



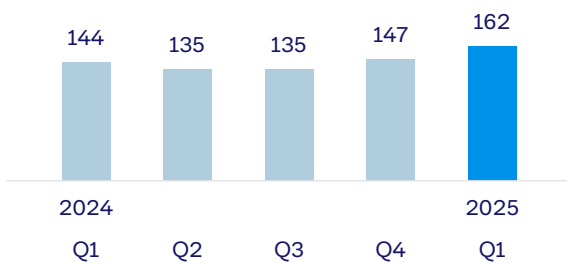
# Contents

Key Figures.....	3
Management's Presentation.....	4
Endorsement and Statement of the Board of Directors and CEO .....	5
Income Statement.....	6
Statement of Comprehensive Income .....	7
Balance Sheet .....	8
Statement of Equity .....	9
Statement of Cash Flow .....	10
Notes .....	11

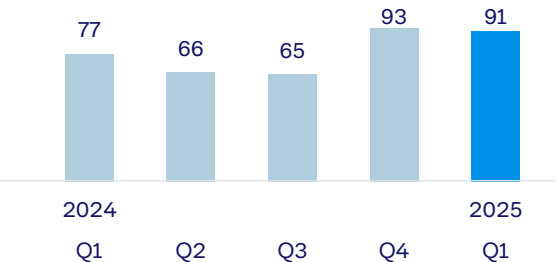


# Key figures

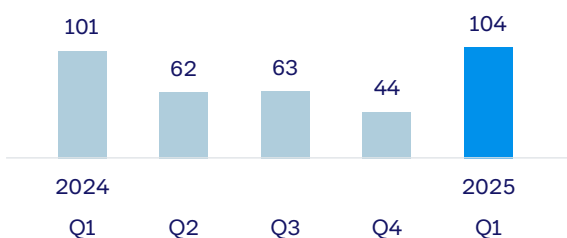
## Operating revenues



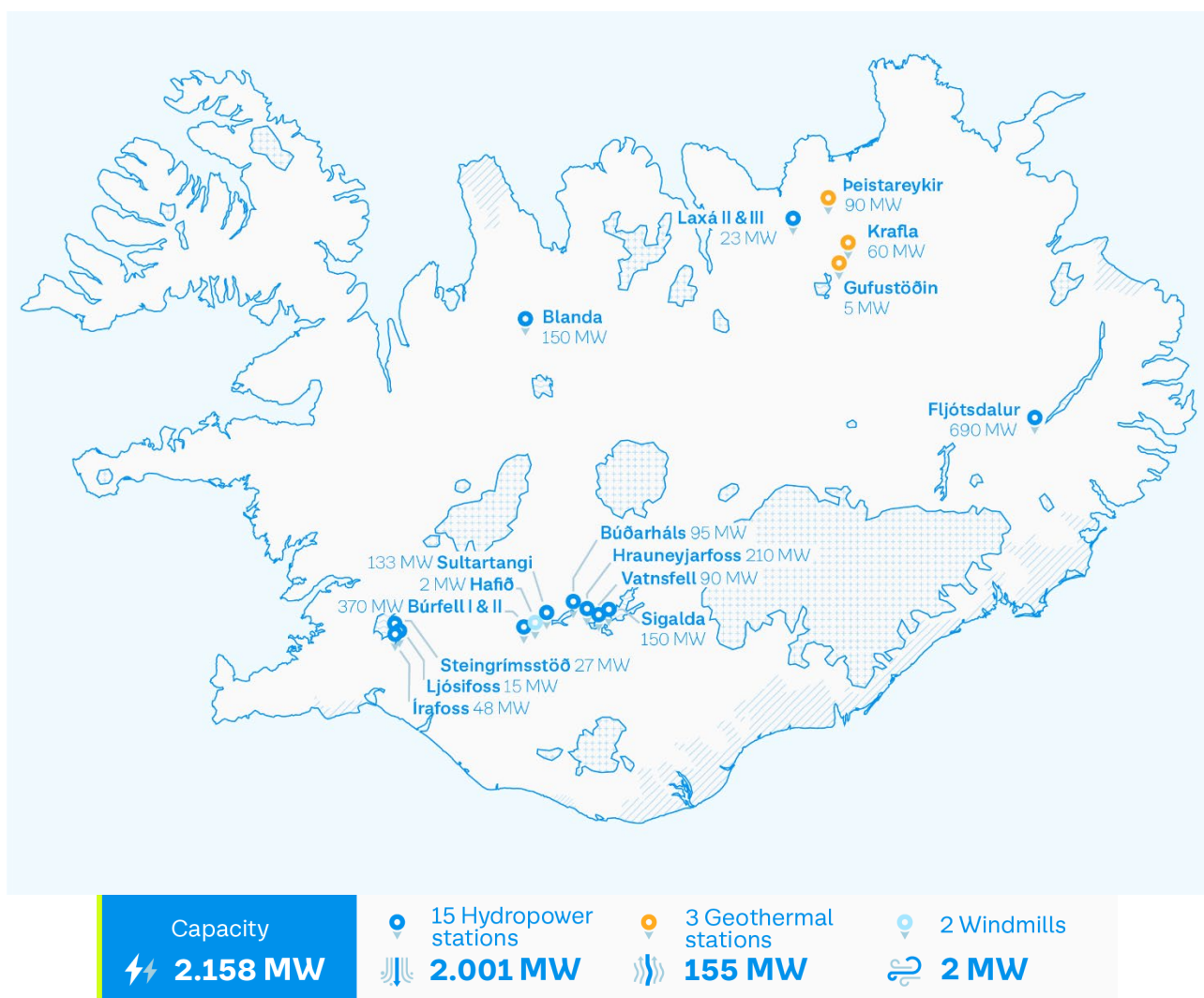
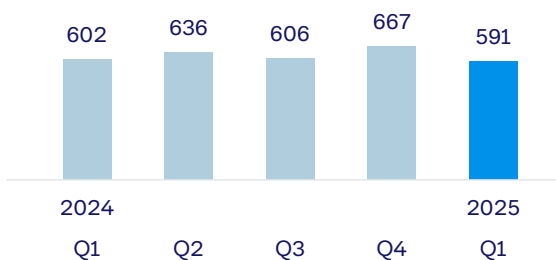
## Profit before unrealised financial items



