<b>98 097</b>	<b>91 343</b>	<b>90 303</b>

# Changes in equity

<i>(Not audited amounts in NOK million)</i>	<b>Total equity</b>	<b>Other equity accrued</b>	<b>Hedge reserve</b>	<b>Contributed capital</b>
<b>01.01.2023</b>	<b>26 978</b>	<b>20 546</b>	<b>482</b>	<b>5 950</b>
Profit/loss for the period	-2 617	-2 617	-	-
Other comprehensive income	54	-36	90	-
Dividends declared	-296	-296	-	-
<b>31.12.2023</b>	<b>24 118</b>	<b>17 596</b>	<b>572</b>	<b>5 950</b>
<b>01.01.2023</b>	<b>26 978</b>	<b>20 546</b>	<b>482</b>	<b>5 950</b>
Profit/loss for the period	-2 539	-2 539	-	-
Other comprehensive income	379	61	318	-
Dividends declared	-296	-296	-	-
<b>30.06.2023</b>	<b>24 522</b>	<b>17 772</b>	<b>800</b>	<b>5 950</b>
<b>01.01.2024</b>	<b>24 118</b>	<b>17 596</b>	<b>572</b>	<b>5 950</b>
Profit/loss for the period	-314	-314	-	-
Other comprehensive income	110	-	110	-
Dividends declared	-793	-793	-	-
<b>30.06.2024</b>	<b>23 120</b>	<b>16 489</b>	<b>682</b>	<b>5 950</b>

# Cash flow

<i>(Not audited amounts in NOK million)</i>	Note	First half		Year
		2024	2023	2023
<b>Cash flow from operating activities</b>				
Profit before tax		-417	-3 262	-3 362
Loss/gain(-) on sale of fixed assets		-19	-3	-18
Depreciation, amortisation and impairment		1 701	1 572	3 291
Net taxes paid		-9	-2	-10
Interest recognised in the income statement		1 121	721	1 696
Interest received <sup>1</sup>		84	96	208
Interest paid, excl. construction interest <sup>1</sup>		-1 248	-841	-1 743
Proceeds from sale of market-based securities		692	177	1 578
Purchase of market-based securities		-2 775	-155	-637
Changes in trade accounts receivable		230	247	129
Changes in trade accounts payable		-319	-168	438
Changes in other accruals		859	-790	-1 343
<b>Net cash flow from operating activities</b>		<b>-100</b>	<b>-2 409</b>	<b>228</b>
<b>Cash flow from investing activities</b>				
Proceeds from sale of tangible fixed assets		35	7	46
Purchase of tangible and intangible fixed assets and assets under construction	4	-3 596	-2 421	-5 527
Construction interest paid	4	-163	-122	-249
Dividend received		22	14	14
<b>Net cash flow from investing activities</b>		<b>-3 702</b>	<b>-2 522</b>	<b>-5 716</b>
<b>Cash flow from financing activities</b>				
Proceeds from new interest-bearing debt	3	11 867	9 962	11 962
Repayment of interest-bearing debt	3	-4 641	-5 825	-8 013
Changes in collateral under CSA (Credit Support Annex) agreements		-79	2 344	1 973
Dividend paid		-	-296	-296
<b>Net cash flow from financing activities</b>		<b>7 147</b>	<b>6 184</b>	<b>5 626</b>
<b>Net cash flow for the period</b>		<b>3 345</b>	<b>1 253</b>	<b>137</b>
Cash and cash equivalents at the start of the period		2 644	2 507	2 507
Cash and cash equivalents at the close of the period		<b>5 989</b>	<b>3 760</b>	<b>2 644</b>

<sup>1</sup> Comparative figures from previous reporting have been adjusted.



# Selected notes

## Note 1 – Accounting policies and estimates

These interim financial statements have been prepared in accordance with International Standards for Financial Reporting (IFRSs) and interpretations issued by the International Accounting Standards Board (IASB), including IAS 34. The interim financial statements do not contain all the supplementary disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements for 2023. The interim financial statements have not been audited.

The accounting policies applied for the interim financial statements are consistent with the accounting policies applied in the annual financial statements for 2023.

