Landsvirkjun

Condensed interim financial statements 1.1.-30.6.2026

Contents

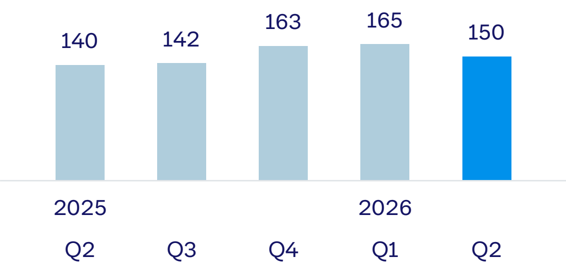
SUSTAINABLE DEVELOPMENT GOALS

EQUAL PAY CERTIFICATE 2025 - 2028

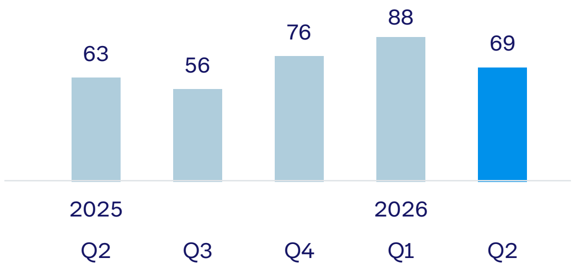
Equal Pay PwC 2025

Key figures

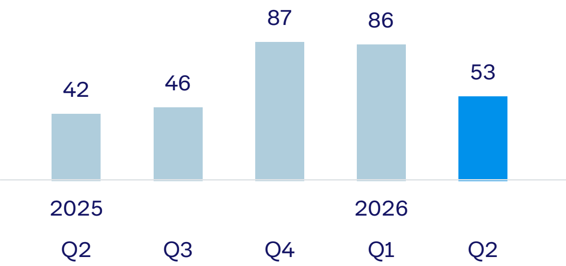
Operating revenues



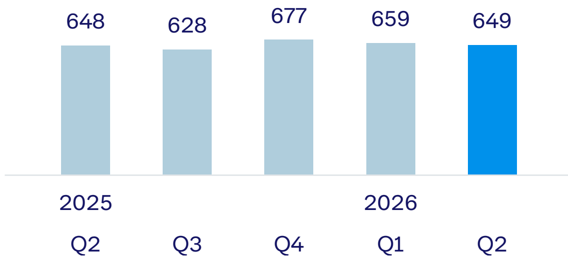
Profit before unrealised financial items

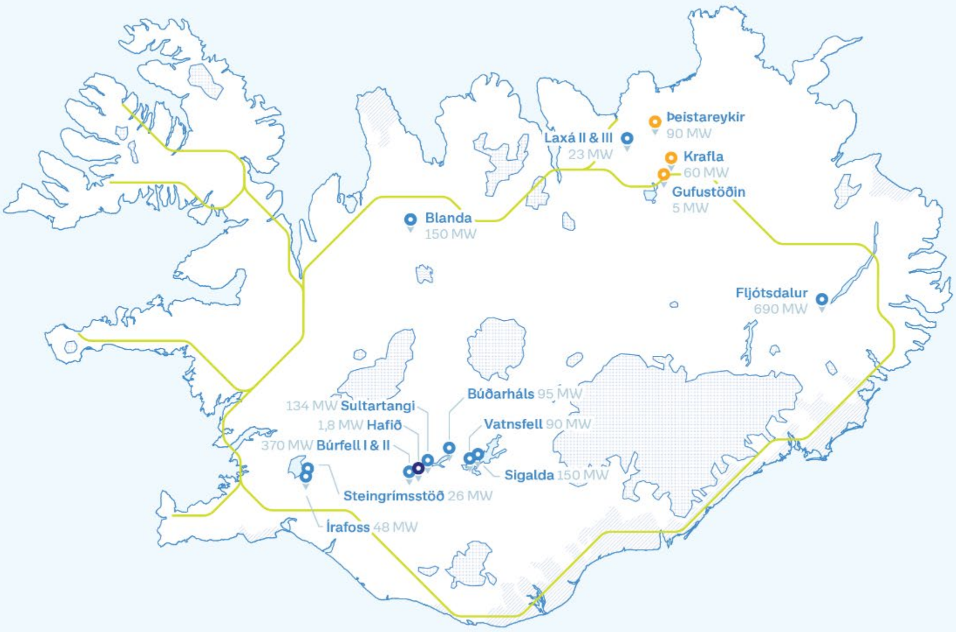


Cash flow from operating activities



Net debt





Installed Capacity	14 Hydropower Stations	3 Geothermal Stations	2 Wind Turbines
2,158 MW	2,001 MW	155 MW	2 MW

