

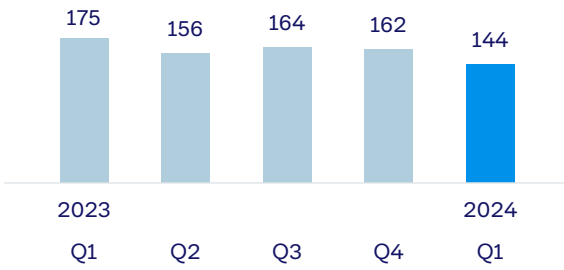
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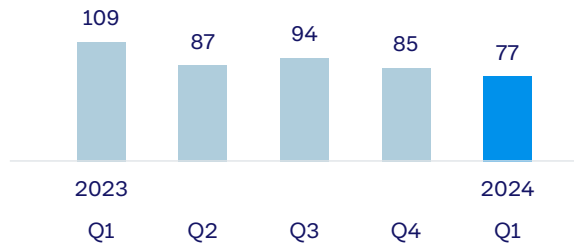


Key figures

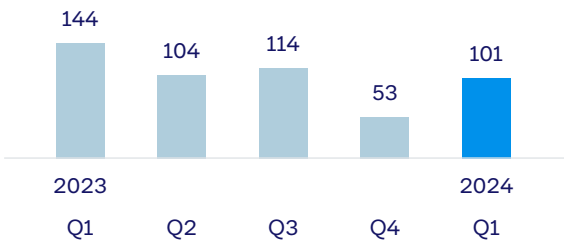
Operating revenues



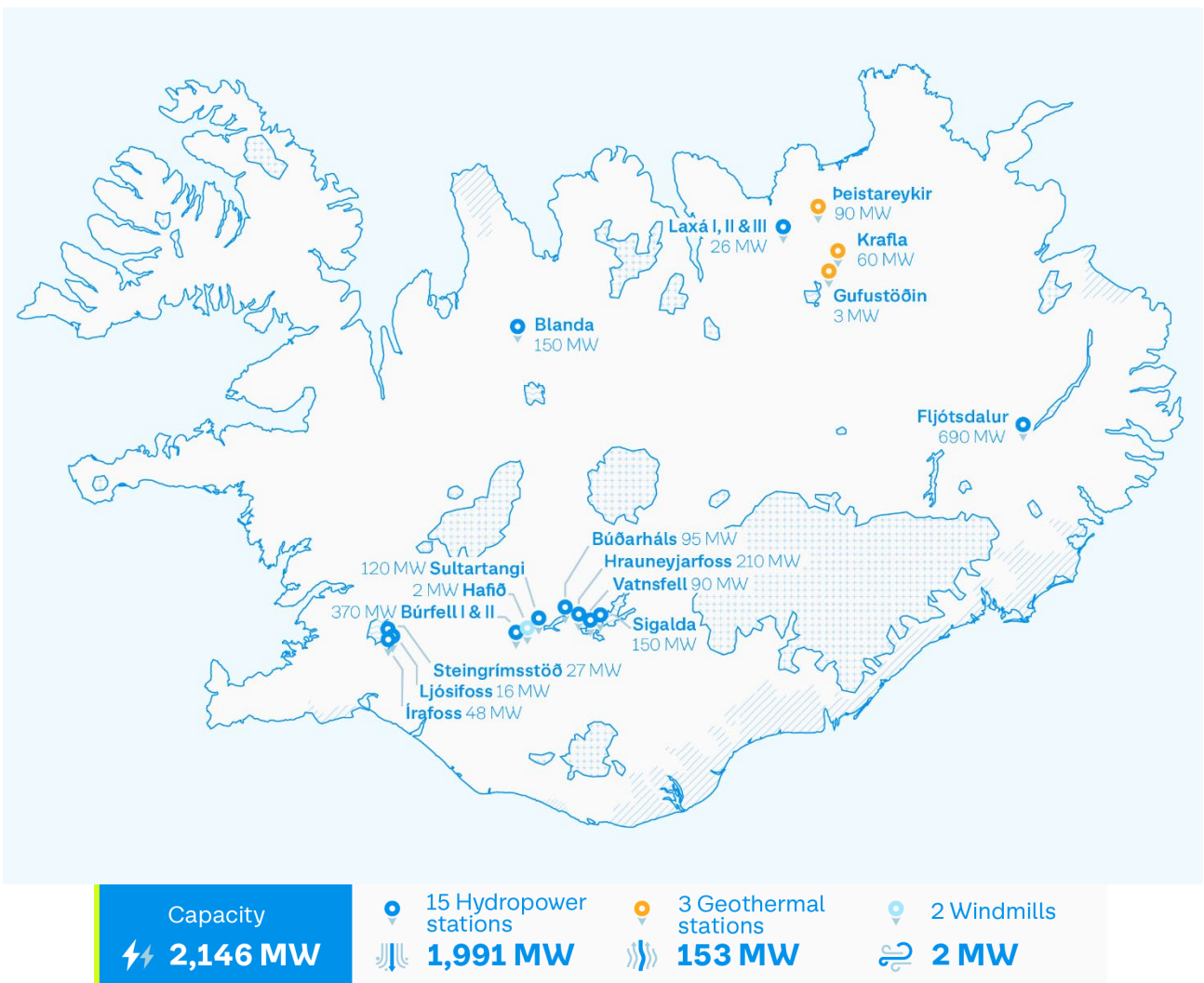
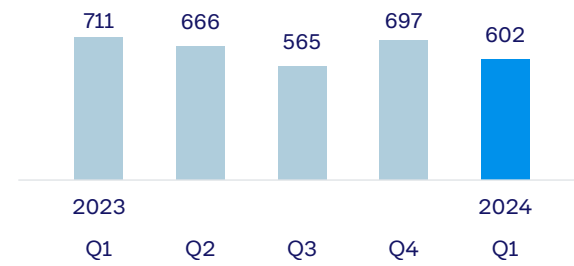
Profit before unrealised financial items



