

Landsnet's interim financial statement for the January-June, 2023 period was published today.

**Guðlaug Sigurðardóttir, CFO at Landsnet, says that operations have been successful despite persistent challenges in the supply chain.**

The company has achieved successful operations, yielding a profit of 14.9 MUSD for the period. However, we continue to face sourcing challenges, including equipment delivery delays and price upswings. As a result, our investments for the period have fallen short of the intended targets, a trend expected to persist throughout the year. Given the prevailing uncertainties in the external environment, maintaining the company's strong position is even more vital, grounded in our commitment to professional work practices and stability within the legal framework.

We have adeptly managed a range of unforeseen challenges and demanding projects during this period without any significant impact on operational results. One notable instance is the fault on the submarine cable to the Westman Islands. In response, we executed effective and economical remedies during the cable's repair, guaranteeing uninterrupted electricity transmission to locations that would have otherwise required diesel generators, with potential costs of up to 500 million ISK. This prudent action yielded considerable financial savings and prevented the emission of 7,400 tonnes of carbon dioxide, underscoring our commitment to environmental stewardship.

We made significant progress in improving the security of supply with the commissioning of the Hrútatunga substation this spring. We're also pleased to share that we obtained a construction permit from the last municipality along the Suðurnesja Line 2 route in the first half of this year. The dual connection to Reykjanes is a crucial project in our transmission system, given its substantial significance. The commencement of construction now awaits the conclusion of agreements with landowners.

**Main points of the financial statement:**

Profits in the first 6 months of the year 2023 amounted to 14.9 million USD compared with 19.5 million USD during the same period in 2022. Earnings before Interest and Taxes (EBIT) was 29.9 million USD compared with 32.7 million USD in the previous year.

The total assets of the company amounted to 1.065,6 million USD compared with 1.032,4 million USD at year end, 2022. Total liabilities amounted to 593,8 million USD compared with 550,1 million USD at year end, 2022.

Equity ratio was 44.3% at end of June, compared with 46.7% at year-end, 2022. Net assets amounted to 471.8 million USD compared with 482,3 million USD at year end in 2022.

Net cash availability was 52.8 million USD at end of June and net cash provided by operating activities amounted to 39.4 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 9300 or Email: [guðlaugs@landsnet.is](mailto:guðlaugs@landsnet.is)**

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

	USD	USD	USD	USD
<i>Amounts are in USD thousand</i>	<b>1.1.-30.6.2023</b>	<b>1.1.-30.6.2022</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
<b>Income Statement</b>				
Operating revenue	84,082	87,522	73,135	63,807
Operating expenses	( 54,187)	( 54,807)	( 44,450)	( 41,830)
<b>Operating profit (EBIT)</b>	<b>29,895</b>	<b>32,715</b>	<b>28,685</b>	<b>21,977</b>
Net financial expenses	( 11,463)	( 8,501)	( 8,143)	( 1,663)
Share in net earnings of associated company	165	103	41	80
<b>Profit before income tax</b>	<b>18,597</b>	<b>24,317</b>	<b>20,583</b>	<b>20,394</b>
Income tax	( 3,690)	( 4,846)	( 4,112)	( 4,067)
<b>Profit</b>	<b>14,907</b>	<b>19,471</b>	<b>16,471</b>	<b>16,327</b>

	USD	USD	USD	USD
<i>Amounts are in USD thousand</i>	<b>30.6.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Balance Sheet</b>				
Fixed assets	982,193	972,882	963,536	858,575
Current assets	83,377	59,468	56,640	52,863
<b>Total assets</b>	<b>1,065,570</b>	<b>1,032,350</b>	<b>1,020,176</b>	<b>911,438</b>
Equity	471,788	482,281	470,557	404,848
Long-term liabilities	515,855	496,300	478,002	439,828
Short-term liabilities	77,927	53,769	71,617	66,762
<b>Total equity and liabilities</b>	<b>1,065,570</b>	<b>1,032,350</b>	<b>1,020,176</b>	<b>911,438</b>

	USD	USD	USD	USD
<i>Amounts are in USD thousand</i>	<b>1.1.-30.6.2023</b>	<b>1.1.-30.6.2022</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
<b>Cash Flow</b>				
Net cash from operating activities	39,433	41,843	36,902	25,531
Net cash to investment activities	( 26,555)	( 20,155)	( 44,522)	( 29,284)
Net cash from (to) financing activities	12,202	( 18,412)	19,330	15,377
Effect of exchange rate changes on cash	1,356	414	( 90)	( 1,230)
Cash and cash equivalents at 1 January	26,325	25,224	25,766	30,973
<b>Cash and cash equivalents at 30 June</b>	<b>52,761</b>	<b>28,914</b>	<b>37,386</b>	<b>41,367</b>

	USD	USD	USD	USD
<i>Amounts are in USD thousand</i>	<b>1.1.-30.6.2023</b>	<b>1.1.-30.6.2022</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
<b>Financial ratios</b>				
EBITDA	47,816	49,312	43,719	36,682
Equity ratio	44.3%	46.7%	46.1%	44.4%

**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.