Key figures - unreviewed

Management's presentation of the operation of Landsvirkjun

	2026 1.1.-30.6.	2025 1.1.-30.6.	2024 1.1.-30.6.	2023 1.1.-30.6.	2022 1.1.-30.6.
Operation					
Operating revenues	327,002	302,449	277,714	296,492	348,621
Realised hedges	(11,980)	(7)	1,358	35,260	(53,666)
Total operating revenues	315,022	302,442	279,072	331,752	294,955
Operating and maintenance expenses	(99,796)	(93,664)	(79,851)	(76,769)	(81,641)
EBITDA	215,226	208,778	199,221	254,983	213,314
Depreciation and impairment loss	(50,241)	(49,426)	(50,051)	(53,036)	(54,327)
EBIT	164,985	159,352	149,170	201,947	158,987
Financial items	(8,404)	(5,542)	(6,442)	(6,435)	(18,069)
Subsidiaries and associated companies	445	674	661	456	13,426
Profit before unrealised financial items	157,026	154,484	143,389	195,968	154,344
Unrealised financial items:					
Fair value changes in embedded derivatives	529	5,612	(27,659)	(40,130)	49,799
Fair value changes in other derivatives	1,857	(1,175)	(4,496)	37,089	(4,878)
Unrealised foreign exchange difference	2,730	(12,890)	3,036	(8,344)	11,576
	5,116	(8,453)	(29,119)	(11,385)	56,497
Profit before income tax	162,142	146,031	114,270	184,583	210,841
Income tax	(59,810)	(59,166)	(43,788)	(70,611)	(73,378)
Profit for the period	102,332	86,865	70,482	113,972	137,463
Balance sheet	**30.6.2026**	**30.6.2025**	**30.6.2024**	**30.6.2023**	**30.6.2022**
Total assets	3,689,248	3,505,581	3,560,914	3,751,978	3,793,095
Total equity	2,247,257	2,195,097	2,213,198	2,270,014	2,230,022
Total liabilities	1,441,991	1,310,484	1,347,716	1,481,964	1,563,073
Net debt*	648,884	648,229	635,726	665,726	939,370
Cash flow	**1.1.-30.6.**	**1.1.-30.6.**	**1.1.-30.6.**	**1.1.-30.6.**	**1.1.-30.6.**
Funds from operation (FFO)	209,062	193,665	192,705	244,839	195,688
Cash flow from operating activities	139,220	146,373	163,377	248,784	191,800
Investing activities	(1,630)	(23,186)	5,032	4,718	6,696
Financing activities	(15,783)	(125,867)	(124,699)	(248,930)	(138,308)
Liquidity	**30.6.2026**	**30.6.2025**	**30.6.2024**	**30.6.2023**	**30.6.2022**
Cash and cash equivalents	174,030	82,211	128,038	157,726	125,315
Undrawn loans	125,000	125,000	125,000	125,000	150,000
Total liquidity	299,030	207,211	253,038	282,726	275,315
Key ratios					
Return on equity **	10.0%	8.0%	7.3%	6.2%	10.7%
Equity ratio	60.9%	62.6%	62.2%	60.5%	58.8%
Interest cover (EBITDA/net interest exp)**	49.75x	37.23x	44.26x	21.74x	10.36x
FFO / net debt**	61.2%	61.4%	67.2%	70.8%	37.9%
FFO / interest expense**	19.58x	14.12x	13.30x	12.94x	9.05x
Net debt / EBITDA**	1.59x	1.54x	1.44x	1.34x	2.38x
Credit rating without state guarantee at the end of June					
Standard & Poor's	A-	A-	A-	BBB+	BBB+