Cash flow from operating activities



Net debt



Key figures

Management's presentation of the operation of Landsvirkjun

Amounts are in USD thousand

	2024 1.1.-31.3.	2023 1.1.-31.3.	2022 1.1.-31.3.	2021 1.1.-31.3.	2020 1.1.-31.3.
Operation					
Operating revenues	142,354	162,032	174,884	117,907	107,954
Realised hedges	1,370	13,391	(27,836)	(5,118)	1,276
Total operating revenues	143,724	175,423	147,048	112,789	109,230
Operating and maintenance expenses	(38,550)	(37,452)	(40,562)	(37,399)	(33,677)
EBITDA	105,174	137,971	106,486	75,390	75,553
Depreciation and impairment loss	(25,006)	(26,579)	(26,470)	(26,558)	(24,479)
EBIT	80,168	111,392	80,016	48,832	51,074
Financial items	(3,164)	(2,944)	(7,960)	(10,002)	(12,981)
Subsidiaries and associated companies	357	227	5,230	6,009	7,119
Profit before unrealised financial items	77,361	108,675	77,286	44,839	45,212
Unrealised financial items:					
Fair value changes in embedded derivatives	(22,668)	14,953	162,243	3,124	(23,792)
Fair value changes in other derivatives	(807)	34,723	(62,119)	(12,087)	5,902
Unrealised foreign exchange difference	2,462	(9,253)	788	4,909	14,124
	(21,013)	40,423	100,912	(4,054)	(3,766)
Profit before income tax	56,348	149,098	178,198	40,785	41,446
Income tax	(21,802)	(57,510)	(65,670)	(13,172)	(12,238)
Profit for the period	34,546	91,588	112,528	27,613	29,208
Balance sheet					
	31.3.2024	31.3.2023	31.3.2022	31.3.2021	31.3.2020
Total assets	3,641,298	3,815,436	3,916,953	3,751,050	3,721,584
Total equity	2,397,952	2,388,164	2,326,721	2,129,900	2,134,578
Total liabilities	1,243,346	1,427,272	1,590,232	1,621,150	1,587,006
Net debt*	601,873	711,336	974,454	1,227,793	1,311,005
Cash flow					
	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.	1.1.-31.3.
Funds from operation (FFO)	102,265	132,218	97,241	64,489	63,698
Cash flow from operating activities	101,316	144,419	101,050	64,725	59,367
Investing activities	(8,122)	(6,579)	11,143	1,998	68,682
Financing activities	(12,834)	(177,454)	(76,837)	(12,439)	(159,304)
Liquidity					
	31.3.2024	31.3.2023	31.3.2022	31.3.2021	31.3.2020
Cash and cash equivalents	164,884	113,578	102,168	113,673	37,817
Undrawn loans	125,000	150,000	150,000	150,000	150,000
Total liquidity	289,884	263,578	252,168	263,673	187,817
Key ratios					
Return on equity **	6.4%	6.0%	10.4%	3.1%	4.5%
Equity ratio	65.9%	62.6%	59.4%	56.8%	57.4%
Interest cover (EBITDA/net interest exp)**	43.10x	18.00x	8.92x	5.89x	5.65x
FFO / net debt**	74.7%	64.3%	32.9%	16.2%	18.4%
FFO / interest expense**	13.64x	12.70x	7.70x	4.68x	4.28x
Net debt / EBITDA**	1.30x	1.46x	2.68x	4.96x	4.47x
Credit rating without state guarantee at the end of March					
Standard & Poor's	A-	BBB+	BBB+	BBB	BBB
Moody's	Baa1	Baa1	Baa1	Baa1	Baa1