## Cash flow from operating activities



## Net debt



## Key figures

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

Amounts are in USD thousand

	2025 1.1.-31.3.	2024 1.1.-31.3.	2023 1.1.-31.3.	2022 1.1.-31.3.	2021 1.1.-31.3.
<b>Operation</b>					
Operating revenues .....	162,710	142,354	162,032	174,884	117,907
Realised hedges .....	( 285)	1,370	13,391	( 27,836)	( 5,118)
<b>Total operating revenues .....</b>	<b>162,425</b>	<b>143,724</b>	<b>175,423</b>	<b>147,048</b>	<b>112,789</b>
Operating and maintenance expenses .....	( 44,977)	( 38,550)	( 37,452)	( 40,562)	( 37,399)
<b>EBITDA .....</b>	<b>117,448</b>	<b>105,174</b>	<b>137,971</b>	<b>106,486</b>	<b>75,390</b>
Depreciation and impairment loss .....	( 24,730)	( 25,006)	( 26,579)	( 26,470)	( 26,558)
<b>EBIT .....</b>	<b>92,718</b>	<b>80,168</b>	<b>111,392</b>	<b>80,016</b>	<b>48,832</b>
Financial items .....	( 2,022)	( 3,164)	( 2,944)	( 7,960)	( 10,002)
Subsidiaries and associated companies .....	411	357	227	5,230	6,009
<b>Profit before unrealised financial items .....</b>	<b>91,107</b>	<b>77,361</b>	<b>108,675</b>	<b>77,286</b>	<b>44,839</b>
<b>Unrealised financial items:</b>					
Fair value changes in embedded derivatives ....	9,480	( 22,668)	14,953	162,243	3,124
Fair value changes in other derivatives .....	( 390)	( 807)	34,723	( 62,119)	( 12,087)
Unrealised foreign exchange difference .....	( 4,981)	2,462	( 9,253)	788	4,909
	4,109	( 21,013)	40,423	100,912	( 4,054)
<b>Profit before income tax .....</b>	<b>95,216</b>	<b>56,348</b>	<b>149,098</b>	<b>178,198</b>	<b>40,785</b>
Income tax .....	( 37,073)	( 21,802)	( 57,510)	( 65,670)	( 13,172)
<b>Profit for the period .....</b>	<b>58,143</b>	<b>34,546</b>	<b>91,588</b>	<b>112,528</b>	<b>27,613</b>
<b>Balance sheet</b>					
	<b>31.3.2025</b>	<b>31.3.2024</b>	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
Total assets .....	3,527,256	3,641,298	3,815,436	3,916,953	3,751,050
Total equity .....	2,361,807	2,397,952	2,388,164	2,326,721	2,129,900
Total liabilities .....	1,165,449	1,243,346	1,427,272	1,590,232	1,621,150
Net debt* .....	590,533	601,873	711,336	974,454	1,227,793
<b>Cash flow</b>					
	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>
Funds from operation (FFO) .....	112,300	102,265	132,218	97,241	64,489
Cash flow from operating activities .....	104,138	101,316	144,419	101,050	64,725
Investing activities .....	( 23,736)	( 8,122)	( 6,579)	11,143	1,998
Financing activities .....	( 72,862)	( 12,834)	( 177,454)	( 76,837)	( 12,439)
<b>Liquidity</b>					
	<b>31.3.2025</b>	<b>31.3.2024</b>	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
Cash and cash equivalents .....	88,911	164,884	113,578	102,168	113,673
Undrawn loans .....	125,000	125,000	150,000	150,000	150,000
Total liquidity .....	213,911	289,884	263,578	252,168	263,673
<b>Key ratios</b>					
Return on equity ** .....	7.7%	6.4%	6.0%	10.4%	3.1%
Equity ratio .....	67.0%	65.9%	62.6%	59.4%	56.8%
Interest cover (EBITDA/net interest exp)** .....	40.95x	43.10x	18.00x	8.92x	5.89x
FFO / net debt** .....	68.9%	74.7%	64.3%	32.9%	16.2%
FFO / interest expense** .....	14.10x	13.64x	12.70x	7.70x	4.68x
Net debt / EBITDA** .....	1.40x	1.30x	1.46x	2.68x	4.96x
<b>Credit rating without state guarantee at the end of March</b>					
Standard & Poor's .....	A-	A-	BBB+	BBB+	BBB

\*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

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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 2025 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 2025 amounted to USD 58.1 million while the profit during the same period in 2024 amounted to USD 34.5 million. The increase between periods amounted to USD 23.6 million. The fair value changes of derivatives was positive and amounted to USD 9.1 million during the period January to March 2025 compared to a negative difference of USD 23.5 million during the same period in the previous year. The Company's operating revenues amounted to USD 162.4 million during the period compared to USD 143.7 million during the same period in the previous year. Cash flow from operations amounted to USD 104.1 million during the period compared to USD 101.3 million during the same period in the previous year. At the end of March 2025 cash and cash equivalents amounted to USD 88.9 million and undrawn loans amounted to USD 125.0 million, a total of USD 213.9 million. The Company's equity at the end of March amounted to USD 2,361.8 million according to the balance sheet compared to USD 2,303.8 million at year end 2024. At the annual general meeting on 14 April 2025 a dividend payment to the owners of Landsvirkjun amounting to USD 195.0 million was approved for the year 2024.

### 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, 2025 and the Company's operating results and changes in cash flow during the period from January to March 2025.

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 2025 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 2025 and confirm them by means of their signatures.

Reykjavik, 20 May 2025.