*Net debt is interest-bearing liabilities less cash and cash equivalents
**Key ratios based on the past 12 months

Interim Financial Statements of Landsvirkjun 30 June 2026 4 Amounts in USD thousand

Endorsement and Statement of the Board of Directors and CEO

Landsvirkjun's objective is to operate in the energy sector and to engage in other business and financial operations determined by the Board of Directors from time to time. The Company's condensed interim financial statements for the period from 1 January to 30 June 2026 are prepared in accordance with *IAS 34* Interim Financial Reporting and additional requirements in the Icelandic Financial Statements Act and include the separate financial statements of the Company which include the results of the subsidiaries, Icelandic Power Insurance Ltd. and Landsvirkjun Power ehf. and associated companies. Landsvirkjun does not prepare consolidated interim financial statements.

According to the income statement, the Company's profit for the period from January to June 2026 amounted to USD 102.3 million while the profit during the same period in 2025 amounted to USD 86.9 million. The change between periods amounted to USD 15.5 million. The Company's operating revenues amounted to USD 315.0 million during the period compared to USD 302.4 million during the same period in the previous year. The fair value changes of derivatives were positive and amounted to USD 2.4 million during the period from January to June 2026 compared to a positive difference of USD 4.4 million during the same period in the previous year. Currency exchange differences were negative and amounted to USD 0.8 million compared to a negative difference in the amount of USD 12.5 million during the same period in 2025. Cash flow from operations amounted to USD 139.2 million during the period compared to USD 146.4 million during the same period in the previous year. At the end of June 2026, cash and cash equivalents amounted to USD 174.0 million and undrawn loans amounted to USD 125.0 million, a total of USD 299.0 million. The Company's equity at the end of June amounted to USD 2,247.3 million according to the balance sheet compared to USD 2,311.1 million at year-end 2025.

Statement by the Board of Directors and the CEO

To the best of the knowledge of the Board of Directors and the CEO, the financial statements are in accordance with *IAS 34*, Interim Financial Reporting, as adopted by the EU and additional requirements in the Icelandic Financial Statements Act. To the best of the knowledge of the Board of Directors and the CEO, the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 30 June 2026 and the Company's operating results and changes in cash flow during the period from January to June 2026.

Furthermore, it is the opinion of the Board of Directors and the CEO that the interim financial statements and the Endorsement by the Board of Directors for the period from January to June 2026 give a true and fair view of the Company's results, financial position and development and describe the main risk factors faced by the Company.

The Board of Directors and the CEO have today discussed the interim financial statements for the period 1 January to 30 June 2026 and confirm them by means of their signatures.

Reykjavik, 18 August 2026.

The Board of Directors:
Brynja Baldursdóttir
Berglind Ásgeirsdóttir
Hörður Þórhallsson
Sigurður Magnús Garðarsson
Þórdís Ingadóttir

The CEO:
Hörður Arnarson

Independent Auditors’ Review Report

To the Board of Directors and owners of Landsvirkjun

We have reviewed the accompanying condensed interim financial statements of Landsvirkjun, which comprise the endorsement by the Board of Directors, the statement of financial position as at 30 June 2026 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes.

The Board of Directors’ and CEO’s responsibilities for the Interim Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard, IAS 34, as adopted by the EU and additional requirements in the Icelandic Financial Statements Act.

Auditors’ Responsibility

Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410. 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 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 accompanying condensed interim financial information does not give a true and fair view of the financial position of the Company as of 30 June 2026, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard, IAS 34, as adopted by the EU and additional requirements in the Icelandic Financial Statements Act.

Reykjavik, 18 August 2026

Deloitte ehf.