### **Segment reporting**

The Group has one operating segment. The revenues of the group are mainly based on a tariff model determined in guidelines provided by the Norwegian Water Resources and Energy Directorate (RME). Internal reporting is based on the Group's underlying profit before tax, by adjusting the ordinary profit for the change in higher/lower revenue as explained in Note 2.

### **Estimates**

In the annual report we provide information on areas characterized by a high degree of uncertainty and where significant discretionary judgements are required to determine carrying amounts. In this note, we provide updates on such areas if new information has arisen.

### **Useful economic life of assets**

Annual assessment of the useful economic life of Statnett's operating assets has resulted in an increase of the economic life of power lines from 55 years to 65 years. The change will reduce this year's depreciation by approximately NOK 75 million. The changed estimate for useful life of other components will amount to approximately NOK 25 million in reduced annual depreciation. In total, the change in the estimate for useful life will reduce the year's depreciation by approximately NOK 100 million. The change has been implemented with effect from 1 January 2024.

## Note 2 – Operating revenue

The note present Statnett's operating revenues and an alternative performance measure regulated by the RME.

### Operating revenue

<i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
Tariff revenue	3 831	1 574	3 110
Congestion revenue	3 295	4 347	9 943
Income from other owners in the grids	2	-22	-21
Extraordinary transfer to grid owners	-	-2 410	-2 568
<b>Total operating revenue from regulated grid operations</b>	<b>7 128</b>	<b>3 489</b>	<b>10 465</b>
Fee revenue from imbalance settlement	630	473	946
Fee revenue covered by imbalance settlement	-308	-208	-417
<b>Total fee revenue</b>	<b>322</b>	<b>266</b>	<b>529</b>
<b>Total operating revenue from regulated activities</b>	<b>7 450</b>	<b>3 755</b>	<b>10 994</b>
Other operating revenue	373	260	606
<b>Total operating revenue</b>	<b>7 823</b>	<b>4 014</b>	<b>11 600</b>

### Permitted revenue regulated operations

<i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
Revenue cap	8 314	7 270	14 609
Supplement to revenue cap	909	934	1 670
<b>Total permitted revenue grid operations</b>	<b>9 223</b>	<b>8 204</b>	<b>16 279</b>
<b>Permitted revenue imbalance settlement</b>			
Permitted fee revenue imbalance settlement	210	199	396
<b>Total permitted revenue grid operations and imbalance settlement</b>	<b>9 433</b>	<b>8 403</b>	<b>16 675</b>

## Higher/lower revenue -This year's changed and total balance

Regulated grid operations <i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
This year's higher/lower revenue (-/+), not recognised	2 095	4 715	5 814
This year's provision for interest higher/lower revenue (-/+), not recognised	-76	-155	-306
<b>This year's changed balance for higher/lower revenue (-/+)</b>	<b>2 019</b>	<b>4 560</b>	<b>5 508</b>
Balance higher/lower revenue (-/+), incl. interest as at 1 Jan	-4 121	-9 629	-9 629
Changed balance for higher/lower revenue (-/+), incl. interest	2 019	4 560	5 508
<b>Balance higher/lower revenue (-/+), incl. interest, closing balance</b>	<b>-2 102</b>	<b>-5 069</b>	<b>-4 121</b>

Imbalance settlement <i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
This year's higher/lower revenue (-/+), not recognised	-112	-67	-133
This year's provision for interest higher/lower revenue (-/+), not recognised	4	6	12
<b>This year's changed balance for higher/lower revenue (-/+)</b>	<b>-109</b>	<b>-61</b>	<b>-121</b>
Balance higher/lower revenue (-/+) incl. interest 1 Jan.	230	351	351
Changed balance for higher/lower revenue (-/+) incl. interest	-109	-61	-121
<b>Balance higher/lower revenue (-/+) incl. interest, closing balance</b>	<b>121</b>	<b>290</b>	<b>230</b>

Total balance higher/lower revenue, grid and imbalance settlement <i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
Balance higher/lower revenue (-/+) 1 Jan.	-3 891	-9 278	-9 278
Change in balance for Grid operations, excl. interest	2 095	4 715	5 814
Change in balance for Imbalance settlement, excl. interest	-112	-67	-133
Interest on change in balances	-73	-149	-294
<b>Total balance higher/lower revenue (-/+) , closing balance</b>	<b>-1 981</b>	<b>-4 779</b>	<b>-3 891</b>