The Board of Directors:  
Brynja Baldursdóttir  
Berglind Ásgeirsdóttir  
Sigurður Magnús Garðarsson  
Hörður Þórhallsson  
Þórdís Ingadóttir

The CEO:  
Hörður Arnarson

# Income Statement

	Notes	2025 1.1.-31.3.	2024 1.1.-31.3.
<b>Operating revenues</b>			
Power sales .....	6	141,780	128,057
Realised hedges .....	(	285)	1,370
Other income .....		20,930	14,297
		<u>162,425</u>	<u>143,724</u>
<b>Operating expenses</b>			
Energy generation costs .....		54,493	48,491
Cost of general research .....		3,174	2,471
Other operating expenses .....		12,040	12,594
		<u>69,707</u>	<u>63,556</u>
<b>Operating profit</b> .....		<u>92,718</u>	<u>80,168</u>
<b>Financial income and (expenses)</b>			
Interest income .....		4,272	4,757
Interest expenses .....	(	6,486)	( 7,891)
Foreign exchange difference .....	(	4,789)	2,432
Fair value changes in embedded derivatives .....		9,480	( 22,668)
Fair value changes in other derivatives .....	(	390)	( 807)
	7	<u>2,087</u>	<u>( 24,177)</u>
Subsidiaries and associated companies .....		<u>411</u>	<u>357</u>
<b>Profit before income tax</b> .....		<u>95,216</u>	<u>56,348</u>
Income tax .....	(	37,073)	( 21,802)
<b>Net profit for the period</b> .....		<u><u>58,143</u></u>	<u><u>34,546</u></u>

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

## Statement of Comprehensive Income

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	<b>2025</b> 1.1.-31.3.	<b>2024</b> 1.1.-31.3.
<b>Profit for the period</b> .....	<u>58,143</u>	<u>34,546</u>
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Pension obligation after income tax, change .....	( 496)	( 588)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Transl. diff. due to subsidiaries and associated companies .....	<u>349</u>	<u>( 121)</u>
Total operating items moved to equity	<u>( 147)</u>	<u>( 709)</u>
<b>Total comprehensive income for the period</b> .....	<u><u>57,996</u></u>	<u><u>33,837</u></u>

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

# Balance Sheet

<b>Assets</b>	<b>Notes</b>	<b>31.03.2025</b>	<b>31.12.2024</b>
<b>Non-current assets</b>			
Property, plant and equipment .....		2,830,150	2,836,572
Projects under construction .....		35,876	28,874
Development cost .....		136,473	129,632
Other intangible assets .....		50,369	50,475
Derivative financial instruments .....	8	41,670	33,517
Subsidiaries .....		8,560	8,201
Associated companies .....		5,628	5,303
Loan to related parties .....		190,483	186,326
Shares in other companies .....		723	690
<b>Total non-current assets</b>		<b>3,299,932</b>	<b>3,279,590</b>
<b>Current assets</b>			
Accounts receivables and other receivables .....		73,889	58,572
Related parties, receivables .....		43,496	41,028
Derivative financial instruments .....	8	13,164	12,051
Assets held for sale .....		7,864	7,864
Cash and cash equivalents .....		88,911	78,781
<b>Total current assets</b>		<b>227,324</b>	<b>198,296</b>
<b>Total assets</b>		<b>3,527,256</b>	<b>3,477,886</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Owners' contributions .....		586,512	586,512
Restricted reserves .....		3,355	3,172
Translation difference .....		( 16,303)	( 16,652)
Other equity .....		1,788,243	1,730,779
<b>Total equity</b>		<b>2,361,807</b>	<b>2,303,811</b>
<b>Long-term liabilities</b>			
Interest bearing liabilities .....	9	556,813	563,096
Accrued pension liabilities .....		41,289	39,204
Deferred income tax liability .....		263,267	255,117
Lease obligation .....		12,274	8,375
Derivative financial instruments .....	8	1,033	2,337
		<b>874,676</b>	<b>868,129</b>
<b>Current liabilities</b>			
Accounts payable and other payables .....	11	137,970	37,650
Interest bearing liabilities .....	9	122,631	182,631
Income tax payable .....		28,624	83,287
Related parties, liabilities .....		161	499
Derivative financial instruments .....	8	1,387	1,879
		<b>290,773</b>	<b>305,946</b>
<b>Total liabilities</b>		<b>1,165,449</b>	<b>1,174,075</b>
<b>Total equity and liabilities</b>		<b>3,527,256</b>	<b>3,477,886</b>

