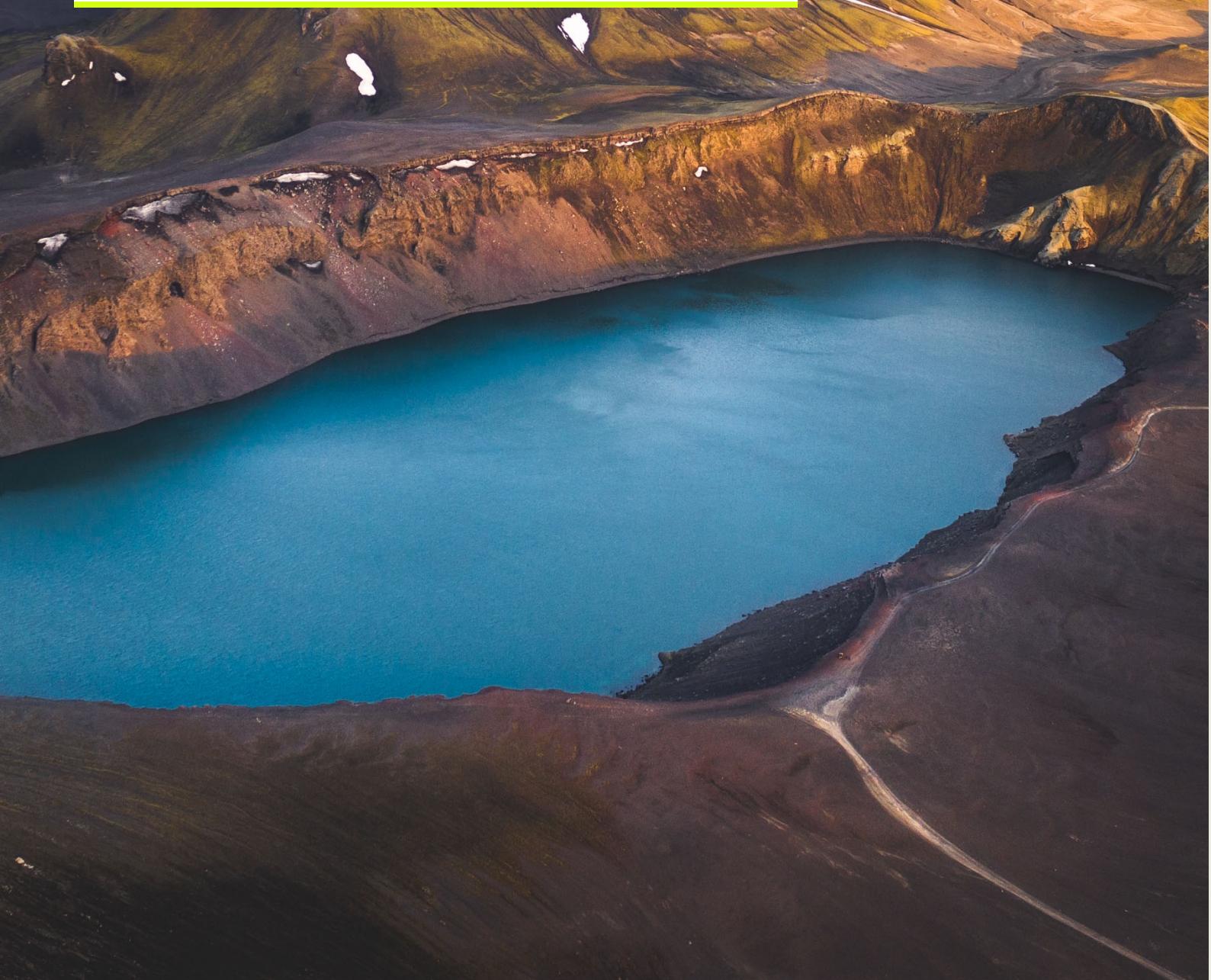


# Financial highlights

Financial statements 2025



# Strong results in a challenging operational year

- **Landsvirkjun's profit from core operations last year amounted to approximately USD 287 million.**
- **The Company's financial position remains strong with an equity ratio of 64.5% and net debt amounting to 1.7x EBITDA.**
- **Proposal of USD 165 million in dividends.**

**Hörður Arnarson**  
CEO



Landsvirkjun's operations performed well in 2025, reflecting the Company's solid foundation and strong financial position. Although conditions were challenging at times, the operating results were good, demonstrating that core operations stand on solid ground. Hydrological conditions were unusual and volatile; at the beginning of the year, circumstances were difficult following a prolonged drought, but the situation improved significantly as the year progressed and by year-end the water levels in Landsvirkjun's reservoirs had become very good.