*Net debt is interest bearing liabilities less cash and cash equivalents

**Key ratios based on the past 12 months

Endorsement and Statement of the Board of Directors and CEO

Landsvirkjun's objective is to operate in the energy sector and to engage in other business and financial operations according to the decision of the Board of Directors at each time. The Company's interim financial statements for the period from 1 January to 31 March 2024 are prepared in accordance with IAS 34 Interim Financial Reporting and additional requirements in the Icelandic Financial Statement Act and include the financial statements of the Company which include the results of the subsidiaries, Icelandic Power Insurance Ltd. and Landsvirkjun Power ehf. and associated companies. Landsvirkjun does not prepare consolidated interim financial statements. The interim financial statements have not been audited or reviewed by the Company's auditors.

According to the income statement, the Company's profit for the period from January to March 2024 amounted to USD 34.5 million while the profit during the same period in 2023 amounted to USD 91.6 million. The decrease between periods amounted to USD 57.1 million. The fair value changes of derivatives was negative and amounted to USD 23.5 million during the period January to March 2024 compared to a positive difference of USD 49.7 million during the same period in the previous year. The Company's operating revenues amounted to USD 143.7 million during the period compared to USD 175.4 million during the same period in the previous year. Cash flow from operations amounted to USD 101.3 million during the period compared to USD 144.4 million during the same period in the previous year. At the end of March 2024 cash and cash equivalents amounted to USD 164.9 million and undrawn loans amounted to USD 125.0 million, a total of USD 289.9 million. The Company's equity at the end of March amounted to USD 2,398.0 million according to the balance sheet compared to USD 2,364.1 million at year end 2023. At the annual general meeting on 30 April 2024 a dividend payment to the owners of Landsvirkjun amounting to USD 220.0 million was approved for the year 2023.

Statement by the Board of Directors and the CEO

According to the best knowledge of the Board of Directors and the CEO, the financial statements are in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional requirements in the Icelandic Financial Statement Act. According to the best knowledge of the Board of Directors and the CEO the financial statements give a fair view of the Company's assets, liabilities and financial position as at 31 March, 2024 and the Company's operating results and changes in cash flow during the period from January to March 2024.

Furthermore, it is the opinion of the Board of Directors and the CEO that the interim financial statements and the Endorsement by the Board of Directors for the period from January to March 2024 give a fair view of the Company's results, financial position and development and describe the main risk factors faced by the Company.

The Board of Directors and the CEO have today discussed the condensed interim financial statements for the period 1 January to 31 March 2024 and confirm them by means of their signatures.

Reykjavik, 8 May 2024.

