

## Stable operations

Landsnet's interim financial statement for the January-June, 2020 period was published today.

**Guðlaug Sigurðardóttir, CFO at Landsnet, says that the company's results are satisfactory and that operations remain stable despite demanding external conditions.**

*"The last few months have been both challenging and demanding for the Landsnet team. We are relieved to see that our efforts have kept operations stable and according to plan. The volatile weather conditions experienced last winter and the Covid 19 pandemic inevitably affected both us and our customers. The long-term effects have yet to be seen but are being closely monitored by our team. We have remained focused on continuing business as usual without compromising the safety and health of our employees during these unprecedented times. We have so far been successful in our efforts and 2020 is still set to become the largest construction year in company history. We secured finance once again from the USA at the beginning of the year which we see as a definite vote of confidence from the financial markets."*

### Main points of the financial statement:

Earnings before Interest and Taxes (EBIT) was 22.0 million USD compared with 29.9 million USD in the previous year. Profits in the first 6 months of the year 2020 amounted to 13.3 million USD compared with 19.8 million USD during the same period in 2019.

The total assets of the company amounted to 880.6 million USD compared with 852.3 million USD at year end, 2019. Total liabilities amounted to 486.2 million USD compared with 461.0 million USD at year end, 2019. In February, Landsnet sold unsecured bonds in the amount of USD \$ 100 million on the Private Placement market in the USA. Landsnet paid the last instalment of the loan owed to Landsvirkjun, its mother company, in the amount of USD 68.2 million in March.

Equity ratio was 44.8% at end of June, compared with 45.9% at year-end, 2019. Net assets amounted to 394.4 million USD compared with 391.3 million USD at year end in 2019.

Net cash availability was 41.4 million USD at end of June and net cash provided by operating activities amounted to 25.5 million USD.

The interim report can be accessed here: [www.landsnet.is](http://www.landsnet.is)

**More information can be provided by Guðlaug Sigurðardóttir, CFO: Tel: +354 563 9311 or Email: [gudlaugs@landsnet.is](mailto:gudlaugs@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>	<b>1.1.-30.6.2020</b>	<b>1.1.-30.6.2019</b>	<b>1.1.-30.6.2018</b>	<b>1.1.-30.6.2017</b>
<b>Income Statement</b>				
Operating revenue	63.807	73.367	76.742	71.504
Operating expenses	( 41.830)	( 43.479)	( 47.513)	( 42.369)
<b>Operating profit (EBIT)</b>	<b>21.977</b>	<b>29.888</b>	<b>29.229</b>	<b>29.135</b>
Net financial expenses	( 5.386)	( 5.315)	( 9.104)	( 16.037)
Share in net earnings of associated company	80	98	67	66
<b>Profit before income tax</b>	<b>16.671</b>	<b>24.671</b>	<b>20.192</b>	<b>13.164</b>
Income tax	( 3.322)	( 4.918)	( 3.959)	( 2.620)
<b>Profit</b>	<b>13.349</b>	<b>19.753</b>	<b>16.233</b>	<b>10.544</b>

<i>Amounts are in USD thousand</i>	<b>30.6.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Balance Sheet</b>				
Fixed assets	815.871	799.596	780.553	777.214
Current assets	64.752	52.711	65.779	74.088
<b>Total assets</b>	<b>880.623</b>	<b>852.307</b>	<b>846.332</b>	<b>851.302</b>
Equity	394.384	391.311	370.303	336.964
Long-term liabilities	446.353	353.511	429.965	472.685
Short-term liabilities	39.886	107.485	46.064	41.653
<b>Total equity and liabilities</b>	<b>880.623</b>	<b>852.307</b>	<b>846.332</b>	<b>851.302</b>

<i>Amounts are in USD thousand</i>	<b>1.1.-30.6.2020</b>	<b>1.1.-30.6.2019</b>	<b>1.1.-30.6.2018</b>	<b>1.1.-30.6.2017</b>
<b>Cash Flow</b>				
Net cash from operating activities	25.531	37.490	36.896	37.279
Net cash to investment activities	( 29.284)	( 13.329)	( 20.647)	( 35.506)
Net cash from (to) financing activities	15.377	( 18.537)	( 16.960)	35.811
Effect of exchange rate changes on cash	( 1.230)	( 891)	( 713)	733
Cash and cash equivalents at 1 January	30.973	38.779	49.175	18.253
<b>Cash and cash equivalents at 30 June</b>	<b>41.367</b>	<b>43.512</b>	<b>47.751</b>	<b>56.570</b>

<i>Amounts are in USD thousand</i>	<b>1.1.-30.6.2020</b>	<b>1.1.-30.6.2019</b>	<b>1.1.-30.6.2018</b>	<b>1.1.-30.6.2017</b>
<b>Financial ratios</b>				
EBITDA	36.682	44.643	43.777	42.874
	<b>30.6.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
Equity ratio	44,8%	45,9%	43,8%	39,6%

### 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.