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 31 March, 2025</b>					
Equity at 1 January, 2025.....	586,512	3,172	(16,652)	1,730,779	2,303,811
Translation difference.....			349		349
Pension obligation, change.....				(496)	(496)
Profit for the period.....				58,143	58,143
Total comprehensive profit.....		0	349	57,647	57,996
Share of profit of subsidiaries and associated companies transf.....		183		(183)	0
Equity at 31 March, 2025.....	586,512	3,355	(16,303)	1,788,243	2,361,807
<b>1 January to 31 March, 2024</b>					
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)	0
Equity at 31 March, 2024.....	586,512	2,286	(16,570)	1,825,724	2,397,952

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

# Statement of Cash Flows

	<b>2025</b> 1.1.-31.3.	<b>2024</b> 1.1.-31.3.
<b>Operating activities</b>		
Operating profit .....	92,718	80,168
Depreciation and impairment loss .....	24,730	25,006
Pension obligation, change .....	( 577)	( 581)
Other changes .....	68	( 2)
Working capital from operation before financial items	116,939	104,591
Operating assets and liabilities, change .....	14,355	16,578
Cash flow from operating activities before financial items	131,294	121,169
Interest income received .....	1,827	1,851
Interest expenses and foreign exch. difference paid .....	( 9,195)	( 6,921)
Taxes paid .....	( 19,788)	( 14,783)
Cash flow from operating activities	104,138	101,316
<b>Investing activities</b>		
Power stations in operation .....	( 3,798)	( 3,719)
Power stations under construction .....	( 3,849)	0
Power plant preparation cost .....	( 5,670)	( 3,156)
Received dividend .....	34	0
Other investments .....	( 10,458)	( 1,260)
Assets sold .....	5	13
Investing activities	( 23,736)	( 8,122)
<b>Financing activities</b>		
Amortisation of long-term debt .....	( 72,862)	( 12,834)
Financing activities	( 72,862)	( 12,834)
<b>Change in cash and cash equivalents</b> .....	7,540	80,360
<b>Effect of exch. difference on cash and cash equivalents</b> .	2,590	( 732)
<b>Cash and cash equivalents at the beginning of the year</b> .	78,781	85,256
<b>Cash and cash equivalents at the end of the period</b> .....	88,911	164,884

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, 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, 2024.

### 3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2024 except that the Company has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning 1 January, 2025, 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. The financial statements for the year 2024 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

	2025	2024
	1.1.-31.3.	1.1.-31.3.
Power sales are specified as follows:		
Retail sales companies .....	40,675	38,446
Power intensive users .....	101,105	89,611
Power sales total .....	141,780	128,057

## Notes, contd.:

### 7. Financial income and (expenses)

	2025	2024
	1.1.-31.3.	1.1.-31.3.
Financial income and (expenses) are specified as follows:		
Interest income .....	4,272	4,757
Interest expense .....	( 6,640)	( 7,757)
Guarantee fee .....	( 138)	( 134)
Capitalised interest .....	292	0
Total interest expense .....	( 6,486)	( 7,891)
Realised foreign exchange difference .....	192	( 30)
Unrealised foreign exchange difference .....	( 4,981)	2,462
Total foreign exchange difference .....	( 4,789)	2,432
Fair value changes in embedded derivatives .....	9,480	( 22,668)
Fair value changes in other derivatives .....	( 390)	( 807)
Financial income and (expenses)	2,087	( 24,177)

### 8. Derivative financial instruments in the balance sheet

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

	31.03.2025	31.12.2024
<b>Assets:</b>		
Embedded derivatives in power contracts .....	51,607	42,127
Commodity hedges .....	3,047	3,441
Currency swaps .....	180	0
	54,834	45,568
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	41,670	33,517
Short-term component of derivative agreements .....	13,164	12,051
	54,834	45,568
<b>Liabilities:</b>		
Commodity hedges .....	2,420	2,984
Currency swaps .....	0	1,232
	2,420	4,216
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	1,033	2,337
Short-term component of derivative agreements .....	1,387	1,879
	2,420	4,216

## Notes, contd.:

### 9. Liabilities

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

	<b>Maturity date</b>	<b>31.03.2025 Average interest</b>	<b>Remaining balance</b>	<b>31.12.2024 Average interest</b>	<b>Remaining balance</b>
Liabilities in EUR .....	2026	2.8%	162,200	3.2%	156,164
Liabilities in USD .....	2025-2035	3.9%	517,244	3.9%	589,563
			679,444		745,727
Current maturities of long-term debt .....			(122,631)		(182,631)
Total long-term debt .....			556,813		563,096

Interest rates on the loans range between 2.8-6.3%. Nominal interest rates for the period were on average 3.6%, taking into account the state guarantee fee (2024:3.8%).