The Board of Directors:

Jón Björn Hákonarson

Jens Garðar Helgason

Álfheiður Ingadóttir

Gunnar Tryggvason

Soffía Björk Guðmundsdóttir

The CEO:

Hörður Arnarson

Income Statement

	Notes	2024	2023
		1.1.-31.3.	1.1.-31.3.
Operating revenues			
Power sales	6	128,057	151,790
Realised hedges		1,370	13,391
Other income		14,297	10,242
		<u>143,724</u>	<u>175,423</u>
Operating expenses			
Energy generation costs		48,491	48,700
Cost of general research		2,471	4,684
Other operating expenses		12,594	10,647
		<u>63,556</u>	<u>64,031</u>
Operating profit		<u>80,168</u>	<u>111,392</u>
Financial income and (expenses)			
Interest income		4,757	5,327
Interest expenses	(7,891)	(8,907)
Foreign exchange difference		2,432	(8,617)
Fair value changes in embedded derivatives	(22,668)	14,953
Fair value changes in other derivatives	(807)	34,723
	7	<u>(24,177)</u>	<u>37,479</u>
Subsidiaries and associated companies		357	227
Profit before income tax		56,348	149,098
Income tax	(21,802)	(57,510)
Net profit for the period		<u>34,546</u>	<u>91,588</u>

Notes 1 to 12 are an integral part of these interim financial statements.

Statement of Comprehensive Income

	2024	2023
	1.1.-31.3.	1.1.-31.3.
Profit for the period	<u>34,546</u>	<u>91,588</u>
Items that will not be reclassified subsequently to profit or loss:		
Pension obligation after income tax, change	(588)	(443)
Items that may be reclassified subsequently to profit or loss:		
Transl. diff. due to subsidiaries and associated companies	(121)	343
Total operating items moved to equity	<u>(709)</u>	<u>(100)</u>
Total comprehensive income for the period	<u><u>33,837</u></u>	<u><u>91,488</u></u>

Notes 1 to 12 are an integral part of these interim financial statements.

Balance Sheet

Assets	Notes	31.03.2024	31.12.2023
Non-current assets			
Property, plant and equipment		2,897,468	2,918,386
Development cost		118,744	115,156
Other intangible assets		50,167	50,088
Derivative financial instruments	8	54,616	74,260
Subsidiaries		7,689	7,458
Associated companies		4,728	4,725
Loan to related parties		230,556	232,940
Other non-current assets		665	676
Total non-current assets		<u>3,364,633</u>	<u>3,403,689</u>
Current assets			
Accounts receivables and other receivables		56,722	67,827
Related parties, receivables		43,815	41,270
Derivative financial instruments	8	11,244	16,206
Cash and cash equivalents		164,884	85,256
Total current assets		<u>276,665</u>	<u>210,559</u>
Total assets		<u><u>3,641,298</u></u>	<u><u>3,614,248</u></u>
Equity and liabilities			
Equity			
Owners' contributions		586,512	586,512
Restricted reserves		2,286	2,199
Translation difference		(16,570)	(16,449)
Other equity		1,825,724	1,791,852
Total equity		<u>2,397,952</u>	<u>2,364,114</u>
Long-term liabilities			
Interest bearing liabilities	9	679,138	754,956
Accrued pension liabilities		39,109	39,431
Deferred income tax liability		240,462	240,682
Lease obligation		9,470	9,931
Derivative financial instruments	8	1,945	989
		<u>970,124</u>	<u>1,045,989</u>
Current liabilities			
Accounts payable and other payables		160,838	53,173
Interest bearing liabilities	9	87,619	27,619
Income tax payable		21,668	119,232
Related parties, liabilities		10	134
Derivative financial instruments	8	3,087	3,987
		<u>273,222</u>	<u>204,145</u>
Total liabilities		<u>1,243,346</u>	<u>1,250,134</u>
Total equity and liabilities		<u><u>3,641,298</u></u>	<u><u>3,614,248</u></u>

Notes 1 to 12 are an integral part of these interim financial statements.

