



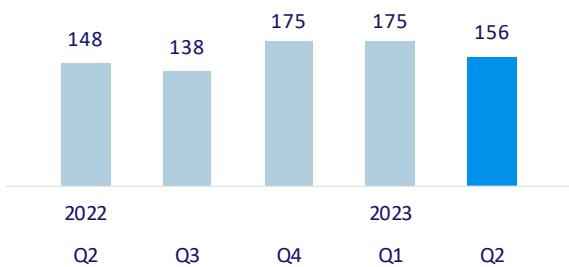
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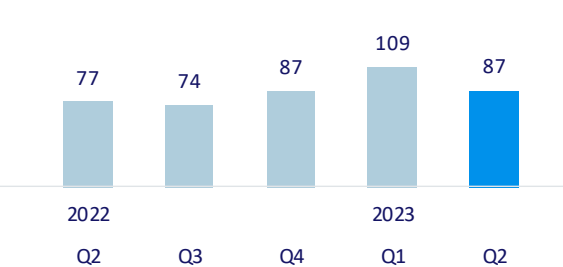


Key figures

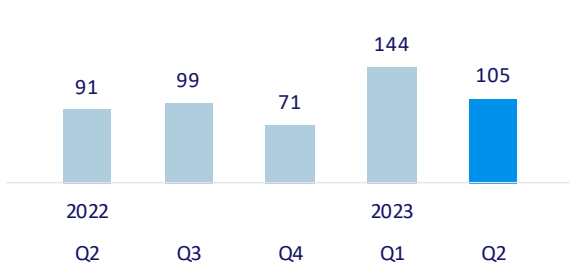
Operating revenues



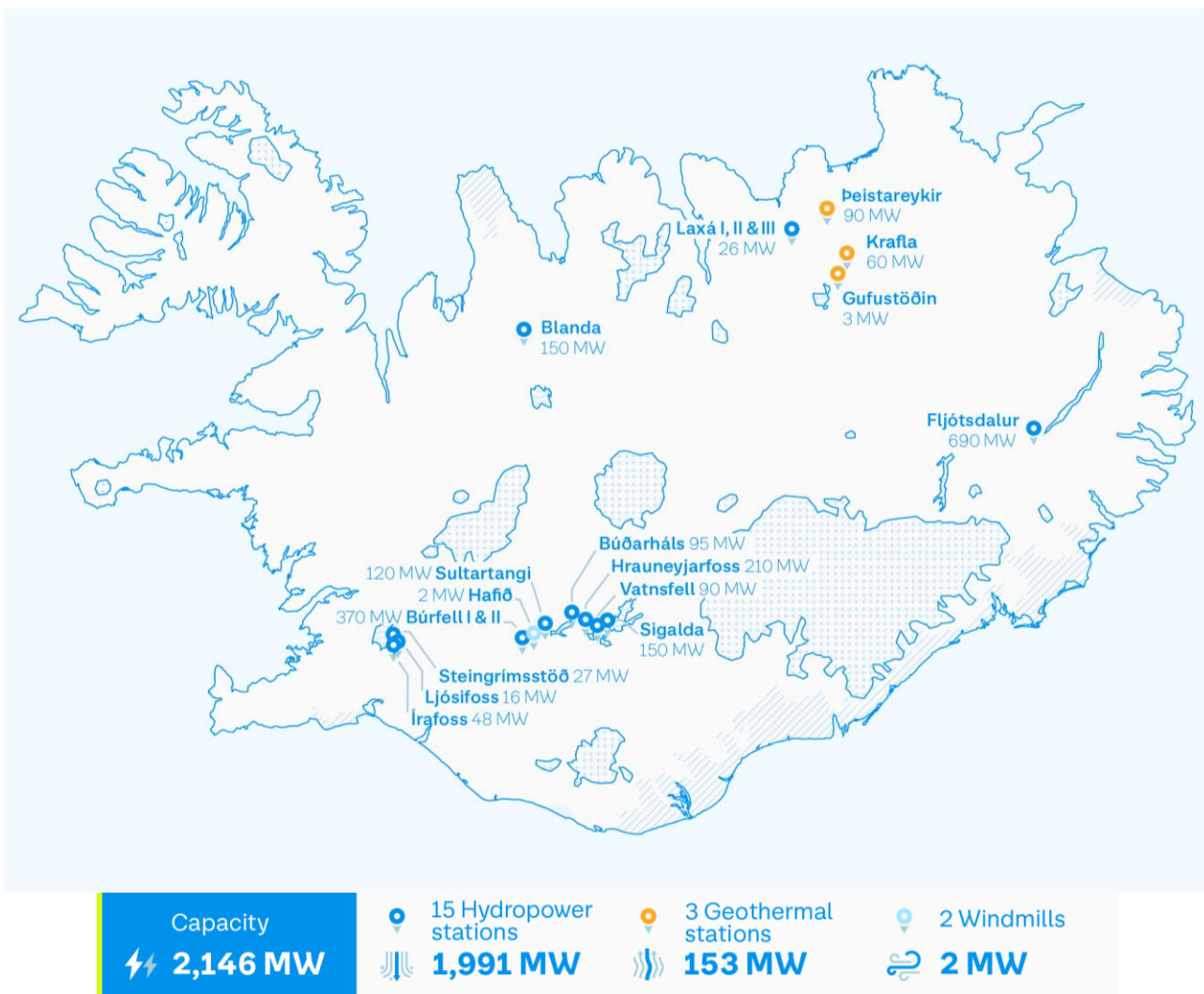
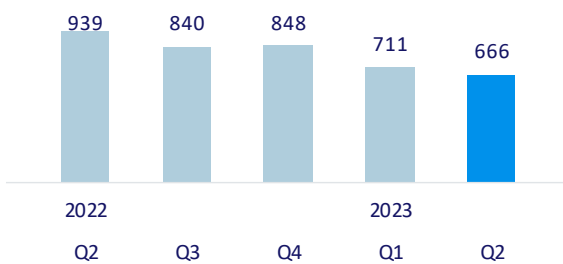
Profit before unrealised financial items



