

Landsnet's interim financial statement for the period January-June, 2024 was published today.

Operations proceed as planned despite various challenges

Guðlaug Sigurðardóttir, Landsnet's CFO, stated that operations are performing well and aligned with established plans despite ongoing challenges.

“ Company operations in the first half of the year were generally successful, with overall results aligning with expectations. While an increase in income was anticipated compared to the previous year, curtailments caused by an energy shortage resulted in lower income during this period. Additionally, projects related to volcanic activity in Reykjanes have impacted the prioritisation of operation projects, leading to delays in several planned maintenance projects.

There remains a significant need to develop and enhance the transmission system, with substantial investment projects on the horizon. The year began slowly, but the next few months will be spent preparing for larger purchases related to new projects. However, challenges persist in the supply chain regarding delivery times, rising prices and product availability. Additionally, intense competition for supplies related to transmission systems is emerging globally as Transmission System Operators upgrade their infrastructure to support the energy transition that demand considerable investments.

In the first half of the year, Landsnet secured a \$50 million (7 billion ISK) loan from the Nordic Investment Bank (NIB), which supports projects focused on developing environmentally friendly infrastructure. Landsnet's commitment to strengthening its transmission system, optimising resource use, and enhancing energy security aligns with NIB's mission. This time, the loan will finance the construction of substations, including Landsnet's inaugural substation, where equipment is insulated with green gas, a more sustainable alternative than previously available. The enduring collaboration between Landsnet and NIB has been fruitful, and this loan further underscores the bank's confidence in Landsnet and its priorities“

Main points of the financial statement:

Profits in the first 6 months of the year 2024 amounted to 21.1 million USD compared with 14.9 million USD during the same period in 2023. Earnings before Interest and Taxes (EBIT) was 34.9 million USD compared with 29.9 million USD in the previous year.

The total assets of the company amounted to 1.151,1 million USD compared with 1.113,6 million USD at year end, 2023. Total liabilities amounted to 635,8 million USD compared with 606,1 million USD at year end, 2023.

Equity ratio was 44.8% at end of June, compared with 44.3% at year-end, 2023. Net assets amounted to 515.3 million USD compared with 507,5 million USD at year end in 2023.

Net cash availability was 78.6 million USD at end of June and net cash provided by operating activities amounted to 45.1 million USD.

The interim report can be accessed here: www.landsnet.is

The main results of the financial statement, key figures and balance sheet ratios (amounts in thousands of USD):

<i>Amounts are in USD thousand</i>	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-30.6.2022	1.1.-30.6.2021
Income Statement				
Operating revenue	92.394	84.082	87.522	73.135
Operating expenses	(57.449)	(54.187)	(54.807)	(44.450)
Operating profit (EBIT)	34.945	29.895	32.715	28.685
Net financial expenses	(8.255)	(11.463)	(8.501)	(8.143)
Share in net earnings of associated companies	(28)	165	103	41
Profit before income tax	26.662	18.597	24.317	20.583
Income tax	(5.582)	(3.690)	(4.846)	(4.112)
Profit	21.080	14.907	19.471	16.471

<i>Amounts are in USD thousand</i>	30.6.2024	31.12.2023	31.12.2022	31.12.2021
Balance Sheet				
Fixed assets	1.039.659	1.027.814	972.882	963.536
Current assets	111.394	85.760	59.468	56.640
Total assets	1.151.053	1.113.574	1.032.350	1.020.176
Equity	515.258	507.500	482.281	470.557
Long-term liabilities	585.622	542.538	496.300	478.002
Short-term liabilities	50.173	63.536	53.769	71.617
Total equity and liabilities	1.151.053	1.113.574	1.032.350	1.020.176

<i>Amounts are in USD thousand</i>	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-30.6.2022	1.1.-30.6.2021
Cash Flow				
Net cash from operating activities	45.137	39.433	41.843	36.902
Net cash to investment activities	(30.134)	(26.555)	(20.155)	(44.522)
Net cash from (to) financing activities	9.432	12.202	(18.412)	19.330
Effect of exchange rate changes on cash	(199)	1.356	414	(90)
Cash and cash equivalents at 1 January	54.324	26.325	25.224	25.766
Cash and cash equivalents at 30 June	78.560	52.761	28.914	37.386

<i>Amounts are in USD thousand</i>	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-30.6.2022	1.1.-30.6.2021
Financial ratios				
EBITDA	53.286	47.816	49.312	43.719
Equity ratio	44,8%	44,3%	46,7%	46,1%

More information can be provided by Guðlaug Sigurðardóttir, CFO: Tel: +354 563 9300
or Email: guðlaugs@landsnet.is

About Landsnet

Landsnet was established in 2005 and is responsible for operating Iceland's electricity transmission system, one of the most important parts of Iceland's infrastructure. Our role is to operate and develop Iceland's electricity transmission system and administer its system operations.