Statement of Equity

	Owners' contribution	Restricted reserves	Translation difference	Other equity	Total equity
1 January to 31 March, 2023					
Equity at 1 January, 2023.....	586,512	197	(16,707)	1,726,674	2,296,676
Translation difference.....			343		343
Pension obligation, change.....				(443)	(443)
Profit for the period.....				91,588	91,588
Total comprehensive profit.....		0	343	91,145	91,488
Share of profit of subsidiaries and associated companies transf.....		1,504		(1,504)	0
Equity at 31 March, 2023.....	586,512	1,701	(16,364)	1,816,315	2,388,164
1 January to 31 March, 2024					
Equity at 1 January, 2024	586,512	2,199	(16,449)	1,791,852	2,364,114
Translation difference.....			(121)		(121)
Pension obligation, change.....				(588)	(588)
Profit for the period.....				34,546	34,546
Total comprehensive profit.....		0	(121)	33,958	33,837
Share of profit of subsidiaries and associated companies transf.....		87		(87)	
Equity at 31 March, 2024.....	586,512	2,286	(16,570)	1,825,724	2,397,952

Notes 1 to 12 are an integral part of these interim financial statements.

Statement of Cash Flows

	2024	2023
	1.1.-31.3.	1.1.-31.3.
Operating activities		
Operating profit	80,168	111,392
Depreciation and impairment loss	25,006	26,579
Pension obligation, change	(581)	(476)
Other changes	(2)	(26)
Working capital from operation before financial items	104,591	137,469
Operating assets and liabilities, change	16,578	22,895
Cash flow from operating activities before financial items	121,169	160,364
Interest income received	1,851	1,918
Interest expenses and foreign exch. difference paid	(6,921)	(12,409)
Taxes paid	(14,783)	(5,454)
Cash flow from operating activities	<u>101,316</u>	<u>144,419</u>
Investing activities		
Power stations in operation	(3,719)	(3,926)
Power plant preparation cost	(3,156)	(1,402)
Other investments	(1,260)	(1,365)
Assets sold	13	114
Investing activities	<u>(8,122)</u>	<u>(6,579)</u>
Financing activities		
Amortisation of long-term debt	(12,834)	(177,454)
Financing activities	<u>(12,834)</u>	<u>(177,454)</u>
Change in cash and cash equivalents	80,360	(39,614)
Effect of exch. difference on cash and cash equivalents .	(732)	2,247
Cash and cash equivalents at the beginning of the year .	<u>85,256</u>	<u>150,945</u>
Cash and cash equivalents at the end of the period	<u><u>164,884</u></u>	<u><u>113,578</u></u>

Notes 1 to 12 are an integral part of these interim financial statements.

Notes

Reporting entity

1. Landsvirkjun

Landsvirkjun is a partnership which operates in Iceland and has its headquarters at Katrínartún 2, Reykjavík, Iceland. Landsvirkjun operates in accordance with the Act on Landsvirkjun no. 42/1983. The Company's main objective is to engage in operations in the energy sector. The interim financial statements include the financial statements of the Company and its shares of subsidiaries and associated companies.

2. Statement of IFRS compliance

The interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements in the Icelandic Financial Statements Act. They do not encompass all the information necessary for complete annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December, 2023.

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2023 except that the Company has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning 1 January, 2024, changes to the standards and new interpretations. The Company has not implemented new or enhanced standards that have been issued but are not yet in effect. It is the management's opinion that adoption of new and improved standards and interpretations which are not in effect will not have significant effects on the interim financial statements. The financial statements for the year 2023 can be found on its website www.landsvirkjun.com and the website of NASDAQ OMX Iceland; www.nasdaqomxnordic.com.

The interim financial statements are presented in USD, which is the Company's functional currency. Amounts are presented in USD thousand unless otherwise stated.

4. Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5. Segment information

All operations of the Company fall under one segment. Landsvirkjun's objective, according to law, is to operate in the energy sector and to engage in other business and financial operations according to the decision of the Board of Directors at each time. Landsvirkjun harnesses hydroelectric power, geothermal power and wind power. Landsvirkjun sells all of its electricity generation in Iceland, both to retail sales companies and to power intensive industrial users.

