



Condensed
Interim Financial Statement
January 1st - June 30th 2025

Landsnet hf.
Gylfaflöt 9
112 Reykjavík

Reg.no. 580804-2410

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Report of the Board of Directors and the CEO

The role of Landsnet is to administer the transmission of electricity and system operation in accordance with the provisions of Chapter III of the Electricity Act No. 65/2003.

The Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting.

Profit of the period amounted to USD 11,533 thousand and total Comprehensive income amounted to USD 11,460 thousand. The Company's equity at end of June amounted to USD 568,404 thousand.

Share capital at the end of June 2025 is divided between two shareholders:

	Share
Icelandic State.....	93.22%
Orkuveita Reykjavíkur	6.78%

Operational year and outlook

Profit for the first six months of the year amounted to 11.5 million USD. The Company's operations have been successful and aligns with the company's plans. However, profit for the period is lower than in the same period last year and the decrease is largely explained by credit invoices issued at the beginning of the year due to the refund of power fee for electricity in-feed, amounting to 22.4 million USD plus interest. The refund was made following a Supreme Court ruling in case no. 2/2024, agreements with relevant parties and consultation with the Electricity Regulatory Authority.

Landsnet increase its tariff for transmission charges at the beginning of the year, partly due to the aforementioned ruling, which determined that end users, not producers, should pay transmission fees. Four parties have filed a complaint against the tariff increase to the Electricity Appeals Committee but it is not known when the outcome of those cases is expected. It is the management's assessment that it is unlikely that the plaintiffs' arguments will be accepted. The issues are discussed in more detail in Note No. 16.

Landsnet's revenues are determined in accordance with the Electricity Act. The aforementioned ruling was only about determining which parties connected to the system are required to pay for transmission, there was no dispute regarding the Company's allowed revenues or the regulatory framework. The Company's plans assume that its profit at the end of the year will be in line with plans and profits in previous years.

Statement of the Board of Directors and the CEO

According to the best knowledge of the Board of Director's and the CEO's, the Interim Financial Statements are in accordance with the International Financial Reporting Standards as adopted by the EU and it is the Board's and CEO's opinion that the Interim Financial Statements give a true and fair view of the financial performance of the Company for the six month period ended 30 June 2025, its assets, liabilities and financial position as at 30 June 2025 and its cash flow for the period then ended.

Further, in our opinion the financial statements and the endorsement by the Board of Directors and the CEO give a fair view of the development and performance of the Company's operations and its position and describes the principal risks and uncertainties faced by the Company.

The Board of Directors and the CEO have today discussed the Interim Financial Statements of Landsnet hf. for the period 1 January to 30 June 2025 and confirmed them by means of their signatures.

Reykjavík, 21 August 2025.

The Board of Directors:

Haraldur Flosi Tryggvason Klein
Kristján Arinbjarnar
Ruth Elfarsdóttir
Stefán Pétursson
Harpa Þuríður Böðvarsdóttir

CEO:

Ragna Árnadóttir

Independent Auditors' Review Report

To the Board of Directors and Shareholders of Landsnet hf.

We have on behalf of The Icelandic National Audit Office, reviewed the accompanying Condensed Interim Financial Statements of Landsnet hf., which comprise the endorsement by the Board of Directors and the CEO, the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with IAS 34 as adopted by the EU.

Auditor's responsibility

Our responsibility is to express an opinion on these Condensed Interim Financial Statements.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Statements does not give a true and fair view of the financial position of Landsnet hf. as at June 30, 2025, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standard, IAS 34, as adopted by the EU.

Reykjavík, 21 August 2025.

Deloitte ehf.

Gunnar Þorvarðarson
Certified Public Accountant

Berglind Klara Daníelsdóttir
Certified Public Accountant

Income Statement

for the period from 1 january - 30 June 2025

	Notes	1.1-30.6.2025	1.1-30.6.2024
Operating revenue			
Transmission	5	90,298	91,404
Other income		1,459	990
		<u>91,757</u>	<u>92,394</u>
Operating expenses			
Energy procurement costs	6	19,808	16,822
Transmission costs	7	31,172	29,230
System operation	7	2,614	2,442
Other operating expenses	7	10,159	8,955
		<u>63,753</u>	<u>57,449</u>
Operating profit		28,004	34,945
Financial income		1,935	2,876
Financial expenses		(15,468)	(11,131)
Net financial expenses	8	(13,533)	(8,255)
Share in net earnings of associated company		(40)	(28)
Profit before income tax		14,431	26,662
Income tax	9	(2,898)	(5,582)
Profit for the period		<u>11,533</u>	<u>21,080</u>
Earnings per share:			
Basic and diluted earnings per each USD 1 share		0.25	0.46

Notes no. 1 to 17 are an integral part of these financial statements.

