



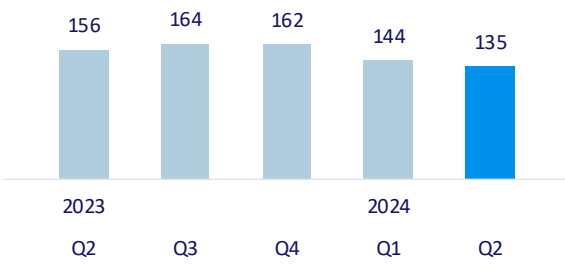
# Contents

Key figures.....	3
Management’s presentation.....	4
Endorsement and Statement of the Board of Directors and CEO .....	5
Independent Auditors’ Review Report .....	6
Income Statement.....	7
Statement of Comprehensive Income .....	8
Balance Sheet .....	9
Statement of Equity .....	10
Statement of Cash Flow .....	11
Notes .....	12

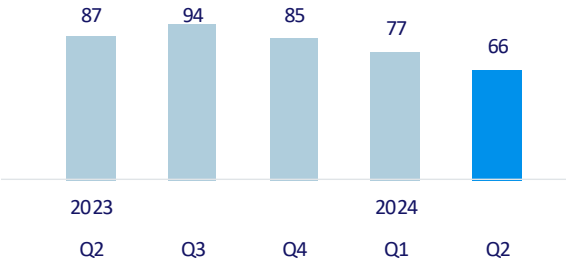


# Key figures

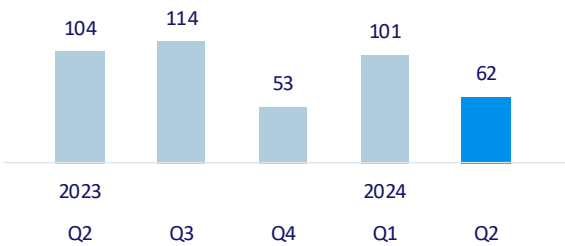
Operating revenues



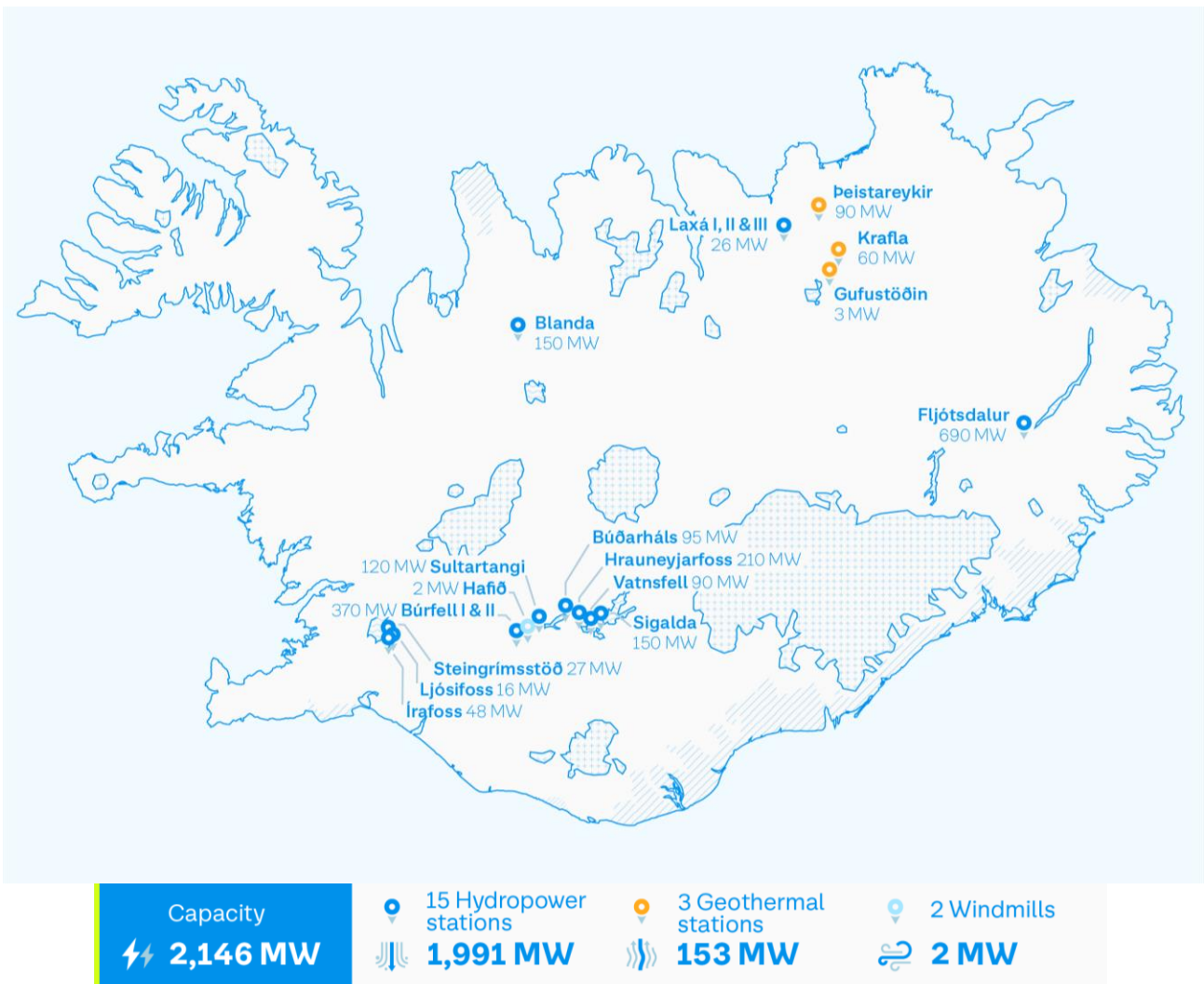
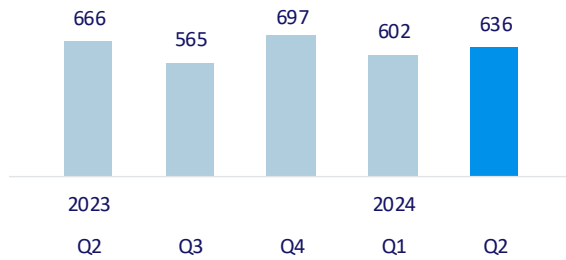
Profit before unrealised financial items



