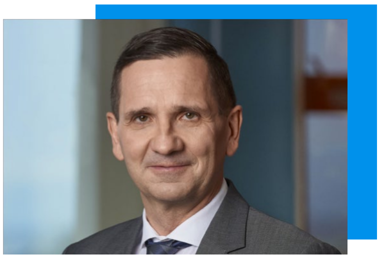
Financial statement highlights

Financial statements 2024

Solid operations in challenging conditions

- **Landsvirkjun‘s profit from core operations amounted to USD 301 million last year.**
- **The company’s financial position is stronger than ever, the equity ratio is 66.2% and net debt is 1.6x EBITDA.**
- **The Board intends to propose a dividend to the state amounting to USD 180 million this year.**
- **The cumulative dividend for the fiscal years from 2021 to 2024 amounts to USD 660 million.**

Hörður Arnarson
CEO



„Landsvirkjun continued to perform well in 2024, although the operating results did not match the record year of 2023. Conditions were challenging throughout the year, with historically poor water conditions, leading to a decrease in power sales and hence a reduction in revenue. Furthermore, changes were made to price indexing in an agreement with an industrial customer, and realised hedges decreased compared to the previous year. The results were therefore very acceptable given the circumstances. The Company’s financial position has never been stronger, as well as its capacity to invest in the energy development necessary to meet the needs of Icelandic society.

In 2024, construction finally began on the 120 MW Búrfellslundur wind farm and the 95 MW Hvammsvirkjun hydropower projects, following repeated delays in the permit process. These new projects address the urgent need for additional electricity capacity to support the growth of society and the energy transition ahead. It is crucial that there are no further delays in the progress of these projects. In 2025, we also plan to commence construction on the expansions of the Theistareykir geothermal and Sigalda hydroelectric power plants. Never before has the company undertaken four new projects simultaneously to utilise three different energy sources.

Landsvirkjun’s infrastructure was put to the test under the challenging conditions of last year, due to high demand and historically low inflows into reservoirs. The strain on employees, as well as the systems and procedures developed within the company, was significant. It was very gratifying to see how well we managed to tackle these demanding circumstances and meet all of the Company’s commitments.”

Key figures

Energy sales

14.1 TWhr ↓ 3.9%

Operating revenues

561 m. USD ↓ 14.7%

Profit before unrealised financial items

301 m. USD ↓ 19.9%

Cash flow from operations

270 m. USD ↓ 35.0%

Net debt

667 m. USD ↓ 4.4%

Equity ratio

66.2% ↑ 0.8 pp.

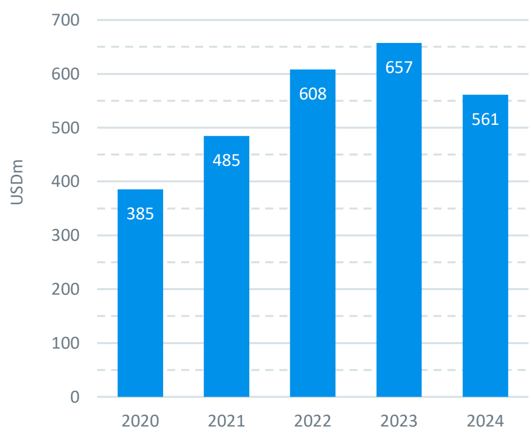
Operations

USD million	Q4 2024	Q4 2023	%	2024	2023	%
Operating revenues	146.9	162.1	-9.4%	560.9	657.4	-14.7%
EBITDA	119.1	119.5	-0.3%	410.3	497.5	-17.5%
Profit before unr. fin. items	92.2	85.3	8.1%	300.6	375.3	-19.9%
Energy sales (TWhr)	3.7	3.6	0.7%	14.1	14.7	-3.9%

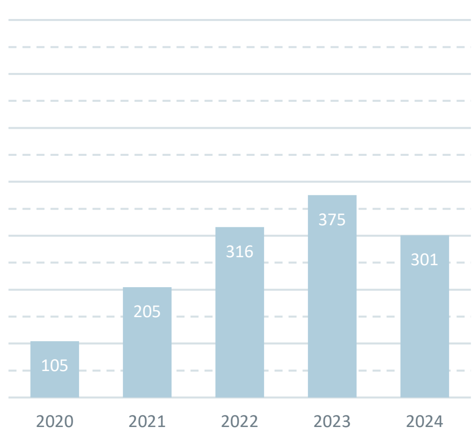
Operating revenues decrease year on year from record highs in 2023 but remain historically strong. The most significant factor is realised hedges, although challenges posed by poor water conditions also led to a reduction in power delivery to large consumers, with corresponding negative impacts on power sales.

Core operating profit (profit before unrealised financial items) decreased in line with revenues but is acceptable considering the circumstances.