Statement of Comprehensive Income

for the period from 1 january - 30 June 2025

	Notes	1.1-30.6.2025	1.1-30.6.2024
Profit of the period		11,533	21,080
Other comprehensive income:			
Translation difference due to subsidiaries and associated companies		257	(86)
Site restoration provision after income tax, change		(330)	(236)
Total other comprehensive income		(73)	(322)
Comprehensive income for the period		<u>11,460</u>	<u>20,758</u>

Notes no. 1 to 17 are an integral part of these financial statements.

Statement of Financial Position as at 30 June 2025

	Notes	30.6.2025	31.12.2024
Assets			
Fixed assets in operation	7.10	971,344	973,157
Projects under construction	10	153,254	121,726
Intangible assets	11	23,222	17,915
Investment in associated company		5,649	4,891
Long-term note	15	5,087	4,128
Non-current assets		<u>1,158,556</u>	<u>1,121,817</u>
Inventories		5,685	6,140
Receivable from associate company	15	650	485
Trade and other receivables		36,459	28,882
Cash and cash equivalents		48,774	78,842
Current assets		<u>91,568</u>	<u>114,349</u>
Total assets		<u><u>1,250,124</u></u>	<u><u>1,236,166</u></u>
Equity			
Share capital		45,549	45,549
Statutory reserve		11,387	11,387
Restricted equity		1,370	1,410
Revaluation account		233,392	239,015
Foreign currency translation .....	(	117)	(374)
Retained earnings		276,823	277,957
Total Equity		<u>568,404</u>	<u>574,944</u>
Liabilities			
Interest bearing long-term liabilities	12	484,010	487,093
Deferred income tax liability	13	83,642	83,252
Deferred income		21,900	21,972
Provision due to site restoration		11,901	11,128
Non-current liabilities		<u>601,453</u>	<u>603,445</u>
Current maturities	12	17,542	16,960
Income tax payable		14,951	14,175
Trade and other payables		47,774	26,642
Current liabilities		<u>80,267</u>	<u>57,777</u>
Total liabilities		<u>681,720</u>	<u>661,222</u>
Total equity and liabilities		<u><u>1,250,124</u></u>	<u><u>1,236,166</u></u>

Notes no. 1 to 17 are an integral part of these financial statements.

Statement of Equity for the period from 1 january - 30 June 2025

	Share capital	Statutory reserve	Restricted equity	Translation difference	Revaluation account	Retained earnings	Total equity
Changes in equity for six months ended 30 June 2024							
Equity at 1 January 2024.....	45,549	11,387	1,386	(315)	210,742	238,751	507,500
Profit for the period.....						21,080	21,080
Changes in Site restoration obligation.....					(236)	(236)	
Foreign currency translation.....			(86)			(86)	
Total comprehensive income.....		0	0	(86)	(236)	21,080	20,758
Share in net earnings of subsidiary and associated company.....			(28)			28	0
Dividends distributed to shareholders.....						(13,000)	(13,000)
Depreciation on revaluation recognised under retained earnings.....					(5,114)	5,114	0
Equity at 30 June 2024.....	45,549	11,387	1,358	(401)	205,392	251,973	515,258
Changes in equity for six months ended 30 June 2025							
Equity at 1 January 2025.....	45,549	11,387	1,410	(374)	239,015	277,957	574,944
Profit for the period.....						11,533	11,533
Changes in Site restoration obligation.....					(330)	(330)	
Foreign currency translation.....				257			257
Total comprehensive income.....		0	0	257	(330)	11,533	11,460
Share in net earnings of subsidiary and associated company.....			(40)			40	0
Dividends distributed to shareholders.....						(18,000)	(18,000)
Depreciation on revaluation recognised under retained earnings.....					(5,293)	5,293	0
Equity at 30 June 2025.....	45,549	11,387	1,370	(117)	233,392	276,823	568,404

Notes no. 1 to 17 are an integral part of these financial statements.