Cash flow from operating activities



Net debt



## Key figures - not reviewed

### Management's presentation of the operation of Landsvirkjun

Amounts are in USD thousand

	2024	2023	2022	2021	2020
	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.
<b>Operation</b>					
Operating revenues .....	277,714	296,492	348,621	240,272	190,310
Realised hedges .....	1,358	35,260	( 53,666)	( 15,020)	3,819
<b>Total operating revenues .....</b>	<b>279,072</b>	<b>331,752</b>	<b>294,955</b>	<b>225,252</b>	<b>194,129</b>
Operating and maintenance expenses .....	( 79,851)	( 76,769)	( 81,641)	( 73,905)	( 64,233)
<b>EBITDA .....</b>	<b>199,221</b>	<b>254,983</b>	<b>213,314</b>	<b>151,347</b>	<b>129,896</b>
Depreciation and impairment loss .....	( 50,051)	( 53,036)	( 54,327)	( 53,610)	( 48,938)
<b>EBIT .....</b>	<b>149,170</b>	<b>201,947</b>	<b>158,987</b>	<b>97,737</b>	<b>80,958</b>
Financial items .....	( 6,442)	( 6,435)	( 18,069)	( 20,054)	( 23,909)
Subsidiaries and associated companies .....	661	456	13,426	10,755	10,860
<b>Profit before unrealised financial items ....</b>	<b>143,389</b>	<b>195,968</b>	<b>154,344</b>	<b>88,438</b>	<b>67,909</b>
<b>Unrealised financial items:</b>					
Fair value changes in embedd. derivatives ....	( 27,659)	( 40,130)	49,799	21,400	( 19,626)
Fair value changes in other derivatives .....	( 4,496)	37,089	( 4,878)	( 38,871)	( 29)
Unrealised foreign exchange difference .....	3,036	( 8,344)	11,576	1,663	4,976
	( 29,119)	( 11,385)	56,497	( 15,808)	( 14,679)
<b>Profit before income tax .....</b>	<b>114,270</b>	<b>184,583</b>	<b>210,841</b>	<b>72,630</b>	<b>53,230</b>
Income tax .....	( 43,788)	( 70,611)	( 73,378)	( 23,552)	( 15,640)
<b>Profit for the period .....</b>	<b>70,482</b>	<b>113,972</b>	<b>137,463</b>	<b>49,078</b>	<b>37,590</b>
<b>Balance sheet</b>					
	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>30.6.2020</b>
Total assets .....	3,560,914	3,751,978	3,793,095	3,786,279	3,710,018
Total equity .....	2,213,198	2,270,014	2,230,022	2,101,190	2,073,203
Total liabilities .....	1,347,716	1,481,964	1,563,073	1,685,089	1,636,815
Net debt* .....	635,726	665,726	939,370	1,199,676	1,298,412
<b>Cash flow</b>					
	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>
Funds from operation (FFO) .....	192,705	244,839	195,688	127,654	105,579
Cash flow from operating activities .....	163,377	248,784	191,800	125,114	102,842
Investing activities .....	5,032	4,718	6,696	( 2,360)	64,023
Financing activities .....	( 124,699)	( 248,930)	( 138,308)	( 38,900)	( 182,037)
<b>Liquidity</b>					
	<b>30.6.2024</b>	<b>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>30.6.2020</b>
Cash and cash equivalents .....	128,038	157,726	125,315	144,324	55,051
Undrawn loans .....	125,000	125,000	150,000	150,000	150,000
Total liquidity .....	253,038	282,726	275,315	294,324	205,051
<b>Key ratios</b>					
Return on equity ** .....	7.3%	6.2%	10.7%	3.9%	3.9%
Equity ratio .....	62.2%	60.5%	58.8%	55.5%	55.9%
Interest cover (EBITDA/net interest exp)** ....	44.26x	21.74x	10.36x	6.46x	5.53x
FFO / net debt** .....	67.2%	70.8%	37.9%	18.4%	17.1%
FFO / interest expense** .....	13.30x	12.94x	9.05x	5.22x	4.20x
Net debt / EBITDA** .....	1.44x	1.34x	2.38x	4.46x	4.75x
<b>Credit rating without state guarantee at the end of June</b>					
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 condensed financial statements for the period from 1 January to 30 June 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. as well as associated companies. Landsvirkjun does not prepare consolidated interim financial statements.

According to the income statement, the Company's profit for the period from January to June 2024 amounted to USD 70.5 million while the profit during the same period in 2023 amounted to USD 114.0 million. The change between periods amounts to USD 43.5 million. The Company's operating revenues amounted to USD 279.1 million during the period compared to USD 331.8 million during the same period in the previous year. The change is mainly due to decrease in realised hedges and power sales as there are no longer connections to prices on the Nord Pool power market and that the quantity sold decreased due to curtailments. The fair value changes of derivatives were negative and amounted to USD 32.2 million during the period January to June 2024 compared to a negative difference of USD 3.0 million during the same period in the previous year. Currency exchange difference was positive and amounted to USD 2.5 million compared to a negative difference in the amount of USD 7.6 million during the same period in 2023. Cash flow from operations amounted to USD 163.4 million during the period compared to USD 248.8 million during the same period in the previous year. Cash and cash equivalents amounted to USD 128.0 million at the end of June 2024 and undrawn loans amounted to USD 125.0 million, a total of USD 253.0 million. The Company's equity at the end of June amounted to USD 2,213.2 million according to the balance sheet compared to USD 2,364.1 million at year end 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 of 30 June, 2024 and the Company's operating results and changes in cash flow during the period from January to June 2024.

Furthermore, in the opinion of the Board of Directors and the CEO the interim financial statements and the Endorsement by the Board of Directors for the period from January to June 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 30 June 2024 and confirm them by means of their signatures.