## Underlying result

<i>(Not audited amounts in NOK mill)</i>	Year to date		Year
	2024	2023	2023
Total operating profit	747	-2 495	-1 547
This year's higher/lower revenue (-/+), incl. interest, not recognised	1 910	4 499	5 387
<b>Underlying operating profit</b>	<b>2 657</b>	<b>2 004</b>	<b>3 840</b>
Net financial expenses	-1 165	-767	-1 815
<b>Underlying profit before tax</b>	<b>1 493</b>	<b>1 236</b>	<b>2 025</b>
Tax expense, incl. not recognised tax effects on change in higher/lower revenue	-317	-266	-440
<b>Underlying result</b>	<b>1 176</b>	<b>970</b>	<b>1 585</b>

## Note 3 – Financial instruments

The note provides an overview of the carrying value and fair value of financial instruments, and how these are treated in the financial statements. The table also shows at which level in the valuation hierarchy the various measurement methods for the Group's financial instruments measured at fair value are included, based on the relative objectivity of the measuring methods.

(Not audited amounts in NOK million)			30.6.2024	30.6.2023
	Classification under IFRS 9	Measurement level	Carrying value	Carrying value
<b>Fixed assets</b>				
Derivatives, interest-bearing	Fair value through P/L	2	3 987	5 302
<b>Total derivatives</b>			<b>3 987</b>	<b>5 302</b>
Long-term receivables	Amortised cost	i/a	122	48
Subord. capital in Statnett SF's Pension fund	Amortised cost	i/a	75	75
Financial assets available for sale	Fair value through P/L	3	3	3
<b>Total other non-current financial assets</b>			<b>200</b>	<b>126</b>
<b>Current assets</b>				
Trade accounts receivable	Amortised cost	i/a	158	269
Other short-term receivables	Amortised cost	i/a	830	796
<b>Total trade accounts and other short-term receivables</b>			<b>988</b>	<b>1 064</b>
<b>Market-based securities</b>	Fair value through P/L	1	<b>3 996</b>	<b>2 790</b>
Derivatives, interest-bearing	Fair value through P/L	2	1 273	122
Derivatives, non-interest-bearing	Fair value through P/L	2	5	6
<b>Total derivatives</b>			<b>1 278</b>	<b>128</b>
<b>Liquid assets</b>	Fair value through P/L	1	<b>5 989</b>	<b>3 760</b>
<b>Non-current liabilities</b>				
<b>Other liabilities</b>	Amortised cost	i/a	<b>909</b>	<b>823</b>
Derivatives, interest-bearing	Fair value through P/L	2	1 234	1 010
<b>Total derivatives</b>			<b>1 234</b>	<b>1 010</b>
Other long-term interest-bearing debt	Amortised cost	2	50 156	45 004
Lease liability	Amortised cost	i/a	195	139
<b>Total non-current interest-bearing debt</b>			<b>50 351</b>	<b>45 143</b>
<b>Current liabilities</b>				
Other short-term interest-bearing debt	Amortised cost	2	11 737	10 293
Lease liability	Amortised cost	i/a	92	82
<b>Total current interest-bearing debt</b>			<b>11 829</b>	<b>10 375</b>

<b>Trade and other current payables</b>	i/a	<b>5 335</b>	<b>3 975</b>
Derivatives, non-interest-bearing	Fair value through P/L	2	7
<b>Total derivatives</b>		<b>7</b>	<b>1</b>

		<b>30.6.2024</b>	<b>30.6.2023</b>
<b>Fair value of other interest bearing debt recognised at amortised cost</b>		<b>Fair value</b>	<b>Fair value</b>
Other non-current interest-bearing debt		50 330	44 981
Other current interest-bearing debt <sup>1</sup>		11 737	10 308
<b>Total other interest-bearing debt</b>		<b>62 066</b>	<b>55 289</b>

	<b>30.6.2024</b>	<b>30.6.2023</b>
<b>Total measurement levels</b>	<b>Carrying value</b>	<b>Carrying value</b>
<b>Level 1</b>	3 996	2 790
<b>Level 2</b>	-57 869	-50 877
<b>Level 3</b>	78	78

<sup>1</sup> Reported value as of 30.6.2023 (5,946) is updated compared to previous reporting for 2023.