Statement of Cash Flows

for the period from 1 january - 30 June 2025

	Notes	1.1-30.6.2025	1.1-30.6.2024
Cash flow from operating activities			
Operating profit		28,004	34,945
Adjustments for:			
Loss from sales of fixed assets		15	7
Depreciation and amortisation	7	18,939	18,341
Working capital from operation before financial items		46,958	53,293
Operating assets, increase .....	(	6,433)	(655)
Operating liabilities, increase		2,472	3,081
Net cash from operating activities before financial items		42,997	55,719
Interest income received		1,161	1,346
Interest expenses and foreign exchange difference paid .....	(	14,295)	(8,573)
Taxes paid .....	(	1,649)	(3,355)
Net cash from operating activities		28,214	45,137
Cash flow to investing activities			
Investment in transmission infrastructures	10	(46,354)	(27,153)
Other investments	10,11	(7,487)	(2,646)
Proceeds from sale of fixed assets		8	26
Long-term note, change		(279)	(361)
Net cash used in investing activities		(54,112)	(30,134)
Cash flow from financing activities			
New long-term liabilities		0	49,922
Payments of long-term liabilities .....	(	8,726)	(27,490)
Dividend paid to shareholders		0	(13,000)
Net cash from financing activities		(8,726)	9,432
Net (decrease) increase in cash and cash equivalents .....	(	34,624)	24,435
Effect of exchange rate changes on cash and cash equivalents		4,556	(199)
Cash and cash equivalents at 1 January		78,842	54,324
Cash and cash equivalents at the end of the period		48,774	78,560

Notes no. 1 to 17 are an integral part of these financial statements.

Notes to the Financial Statements

1. Reporting entity

Landsnet hf. is domiciled at Gylfaflöt 9 in Reykjavik, Iceland. Landsnet was established in 2004 on the basis of the Electricity Act passed by the Icelandic parliament, the Althingi, in the spring of 2003. The role of Landsnet is to administer the transmission of electricity and system operation in accordance with the provisions of Chapter III of the Electricity Act No. 65/2003, which stipulates that the Company must not engage in any activities other than necessary to perform its duties under the Act.

2. Statement of compliance

The Condensed Interim Financial Statements have been prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Financial Statements of the Company for the year ended December 31, 2024. The Company's Financial Statements for the year 2024 can be found at its website www.landsnet.is and the website of NASDAQ OMX Iceland; www.nasdaqomxnordic.com

In case of discrepancy between the Icelandic version and the English translation, the Icelandic original will prevail.

3. Use of estimates and judgements

The preparation of the Interim Financial Statements in conformity with IFRS standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4. Accounting policies

The Condensed Interim Financial Statements are prepared using the same accounting policies as for the year 2024.

The Interim Financial Statements are presented in USD, which is the Company's functional currency. Amounts are presented in USD thousand unless otherwise stated. The Interim Financial Statements have been prepared on the historical cost basis, except for the Company's transmission system is recognised at a revalued amount.

New International Financial Reporting Standards

The Company has adopted all International Financial Reporting Standards, as adopted by the EU, for the accounting period beginning 1 January 2025, changes to the standards and new interpretations. The Company has not adopted new standards which have been issued but have not yet taken effect. It is the management's opinion that adoption of new standards which are not in effect will not have significant effects on the interim financial statements.

	2025	2024
	1.1.-30.6.	1.1.-30.6.
5. Transmission revenue		
Transmission revenue consist of:		
Energy transmission to power-intensive consumers	40,687	46,064
Energy transmission to distribution system operators	28,402	25,371
Transmission losses and ancillary services	20,031	18,894
Service income	406	476
In-feed fees	772	599
Transmission revenue total	90,298	91,404
6. Energy procurement costs		
Energy procurement costs consist of:		
Electricity purchases due to transmission losses	13,644	10,954
Purchase of ancillary services	6,164	5,868
Energy procurement costs total	19,808	16,822

Notes, continued:

	2025 1.1.-30.6.	2024 1.1.-30.6.
7. Depreciation and amortisation		
Depreciation and amortisation are specified as follows:		
Depreciation of fixed assets in operation, see Note 10	18,621	17,960
Amortisation and impairment losses of intangible assets, see Note 11	318	381
Depreciation and amortisation recognised in the income statement	18,939	18,341

Depreciation and amortisation are allocated as follows to operating items:

Transmission costs	18,499	17,719
System operation	20	175
Other operating expenses	420	447
Depreciation and amortisation recognised in the income statement	18,939	18,341