Reykjavik, 16 August, 2024.

The Board of Directors:

Jón Björn Hákonarson

Jens Garðar Helgason

Álfheiður Ingadóttir

Gunnar Tryggvason

Soffía Björk Guðmundsdóttir

The CEO:

Hörður Arnarson

# Independent Auditors' Review Report

---

## To the Board of Directors and owners of Landsvirkjun

We have reviewed the accompanying condensed interim financial statements of Landsvirkjun, which comprise the endorsement by the Board of Directors, the statement of financial position as at 30 June, 2024 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes.

## The Board of directors and CEO's responsibility for the Interim Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard, IAS 34, as adopted by the EU and additional requirements in the Icelandic Financial Statement Act.

## Auditors' Responsibility

Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not give a true and fair view of the financial position of the Company as of 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standard, IAS 34, as adopted by the EU and additional requirements in the Icelandic Financial Statement Act.

Reykjavik, 16 August, 2024.

## **Deloitte ehf.**

Birna María Sigurðardóttir  
auditor

Jóhann Óskar Haraldsson  
auditor

# Income Statement

	Notes	2024	2023	2024	2023
		1.1.-30.6.	1.1.-30.6.	Q2*	Q2*
<b>Operating revenues</b>					
Power sales .....	6	255,975	281,687	127,918	129,897
Realised hedges .....		1,358	35,260	( 12)	21,869
Other income .....		21,739	14,805	7,442	4,563
		<u>279,072</u>	<u>331,752</u>	<u>135,348</u>	<u>156,329</u>
<b>Operating expenses</b>					
Energy generation costs .....		98,961	99,156	50,470	50,456
Cost of general research .....		5,509	9,308	3,038	4,624
Other operating expenses .....		25,432	21,341	12,838	10,694
		<u>129,902</u>	<u>129,805</u>	<u>66,346</u>	<u>65,774</u>
<b>Operating profit</b> .....		<u>149,170</u>	<u>201,947</u>	<u>69,002</u>	<u>90,555</u>
<b>Financial income and (expenses)</b>					
Interest income .....		9,887	10,476	5,130	5,149
Interest expenses .....	(	15,788)	( 17,625)	( 7,897)	( 8,718)
Foreign exchange difference .....		2,495	( 7,630)	63	987
Fair value changes in embedded derivatives .....	(	27,659)	( 40,130)	( 4,991)	( 55,083)
Fair value changes in other derivatives .....	(	4,496)	37,089	( 3,689)	2,366
	7	<u>( 35,561)</u>	<u>( 17,820)</u>	<u>( 11,384)</u>	<u>( 55,299)</u>
Subsidiaries and associated companies .....		<u>661</u>	<u>456</u>	<u>304</u>	<u>229</u>
<b>Profit before income tax</b> .....		<u>114,270</u>	<u>184,583</u>	<u>57,922</u>	<u>35,485</u>
Income tax .....	(	43,788)	( 70,611)	( 21,986)	( 13,101)
<b>Net profit for the period</b> .....		<u>70,482</u>	<u>113,972</u>	<u>35,936</u>	<u>22,384</u>

\* Quarterly financial statements have not been reviewed by the auditors of the Company

Notes 1 to 13 are an integral part of these interim financial statements

## Statement of Comprehensive Income

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>	<b>Q2*</b>	<b>Q2*</b>
<b>Profit for the period</b> .....	70,482	113,972	35,936	22,384
<b>Items transferred to equity that will not be reclassified subsequently to profit or loss:</b>				
Pension obligation after income tax, change .....	( 1,179)	( 917)	( 591)	( 474)
<b>Items transferred to equity that may be reclassified subsequently to profit or loss:</b>				
Transl. diff. due to subsid. and assoc. companies .....	( 219)	284	( 98)	( 59)
Total operating items moved to equity	( 1,398)	( 633)	( 689)	( 533)
<b>Total Comprehensive Income for the period ..</b>	<u>69,084</u>	<u>113,339</u>	<u>35,247</u>	<u>21,851</u>

\* Quarterly financial statements have not been reviewed by the auditors of the Company

