

One of Landsnet's largest investment years

- **Stable operations and strong financial position**
- **One of the company's largest years for development of the transmission system, with investments of approximately USD 118 million**
- **Profit from core operations of USD 44.9 million, an increase of USD 1.8 million year-on-year**
- **Proposal for dividend payments to owners amounting to USD 22.5 million**

Landsnet's annual financial statements for 2025 were approved at a Board of Directors meeting today, 24 February. The year's operations went well and the company's performance was in line with plans despite various challenges.

“The year 2025 was one of the company's largest investment years in the development of the transmission system. Emphasis was placed on strengthening the transmission system alongside necessary maintenance work across the country. The largest construction project of the year was the connection of Vestmannaeyjar to the grid through the installation of two new submarine cables, and the project was successfully completed. An important step was also taken to enhance security of supply and delivery capacity in Northeast Iceland with the signing of a letter of intent on measures to strengthen the power system in the region. Electricity demand is expected to increase in the long term, and the energy transition calls for a more robust and flexible grid. Our role is to ensure that the transmission system supports this development through reliable infrastructure. With stable operations and clear project prioritisation, Landsnet is well positioned to strengthen the grid and create value for society and the economy,” says Ragna Árnadóttir, CEO of Landsnet.

Security and resilience

Iceland's power system is isolated and not interconnected with other countries. In 2025, emphasis was placed on strengthening critical infrastructure and carrying out systematic maintenance. Efforts focused on enhancing preparedness and reinforcing the system to ensure that security of supply remains robust under a wide range of circumstances.

Under the regulatory framework governing the company's operations, Landsnet's tariff must reflect the actual cost of developing and operating the transmission system. Given the substantial investment requirements ahead it is important to maintain a balance between necessary system development, security of supply and the competitiveness of the economy.

“When assessing Iceland's competitiveness, it is essential to consider the total cost of electricity, security of supply and the resilience of the system. The transmission system must be capable of withstanding shocks without external support. Its secure and stable operation is a prerequisite for the development of society and the economy,” says Ragna.

Reliable operations and a strong financial position

Landsnet's performance in 2025 was strong with stable operations throughout the year. Profit for the year amounted to USD 44.9 million compared with USD 43.1 million in 2024. Total assets amounted to USD 1,371.6 million at year-end and equity stood at USD 665.5 million, of which share capital was USD 45.5 million. Cash generated from operating activities amounted to USD 97.7 million and investment during the year amounted to USD 118 million. The Board of Directors proposes a dividend payment to owners of USD 22.5 million for the 2025 financial year.

A strong financial position is a key prerequisite for continuing the long-term development and strengthening of the transmission system.

Landsnet's Annual and Sustainability Report is published alongside the annual financial statements and provides further details the year's performance. The report is available at www.landsnet.is.

The main results of the financial statement and key figures:

<i>Amounts are in USD thousand</i>	2025	2024	2023	2022
Income Statement				
Operating revenue	208,261	188,953	169,251	162,755
Operating expenses	(131,369)	(118,484)	(116,566)	(107,651)
Operating profit	76,892	70,469	52,685	55,104
Net financial expenses	(20,521)	(15,731)	(20,522)	(14,845)
Share in net earnings of associated company	(207)	24	(160)	297
Profit before income tax	56,164	54,762	32,003	40,556
Income tax	(11,278)	(11,626)	(6,436)	(8,055)
Profit	44,886	43,136	25,567	32,501

<i>Amounts are in USD thousand</i>	31.12.2025	31.12.2024	31.12.2023	31.12.2022
Balance Sheet				
Fixed assets	1,284,254	1,121,817	1,027,814	972,882
Current assets	87,340	114,349	85,760	59,468
Total assets	1,371,594	1,236,166	1,113,574	1,032,350
Equity	665,453	574,944	507,500	482,281
Long-term liabilities	580,614	603,445	542,538	496,300
Short-term liabilities	125,527	57,777	63,536	53,769
Total equity and liabilities	1,371,594	1,236,166	1,113,574	1,032,350

<i>Amounts are in USD thousand</i>	2025	2024	2023	2022
Cash Flow				
Net cash from operating activities	97,721	86,979	72,505	72,962
Net cash to investment activities	(118,747)	(83,081)	(63,576)	(45,052)
Net cash to financing activities	(12,435)	20,847	17,741	(26,534)
Effect of exchange rate changes on cash	3,496	(227)	1,329	(275)
Cash and cash equivalents at 1 January	78,842	54,324	26,325	25,224
Cash and cash equivalents at 31 December	48,877	78,842	54,324	26,325

<i>Amounts are in USD thousand</i>	2025	2024	2023	2022
Financial ratios				
EBITDA	114,802	106,029	92,300	91,024
	31.12.2025	31.12.2024	31.12.2023	31.12.2022
Equity ratio	48.5%	46.5%	45.6%	46.7%

Income Statement

- Operating revenues were 208.3 million USD in 2025 compared with 189.0 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 were 131.4 million USD in 2025 compared with 118.5 million USD.
- The appreciation of the Icelandic króna against the US dollar was 7.4% and affected the króna-denominated portion of income and expenses. Overall, the appreciation had an insignificant effect on earnings before interest and tax (EBIT).
- Earnings Before Interest and Taxes (EBIT) was 76.9 million USD compared with 70.5 million USD in the previous year, an increase of 6.4 million USD between years.
- Net financial expenses amounted to 20.5 million USD compared to 15.7 million USD in the previous year, a decrease of USD 4.8 million USD between years.
- Landsnet's profits were 44.9 million USD in 2025 according to the income statement, compared to 43.1 million USD profits in the previous year.
- The EBITDA of the company was 114.8 million USD compared with 106.0 million USD in the previous year.

Balance sheet and cash flow

- The total assets of the company amounted to 1,371.6 million USD at year-end 2025 compared with 1,236.2 million USD at the end of the previous year.
- Net cash availability was 48.9 million USD at year-end and net cash provided by operating activities amounted to 97.7 million USD.
- Total liabilities amounted to 706.1 million USD at year-end compared with 661.2 million USD at the end of the previous year.
- The equity ratio was 48.5% at year-end, compared with 46.5% at the end of the previous year.

About the financial statement

The financial statements for 2025 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 24th of February 2026.

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.

More information can be provided by Guðlaug Sigurðardóttir, CFO of Landsnet, gudlaugs@landsnet.is, tel.:+354 563 9300.

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