6. Operating revenues

	2024	2023
	1.1.-31.3.	1.1.-31.3.
Power sales are specified as follows:		
Retail sales companies	38,446	34,605
Power intensive users	89,611	117,185
Power sales total	<u>128,057</u>	<u>151,790</u>

Notes, contd.:

7. Financial income and (expenses)	2024	2023
Financial income and (expenses) are specified as follows:	1.1.-31.3.	1.1.-31.3.
Interest income	4,757	5,327
Interest expense	(7,757)	(8,768)
Guarantee fee	(134)	(139)
Total interest expense	(7,891)	(8,907)
Realised foreign exchange difference	(30)	636
Unrealised foreign exchange difference	2,462	(9,253)
Total foreign exchange difference	2,432	(8,617)
Fair value changes in embedded derivatives	(22,668)	14,953
Fair value changes in other derivatives	(807)	34,723
Financial income and (expenses)	(24,177)	37,479

8. Derivative financial instruments in the balance sheet

Derivative financial instruments in the balance sheet are specified as follows:

	31.03.2024	31.12.2023
Assets:		
Embedded derivatives in power contracts	57,842	80,510
Commodity hedges	5,590	6,239
Currency swaps	2,428	3,717
	65,860	90,466
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	54,616	74,260
Short-term component of derivative agreements	11,244	16,206
	65,860	90,466
Liabilities:		
Commodity hedges	4,669	4,975
Currency swaps	363	0
	5,032	4,975
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	1,945	989
Short-term component of derivative agreements	3,087	3,987
	5,032	4,975

Notes, contd.:

9. Liabilities

Interest bearing long-term debt is categorized by currencies as follows:

		31.03.2024		31.12.2023	
	Maturity date	Average interest	Remaining balance	Average interest	Remaining balance
Liabilities in EUR	2026	4.0%	162,206	4.1%	165,708
Liabilities in USD	2025-2035	4.0%	604,551	4.0%	616,867
			766,757		782,575
Current maturities of long-term debt			(87,619)		(27,619)
Total long-term debt			679,138		754,956

Interest rates on the loans range between 2.8-7.3%. Nominal interest rates for the period were on average 3.9%, taking into account the state guarantee fee (2023:4.0%).

According to loan agreements, the maturities of long-term debt are as follows:

	31.03.2024
1.4.2024-31.3.2025	87,619
1.4.2025-31.12.2025	110,237
2026	189,861
2027	27,619
2028	131,764
2029	69,384
Later	150,272
	766,757

10. Comparison of fair value and book value

	31.03.2024		31.12.2023	
	Book value	Fair value	Book value	Fair value
Interest-bearing loans issued by the Icelandic state	267,068	272,124	269,406	274,400
Interest-bearing long term liabilities	(766,757)	(761,643)	(782,575)	(786,536)

Fair value of other financial instruments is equal to book value.

Fair value of interest-bearing liabilities is calculated by discounting the expected cash flows using the underlying currencies yield curve.

Interest rates are specified as follows:

	31.03.2024	31.12.2023
Interest-bearing assets and liabilities in USD	4.1 to 5.6%	3.7 to 5.6%
Interest-bearing assets and liabilities in EUR	3.0 to 3.8%	2.6 to 3.5%

Notes, contd.:

11. Fair value classification

The table displays the level categorisation for items in the interim financial statements that are valued at fair value.

	Level 2	Level 3	Total
31.03.2024			
Embedded derivatives		57,842	57,842
Other derivatives	2,986		2,986
Shares in other companies		665	665
	<u>2,986</u>	<u>58,507</u>	<u>61,493</u>
31.12.2023			
Embedded derivatives		80,510	80,510
Other derivatives	4,980		4,980
Shares in other companies		676	676
	<u>4,980</u>	<u>81,186</u>	<u>86,166</u>

12. Other matters

At the annual general meeting on 30 April, 2024 a dividend payment to the owners of Landsvirkjun amounting to USD 220.0 million was approved for the year 2023.

There are pending cases at the Icelandic Competition Authority (ICA). On February 9, 2024, the ICA notified Landsvirkjun by letter its decision to initiate an investigation into whether provisions in contracts with energy intensive users, which stipulate that reselling electricity is not allowed, unless with the consent of Landsvirkjun, violate competition law provisions or provisions of the EEA Agreement. The notification of the initiation of a case by the ICA signifies the beginning of the investigation process, but it does not offer any final conclusions regarding violations or the potential outcome. The inquiry is still in its initial phase.