Notes 1 to 13 are an integral part of these interim financial statements



# Balance Sheet

<b>Assets</b>	<b>Notes</b>	<b>30.6.2024</b>	<b>31.12.2023</b>
<b>Non-current assets</b>			
Property, plant and equipment .....		2,879,201	2,918,386
Development cost .....		123,159	115,156
Other intangible assets .....		50,400	50,088
Derivative financial instruments .....	8	45,792	74,260
Subsidiaries .....		7,807	7,458
Associated companies .....		4,815	4,725
Loans to related parties .....		208,885	232,940
Other non-current assets .....		662	676
Total non-current assets		<u>3,320,721</u>	<u>3,403,689</u>
<b>Current assets</b>			
Accounts receivables and other receivables .....		56,898	67,827
Related parties, receivables .....		41,578	41,270
Derivative financial instruments .....	8	13,679	16,206
Cash and cash equivalents .....		128,038	85,256
Total current assets		<u>240,193</u>	<u>210,559</u>
<b>Total assets</b>		<u><u>3,560,914</u></u>	<u><u>3,614,248</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Owners' contributions .....		586,512	586,512
Restricted reserves .....		2,451	2,199
Translation difference .....		( 16,668)	( 16,449)
Other equity .....		1,640,903	1,791,852
Total equity		<u>2,213,198</u>	<u>2,364,114</u>
<b>Long-term liabilities</b>			
Interest bearing liabilities .....	9	676,145	754,956
Accrued pension liabilities .....		39,326	39,431
Deferred income tax liability .....		244,921	240,682
Lease obligation .....		9,136	9,931
Derivative financial instruments .....	8	3,486	989
		<u>973,014</u>	<u>1,045,989</u>
<b>Current liabilities</b>			
Accounts payable and other payables .....	11	243,843	53,173
Interest bearing liabilities .....	9	87,619	27,619
Income tax payable .....		38,839	119,232
Related parties, liabilities .....		0	134
Derivative financial instruments .....	8	4,401	3,987
		<u>374,702</u>	<u>204,145</u>
Total liabilities		<u>1,347,716</u>	<u>1,250,134</u>
<b>Total equity and liabilities</b>		<u><u>3,560,914</u></u>	<u><u>3,614,248</u></u>

Notes 1 to 13 are an integral part of these interim financial statements

## Statement of Equity

	Owners' contribution	Restricted reserves	Translation difference	Other equity	Total equity
<b>1 January to 30 June, 2023</b>					
Equity at 1 January, 2023.....	586,512	197	(16,707)	1,726,674	2,296,676
Profit for the period.....				113,972	113,972
Translation difference.....			284		284
Pension obligation, change.....				(917)	(917)
Total comprehensive profit.....			284	113,055	113,339
Dividend to owners.....				(140,000)	(140,000)
Share of profit of subsidiaries and associated companies transf.....		1,549		(1,549)	0
Equity at 30 June, 2023.....	586,512	1,746	(16,423)	1,698,179	2,270,014
<b>1 January to 30 June, 2024</b>					
Equity at 1 January, 2024 .....	586,512	2,199	(16,449)	1,791,852	2,364,114
Profit for the period.....				70,482	70,482
Translation difference.....			(219)		(219)
Pension obligation, change.....				(1,179)	(1,179)
Total comprehensive profit.....			(219)	69,303	69,084
Dividend to owners.....				(220,000)	(220,000)
Share of profit of subsidiaries and associated companies transf.....		252		(252)	0
Equity at 30 June, 2024.....	586,512	2,451	(16,668)	1,640,903	2,213,198

