

## Landsvirkjun signs a new USD 150m Sustainability Linked Revolving Credit Facility

Landsvirkjun has signed a new USD 150m multi-currency revolving credit facility without a guarantee of collection on July 11, 2019. The revolving credit facility will be used for general corporate purposes and provides Landsvirkjun with access to funds which can be drawn and repaid as needed. The facility has a 3-year tenor with two 1-year extension options, and refinances Landsvirkjun's existing USD 200m facility signed in 2015 and due to mature in December 2020. The size of the new facility has been reduced, reflecting less need for liquidity and improvements in underlying financials.

The new facility follows the successful placing of a USD 200m green bond in the US private placement market in 2018 and reiterates Landsvirkjun's focus on sustainability linked financing. Landsvirkjun actively supports the United Nation's Sustainable Development Goals ("SDGs") and places a special emphasis on three of the goals in its operations, namely Goal 5 on Gender Equality, Goal 7 on Affordable and Clean Energy and Goal 13 on Climate Action.

### **Margin incentive structure linked to Landsvirkjun's performance relating to the environment, gender equality and health and safety**

The margin of the new facility is linked to a sustainability incentive structure which is triggered based on Landsvirkjun's ability to meet certain sustainability KPIs. The KPIs reflect Landsvirkjun's focus on the SDGs and social responsibility, specifically relating to the Environment, Gender Equality and Health and Safety. Performance against the KPIs is assessed annually and confirmed by third party opinion providers.

The new facility is provided by Landsvirkjun's core relationship banks and was led by Barclays Bank PLC and SEB as Co-ordinators, Bookrunners and Mandated Lead Arrangers. ING Belgium SA/NV also joined the Facility as a Bookrunner and Mandated Lead Arranger, whilst Arion Bank hf. and BNP Paribas joined the Facility as Mandated Lead Arrangers.

Barclays Bank PLC acted as Documentation Agent and SEB as Facility Agent and Sustainability Coordinator.

### **Landsvirkjun**

Landsvirkjun is owned by the Icelandic State. The company generates about 75% of all electricity used in Iceland from 100% renewable energy sources, hydro, geothermal and wind. The company operates eighteen power stations; fifteen hydropower stations and three geothermal power stations, as well as two wind turbines.

Reykjavik, Iceland, July 11, 2019

For further information please contact Rafnar Larusson, CFO at +354 515 9000 or by email: [rafnar.larusson@landsvirkjun.is](mailto:rafnar.larusson@landsvirkjun.is)