8. Financial income and expenses

Financial income and expenses are specified as follows:

Interest income	795	1,652
Net gain in fair value of marketable securities	1,140	441
Exchange rate difference	0	783
Total financial income	1,935	2,876
Interest expenses	(11,900)	(11,166)
Interest expenses related to refund of in-feed fee, see note no. 16	(3,092)	0
Indexation	(916)	(1,223)
Exchange rate difference	(2,455)	0
Change in present value of the provision due to site restoration	(361)	(333)
Capitalised interest expense due to projects under construction	3,256	1,591
Total financial expenses	(15,468)	(11,131)
Net financial expenses	(13,533)	(8,255)

Capitalised financial expenses were 5.1% (30.6.24: 5.0%) of capital tied in transmission structures under construction during the year. This is the Company's average finance cost.

9. Income tax

Income tax recognised in the income statement is specified as follows:

Deferred income tax for the period	(391)	(468)
Income tax recognised among comprehensive income	(82)	(59)
Income tax payable	(2,425)	(5,055)
Income tax recognised in the income statement	(2,898)	(5,582)
Effective tax rate	(20.1%)	(20.9%)

10. Fixed assets in operation

Fixed assets in operation specified as follows:

	Transmission			
Cost	Substations	lines	Other	Total
Balance 1.1.2024	590,295	838,766	46,844	1,475,905
Revaluation	29,932	43,213	0	73,145
Additions	819	1,466	2,716	5,001
Transferred from projects under construction	4,676	8,681	0	13,357
Sold	0	0	(79)	(79)
Balance 31.12.2024	625,722	892,126	49,481	1,567,329
Additions	909	769	612	2,290
Transferred from projects under construction	7,906	6,635	0	14,541
Sold	0	0	(34)	(34)
Balance 30.6.2025	634,537	899,530	50,059	1,584,126

Notes, continued:

	Transmission			
10. Fixed assets in operation, cont.:	Substations	lines	Other	Total
Depreciation				
Balance 1.1.2024	207,277	304,273	21,145	532,695
Revaluation	10,496	16,373	0	26,869
Depreciation	15,297	17,623	1,735	34,655
Sold	0	0	(47)	(47)
Balance 31.12.2024	233,070	338,269	22,833	594,172
Depreciation	8,632	9,250	739	18,621
Sold	0	0	(11)	(11)
Balance 30.6.2025	241,702	347,519	23,561	612,782
Carrying amount				
1.1.2024	383,018	534,493	25,699	943,210
31.12.2024	392,652	553,857	26,648	973,157
30.6.2025	392,835	552,011	26,498	971,344
Carrying amount without revaluation				
1.1.2024	281,174	378,515	25,699	685,388
31.12.2024	276,009	372,392	26,648	675,049
30.6.2025	279,176	375,516	26,498	681,190

Basis of revaluation of fixed assets in operation

In accordance with the International Accounting Standard ISA 16, the Company's lines and substations are recognised according to the revaluation method. A revaluation was last conducted on those assets in the year 2024.

The company's policy on the revaluation of assets requires the revaluation of power lines and substations. The reassessment of the year is based on, on the one hand, the operating value through a cash flow analysis and, on the other hand, the estimated reconstruction cost of the transmission system, which is assessed by independent experts. An impairment test on the underlying assets is also carried out once a year and it is done before the company's annual Financial Statement. In the first half Interim Financial Statement, the management has evaluated whether there are indications of asset impairment, and the conclusion is that there is not.

Projects under construction:	2025	2024
Cost		
Balance 1.1.	121,726	56,655
Additions	44,794	72,940
Transferred to fixed assets in operation	(14,542)	(13,356)
Transferred from intangible assets	1,276	5,487
Balance 30.6. / 31.12.	153,254	121,726

11. Intangible assets:

Intangible assets specified as follows:

	Capitalised development cost	Software	Total
Cost			
Balance 1.1.2024	26,678	6,864	33,542
Additions	4,760	150	4,910
Transferred to projects under construction	(5,487)	0	(5,487)
Balance 31.12.2024	25,951	7,014	32,965
Additions	6,563	338	6,901
Transferred to projects under construction	(1,276)	0	(1,276)
Balance 30.6.2025	31,238	7,352	38,590

Notes, continued:

