Landsvirkjun

Condensed interim financial statements
1.1.-30.9.2026



Contents

Key Figures 3

Key Information 4

Endorsement and Statement of the Board of Directors and CEO 5

Income Statement 6

Statement of Comprehensive Income 7

Balance Sheet 8

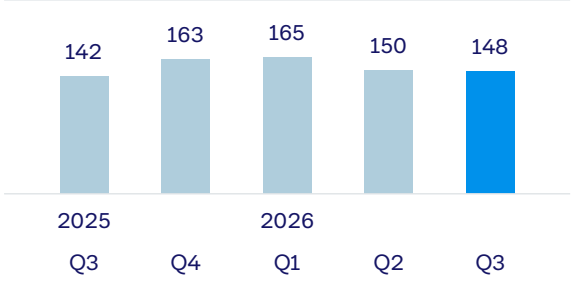
Statement of Equity 9

Statement of Cash Flows 10

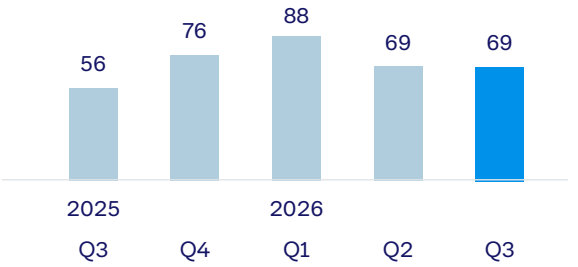
Notes 11

Key figures

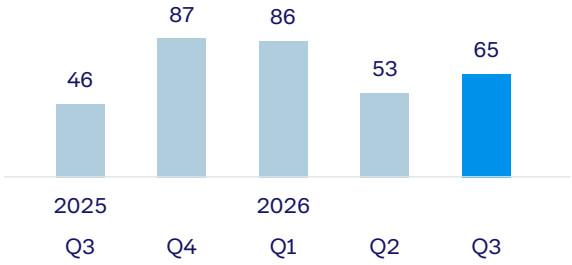
Operating revenues



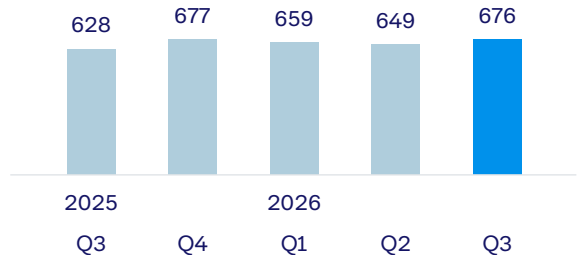
Profit before unrealised financial items