There have not been any transfers between the measurement levels during the period.

## Fair value

The fair value of forward exchange contracts is established using the forward rate at the balance sheet date. The fair value of currency and interest swaps is calculated as the present value of future cash flows. Fair values are mainly confirmed by the financial institutions with which Statnett has entered an agreement.

The fair value of financial assets, trade payables and other current and interest-bearing liabilities are measured at amortized cost using the effective interest method.

Due to their short-term nature, the carrying value of financial instruments such as available-for-sale financial assets, trade and other current receivables, cash and cash equivalents, trade and other current payables is deemed to be a fair estimate of fair value.

## Measurement of financial instruments

The Group applies the following hierarchy to measure and present the fair value of financial instruments:

- Level 1: Fair value is measured using listed prices from active markets for identical financial instruments. No adjustment is made for these prices.
- Level 2: Fair value is measured using other observable inputs than those used at level 1, either directly (prices) or indirectly (derived from prices).
- Level 3: Fair value is measured using input that is not based on observable market data.

Listed shares, money market and interest funds, bonds and certificates are deemed to be Level 1 since the securities are listed on a stock market and freely tradable and are measured at the most recent quoted price. Non-listed shares and shareholdings are valued based on the company's financial statements and are therefore deemed to be Level 3.

Derivatives are deemed to be Level 2. The currency element of forward exchange rates is measured at observable market prices using rates from Norges Bank. Different maturity dates add an interest element that is used to calculate the fair value of forward currency contracts.

## Note 4 – Assets under construction

<i>(Not audited amounts in NOK million)</i>	2024	2023
Acquisition cost at 1 January	6 320	6 291
Additions	3 213	2 630
Capitalised construction interest	163	122
Transferred to tangible and other intangible fixed assets	-1 919	-2 883
Write-offs	-7	-43
<b>Acquisition cost at 30 June</b>	<b>7 769</b>	<b>6 118</b>
Hedge accounting effects	1	-
<b>Assets under construction at 30 June</b>	<b>7 770</b>	<b>6 118</b>

### Contractual obligations

Total contractual commitments as of 30 June 2024 amounted to NOK 5.9 billion. The amount is related to remaining contractual commitments in construction projects.

# Declaration from the Board of Directors and CEO

We confirm that, to the best of our knowledge, the interim financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IFRS and that the disclosures in the financial statements provide a true and fair view of the company's and the Group's assets, liabilities, financial position and performance as a whole. We further declare that, to the best of our knowledge, the information contained in the Interim Report from the Board of Directors for the first six months of 2024 provides a true and fair view of important events in the accounting period and their influence on the financial statements, together with a description of the key risk and uncertainty factors facing the company.