Elfa Dís Gunnarsdóttir
auditor

Jóhann Óskar Haraldsson
auditor

Income Statement

	Notes	2026 1.1.-30.6.	2025 1.1.-30.6.	2026 Q2*	2025 Q2*
Operating revenues					
Power sales	6	311,601	272,606	155,441	130,826
Realised hedges		(11,980)	(7)	(7,767)	278
Other income		15,401	29,843	1,880	8,913
		315,022	302,442	149,554	140,017
Operating expenses					
Energy generation costs		114,161	110,990	58,416	56,497
General research expenses		6,986	6,394	3,379	3,220
Other operating expenses		28,890	25,706	14,055	13,666
		150,037	143,090	75,850	73,383
Operating profit		164,985	159,352	73,704	66,634
Financial income and (expenses)					
Interest income		5,181	7,745	2,531	3,473
Interest expenses		(10,095)	(13,685)	(4,909)	(7,199)
Foreign exchange difference		(760)	(12,492)	1,323	(7,703)
Fair value changes in embedded derivatives		529	5,612	18,164	(3,868)
Fair value changes in other derivatives		1,857	(1,175)	9,844	(785)
	7	(3,288)	(13,995)	26,953	(16,082)
Subsidiaries and associated companies		445	674	113	263
Profit before income tax		162,142	146,031	100,770	50,815
Income tax		(59,810)	(59,166)	(37,046)	(22,093)
Net profit for the period		102,332	86,865	63,724	28,722

* The quarterly financial statements have not been reviewed by the Company's auditors

Notes 1 to 14 are an integral part of these interim financial statements

Interim Financial Statements of Landsvirkjun 30 June 2026 7 Amounts in USD thousand

Statement of Comprehensive Income

	2026 1.1.-30.6.	2025 1.1.-30.6.	2026 Q2*	2025 Q2*
Profit for the period	102,332	86,865	63,724	28,722
Items transferred to equity that will not be reclassified subsequently to profit or loss:				
Pension obligation after income tax, change	(1,110)	(1,673)	(664)	(1,177)
Items transferred to equity that may be reclassified subsequently to profit or loss:				
Cash flow hedge, effective portion net of tax	0	0	107	0
Transl. diff. due to subsidiaries and associates	(29)	1,093	(36)	744
Total operating items moved to equity	(1,139)	(580)	(593)	(433)
Total Comprehensive Income for the perio	101,193	86,285	63,131	28,289

* The quarterly financial statements have not been reviewed by the Company's auditors

Notes 1 to 14 are an integral part of these interim financial statements

Interim Financial Statements of Landsvirkjun 30 June 2026 8 Amounts in USD thousand

Balance Sheet

Assets	Notes	30.06.2026	31.12.2025
Non-current assets			
Property, plant and equipment		2,758,548	2,783,274
Projects under construction		205,410	95,216
Development costs		180,457	179,895
Other intangible assets		49,679	50,183
Derivative financial instruments	8	76,535	85,071
Subsidiaries		5,325	5,161
Associated companies		6,185	5,933
Loans to related parties		22,324	42,415
Shares in other companies		806	787
Total non-current assets		3,305,269	3,247,935
Current assets			
Accounts receivable and other receivables		118,707	88,410
Related parties, receivables		40,453	158,405
Derivative financial instruments	8	50,789	32,966
Cash and cash equivalents		174,030	56,105
Total current assets		383,979	335,886
Total assets		3,689,248	3,583,821
Equity and liabilities			
Equity			
Owners' contributions		586,512	586,512
Restricted reserves		4,017	3,693
Translation difference		(15,910)	(15,880)
Other equity		1,672,638	1,736,739
Total equity		2,247,257	2,311,064
Long-term liabilities			
Interest-bearing liabilities	9	624,381	528,897
Accrued pension liabilities		46,021	46,167
Deferred income tax liability		316,397	301,804
Lease obligation		10,808	11,562
Decommissioning obligation		825	525
Derivative financial instruments	8	3,675	5,803
		1,002,107	894,758
Current liabilities			
Accounts payable and other payables	11	177,092	81,493
Interest-bearing liabilities	9	198,533	203,977
Income tax payable		44,548	83,583
Related parties, liabilities		71	17
Derivative financial instruments	8	19,640	8,929
		439,884	377,999
Total liabilities		1,441,991	1,272,757
Total equity and liabilities		3,689,248	3,583,821

