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Stable Operations and Ongoing Development of the Transmission System

Landsnet's operations were in line with expectations during the first half of the year, according to the company's half-year financial results published today. Landsnet reported a profit of USD 20.1 million, equivalent to just under ISK 2.5 billion. Revenue amounted to USD 99.8 million, or just over ISK 12.3 billion.

Development of the transmission system is a matter of national importance

Ragna Árnadóttir, CEO of Landsnet, emphasises that stable operations are essential to enable the company to continue investing in the development of the transmission system:

"Landsnet continues to invest in developing Iceland's electricity transmission system to connect power generation with demand across the country, with value creation and competitiveness as guiding principles. At the same time, efforts are underway to strengthen the core transmission network, thereby enhancing security of supply and system stability. This is a challenging task, which makes it all the more important that we work together to move forward."

She notes that positive steps have been taken in recent months. Construction on Suðurnesjalína 2 has resumed, and the line is expected to be commissioned before the end of the year. It will improve the security of electricity supply in the Suðurnes region and increase the transmission capacity of the electricity system, both within the region and to and from the capital area.

"It is also encouraging to see the government placing a strong emphasis on the transmission system. A new parliamentary resolution on the development of the transmission system is currently being prepared, while Iceland's industrial policy clearly emphasises that access to competitive, renewable electricity is a fundamental pillar of the Icelandic economy and a prerequisite for the energy transition. In addition, municipalities across the country are calling for greater energy security and increased opportunities for economic and industrial development."

Limited impact from the Norðurál outage

An incident at Norðurál's aluminium smelter at Grundartangi in October 2025 had a limited impact on Landsnet's financial performance during the first half of this year. The incident resulted in a significant reduction in the smelter's production and, consequently, in the volume of electricity transmitted to the facility.

Uncertainty remained about the incident's impact on Landsnet's operations, as it was initially unclear when the smelter would return to full production. Under the transmission agreement between Landsnet and Norðurál, the smelter pays for 85% of the contracted capacity and energy, regardless of actual consumption.

In April, Norðurál began restarting its potlines, and by the end of June the smelter's electricity consumption had exceeded the minimum level of its contracted capacity and energy requirements. Consumption is expected to continue increasing through the remainder of the year. As a result, the incident has had an immaterial impact on Landsnet's financial performance.

Underground cable to Dalvík placed into service

Landsnet's investments during the first six months of the year amounted to USD 54 million, or just over ISK 6.6 billion. The Korpa substation has been refurbished, while the Njarðvíkurheiði substation on the Reykjanes Peninsula has been commissioned and is now in operation. In addition, a new underground cable connection serving the development of land-based aquaculture facilities in Þorlákshöfn was electrified.

This summer, a 42-kilometre underground cable between Dalvík and Akureyri was also commissioned and placed into service. Work is currently underway to connect a new wind farm to the Vaðalda substation, as well as on transmission projects in the southern Westfjords.

Financial performance in line with previous years

Financial performance during the first half of the year was in line with expectations and was stronger than in the same period of 2025. Last year's results were affected by the reimbursement of the electricity feed-in charge to the transmission system. Performance was also comparable with that reported for the first half of 2024.

During the period, Landsnet issued USD 100 million, or approximately ISK 12.6 billion, in bonds in the US private placement (USPP) market. The issuance comprised three tranches, two of which were funded during the period. Both new and existing lenders participated in the financing.

Main points of the condensed interim financial statement

Profits in the first 6 months of the year 2026 amounted to 20.1 million USD compared with 11.5 million USD during the same period in 2025. Operating revenue was 99.8 compared to 91.8 during the same period in 2025. Earnings before Interest and Taxes (EBIT) was 36.3 million USD compared with 28.0 million USD in the previous year.

The total assets of the company amounted to 1,418.0 million USD compared with 1,371.6 million USD at year end, 2025. Total liabilities amounted to 755.2 million USD compared with 706.1 million USD at year end, 2025. Total equity amounted to 662.7 million USD compared with 665.5 million USD at year end in 2025.

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The main results of the financial statement, key figures and balance sheet ratios

Amounts are in USD thousand	1.1.-30.6.2026	1.1.-30.6.2025	1.1.-30.6.2024	1.1.-30.6.2023
Income Statement				
Operating revenue	99,772	91,757	92,394	84,082
Operating expenses	(63,520)	(63,753)	(57,449)	(54,187)
Operating profit (EBIT)	36,252	28,004	34,945	29,895
Net financial expenses	(10,975)	(13,533)	(8,255)	(11,463)
Share in net earnings of associated companie	(122)	(40)	(28)	165
Profit before income tax	25,155	14,431	26,662	18,597
Income tax	(5,055)	(2,898)	(5,582)	(3,690)
Profit	20,100	11,533	21,080	14,907

Amounts are in USD thousand	30.6.2026	31.12.2025	31.12.2024	31.12.2023
Balance Sheet				
Fixed assets	1,317,537	1,284,254	1,121,817	1,027,814
Current assets	100,416	87,340	114,349	85,760
Total assets	1,417,953	1,371,594	1,236,166	1,113,574
Equity	662,730	665,453	574,944	507,500
Long-term liabilities	572,281	580,614	603,445	542,538
Short-term liabilities	182,942	125,527	57,777	63,536
Total equity and liabilities	1,417,953	1,371,594	1,236,166	1,113,574

Amounts are in USD thousand	1.1.-30.6.2026	1.1.-30.6.2025	1.1.-30.6.2024	1.1.-30.6.2023
Cash Flow				
Net cash from operating activities	25,689	28,233	45,137	39,433
Net cash to investment activities	(54,232)	(54,112)	(30,134)	(26,555)
Net cash from (to) financing activities	35,391	(8,745)	9,432	12,202
Effect of exchange rate changes on cash	(176)	4,556	(199)	1,356
Cash and cash equivalents at 1 January	48,877	78,842	54,324	26,325
Cash and cash equivalents at 30 June	55,549	48,774	78,560	52,761

Amounts are in USD thousand				
Finacial ratios				
	1.1.-30.6.2026	**1.1.-30.6.2025**	**1.1.-30.6.2024**	**1.1.-30.6.2023**
EBITDA	57,524	46,943	53,286	47,816
	30.6.2026	**31.12.2025**	**1.1.-30.6.2024**	**31.12.2023**
Equity ratio	46.7%	48.5%	46.5%	45.6%

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About Landsnet

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.