Power station operations were under significant strain during the year, not least due to equipment disruptions and challenging conditions in the Þjórsá area. Landsvirkjun's employees demonstrated the professionalism and responsibility required to ensure electricity generation in an isolated energy system, where there is little room for error. Operations withstood the strain and all commitments were fulfilled.

In 2025, an important step was also taken into a construction period that will be one of the most extensive in the Company's history. Construction of the Váðalda power station progressed well, preparatory work for the Hvammsvirkjun hydropower project continued, and in the coming months construction will begin on the expansion of the Sigalda and Þeistareykir power stations.

Landsvirkjun's financial position is strong, providing the Company with the capacity to undertake the projects necessary to meet the growing energy needs of industry, support the energy transition and contribute to energy security for the future. The Board of Directors intends to propose a dividend payment to owners in the amount of USD 165 million at the Annual General Meeting. The Board of Directors is also considering proposing a special dividend ahead of the Annual General Meeting in April.

## Key figures

Energy sales

**13.9 TWhr** ↓ 2%

Operating revenues

**608 m. USD** ↑ 8%

Profit before unrealised financial items

**287 m. USD** ↓ 5%

Cash flow from operations

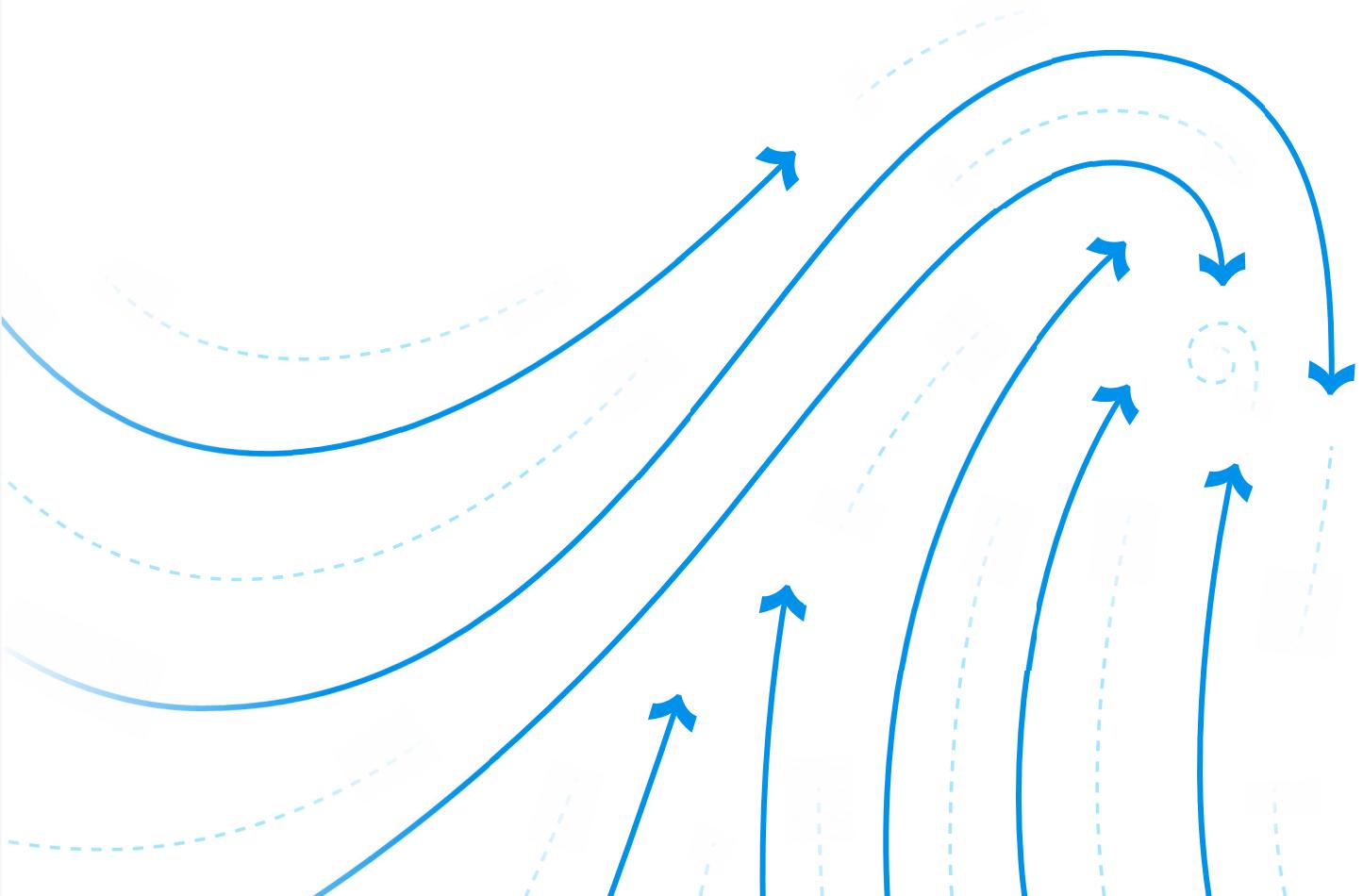
**279 m. USD** ↑ 3%

Net debt

**677 m. USD** ↑ 1%

Equity ratio

**64.5%** ↓ 1.8 pp.



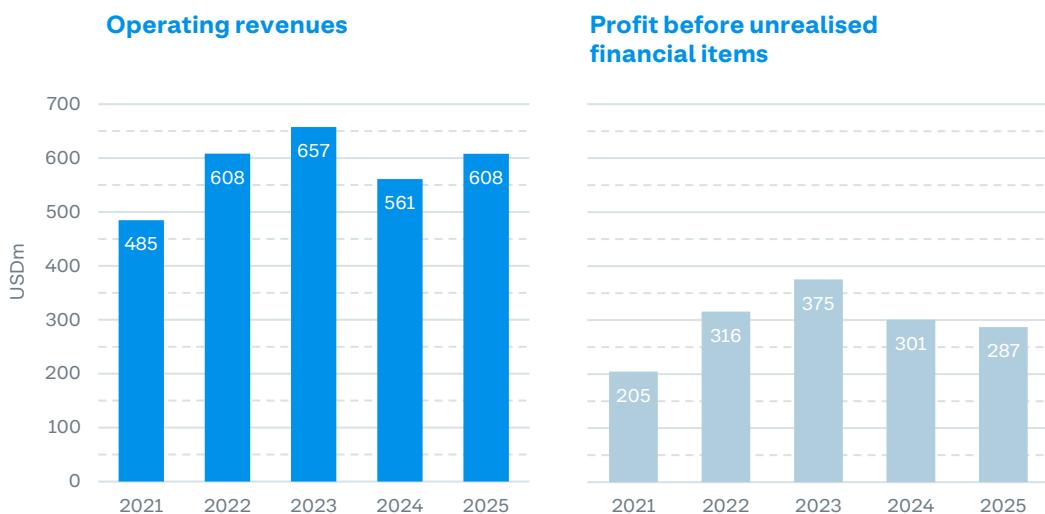
# Operations

USD million	Q4 2025	Q4 2024	%	2025	2024	%
Operating revenues	163.0	146.9	11%	607.5	560.9	8%
EBITDA	109.8	119.1	-8%	401.1	410.3	-2%
Profit before unr. fin. items	76.4	92.2	-17%	286.9	300.6	-5%
Energy sales (TWhr)	3.5	3.7	-4%	13.9	14.1	-2%