Notes 1 to 14 are an integral part of these interim financial statements

Interim Financial Statements of Landsvirkjun 30 June 2026 9 Amounts in USD thousand

Statement of Equity

	Owners' contribution	Restricted reserves	Translation difference	Other equity	Total equity
1 January to 30 June 2026					
Equity at 1 January 2026	586,512	3,693	(15,880)	1,736,739	2,311,063
Profit for the period				102,332	102,332
Translation difference			(29)		(29)
Pension obligation, change				(1,110)	(1,110)
Total comprehensive income		0	(29)	101,222	101,193
Dividend to owners				(165,000)	(165,000)
Share of profit of subsidiaries and associates transferred		325		(325)	0
Equity at 30 June 2026	586,512	4,017	(15,910)	1,672,638	2,247,257
1 January to 30 June 2025					
Equity at 1 January 2025	586,512	3,172	(16,652)	1,730,779	2,303,811
Profit for the period				86,865	86,865
Translation difference			1,093		1,093
Pension obligation, change				(1,673)	(1,673)
Total comprehensive income		0	1,093	85,192	86,285
Dividend to owners				(195,000)	(195,000)
Share of profit of subsidiaries and associates transferred		429		(429)	0
Equity at 30 June 2025	586,512	3,601	(15,559)	1,620,543	2,195,097

Notes 1 to 14 are an integral part of these interim financial statements

Interim Financial Statements of Landsvirkjun 30 June 2026 10 Amounts in USD thousand

Statement of Cash Flows

	2026 1.1.-30.6.	2025 1.1.-30.6.	2026 Q2*	2025 Q2*
Operating activities				
Operating profit	164,985	159,352	73,704	66,634
Depreciation and impairment loss	50,241	49,426	24,940	24,696
Pension obligation, change	(1,493)	(1,185)	(779)	(608)
Other changes	(139)	(2,321)	(44)	(2,389)
Working capital from op. before fin. items	213,594	205,272	97,821	88,333
Operating assets and liabilities, change	(30,778)	5,373	(21,108)	(8,982)
Cash flow from operating act. bef. fin. items	182,816	210,645	76,713	79,351
Interest income received	5,509	7,622	4,862	5,795
Interest exp. and foreign exch. diff. paid	(9,362)	(20,182)	(4,159)	(10,987)
Taxes paid	(39,743)	(51,712)	(23,745)	(31,924)
Cash flow from operating activities	139,220	146,373	53,671	42,235
Investing activities				
Power stations in operation	(18,129)	(9,930)	(12,340)	(6,132)
Power stations under construction	(95,999)	(13,952)	(50,633)	(10,103)
Power plant preparation cost	(21,482)	(11,645)	(4,117)	(5,975)
Purchased shares	(26)	(4)	0	(4)
Received dividend	0	3,876	0	3,842
Other investments	(2,765)	(11,772)	(1,456)	(1,314)
Assets sold	236	179	65	174
Loans to related parties, change	136,535	20,062	136,535	20,062
Investing activities	(1,630)	(23,186)	68,054	550
Financing activities				
Dividend paid to owners	(110,000)	(90,000)	(110,000)	(90,000)
Reduction of share capital	0	179	0	179
Borrowings	109,100	100,000	109,100	100,000
Amortisation of long-term debt	(14,883)	(136,046)	(1,957)	(63,184)
Financing activities	(15,783)	(125,867)	(2,857)	(53,005)
Change in cash and cash equivalents	121,807	(2,680)	118,868	(10,220)
Effect of exchange diff. on cash and cash equiv	(3,882)	6,110	(2,950)	3,520
Cash and cash equiv. at the beg. of the year	56,105	78,781	58,112	88,911
Cash and cash equiv. at the end of the period	174,030	82,211	174,030	82,211

* The quarterly financial statements have not been reviewed by the Company's auditors

Notes 1 to 14 are an integral part of these interim financial statements

Interim Financial Statements of Landsvirkjun 30 June 2026 11 Amounts in USD thousand

Notes

1. Reporting entity Landsvirkjun

Landsvirkjun is a partnership which operates in Iceland and has its headquarters at Katrínartún 2, Reykjavik, Iceland. Landsvirkjun operates in accordance with the Act on Landsvirkjun no. 42/1983. The Company's main objective is to engage in operations in the energy sector. The interim financial statements include the financial statements of the Company and its shares of subsidiaries and associated companies.