Notes 1 to 13 are an integral part of these interim financial statements

## Statement of Cash Flows

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>	<b>Q2*</b>	<b>Q2*</b>
<b>Operating activities</b>				
Operating profit .....	149,170	201,947	69,002	90,555
Depreciation and impairment loss .....	50,051	53,036	25,045	26,457
Pension obligation, change .....	( 1,171)	( 998)	( 590)	( 522)
Other changes .....	( 12)	( 471)	( 10)	( 445)
Working capital from op. before fin. items	198,038	253,514	93,447	116,045
Operating assets and liabilities, change .....	7,278	20,340	( 9,300)	( 2,555)
Cash flow from operating act. bef. fin. items	205,316	273,854	84,147	113,490
Interest income received .....	9,909	9,356	8,058	7,438
Interest exp. and foreign exch. diff. paid .....	( 15,480)	( 20,504)	( 8,559)	( 8,095)
Taxes paid .....	( 36,368)	( 13,922)	( 21,585)	( 8,468)
Cash flow from operating activities	<u>163,377</u>	<u>248,784</u>	<u>62,061</u>	<u>104,365</u>
<b>Investing activities</b>				
Power stations in operation .....	( 5,892)	( 8,348)	( 2,173)	( 4,422)
Power plant preparation cost .....	( 6,026)	( 5,027)	( 2,870)	( 3,625)
Other investments .....	( 3,021)	( 2,328)	( 1,761)	( 963)
Assets sold .....	74	527	61	413
Other receivables, change .....	19,897	19,894	19,897	19,894
Investing activities	<u>5,032</u>	<u>4,718</u>	<u>13,154</u>	<u>11,297</u>
<b>Financing activities</b>				
Dividend paid to owners .....	( 110,000)	( 70,000)	( 110,000)	( 70,000)
Amortisation of long-term debt .....	( 14,699)	( 178,930)	( 1,865)	( 1,476)
Financing activities	<u>( 124,699)</u>	<u>( 248,930)</u>	<u>( 111,865)</u>	<u>( 71,476)</u>
<b>Change in cash and cash equivalents .....</b>	<b>43,710</b>	<b>4,572</b>	<b>( 36,650)</b>	<b>44,186</b>
<b>Effect of exchange diff. on cash and cash equiv ...</b>	<b>( 928)</b>	<b>2,209</b>	<b>( 196)</b>	<b>( 38)</b>
<b>Cash and cash equiv. at the beginning of the year</b>	<u>85,256</u>	<u>150,945</u>	<u>164,884</u>	<u>113,578</u>
<b>Cash and cash equiv. at the end of the period .....</b>	<u><u>128,038</u></u>	<u><u>157,726</u></u>	<u><u>128,038</u></u>	<u><u>157,726</u></u>

\* Quarterly financial statements have not been reviewed by the auditors of the Company

Notes 1 to 13 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, Reykjavik, Iceland. Landsvirkjun operates in accordance with Act no. 42/1983 on Landsvirkjun. 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 subsidiaries, as well as its share of 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 those used 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, including changes to existing 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](http://www.landsvirkjun.com) and the website of NASDAQ OMX Iceland; [www.nasdaqomxnordic.com](http://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
Power sales are specified as follows:	1.1.-30.6.	1.1.-30.6.
Retail sales companies .....	63,613	55,102
Power intensive users .....	192,362	226,585
Power sales total .....	<u>255,975</u>	<u>281,687</u>

## Notes, contd.:

<b>7. Financial income and (expenses)</b>	<b>2024</b>	<b>2023</b>
Financial income and (expenses) are specified as follows:	1.1.-30.6.	1.1.-30.6.
Interest income .....	9,887	10,476
Interest expense .....	( 15,519)	( 17,349)
Guarantee fee .....	( 269)	( 276)
Total interest expense .....	( 15,788)	( 17,625)
Realised foreign exchange difference .....	( 541)	714
Unrealised foreign exchange difference .....	3,036	( 8,344)
Total foreign exchange difference .....	2,495	( 7,630)
Fair value changes in embedded derivatives .....	( 27,659)	( 40,130)
Fair value changes in other derivatives .....	( 4,496)	37,089
Financial income and (expenses)	( 35,561)	( 17,820)

## 8. Derivative financial instruments in the balance sheet

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

	<b>30.06.2024</b>	<b>31.12.2023</b>
<b>Assets:</b>		
Embedded derivatives in power contracts .....	52,850	80,510
Commodity hedges .....	4,718	6,239
Currency swaps .....	1,903	3,717
	59,471	90,466
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	45,792	74,260
Short-term component of derivative agreements .....	13,679	16,206
	59,471	90,466
<b>Liabilities:</b>		
Commodity hedges .....	7,887	4,976
	7,887	4,976
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	3,486	989
Short-term component of derivative agreements .....	4,401	3,987
	7,887	4,976