Oslo, 30. august 2024

**Statnett SF's Board of Directors**



Nils Kristian Nakstad  
Board Chair



Hilde Singsaas  
Board member



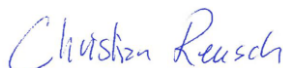
Maria Sandsmark  
Board member



Egil Gjesteland  
Board member



Wenche Teigland  
Board member



Christian

Reusch  
Board member



Ingeborg Ligaarden  
Board member



Børre Langgård  
Board member



Steinar Jøråndstad  
Board member



Elisabeth Vike Vardheim  
Acting CEO



# Alternative performance measures

Key figures (Amounts in NOK million)	1. half year		Year
	2024	2023	2023
Operating revenues (accounting)	7 823	4 014	11 600
Change in accumulated higher/lower revenue (-/+ ) before tax	1 910	4 499	5 387
<b>Operating revenues underlying<sup>1)</sup></b>	<b>9 733</b>	<b>8 513</b>	<b>16 986</b>
EBITDA (accounting)	2 449	-923	1 744
Change in accumulated higher/lower revenue (-/+ ) before tax	1 910	4 499	5 387
<b>EBITDA underlying</b>	<b>4 359</b>	<b>3 576</b>	<b>7 131</b>
EBIT (accounting)	747	-2 495	-1 547
Change in accumulated higher/lower revenue (-/+ ) before tax	1 910	4 499	5 387
<b>EBIT underlying</b>	<b>2 657</b>	<b>2 004</b>	<b>3 839</b>
Net profit for the period (accounting)	-314	-2 539	-2 617
Change in accumulated higher/lower revenue (-/+ ) after tax	1 490	3 509	4 202
<b>Net profit for the period underlying</b>	<b>1 176</b>	<b>970</b>	<b>1 585</b>
Equity accounting	23 120	24 522	24 118
Accumulated higher/lower revenue (-/+ ) after tax <sup>2)</sup>	-1 545	-3 728	-3 035
<b>Equity underlying</b>	<b>21 575</b>	<b>20 793</b>	<b>21 084</b>
EBIT to Regulatory Asset Base (RAB) and asset under construction	1,9 %	-6,3 %	-2,0 %
Change in accumulated higher/lower revenue (-/+ ) before tax	1 910	4 499	5 387
<b>EBIT to RAB and asset under construction underlying <sup>3)</sup></b>	<b>6,7 %</b>	<b>5,2 %</b>	<b>4,9 %</b>
Equity ratio	23,6 %	26,8 %	26,7 %
Accumulated higher/lower revenue (-/+ ) after tax	-1 545	-3 728	-3 035
<b>Equity ratio underlying <sup>4)</sup></b>	<b>22,0 %</b>	<b>22,8 %</b>	<b>23,3 %</b>
Funds from operations to net debt	10,2 %	-8,5 %	-0,9 %
Change in accumulated higher/lower revenue (-/+ ) after tax	1 490	3 509	4 202
Accumulated higher/lower revenue (-/+ ) after tax	-1 545	-3 728	-3 035
<b>Funds from operations to net debt underlying <sup>5)</sup></b>	<b>17,9 %</b>	<b>10,4 %</b>	<b>9,9 %</b>

- <sup>1)</sup> The underlying result is based on regulated permitted revenue, while the result under IFRS will vary depending on established tariffs, charges and congestion revenues. The difference is recognised as higher/lower revenue (see note two in the financial statements concerning operating revenues).
- <sup>2)</sup> Accumulated higher/lower revenue after tax = (accumulated higher/lower revenue before tax) \* (1 - tax rate)
- <sup>3)</sup> EBIT to Regulatory Asset Base (RAB) and assets under construction, average 1 Jan and 31 Dec. Regulated asset base (RAB) is defined as intangible assets + tangible assets - removal obligations. For full-year calculations, average of 01.01 and 31.12 are used. For half-year figures, 30.06. The key figure is annualized.
- <sup>4)</sup> Equity ratio (underlying) = (equity + (accumulated higher/lower revenue after tax)) / (total assets).
- <sup>5)</sup> Debt coverage ratio (underlying) = EBITDA (underlying) + net financial items – interest during construction - tax payable - change in working capital) / (long and short-term interest-bearing debt adjusted for the effect of hedging - market-based securities - cash & cash equivalents - acc. higher/lower revenue after tax). The key figure is annualised.

To provide a better understanding of Statnett's underlying profit/loss we also present a number of alternative performance measures. Alternative performance measures are defined in ESMA's guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Statnett's alternative performance measures are adjusted for higher/lower revenue and supplement the figures in the IFRS financial statements. Reported accumulated higher/lower revenue includes prior-year higher/lower revenue with interest.

### **Changes in the definition of financial key figures compared to the Half-Year Report 2023.**

#### **Return on equity**

The key figure has been removed. It is considered that the other key figures provide a comprehensive overview of Statnett's financial position.

#### **Regulatory Asset Base (RAB) and assets under construction**

In the Annual and Sustainability Report 2023 this new capital target was included. The capital target is not affected by tax factors allowing for a better assessment of the effects of the economic regulation.

#### **EBIT to Regulatory Asset Base (RAB) and assets under construction**

In the Annual and Sustainability Report 2023 this new return target was included. The return target is not affected by tax factors allowing for a better assessment of the effects of the economic regulation.