Landsvirkjun

Financial statement highlights

Interim financial statements Q3 2025

Solid operations and increased revenues from electricity sales

- **Landsvirkjun's profit from core operations in the third quarter amounted to USD 56 million, and cash from operations USD 46 million.**
- **The Company's financial position remains strong, with an equity ratio of 63.1% and leverage of 1.5× EBITDA.**
- **Revenue from electricity sales increased during the period compared with the same period last year.**

Hörður Arnarson
CEO

Operations at Landsvirkjun's power stations remained solid in the third quarter, following a marked improvement in reservoir conditions in the first half of the year. Reservoir levels remain good and there are no indications that electricity deliveries will have to be curtailed this winter.

Performance for the period was acceptable given the circumstances. Revenue from electricity sales increased by 7% compared with the same period in 2024, mainly due to the aluminium-price linkage in contracts, as aluminium prices rose by 8%. Profit from core operations fell by 14% year-on-year, due among other things to a fine paid to the Competition Authority and higher electricity transmission costs.

The financial position remains strong, net debt has decreased by USD 39 million since the beginning of the year, and the equity ratio at the end of the period was 63.1%. Return on equity for the first nine months of the year increased to 7.8%, compared with 6.9% in the same period in 2024.

A serious breakdown at our customer Norðurál, aluminium smelter, in October, causing production to stop in two-thirds of the company's pots, has no impact on the third-quarter results. The effects of the breakdown on Landsvirkjun's finances are being assessed, including whether Norðurál's purchase obligation toward Landsvirkjun remains in force and whether Landsvirkjun's insurance will compensate for the loss, should the purchase obligation lapse.

Key figures

Energy sales

3.4 TWhr ↓ 2%

Operating revenues

142 USDm ↑ 5%

Profit before unrealised financial items

56 USDm ↓ 14%

Cash flow from operations

46 USDm ↓ 27%

Net debt

628 USDm ↑ 4%

Equity ratio

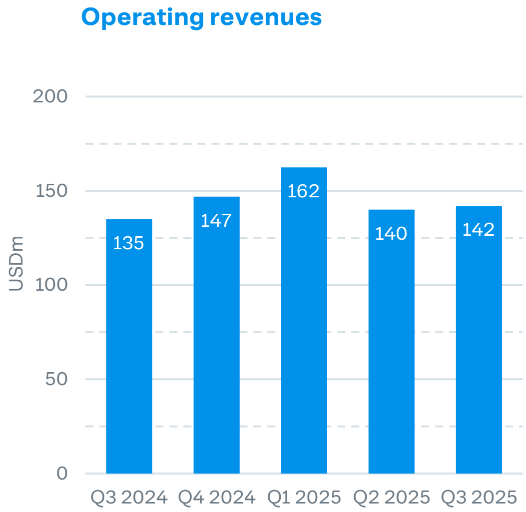
63.1% ↑ 0.7 pp.

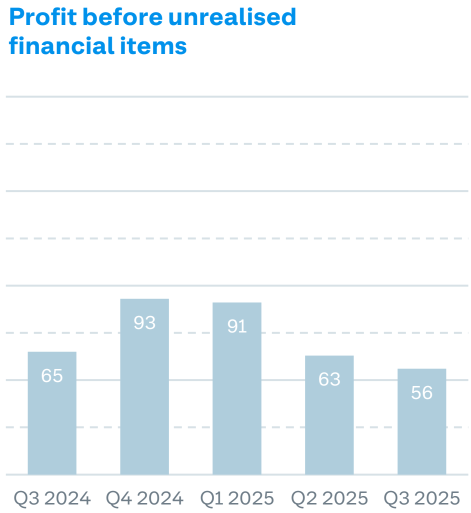
Operations

USD million	Q3 2025	Q3 2024	%
Operating revenues	142.1	134.9	5%
EBITDA	82.5	92.0	-10%
Profit before unr. fin. items	56.0	65.0	-14%
Energy sales (TWhr)	3.4	3.5	-2%

Operating revenues increased 5% year-on-year, explained mostly by higher aluminium prices, as a portion of the company's power-sales contracts is indexed to aluminium.

Profit from core operations amounted to USD 56 million, down 14% year-on-year. Costs were unusually high in the period due to a fine to the Competition Authority; transmission costs were also elevated.



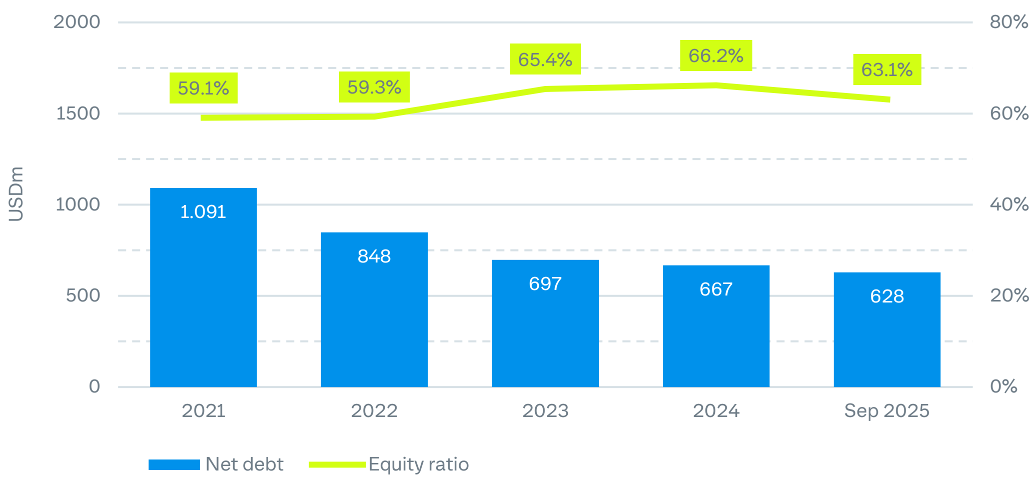


Financial position

USD million	30.9. 2025	31.12. 2024	%
Total assets	3,538.8	3,477.9	2%
Total liabilities	1,305.9	1,174.1	11%
Net debt	628.4	666.9	-6%
Equity ratio	63.1%	66.2%	-3.1 pp.

Landsvirkjun's financial position continues to be historically strong. The Company is therefore well positioned to undertake the construction of the Vaðalda, wind farm, and Hvammur, hydro power, plants, as well as the expansion of the Sigalda hydro power station.

Net debt and equity ratio



Cash flow

USD million	Q3 2025	Q3 2024	%
Funds from operations (FFO)	79.4	87.7	-9%
Cash from operations	46.1	63.0	-27%
Investing activities	25.8	26.5	-3%
Financing activities	12.9	12.9	0%

The Company's cash generation—cash from operations—declined year-on-year but remained historically strong. Landsvirkjun will continue to exercise prudence in its operations and maximise value for its owner the Icelandic nation.