Cash flow from operating activities



Net debt



Key figures - not reviewed

Management's presentation of the operation of Landsvirkjun

Amounts are in USD thousand*

	2023	2022	2021	2020	2019
	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.
Operation					
Operating revenues	296,492	348,621	240,272	190,310	221,243
Realised hedges	35,260	(53,666)	(15,020)	3,819	4,195
Total operating revenues	331,752	294,955	225,252	194,129	225,438
Operating and maintainance expenses	(76,769)	(81,641)	(73,905)	(64,233)	(72,282)
EBITDA	254,983	213,314	151,347	129,896	153,156
Depreciation and impairment loss	(53,036)	(54,327)	(53,610)	(48,938)	(52,320)
EBIT	201,947	158,987	97,737	80,958	100,836
Financial items	(6,435)	(18,069)	(20,054)	(23,909)	(27,135)
Subsidiaries and associated companies	456	13,426	10,755	10,860	13,113
Profit before unrealised financial items	195,968	154,344	88,438	67,909	86,814
Unrealised financial items:					
Fair value changes in embedd. derivatives	(40,130)	49,799	21,400	(19,626)	765
Fair value changes in other derivatives	37,089	(4,878)	(38,871)	(29)	(3,431)
Unrealised foreign exchange difference	(8,344)	11,576	1,663	4,976	5,783
	(11,385)	56,497	(15,808)	(14,679)	3,117
Profit before income tax	184,583	210,841	72,630	53,230	89,931
Income tax	(70,611)	(73,378)	(23,552)	(15,640)	(28,554)
Profit for the period	113,972	137,463	49,078	37,590	61,377
Balance sheet					
	30.6.2023	30.6.2022	30.6.2021	30.6.2020	30.6.2019
Total assets	3,751,978	3,793,095	3,786,279	3,710,018	3,833,898
Total equity	2,270,014	2,230,022	2,101,190	2,073,203	2,067,745
Total liabilities	1,481,964	1,563,073	1,685,089	1,636,815	1,766,153
Net debt**	665,726	939,370	1,199,676	1,298,412	1,511,760
Cash flow					
	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.	1.1.-30.6.
Funds from operation (FFO)	244,839	195,688	127,654	105,579	126,497
Cash flow from operating activities	248,784	191,800	125,114	102,842	121,533
Investing activities	4,718	6,696	(2,360)	64,023	(8,596)
Financing activities	(248,930)	(138,308)	(38,900)	(182,037)	(156,926)
Liquidity					
	30.6.2023	30.6.2022	30.6.2021	30.6.2020	30.6.2019
Cash and cash equivalents	157,726	125,315	144,324	55,051	24,181
Undrawn loans	125,000	150,000	150,000	150,000	296,417
Total liquidity	282,726	275,315	294,324	205,051	320,598
Key ratios					
Return on equity ***	6.2%	10.7%	3.9%	3.9%	6.1%
Equity ratio	60.5%	58.8%	55.5%	55.9%	53.9%
Interest cover (EBITDA/net interest exp)*** ..	21.74x	10.36x	6.46x	5.53x	5.63x
FFO / net debt***	70.8%	37.9%	18.4%	17.1%	16.3%
FFO / interest expense***	12.94x	9.05x	5.22x	4.20x	4.25x
Net debt / EBITDA***	1.34x	2.38x	4.46x	4.75x	5.08x
Credit rating without state guarantee at the end of June					
Standard & Poor's	BBB+	BBB+	BBB+	BBB	BBB
Moody's	Baa1	Baa1	Baa1	Baa1	Baa2