11. Intangible assets, cont.:

	Capitalised development cost	Software	Total
Amortisation and impairment losses			
Balance 1.1.2024	10,038	4,107	14,145
Amortisation and impairment losses	729	176	905
Balance 31.12.2024	10,767	4,283	15,050
Amortisation	236	82	318
Balance 30.6.2025	11,003	4,365	15,368
Carrying amount			
1.1.2024	16,640	2,757	19,397
31.12.2024	15,184	2,731	17,915
30.6.2025	20,235	2,987	23,222

12. Interest-bearing loans and borrowings

This Note provides information on the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	30.6.2025	31.12.2024
Non-current liabilities		
Loan agreement and notes in USD, fixed interest	460,681	467,702
Listed indexed bond loan in NASDAQ OMX in ISK, fixed interest	39,121	34,926
	499,802	502,628
Current maturities on non-current liabilities	(17,542)	(16,960)
	482,260	485,668
Lease liabilities	1,750	1,425
Interest-bearing non-current liabilities total	484,010	487,093

Interest rates on the loans range between 2.08% - 5.73%. Weighted average interest rates of the Company are 4.58% (31.12.2024: 4.56%).

Maturities by year of interest-bearing loans and borrowings:

1.7.2025 - 30.6.2026 / 1.1.2025 - 31.12.2025	17,542	16,960
1.7.2026 - 30.6.2027 / 1.1.2026 - 31.12.2026	117,756	68,115
1.7.2027 - 30.6.2028 / 1.1.2027 - 31.12.2027	15,502	66,343
1.7.2028 - 30.6.2029 / 1.1.2028 - 31.12.2028	71,798	43,982
1.7.2029 - 30.6.2030 / 1.1.2029 - 31.12.2029	58,041	43,192
Later	219,163	264,036
	499,802	502,628

13. Deferred tax liability

The breakdown of deferred tax liability is as follows:

	2025 1.1.-30.6.	2024 1.1.-31.12.
Deferred tax liability at 1 January	83,252	76,459
Calculated income tax for the year	2,898	11,626
Deferred tax liability due to changes in site restoration obligation	(83)	86
Deferred tax liability due to revaluation of fixed assets	0	9,256
Income tax payable	(2,425)	(14,175)
Deferred tax liability at end of period	83,642	83,252

Notes, continued:

13. Deferred tax liability, cont.:

	2025	2024
	1.1.-30.6.	1.1.-31.12.
The breakdown of deferred tax liability was as follows at end of period:		
Non-current assets in operation	88,354	87,753
Intangible assets	1,915	1,671
Other assets	838	794
Provision due to site restoration	(2,380)	(2,225)
Other obligations	(4,787)	(4,731)
Unrealized exchange rate difference	(298)	(10)
Deferred tax liability at end of period	83,642	83,252

14. Financial instruments

Liquidity risk

The following are the contractual maturities of financial liabilities, including future interest payments:

	Carrying amount	Contractual cash flow	Within 12 months	1-2 years	2-5 years	After 5 years
30 June 2025						
Non-derivative financial liabilities:						
Non-current liabilities	503,799	625,926	40,398	138,718	190,145	256,665
Trade and other payables	36,766	36,766	36,766			
	540,565	662,692	77,164	138,718	190,145	256,665
31 December 2024						
Non-derivative financial liabilities:						
Non-current liabilities	506,605	637,568	39,856	90,352	201,204	306,156
Trade and other payables	19,034	19,034	19,034	0	0	0
	525,639	656,602	58,890	90,352	201,204	306,156

Fair value

Fair value versus carrying amounts

The fair values and carrying amounts of financial assets and liabilities as reported in the balance sheet are specified as follows:

	30.6.2025		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Other non-current liabilities	(499,802)	(504,623)	(502,628)	(505,589)
	(499,802)	(504,623)	(502,628)	(505,589)

Interest rate in valuation of fair value

Where applicable, expected contractual cash flow is discounted using the interest rate on government bonds plus a 1% margin on the reporting date.

Notes, continued:

15. Related parties

Definition of related parties

The Company has a related-party relationship with its shareholders, subsidiary, associates, directors, executive officers and companies in their possession. Transactions with related parties are on the same basis as transactions with non-related parties.

The activities of the Landsnet subsidiary Elma orkuviðskipti ehf. were minor in extent during the period, and hence no consolidated financial statements have been prepared. The subsidiary's negative equity interest is offset against a short-term receivable from the entity and presented within trade and other payables.