Landsvirkjun's revenues amounted to USD 608m for the year, an increase of 8% from the previous year. Higher aluminium prices on international commodity markets resulted in increased revenues through aluminium-linked power contracts and record sales were achieved in guarantees of origin.

Costs increased due to, among other factors, higher electricity transmission fees and a fine imposed by the Competition Authority.

Core operating profit (profit before unrealised financial items) amounted to USD 287m and decreased by 5% year on year despite higher revenues. EBITDA amounted to USD 401m.



# Financial position

USD million	31.12. 2025	31.12. 2024	%
Total assets	3,583.8	3,477.9	3%
Total liabilities	1,272.8	1,174.1	8%
Net debt	676.8	666.9	1%
Equity ratio	64.5%	66.2%	-1.8 pp.

Landsvirkjun is in a historically strong financial position at the point when the Company embarks on the most extensive construction period in its history. Net debt increased slightly and amounts to USD 677m but remains among the lowest in the Company's history. The foundations are strong and the Company is well positioned to undertake the construction of the Váðalda wind farm and the Hvammsvirkjun hydropower plant, as well as the expansions of the Sigalda and Þeistareykir power plants.

## Net debt and equity ratio



## Cash flow

USD million	Q4 2025	Q4 2024	%	2025	2024	%
Funds from operations (FFO)	108.4	116.3	-7%	381.5	396.7	-4%
Cash flow from operations	86.6	43.7	98%	279.1	270.1	3%
Investing activities	28.6	4.6	523%	77.7	26.1	198%
Financing activities	90.9	111.9	-19%	229.7	249.5	-8%

Cash flow from operations amounted to USD 279m for the year, a 3% increase from the previous year, reflecting the strong foundation of core operations. Dividends paid to the state amounted to USD 195m. Cash and cash equivalents at year-end were USD 56m in addition to USD 125m in undrawn credit facilities, bringing total available liquidity to USD 181m.