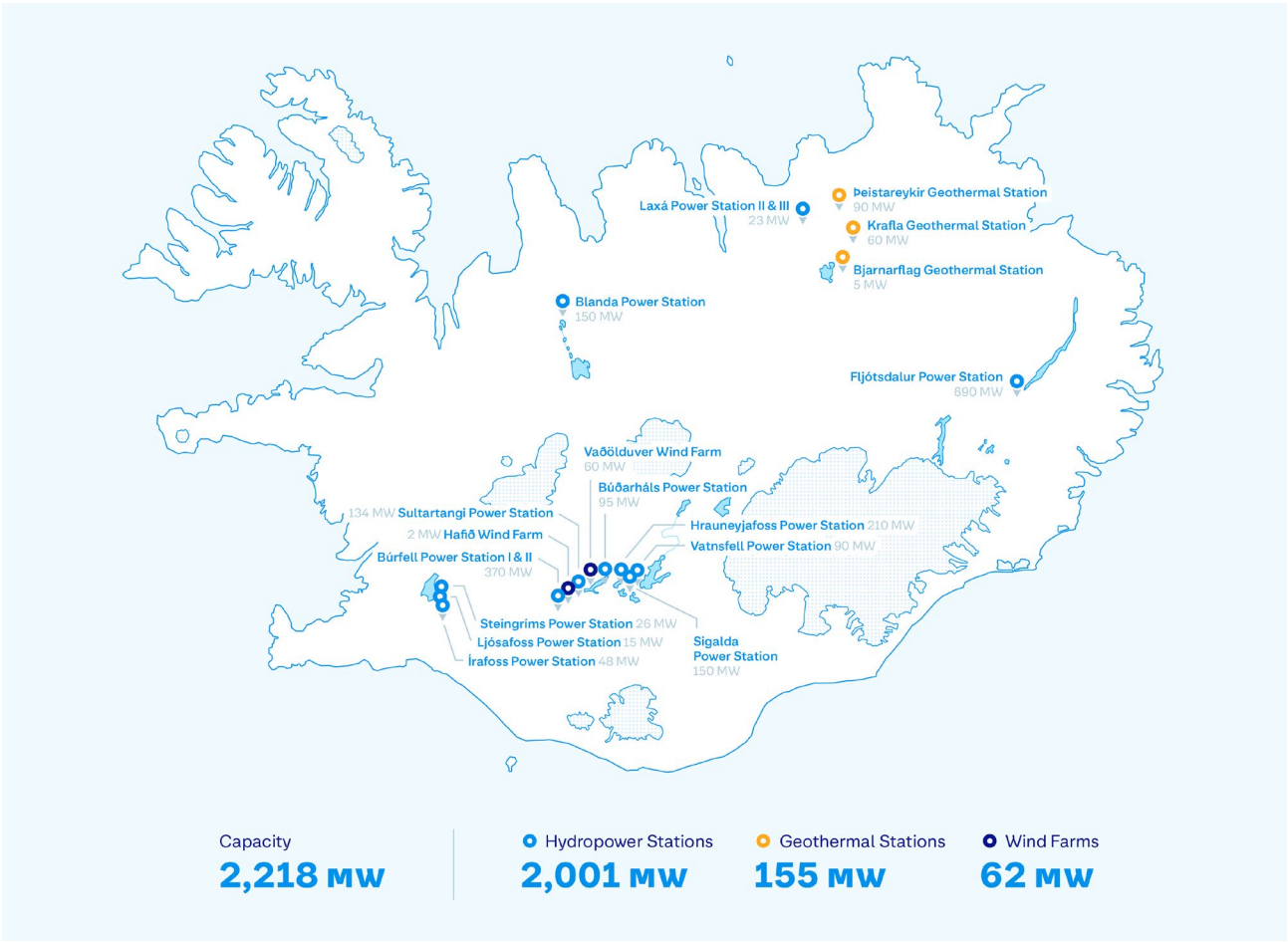


Cash flow from operating activities



Net debt





Key information

Management's presentation of the operation of Landsvirkjun

	2026 1.1.-30.9.	2025 1.1.-30.9.	2024 1.1.-30.9.	2023 1.1.-30.9.	2022 1.1.-30.9.
Operation					
Operating revenues	480,174	444,698	411,903	431,314	515,423
Realised hedges	(16,671)	(158)	2,103	64,049	(82,023)
Total operating revenues	463,503	444,540	414,006	495,363	433,400
Operating and maintenance expenses	(150,949)	(153,225)	(122,813)	(117,422)	(114,295)
EBITDA	312,554	291,315	291,193	377,941	319,105
Depreciation and impairment losses	(77,114)	(74,111)	(74,996)	(79,325)	(81,214)
EBIT	235,440	217,204	216,197	298,616	237,891
Financial items	(10,212)	(6,843)	(8,956)	(9,300)	(27,529)
Subsidiaries and associated companies	854	113	1,163	644	18,178
Profit before unrealised financial items	226,082	210,474	208,404	289,960	228,540
Unrealised financial items:					
Fair value changes in embedded derivatives	8,823	18,766	(18,824)	(34,041)	39,384
Fair value changes in other derivatives	(4,825)	(3,886)	(6,870)	8,671	16,471
Unrealised foreign exchange differences	(4,896)	(12,718)	(756)	(8,481)	23,817
	(898)	2,162	(26,450)	(33,851)	79,672
Profit before income tax	225,184	212,636	181,954	256,109	308,212
Income tax	(85,938)	(86,905)	(71,173)	(96,682)	(104,391)
Profit for the period	139,246	125,731	110,781	159,427	203,821
Balance sheet	**30.9.2026**	**30.9.2025**	**30.9.2024**	**30.9.2023**	**30.9.2022**
Total assets	3,661,031	3,538,810	3,609,474	3,773,748	3,869,482
Total equity	2,283,931	2,232,923	2,253,194	2,314,554	2,295,440
Total liabilities	1,377,100	1,305,887	1,356,280	1,459,194	1,574,042
Net debt*	675,834	628,383	606,026	564,841	839,547
Cash flow	**1.1.-30.9.**	**1.1.-30.9.**	**1.1.-30.9.**	**1.1.-30.9.**	**1.1.-30.9.**
Funds from operation (FFO)	298,713	273,097	280,436	364,573	295,476
Cash flow from operating activities	204,683	192,488	226,403	362,613	290,531
Investing activities	(95,007)	(48,856)	(21,504)	(12,157)	1,163
Financing activities	(88,733)	(138,973)	(137,571)	(291,388)	(150,760)
Liquidity	**30.9.2026**	**30.9.2025**	**30.9.2024**	**30.9.2023**	**30.9.2022**
Cash and cash equivalents	73,845	89,372	152,787	212,220	203,323
Undrawn loans	125,000	125,000	125,000	125,000	150,000
Total liquidity	198,845	214,372	277,787	337,220	353,323
Key ratios					
Return on equity**	9.8%	7.8%	6.9%	5.1%	11.5%