*The amounts for the period and comparative amounts are amounts of the parent company, see note 4

** 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 2023 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, see further note no. 4.

According to the income statement, the Company's profit for the period from January to June 2023 amounted to USD 114.0 million while the profit during the same period in 2022 amounted to USD 137.5 million. The change between periods amounts to USD 23.5 million. The Company's operating revenues amounted to USD 331.8 million during the period compared to USD 295.0 million during the same period in the previous year. The change is mainly due to lower prices on global aluminium and Nord Pool power markets and increase in realised hedges. The fair value changes of derivatives were negative and amounted to USD 3.0 million during the period January to June 2023 compared to a positive difference of USD 44.9 million during the same period in the previous year. Currency exchange difference was negative and amounted to USD 7.6 million compared to a positive difference in the amount of USD 9.6 million during the same period in 2022. Cash flow from operations amounted to USD 248.8 million during the period compared to USD 191.8 million during the same period in the previous year. Cash and cash equivalents amounted to USD 157.7 million at the end of June 2023 and undrawn loans amounted to USD 125.0 million, a total of USD 282.7 million. The Company's equity at the end of June amounted to USD 2,270.0 million according to the balance sheet compared to USD 2,296.7 million at year end 2022.

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 30 June, 2023 and the Company's operating results and changes in cash flow during the period from January to June 2023.

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 June 2023 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 2023 and confirm them by means of their signatures.

Reykjavik, 28 August, 2023.

The Board of Directors:

Jónas Þór Guðmundsson

Jón Björn Hákonarson

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, 2023 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and 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 at 30 June 2023, 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, 28 August, 2023.

Deloitte ehf.

Birna María Sigurðardóttir
auditor

Jóhann Óskar Haraldsson
auditor

Income Statement

	Notes	2023	2022	2023	2022
		1.1.-30.6.	1.1.-30.6.	Q2*	Q2*
Operating revenues					
Power sales	7	281,687	343,620	129,897	173,217
Realised hedges		35,260	(53,666)	21,869	(25,830)
Other income		14,805	5,001	4,563	520
		<u>331,752</u>	<u>294,955</u>	<u>156,329</u>	<u>147,907</u>
Operating expenses					
Energy generation costs		99,156	106,081	50,456	54,603
Cost of general research		9,308	9,822	4,624	5,285
Other operating expenses		21,341	20,065	10,694	9,048
		<u>129,805</u>	<u>135,968</u>	<u>65,774</u>	<u>68,936</u>
Operating profit		<u>201,947</u>	<u>158,987</u>	<u>90,555</u>	<u>78,971</u>
Financial income and (expenses)					
Interest income		10,476	803	5,149	552
Interest expenses		(17,625)	(16,894)	(8,718)	(8,305)
Foreign exchange difference		(7,630)	9,598	987	8,432
Fair value changes in embedded derivatives		(40,130)	49,799	(55,083)	(112,444)
Fair value changes in other derivatives		37,089	(4,878)	2,366	57,241
	8	<u>(17,820)</u>	<u>38,428</u>	<u>(55,299)</u>	<u>(54,524)</u>
Subsidiaries and associated companies		<u>456</u>	<u>13,426</u>	<u>229</u>	<u>8,196</u>
Profit before income tax		<u>184,583</u>	<u>210,841</u>	<u>35,485</u>	<u>32,643</u>
Income tax		<u>(70,611)</u>	<u>(73,378)</u>	<u>(13,101)</u>	<u>(7,708)</u>
Net profit for the period		<u><u>113,972</u></u>	<u><u>137,463</u></u>	<u><u>22,384</u></u>	<u><u>24,935</u></u>

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

The amounts for the period and comparative amounts are amounts of the parent Company, see note 4