Operating revenues



Profit before unrealised financial items



Financial position

USD million	**31.12. 2024**	**31.12. 2023**	**%**
Total assets	3,477.9	3,614.2	-3.8%
Total liabilities	1,174.1	1,250.1	-6.1%
Net debt	666.9	697.3	-4.4%
Equity ratio	66.2%	65.4%	0.8 prst.

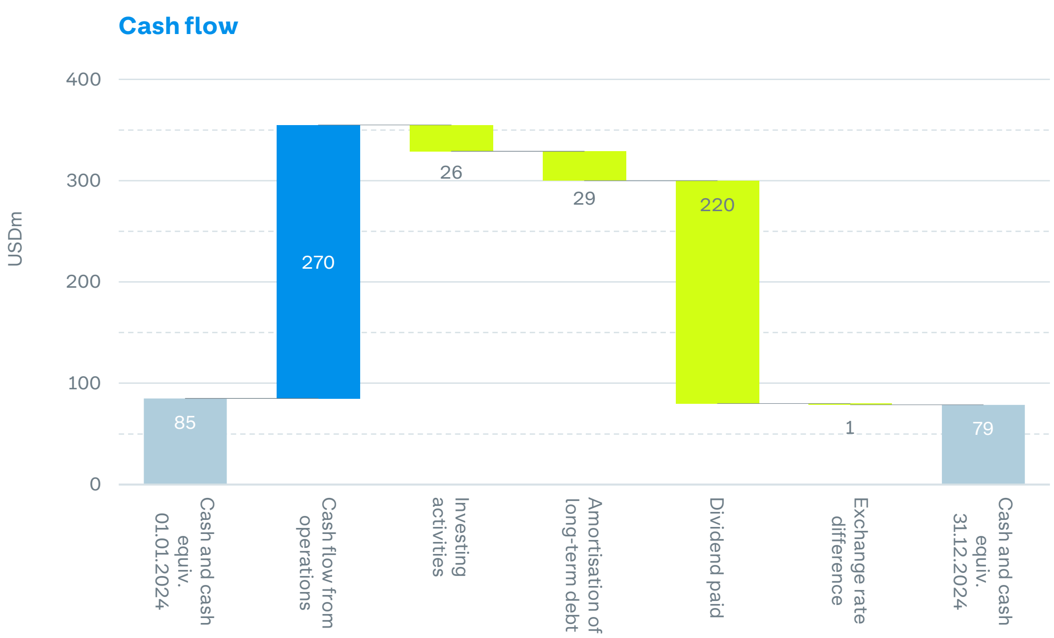
The Company's financial position continues to strengthen, with decreasing debt and an increasing equity ratio, highlighting its strength as it prepares for the development of new power plant projects.

Net debt and equity ratio

Cash flow

USD million	**Q4 2024**	**Q4 2023**	**%**	**2024**	**2023**	**%**
Funds from operations (FFO)	116.3	114.8	1.3%	396.7	479.4	-17.2%
Cash flow from operations	43.7	52.6	-17.0%	270.1	415.2	-35.0%
Investing activities	4.9	109.6	-95.6%	26.4	121.8	-78.3%
Financing activities	111.6	71.5	56.1%	249.2	362.9	-31.3%

The Company's capital formation (cash flow from operations) was USD 270m for the year and decreased by 35%. This measure remains historically high despite this decrease.

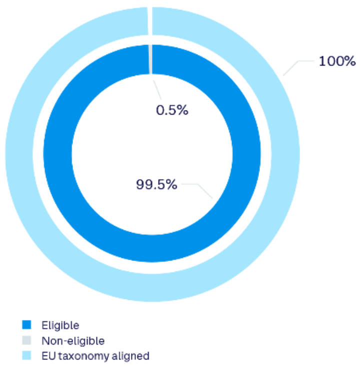


Taxonomy

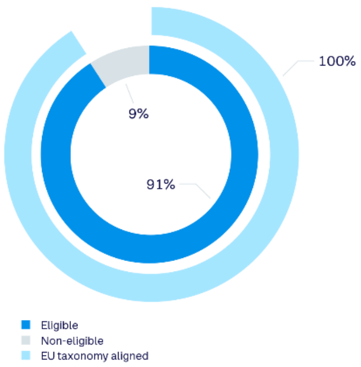
The regulation requires businesses to disclose the percentage of turnover, capital expenditure and operating expenses directly linked to activities eligible for taxonomy. To fulfil these requirements, the activities must be eligible and aligned. This requires that such activities substantially contribute towards achieving one or more environmental objectives, without doing significant harm to other objectives. They must also comply with technical screening criteria. Furthermore, such activities must conform to the minimum safeguards in the areas of human rights and corporate governance.

The Company's entire electricity generation; from hydro, geothermal, and wind power, is considered a significant contribution to counteracting climate change. It has also been demonstrated not to do significant harm to other environmental objectives; namely adaptation to climate change, protection and restoration of biodiversity and ecosystems, transition to circular economy, sustainable use and protection of water and marine resources, and pollution prevention.

↓ Turnover



↓ Investments



↓ Operating expenses