Equity ratio	62.4%	63.1%	62.4%	61.3%	59.3%
Interest cover (EBITDA/net interest exp.)**	41.04x	39.84x	39.68x	29.57x	11.82x
FFO / net debt**	60.2%	62.0%	65.2%	87.0%	45.7%
FFO / interest expense**	19.54x	15.14x	12.72x	13.63x	10.18x
Net debt / EBITDA**	1.60x	1.53x	1.48x	1.10x	2.00x
Credit rating at the end of September					
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

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 September 2026 are prepared in accordance with *IAS 34* Interim Financial Reporting as adopted by the EU 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. The interim financial statements have not been audited or reviewed by the Company's auditors.

According to the income statement, the Company's profit for the period from January to September 2026 amounted to USD 139.2 million while the profit during the same period in 2025 amounted to USD 125.7 million. The change between periods amounted to USD 13.5 million. The Company's operating revenues amounted to USD 463.5 million during the period compared to USD 444.5 million during the same period in the previous year. The fair value changes of derivatives were positive and amounted to USD 4.0 million during the period from January to September 2026 compared to a positive change of USD 14.9 million during the same period in the previous year. Currency exchange differences were negative and amounted to USD 6.6 million compared to a negative difference in the amount of USD 12.1 million during the same period in 2025. Cash flow from operations amounted to USD 204.7 million during the period compared to USD 192.5 million during the same period in the previous year. At the end of September 2026, cash and cash equivalents amounted to USD 73.8 million and undrawn loans amounted to USD 125.0 million, a total of USD 198.8 million. The Company's equity at the end of September amounted to USD 2,283.9 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 September 2026 and the Company's operating results and changes in cash flows during the period from January to September 2026.

Furthermore, it is the opinion of the Board of Directors and the CEO that the interim financial statements and the Endorsement of the Board of Directors for the period from January to September 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 September 2026 and confirm them by means of their signatures.

Reykjavik, 19 November 2026.