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

	<b>31.03.2025</b>
1.4.2025-31.3.2026 .....	122,631
1.4.2026-31.12.2026 .....	177,445
2027 .....	27,619
2028 .....	131,764
2029 .....	69,384
2030 .....	119,384
Later .....	31,217
	679,444

### 10. Comparison of fair value and book value

	<b>31.03.2025 Book value</b>	<b>Fair value</b>	<b>31.12.2024 Book value</b>	<b>Fair value</b>
Interest-bearing loans issued by the Icelandic state ....	227,327	233,256	223,305	226,710
Interest-bearing long term liabilities .....	( 679,444)	( 681,160)	( 745,727)	( 741,939)

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

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

Interest rates are specified as follows:

	<b>31.03.2025</b>	<b>31.12.2024</b>
Interest-bearing assets and liabilities in USD .....	2.8 to 6.3%	2.8 to 6.3%
Interest-bearing assets and liabilities in EUR .....	2.8 to 3.5%	3.2 to 3.5%

## Notes, contd.:

### 11. Accounts payable and other payables

Accounts payable and other payables are specified as follows:

	31.03.2025	31.12.2024
Accounts payable .....	31,596	1,029
Accrued interest .....	6,498	6,795
Value added tax .....	27,467	15,468
Income tax payable due to last year .....	55,848	0
Other short term liabilities .....	16,561	14,358
	<u>137,970</u>	<u>37,650</u>

### 12. 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
<b>31.03.2025</b>			
Embedded derivatives .....		51,607	51,607
Other derivatives .....	806		806
Shares in other companies .....		723	723
	<u>806</u>	<u>52,330</u>	<u>53,136</u>
<b>31.12.2024</b>			
Embedded derivatives .....		42,127	42,127
Other derivatives .....	( 775)	( 775)	( 775)
Shares in other companies .....		690	690
	<u>( 775)</u>	<u>42,817</u>	<u>42,042</u>

### 13. Other matters

At the annual general meeting on 14 April, 2025 a dividend payment to the owners of Landsvirkjun amounting to USD 195.0 million was approved for the year 2024.

In a letter dated 9 February 2024, the Competition Authority formally notified Landsvirkjun of its decision to initiate an investigation into whether provisions in contracts with power intensive customers, specifically those prohibiting the resale of electricity under long-term contracts without prior approval from Landsvirkjun are in violation of competition law or the provisions of the EEA Agreement.

Since 2020, following a complaint, the Competition Authority has been conducting a review and investigation into whether Landsvirkjun's participation in Landsnet hf.'s transmission loss auctions during the period 2017–2021 constituted a violation of competition law. As part of the proceedings, the Competition Authority issued a statement of objections to Landsvirkjun, to which the company submitted a formal response in the spring of 2024.

In June 2024, the EFTA Surveillance Authority (ESA) requested information from Landsvirkjun regarding a complaint about the company's refusal to sell electricity for electrofuel projects. Subsequently, at a meeting on 28 April 2025, ESA notified Landsvirkjun of its intent to formally announce on 30 April 2025, the opening of an investigation into a possible infringement of Article 54 of the EEA Agreement. This decision is strictly to initiate an investigation and does not presuppose that an infringement has occurred.

After a Supreme Court ruling in June 2024, Landsvirkjun requested a refund from Landsnet hf. for an unlawfully charged in-feed tariff. Landsnet reimbursed the company in January 2025, totalling USD 17.2 million. Landsvirkjun has since refunded its customers the amounts they were charged during the period the tariff was in place. These refunds were recorded as reductions in accounts receivable and accounts payable at the end of 2024. Final settlement is completed.