## Notes, contd.:

### 9. Liabilities

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

		30.06.2024		31.12.2023	
	Maturity date	Average interest	Remaining balance	Average interest	Remaining balance
Liabilities in EUR .....	2026	4.0%	160,548	4.1%	165,708
Liabilities in USD .....	2025-2035	4.0%	603,216	4.0%	616,867
			763,764		782,575
Current maturities of long-term debt .....			( 87,619)		( 27,619)
Total long-term debt .....			676,145		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:

	30.06.2024
1.7.2024-30.6.2025 .....	87,619
1.7.2025-31.12.2025 .....	108,822
2026 .....	188,199
2027 .....	27,619
2028 .....	131,764
2029 .....	69,385
Later .....	150,356
	763,764

### 10. Comparison of fair value and book value of loans to related parties and long term liabilities

	30.06.2024		31.12.2023	
	Book value	Fair value	Book value	Fair value
Interest-bearing loans issued by the Icelandic state ...	246,096	247,501	269,406	274,400
Interest-bearing long term liabilities .....	( 763,764)	( 757,498)	( 782,575)	( 786,536)

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

Fair value of interest-bearing loans to related parties and liabilities are calculated by discounting the expected cash flows using the underlying currencies yield curve.

Interest rates are specified as follows:

	30.06.2024	31.12.2023
Interest-bearing assets and liabilities in USD .....	4.2 to 5.6%	3.7 to 5.6%
Interest-bearing assets and liabilities in EUR .....	3.2 to 3.6%	2.6 to 3.5%

## Notes, contd.:

### 11. Accounts payable and other payables

Accounts payable and other payables are specified as follows:	<b>30.06.2024</b>	<b>31.12.2023</b>
Accounts payable .....	24,282	15,013
Accrued interest .....	7,210	7,492
Income tax payable due to last year .....	73,618	0
Unpaid dividend to owners .....	110,000	0
Other short term liabilities .....	28,733	30,668
	<u>243,843</u>	<u>53,173</u>

### 12. Fair value classification

Calculations for embedded derivatives are based on the forward price of aluminium, as published by the LME, and are based on the maximum time length of forward aluminium prices, which is 123 months. Management expects the aluminium price in ten years to reflect the aluminium price at the time the agreements were made and therefore fair value changes will not arise for that period. The fair value of derivatives other than embedded derivatives is based on an evaluation from counterparties and verified by the company through comparative calculations based on market information.

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

	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30.06.2024</b>			
Embedded derivatives .....		52,850	52,850
Other derivatives .....	( 1,266)		( 1,266)
Shares in other companies .....		662	662
	<u>( 1,266)</u>	<u>53,512</u>	<u>52,246</u>
<b>31.12.2023</b>			
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>

### 13. Other matters

The Competition Authority (ICA) announced to Landsvirkjun in a letter dated 9 February, 2024, that it had decided to conduct an investigation. The inquiry focuses on a provision in contracts with industrial customers that prohibits the resale of power under long-term agreements without Landsvirkjun's approval. The Authority aims to determine if this provision violates competition laws or the EEA Agreement.

Following a complaint filed in 2020, the Competition Authority has been examining and investigating whether Landsvirkjun's participation in Landsnet's loss making tenders for the period 2017-2021 violated competition laws. As part of this process, the Authority sent objection documents to Landsvirkjun, to which the company submitted a report this spring.

A ruling by the Supreme Court in case no. 2/2024, confirmed the illegality of the feed-in fee imposed by Landsnet hf. During the period when the feed-in fee was in effect, Landsvirkjun expensed and paid around 17.3 million USD to Landsnet hf. Landsnet hf. has called a meeting to discuss how to respond to the court's decision, and subsequently, a decision will be made on how the refund from Landsnet hf. will be recorded.