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

The CEO:
Kristín Linda Árnadóttir

Income Statement

	Notes	2026 1.1.-30.9.	2025 1.1.-30.9.	2026 Q3	2025 Q3
Operating revenues					
Power sales	6	462,522	407,948	150,921	135,342
Realised hedges		(16,671)	(158)	(4,691)	(151)
Other income		17,652	36,750	2,251	6,907
		463,503	444,540	148,481	142,098
Operating expenses					
Energy generation costs		174,518	171,049	60,357	60,059
General research expenses		11,332	9,412	4,346	3,018
Other operating expenses		42,213	46,875	13,323	21,169
		228,063	227,336	78,026	84,246
Operating profit		235,440	217,204	70,455	57,852
Financial income and (expenses)					
Interest income		7,000	11,104	1,819	3,359
Interest expenses		(15,486)	(18,516)	(5,391)	(4,831)
Foreign exchange differences		(6,622)	(12,149)	(5,862)	343
Fair value changes in embedded derivatives		8,823	18,766	8,294	13,154
Fair value changes in other derivatives		(4,825)	(3,886)	(6,682)	(2,711)
	7	(11,110)	(4,681)	(7,822)	9,314
Subsidiaries and associated companies		854	113	409	(561)
Profit before income tax		225,184	212,636	63,042	66,605
Income tax		(85,938)	(86,905)	(26,128)	(27,739)
Profit for the period		139,246	125,731	36,914	38,866

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

Statement of Comprehensive Income

	2026 1.1.-30.9.	2025 1.1.-30.9.	2026 Q3	2025 Q3
Profit for the period	139,246	125,731	36,914	38,866
Items transferred to equity that will not be reclassified subsequently to profit or loss:				
Pension obligation after income tax, change	(1,680)	(2,617)	(570)	(944)
Items transferred to equity that may be reclassified subsequently to profit or loss:				
Transl. diff. due to subsidiaries and associates	301	998	330	(95)
Operating items moved to equity	(1,379)	(1,619)	(240)	(1,039)
Total Comprehensive Income	137,867	124,112	36,674	37,827

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

Balance Sheet

Assets	Notes	30.9.2026	31.12.2025
Non-current assets			
Property, plant and equipment		2,918,708	2,783,274
Projects under construction		99,728	95,216
Development costs		187,163	179,895
Other intangible assets		49,427	50,183
Derivative financial instruments	8	80,572	85,071
Subsidiaries		5,528	5,161
Associated companies		6,722	5,933
Loans to related parties		22,441	42,415
Shares in other companies		844	787
Total non-current assets		3,371,133	3,247,935
Current assets			
Accounts receivable and other receivables		120,591	88,410
Related parties, receivables		41,260	158,405
Derivative financial instruments	8	54,202	32,966
Cash and cash equivalents		73,845	56,105
Total current assets		289,898	335,886
Total assets		3,661,031	3,583,821
Equity and liabilities			
Equity			
Owners' contributions		586,512	586,512
Restricted reserves		3,997	3,693
Translation difference		(15,579)	(15,880)
Other equity		1,709,001	1,736,739
Total equity		2,283,931	2,311,064
Long-term liabilities			
Interest-bearing liabilities	9	722,060	528,897
Accrued pension liabilities		48,355	46,167
Deferred income tax liability		319,663	301,804
Lease liabilities		10,873	11,562
Decommissioning provision		1,264	525
Derivative financial instruments	8	8,684	5,803
		1,110,899	894,758
Current liabilities			
Accounts payable and other payables	11	150,950	81,510
Interest-bearing liabilities	9	27,619	203,977
Income tax payable		67,067	83,583
Derivative financial instruments	8	20,565	8,929
		266,201	377,999
Total liabilities		1,377,100	1,272,757
Total equity and liabilities		3,661,031	3,583,821