2. Statement of compliance with IFRS

The interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements in the Icelandic Financial Statements Act. They do not encompass all the information necessary for complete annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2025.

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2025 except that the Company has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning 1 January 2026, changes to the standards and new interpretations. The Company has not implemented new or amended standards that have been issued but are not yet in effect. The financial statements for the year 2025 can be found on its website www.landsvirkjun.com and on the website of Nasdaq Iceland: www.nasdaqomxnordic.com.

The interim financial statements are presented in USD, which is the Company's functional currency. Amounts are presented in USD thousands unless otherwise stated.

4. Use of estimates and judgements

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

5. Segment information

All operations of the Company fall under one segment. Landsvirkjun's objective, according to law, is to operate in the energy sector and to engage in other business and financial operations as determined by the Board of Directors from time to time. Landsvirkjun harnesses hydroelectric power, geothermal power and wind power. Landsvirkjun sells all of its electricity generation in Iceland, both to retail sales companies and to power-intensive industrial users.

6. Operating revenues

	2026	**2025**
	1.1.-30.6.	1.1.-30.6.
Power sales are specified as follows:		
Retail sales companies	60,009	69,434
Power-intensive users	251,592	203,172
Power sales total	311,601	272,606

Notes, contd.:

7. Financial income and (expenses)

Financial income and (expenses) are specified as follows:

	2026 1.1.-30.6.	2025 1.1.-30.6.
Interest income	5,181	7,745
Interest expense	(13,636)	(14,072)
State guarantee fee	(287)	(287)
Effect of discounting a decommissioning obligation	(8)	0
Capitalised interest	3,836	674
Total interest expense	(10,095)	(13,685)
Realised foreign exchange difference	(3,490)	398
Unrealised foreign exchange difference	2,730	(12,890)
Total foreign exchange difference	(760)	(12,492)
Fair value changes in embedded derivatives	529	5,612
Fair value changes in other derivatives	1,857	(1,175)
Financial income and (expenses)	(3,288)	(13,995)

8. Derivative financial instruments in the balance sheet

Derivative financial instruments in the balance sheet are specified as follows:

	30.06.2026	31.12.2025
Assets:		
Embedded derivatives in power contracts	113,276	112,746
Aluminium hedges	12,737	1,141
Currency and interest rate swaps	1,311	4,150
	127,324	118,037
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	76,535	85,071
Short-term component of derivative agreements	50,789	32,966
	127,324	118,037
Liabilities:		
Aluminium hedges	22,891	14,732
Cash flow hedge	424	0
	23,315	14,732
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	3,675	5,803
Short-term component of derivative agreements	19,640	8,929
	23,315	14,732

During the period, the Company applied hedge accounting.

Interim Financial Statements of Landsvirkjun 30 June 2026 13 Amounts in USD thousand

Notes, contd.:

9. Liabilities

Interest-bearing long-term debt is categorised by currencies as follows:

	Maturity date	30.06.2026 Average interest	Remaining balance	31.12.2025 Average interest	Remaining balance
Liabilities in EUR	2026	2.3%	170,912	2.2%	176,348
Liabilities in USD	2026-2035	4.2%	652,002	4.0%	556,526
			822,914		732,874
Current maturities of long-term debt			(198,533)		(203,977)
Total long-term debt			624,381		528,897

Interest rates on the loans range between 2.3-5.4%. Nominal interest rates for the period were on average 3.8%, taking into account the state guarantee fee (2025: 3.5%).

According to loan agreements, the maturities of long-term debt are as follows:

	30.06.2026
1.7.2026-30.6.2027	198,533
1.7.2027-31.12.2027	13,810
2028	131,764
2029	69,384
2030	119,384
2031	69,384
Later	220,655
	822,914

10. Comparison of fair value and book value of loans to related parties and long-term liabilities

	30.06.2026 Book value	Fair value	31.12.2025 Book value	Fair value
Interest-bearing loans issued by the Icelandic state	60,195	59,590	197,025	199,386
Interest-bearing long-term liabilities	(822,914)	(844,844)	(732,874)	(750,273)

Fair value of other financial instruments is equal to their carrying amount.

