

Strong future foundations

The financial statements for 2024 were approved by the Board of Directors on the 20th of February 2025.

Main points of the financial statement:

- Profits were 43.1 million USD in 2024 compared with 25.6 million USD in 2023.
- Earnings Before Interest and Taxes (EBIT) was 70.5 million USD compared with 52.7 million USD in the previous year.
- Net cash availability was 78.8 million USD at year-end and net cash provided by operating activities amounted to 87.0 million USD.
- Total assets amounted to 1,236.2 million USD at year-end compared with 1,113.6 million USD at the end of the previous year.
- Total equity amounted to 574.9 million USD at year-end and equity ratio was 46.5%
- Return on equity was 8.0% in 2024.

Guðmundur Ingi Ásmundsson CEO, Landsnet:

“I am pleased to report that the Financial Statement, approved today, reaffirms Landsnet’s strong financial position. With stable returns and a solid foundation, we are well-placed to deliver dividends to our shareholders. The past few years have brought their share of challenges, and 2024 was no different. Yet, despite volcanic eruptions, severe weather, energy curtailments, and broader global uncertainties, our operations have remained steady, and our financial performance is in line with expectations.

Last autumn, low water reserves forced energy curtailments. Transmission constraints between North and South Iceland meant we could not facilitate the energy transmission needed to ease the situation, resulting in further curtailments.

In October, a major disruption to the transmission system caused power outages across the Westfjords, North and Northeast Iceland. This event was a stark reminder of the urgent need to strengthen the grid, ensuring a nationwide, reliable and secure electricity supply.

The volcanic eruptions on the Reykjanes Peninsula tested the expertise and resilience of our teams. Our team acted quickly when lava flowed beneath the Svartsengi Line 1, damaging its conductors. A new tower was erected, new conductors were installed, and the line was swiftly back in operation.

The company's financing went well during the year, and in May 2024, Landsnet and the Nordic Investment Bank (NIB) signed an agreement for a loan of 50 million USD to strengthen the transmission system. This loan aligns with the bank's sustainability criteria, and the loan will, among other things, finance Landsnet's new substation, which is insulated with green gas, a more environmentally friendly option compared to previous alternatives.

Looking ahead, we stand on firm operational ground, supported by a regulatory framework that guarantees stability and predictability. We are ready to take on the challenges ahead, strengthening the grid, driving the energy transition, and optimising the use of our resources.”

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>	2024	2023	2022	2021
Income Statement				
Operating revenue	188,953	169,251	162,755	149,750
Operating expenses	(118,484)	(116,566)	(107,651)	(90,755)
Operating profit	70,469	52,685	55,104	58,995
Net financial expenses	(15,731)	(20,522)	(14,845)	(14,762)
Share in net earnings of associated company	24	(160)	297	192
Profit before income tax	54,762	32,003	40,556	44,425
Income tax	(11,626)	(6,436)	(8,055)	(8,850)
Profit	43,136	25,567	32,501	35,575

<i>Amounts are in USD thousand</i>	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Balance Sheet				
Fixed assets	1,121,817	1,027,814	972,882	963,536
Current assets	114,349	85,760	59,468	56,640
Total assets	1,236,166	1,113,574	1,032,350	1,020,176
Equity	574,944	507,500	482,281	470,557
Long-term liabilities	603,445	542,538	496,300	478,002
Short-term liabilities	57,777	63,536	53,769	71,617
Total equity and liabilities	1,236,166	1,113,574	1,032,350	1,020,176

<i>Amounts are in USD thousand</i>	2024	2023	2022	2021
Cash Flow				
Net cash from operating activities	86,979	72,505	72,962	64,443
Net cash to investment activities	(83,081)	(63,576)	(45,052)	(89,588)
Net cash to financing activities	20,847	17,741	(26,534)	25,008
Effect of exchange rate changes on cash	(227)	1,329	(275)	(405)
Cash and cash equivalents at 1 January	54,324	26,325	25,224	25,766
Cash and cash equivalents at 31 December	78,842	54,324	26,325	25,224

<i>Amounts are in USD thousand</i>	2024	2023	2022	2021
Financial ratios				
EBITDA	106,029	92,300	91,024	89,733
	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Equity ratio	46.5%	45.6%	46.7%	46.1%

Income Statement

- Operating revenues were 189.0 million USD in 2024 compared with 169.3 million USD in the previous year. The company has four main revenue sources: Revenue from energy-intensive users, revenue from transmission to distribution system operators, in-feed fees and revenue from the sale of transmission losses and ancillary services.
- Operating expenses increase slightly by 1.9 million USD between years. Depreciation decreased by USD 4.1 million, personnel cost increased by 1.5 million USD and other operating expenses increased by USD 4.5 million.
- The effect of exchange rate fluctuations is reflected in certain items in Icelandic kronas in income and expenses, but the overall effect has not been significant for operating profits before financial items.
- Earnings Before Interest and Taxes (EBIT) was 70.5 million USD compared with 52.7 million USD in the previous year, an increase of 17.8 million USD between years.
- Net financial expenses amounted to 15.7 million USD compared to 20.5 million USD in the previous year, a decrease of USD 4.8 million USD between years.
- Landsnet's profits were 43.1 million USD in 2024 according to the income statement, compared to 25.6 million USD profits in the previous year.
- The EBITDA of the company was 106.0 million USD compared with 92.3 million USD in the previous year.

Balance sheet

- The total assets of the company amounted to 1,236.2 million USD at year-end 2024 compared with 1,113.6 million USD at the end of the previous year.
- Net cash availability was 78.8 million USD at year-end and net cash provided by operating activities amounted to 87.0 million USD.
- Total liabilities amounted to 661.2 million USD at year-end compared with 606.1 million USD at the end of the previous year.
- The equity ratio was 46.5% at year-end, compared with 45.6% at the end of the previous year.

Operating outlook

The company budget for 2025 predicts a 42 million USD profit from company operations. The revenue plan is based on the amount and price changes that the company was aware of when making the plan. The cost estimate is based on the actual cost of the operation of the company, considering the criteria for determining the revenue cap. The company's plans for construction during the year amount to approximately 131 million USD. Financing for construction projects is underway and the company considers its access to loan markets to be good.

About the financial statement

The financial statements for 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS). These financial statements are presented in USD, which is the company's functional currency. The financial statements were approved by the Board of Directors on the 20th of February 2025.

About Landsnet hf.

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.

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More information can be accessed on Landsnet's website: www.landsnet.is where the Financial Statement is also available.