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

Statement of Equity

	Owners' contribution	Restricted reserves	Translation difference	Other equity	Total equity
1 January to 30 September 2026					
Equity at 1 January 2026	586,512	3,693	(15,880)	1,736,739	2,311,064
Profit for the period				139,246	139,246
Translation difference			301		301
Pension obligation, change				(1,680)	(1,680)
Total comprehensive income		0	301	137,566	137,867
Dividend to owners				(165,000)	(165,000)
Share of profit of subsidiaries and associates transferred		304		(304)	0
Equity at 30 September 2026	586,512	3,997	(15,579)	1,709,001	2,283,931
1 January to 30 September 2025					
Equity at 1 January 2025	586,512	3,172	(16,652)	1,730,779	2,303,811
Profit for the period				125,731	125,731
Translation difference			998		998
Pension obligation, change				(2,617)	(2,617)
Total comprehensive income		0	998	123,114	124,112
Dividend to owners				(195,000)	(195,000)
Share of profit of subsidiaries and associates transferred		450		(450)	0
Equity at 30 September 2025	586,512	3,622	(15,654)	1,658,443	2,232,923

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

Statement of Cash Flows

	2026 1.1.-30.9.	2025 1.1.-30.9.	2026 Q3	2025 Q3
Operating activities				
Operating profit	235,440	217,204	70,455	57,852
Depreciation and impairment losses	77,114	74,111	26,873	24,685
Pension obligation, change	(2,261)	(1,941)	(768)	(756)
Other changes	(190)	(2,324)	(51)	(3)
Working capital from op. before fin. items	310,103	287,050	96,509	81,778
Operating assets and liabilities, change	(32,151)	6,961	(1,373)	1,588
Cash flow from operating act. bef. fin. items	277,952	294,011	95,136	83,366
Interest income received	6,562	8,767	1,053	1,145
Interest exp. and foreign exch. diff. paid	(16,532)	(24,654)	(7,170)	(4,472)
Taxes paid	(63,299)	(85,636)	(23,556)	(33,924)
Cash flow from operating activities	204,683	192,488	65,463	46,115
Investing activities				
Power stations in operation	(38,476)	(16,043)	(20,347)	(6,113)
Power stations under construction	(158,339)	(28,408)	(62,340)	(14,456)
Power plant preparation cost	(30,492)	(24,374)	(9,010)	(12,729)
Purchased shares	(26)	(4)	0	0
Reduction of share capital	0	179	0	0
Received dividend	0	3,876	0	0
Other investments	(4,512)	(13,045)	(1,747)	(1,273)
Assets sold	303	1,607	67	1,428
Loans to related parties, change	136,535	27,356	0	7,294
Investing activities	(95,007)	(48,856)	(93,377)	(25,849)
Financing activities				
Dividend paid to owners	(110,000)	(90,000)	0	0
Currency swap agreements	944	0	944	0
Borrowings	219,058	100,000	109,958	0
Repayment of borrowings	(198,735)	(148,973)	(183,852)	(12,927)
Financing activities	(88,733)	(138,973)	(72,950)	(12,927)
Change in cash and cash equivalents	20,943	4,659	(100,864)	7,339
Effect of exchange diff. on cash and cash equiv	(3,203)	5,932	679	(178)
Cash and cash equiv. at the beg. of the period	56,105	78,781	174,030	82,211
Cash and cash equiv. at the end of the period	73,845	89,372	73,845	89,372

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

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 share in the results 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 for the adoption of new and amended International Accounting Standards and interpretations, as adopted by the EU, effective for the accounting period beginning 1 January 2026. 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.-30.9.	1.1.-30.9.
Power sales are specified as follows:		
Retail sales companies	86,794	95,171
Power-intensive users	375,728	312,777
Power sales total	462,522	407,948

Notes, contd.:

