Landsvirkjun

Financial statement highlights

Interim financial statements Q2 2025

Improved reservoir levels and steady operations

- **Profit from Landsvirkjun's core operations in the first half of the year amounted to USD 154.5 million, and cash from operations was USD 146.4 million.**
- **The company's financial position remains strong with an equity ratio of 62.6% and leverage at 1.5× earnings before depreciation (EBITDA).**
- **Operating revenues during the period increased, year-on-year.**

Hörður Arnarson
CEO

Following a significant turnaround in Landsvirkjun's reservoir levels, the Company's electricity generation has returned to prior stability, with warm and wet weather conditions during the summer resulting in all major reservoirs reaching full capacity.

Operating revenues in the first half of the year rose by 8% and profit from core operations by just under 8%, totalling USD 154.5 million. The financial position remains strong, with an equity ratio of 62.6% at the end of the period. Return on equity increased year-on-year to 8%, compared to 7.3% during the same period in 2024.

Demand for Landsvirkjun's renewable energy continues to exceed supply. One of the largest construction periods in the company's history is now set to begin, assuming plans proceed as expected. Construction has commenced on the Vaðalda wind farm, and expansion work will soon begin on the Sigalda hydropower station, along with preparatory work for the Hvammur hydropower station. Hopes are high that a power plant license for Hvammur will be granted again shortly. The additional generation capacity from these projects is set to support societal growth and improved living standards in the coming years.

Key figures

Energy sales

3.4 TWhr ↓ 0%

Operating revenues

140 m. USD ↑ 3%

Profit before unrealised financial items

63 m. USD ↓ 4%

Cash flow from operations

42 m. USD ↓ 32%

Net debt

648 m. USD ↓ 3%

Equity ratio

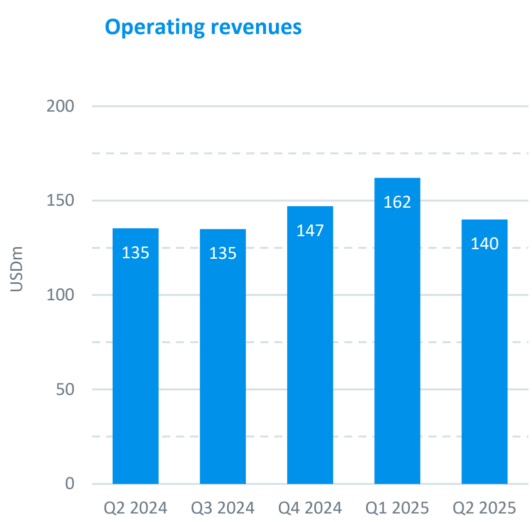
62.6% ↓ 3.6 pp.

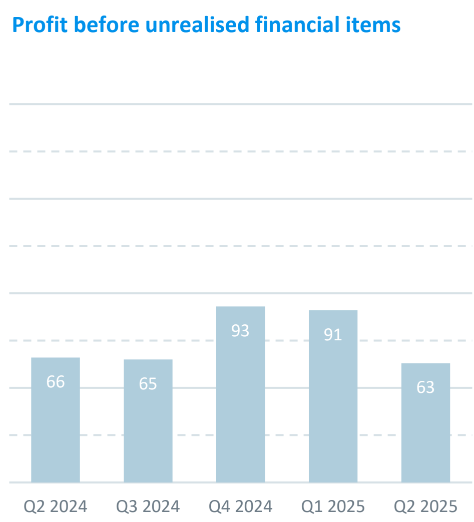
Operations

USD million	Q2 2025	Q2 2024	%
Operating revenues	140.0	135.3	3%
EBITDA	91.3	94.0	-3%
Profit before unr. fin. items	63.4	66.0	-4%
Energy sales (TWhr)	3.4	3.4	-0%

Operating revenues in the second quarter increased slightly year-on-year, by 3%, but the strengthening of the króna offset this and pushed up costs. Exchange-rate effects on revenue and cost items largely cancel out, so the impact on EBITDA is negligible.

Profit from core operations amounted to USD 63 million, decreasing by 4% year-on-year. Nevertheless, favourable reservoir levels and continued excess demand for renewable energy mean a positive outlook for the Company going forward.



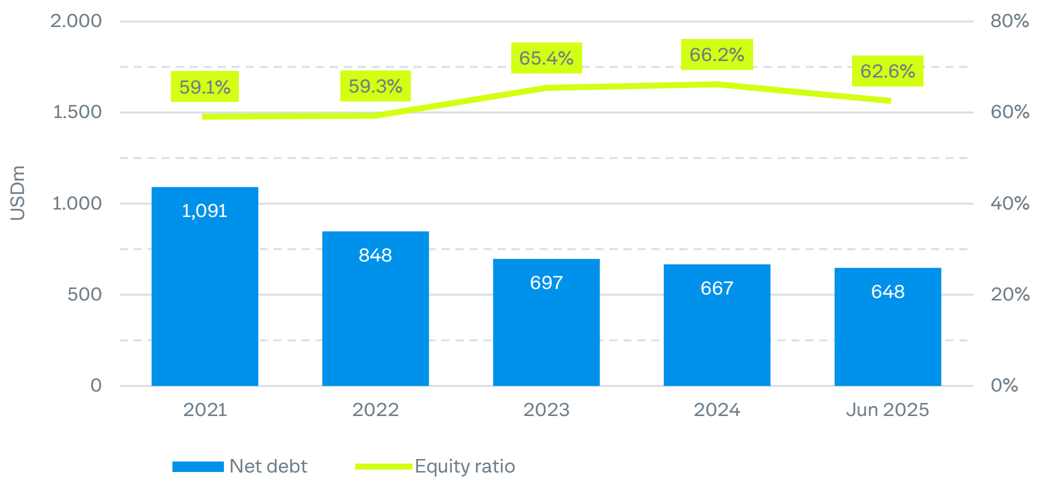


Financial position

USD million	30.6. 2025	31.12. 2024	%
Total assets	3,505.6	3,477.9	1%
Total liabilities	1,310.5	1,174.1	12%
Net debt	648.2	666.9	-3%
Equity ratio	62.6%	66.2%	-3.6 pp.

In recent years, Landsvirkjun has worked at improving its debt position and reducing financing costs. This is reflected in today's historically low net debt and high equity ratio. The company is therefore well prepared to undertake construction of the Vaðalda wind farm and Hvammsvirkjun hydropower station, in addition to the expansion of the Sigalda hydropower station.

Net debt and equity ratio



Cash flow

USD million	Q2 2025	Q2 2024	%
Funds from operations (FFO)	81.4	90.4	-10%
Cash flow from operations	42.2	62.1	-32%
Investing activities	0.6	13.2	-96%
Financing activities	53.0	111.9	-53%

The company's cash generation—cash from operations—remained historically strong despite declining year-on-year. Landsvirkjun will continue practicing financial prudence and maximising value for the Icelandic nation.