Transactions with related parties

	1.1.-30.6.2025	1.1.-30.6.2024
Sale of goods and services:		
Subsidiary and associate	18	11
Landsnet's other shareholders	20,704	20,827
Sale of goods and services to related parties total	20,722	20,838
Cost of goods and services:		
Subsidiary and associate	1,598	1,141
Landsnet's other shareholders	2,153	1,743
Cost of goods and services to related parties total	3,751	2,884

Balance:

Trade receivables and trade payables with related parties are as follows:

	30.6.2025		31.12.2024	
	Receivables	Payables	Receivables	Payables
Subsidiary and associate	650 (	1,524)	485 (	1,015)
Landsnet's other shareholders	3,709	0	4,426	0
Total	4,359	(1,524)	4,911	(1,015)

Other receivables and payables with related parties are as follows:	30.6.2025	31.12.2024
Interest-bearing long-term note to related parties with current maturities	5,087	4,128

16. Other issues

The Supreme Court's ruling on June 5th 2024, in case no. 2/2024, it was confirmed at the request of Landsvirkjun that Landsnet had no legal authority to charge electricity producers a capacity fee for the input of electricity into Landsnet's transmission system. This fee was collected during the period from 1 April 2022 to 30 September 2023 an amounted to approximately ISK 3.1 billion in total. During the same period, the transmission fee charged to electricity consumers was reduced accordingly, as the Company's total revenues are determined based on revenue caps set by the Electricity Regulatory Authority for Landsnet in accordance with provisions of the Electricity Act.

The court's ruling implies that if the Electricity Act is not changed, electricity users are only obligated to pay for electricity transmission. However, the judgment does not affect Landsnet's revenue cap as stipulated in Article 12 of Electricity Act no. 65/2003 and does not impact the total income that Landsnet is authorised to collect. Landsnet's system assets still serve as the basis for revenue caps.

Following discussions with stakeholders and communication with the Electricity Regulatory Authority, Landsnet issued credit invoices on 15 January of this year for previously collected revenues based on the capacity fee for input and the refunded the principal amount collected during the aforementioned period to all electricity producers who had paid the fee. Due to the impact of the credit invoices on revenues, Landsnet increased the transmission tariff for power intensive users on 1 January of this year and the transmission tariff for distribution system operators on 1 March. The negative impact on the Company's operating profit in the first half of the year is approximately 11.7 million USD but due to the tariff increase, the impact is expected to be largely reversed by year-end 2025. The long-term impact of the refund is therefore assessed as immaterial.

Notes, continued:

16. Other issues, cont.:

In the first half of the year, Landsnet reached an agreement with electricity producers regarding the payment of interest related to the funds refunded due to the in-feed fee. Interest was paid in the same currency as originally collected. The total amount of interest paid was 3.1 million USD. This constitutes a final settlement of interest, which has a one-time effect on the Company's financial expenses.

Four parties filed a complaint against the power intensive users transmission tariff nr. 54, which took effect on 1 January of this year, to the Electricity Appeals Committee. The plaintiffs include two power intensive users and two electricity producers. In all cases, the plaintiffs demand that the tariff be annulled. The main argument presented by the plaintiffs is that the tariff increase is unlawful because it constitutes an illegal increase in Landsnet's revenue cap intended to finance the refund of the in-feed fee to electricity producers following the Supreme Court ruling. Landsnet considers the plaintiffs' arguments to be unfounded, as the aforementioned Supreme Court ruling in case no. 2/2024 had no impact on Landsnet's revenue cap. The increase in tariff no. 54 is based on the fact that the issuance of credit invoices and the refund of the in-feed fee created room within the existing revenue cap for the increase reflected in tariff no.54. The Electricity Regulatory Authority reviewed the tariff and raised no objections and in its review accepted Landsnet's reasoning for the increase. It is not known when a decision from the Appeals Committee can be expected. It is the management's assessment that it is unlikely that the plaintiffs' aforementioned arguments will be accepted.

At the annual general meeting March 28, 2025 the payment of dividends to shareholders in the amount of USD 18 million was approved. The dividends will be paid to shareholders in September 2025.

17. Financial ratios

The company's key financial ratios:

Financial performance:	1.1.-30.6.2025	1.1.-30.6.2024
EBIT	28,004	34,945
EBITDA	46,943	53,286
Financial position:	30.6.2025	31.12.2024
Current ratio – current assets/current liabilities	1.14	1.98
Equity ratio – equity/total assets	45.5%	46.5%
Return on average equity	4.0%	8.0%