7. Financial income and (expenses)

Financial income and (expenses) are specified as follows:	2026 1.1.-30.9.	2025 1.1.-30.9.
Interest income	7,000	11,104
Interest expense	(22,112)	(19,938)
State guarantee fee	(325)	(434)
Unwinding of the discount on the decommissioning provision	(13)	0
Capitalised interest	6,964	1,856
Total interest expense	(15,486)	(18,516)
Realised foreign exchange difference	(1,726)	569
Unrealised foreign exchange difference	(4,896)	(12,718)
Total foreign exchange difference	(6,622)	(12,149)
Fair value changes in embedded derivatives	8,823	18,766
Fair value changes in other derivatives	(4,825)	(3,886)
Financial income and (expenses)	(11,110)	(4,681)

8. Derivative financial instruments in the balance sheet

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

	30.9.2026	31.12.2025
Assets:		
Embedded derivatives in power contracts	121,569	112,746
Aluminium hedges	13,204	1,141
Currency and interest rate swaps	0	4,150
	134,774	118,037
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	80,572	85,071
Short-term component of derivative agreements	54,202	32,966
	134,774	118,037
Liabilities:		
Aluminium hedges	24,128	14,732
Currency and interest rate swaps	5,120	0
	29,249	14,732
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	8,684	5,803
Short-term component of derivative agreements	20,565	8,929
	29,249	14,732

9. Interest-bearing liabilities

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

	Maturity date	30.9.2026 Average interest	30.9.2026 Remaining balance	31.12.2025 Average interest	31.12.2025 Remaining balance
Liabilities in EUR	2026		0	2.2%	176,348
Liabilities in USD	2026-2035	4.3%	749,679	4.0%	556,526
			749,679		732,874
Current maturities of long-term debt			(27,619)		(203,977)
Total long-term debt			722,060		528,897

Interest rates on the loans range between 2.8-5.5%. Nominal interest rates for the period were on average 4.3%, taking into account the state guarantee fee (2025: 3.5%).

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

	30.9.2026
1.10.2026-30.9.2027	27,619
1.10.2027-31.12.2027	1,415
2028	131,764
2029	69,384
2030	119,384
2031	69,384
Later	330,728
	749,679

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

	30.9.2026 Book value	30.9.2026 Fair value	31.12.2025 Book value	31.12.2025 Fair value
Interest-bearing loans issued by the Icelandic state	59,590	60,695	197,025	199,386
Interest-bearing long-term liabilities	(749,679)	(777,412)	(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.

Notes, contd.:

11. Accounts payable and other payables

Accounts payable and other payables are specified as follows:	30.9.2026	31.12.2025
Accounts payable	38,144	51,926
Accrued interest	7,671	5,725
Value added tax	11,139	10,006
Income tax payable due to last year	21,885	0
Lease liability, current maturities	2,326	2,127
Unpaid dividend to owners	55,000	0
Related parties, liabilities	53	17
Other short-term liabilities	14,732	11,709
	150,950	81,510

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
30.9.2026			
Embedded derivatives		121,569	121,569
Other derivatives	(16,045)		(16,045)
Shares in other companies		844	844
	(16,045)	122,413	106,368
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

Hörður Arnarson, CEO, announced on 1 October 2026 that he would step down at the end of the month, after seventeen years in the role. Kristín Linda Árnadóttir is the acting CEO of Landsvirkjun. On 15 October 2026, CFO Rafnar Lárusson announced his resignation, he will leave the company at the end of February 2027.

Notes, contd.:

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.

The Competition Appeals Committee overturned the decision of the Icelandic Competition Authority on 19 October 2026 in a case concerning Landsvirkjun's sale of electricity to Landsnet to cover transmission losses. Landsvirkjun appealed the Competition Authority's decision, which imposed a fine of USD 11.4 million, to the Committee more than a year ago. The Appeals Committee found material deficiencies in the investigation and remitted the case to the Authority for further consideration and a new decision.

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. However, there is a dispute as to whether the purchase obligation applies in this case. Landsvirkjun maintains business interruption insurance that is expected to compensate the Company for the majority of the loss. Norðurál began restarting its furnaces in April 2026 and is now operating at close to full capacity, whereas initial estimates had indicated that repairs could take up to one year.