Fair value of interest-bearing loans to related parties and liabilities is calculated by discounting the expected cash flows using the underlying currencies' yield curves.

Interim Financial Statements of Landsvirkjun 30 June 2026 14 Amounts in USD thousand

Notes, contd.:

11. Accounts payable and other payables

Accounts payable and other payables are specified as follows:

	30.06.2026	31.12.2025
Accounts payable	52,216	51,926
Accrued interest	6,064	5,725
Value added tax	8,615	10,006
Lease liability, current maturities	2,186	2,127
Income tax payable due to last year	36,375	0
Unpaid dividend to owners	55,000	0
Other short-term liabilities	16,636	11,709
	177,092	81,493

12. Fair value classification

Calculations for embedded derivatives are based on the forward price of aluminium, as published by the LME, and are based on the maximum time length of forward aluminium prices, which is 123 months. Management expects the aluminium price in ten years to reflect the aluminium price at the time the agreements were made and therefore fair value changes will not arise for that period. The fair value of derivatives other than embedded derivatives is based on an evaluation from counterparties and verified by the company through comparative calculations based on market information.

The table presents the fair value hierarchy for items in the interim financial statements that are valued at fair value.

	Level 2	Level 3	Total
30.06.2026			
Embedded derivatives		113,276	113,276
Other derivatives	(9,267)		(9,267)
Shares in other companies		806	806
	(9,267)	114,082	104,815
31.12.2025			
Embedded derivatives		112,746	112,746
Other derivatives	(9,442)		(9,442)
Shares in other companies		787	787
	(9,442)	113,533	104,091

13. Events after the reporting date

In July 2026, the last outstanding listed bond issued by Landsvirkjun (EUR 150,000) reached its maturity date. This bond was also the Company's last bond carrying a government guarantee. Following its repayment, Landsvirkjun no longer has any listed bonds outstanding or any bonds backed by a government guarantee.

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14. Other matters

In a letter dated 9 February 2024, the Icelandic Competition Authority formally notified Landsvirkjun of its decision to initiate an investigation into whether provisions in contracts with power-intensive customers, specifically those restricting the resale of electricity under long-term contracts without prior approval from Landsvirkjun, are in violation of competition law or the provisions of the EEA Agreement.

Since 2020, following a complaint, the Competition Authority has been conducting a review and investigation into whether Landsvirkjun's participation in Landsnet's transmission loss auctions during the period 2017–2021 constituted a violation of competition law. The Competition Authority concluded on 18 August 2025 that the price charged by Landsvirkjun for electricity sold to Landsnet was too low and imposed a fine of USD 11.4 million on the Company. The decision has been appealed to the Competition Appeals Committee.

ESA, the EFTA Surveillance Authority, announced its decision on 30 April 2025 to open an investigation into whether Landsvirkjun has violated EEA competition rules by refusing to supply electricity to companies seeking to produce hydrogen and/or electric fuels. This is solely a decision to open an investigation and does not imply that ESA has reached a conclusion on any violation and does not indicate the final outcome of the investigation.

PCC BakkiSilicon hf. has ceased operations and there is uncertainty regarding the future of the plant. Contract negotiations between Landsvirkjun and PCC BakkiSilicon hf. are ongoing and a parent company guarantee is in place.

A malfunction occurred in electrical equipment at the Norðurál aluminium smelter at Grundartangi in October 2025. This resulted in production at the smelter being reduced by approximately two-thirds. Landsvirkjun supplies Norðurál with about one-third of the electricity the smelter uses. The power contracts include a purchase obligation on the part of Norðurál. There is a dispute as to whether the purchase obligation applies in this case, which will be resolved in accordance with the dispute resolution provisions of the power purchase agreements. Landsvirkjun's insurance coverage includes business interruption insurance intended to compensate Landsvirkjun for the majority of the loss suffered.