Notes 1 to 14 are an integral part of these interim financial statements

Statement of Comprehensive Income

	2023	2022	2023	2022
	1.1.-30.6.	1.1.-30.6.	Q2*	Q2*
Profit for the period	113,972	137,463	22,384	24,935
Items transferred to equity that will not be reclassified subsequently to profit or loss:				
Pension obligation after income tax, change	(917)	(1,437)	(474)	(996)
Demolition obligation after income tax, change	0	973	0	(272)
Items transferred to equity that may be reclassified subsequently to profit or loss:				
Transl. diff. due to subsid. and assoc. companies	284	(183)	(59)	(367)
Total operating items moved to equity	(633)	(647)	(533)	(1,635)
Total Comprehensive Income for the period ..	<u>113,339</u>	<u>136,816</u>	<u>21,851</u>	<u>23,300</u>

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Balance Sheet

Assets	Notes	30.06.2023	31.12.2022
Non-current assets			
Property, plant and equipment		2,948,058	2,984,071
Development cost		104,988	100,011
Other intangible assets		49,116	48,513
Derivative financial instruments	9	64,273	98,964
Subsidiaries		7,340	6,579
Associated companies		4,685	4,707
Loan to related parties		251,104	268,840
Other non-current assets		655	631
Total non-current assets		<u>3,430,219</u>	<u>3,512,316</u>
Current assets			
Accounts receivables and other receivables		64,115	115,896
Related parties, receivables		41,084	39,935
Derivative financial instruments	9	58,834	53,856
Cash and cash equivalents		157,726	150,945
Total current assets		<u>321,759</u>	<u>360,632</u>
Total assets		<u><u>3,751,978</u></u>	<u><u>3,872,948</u></u>
Equity and liabilities			
Equity			
Owners' contributions		586,512	586,512
Restricted reserves		1,746	197
Translation difference		(16,423)	(16,707)
Other equity		1,698,179	1,726,674
Total equity		<u>2,270,014</u>	<u>2,296,676</u>
Long-term liabilities			
Interest bearing liabilities	10	765,833	776,406
Accrued pension liabilities		38,286	36,427
Deferred income tax liability		239,744	232,912
Lease obligation		4,786	4,472
Derivative financial instruments	9	1,491	5,535
		<u>1,050,140</u>	<u>1,055,752</u>
Current liabilities			
Accounts payable and other payables	12	306,737	74,798
Interest bearing liabilities	10	57,619	222,619
Income tax payable		63,228	195,059
Derivative financial instruments	9	4,240	28,044
		<u>431,824</u>	<u>520,520</u>
Total liabilities		<u>1,481,964</u>	<u>1,576,272</u>
Total equity and liabilities		<u><u>3,751,978</u></u>	<u><u>3,872,948</u></u>

The amounts for the period and comparative amounts are amounts of the parent company, see note 4

Notes 1 to 14 are an integral part of these interim financial statements

Statement of Equity

	Owners' contribution	Revaluation account	Restricted reserves	Translation difference	Other equity	Total equity
1 January to 30 June, 2022						
Equity at 1 January, 2022.....	586,512	169,952	71,143	(57,648)	1,443,246	2,213,205
Profit for the period.....					137,463	137,463
Translation difference.....				(183)		(183)
Demolition obligation, change.....		973				973
Pension obligation, change.....					(1,437)	(1,437)
Total comprehensive profit.....		973		(183)	136,026	136,816
Dividend to owners.....					(120,000)	(120,000)
Share of profit of subsidiaries and associated companies transf.....			(279)		279	0
Revaluation transferred to other equity.....		(3,267)			3,267	0
Equity at 30 June, 2022.....	586,512	167,658	70,864	(57,832)	1,462,820	2,230,022
1 January to 30 June, 2023						
Equity at 1 January, 2023	586,512	0	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	0	1,746	(16,423)	1,698,179	2,270,014

The amounts for the period and comparative amounts are amounts of the parent Company, see note 4

Notes 1 to 14 are an integral part of these interim financial statements

Statement of Cash Flows

	2023	2022	2023	2022
	1.1.-30.6.	1.1.-30.6.	Q2*	Q2*
Operating activities				
Operating profit	201,947	158,987	90,555	78,971
Depreciation and impairment loss	53,036	54,327	26,457	27,857
Pension obligation, change	(998)	(1,115)	(522)	(587)
Other changes	(471)	(2)	(445)	(2)
Working capital from op. before fin. items	253,514	212,197	116,045	106,239
Operating assets, change	51,760	14,595	11,794	11,552
Operating liabilities, change	(31,420)	(9,914)	(14,349)	(17,644)
Cash flow from operating act. bef. fin. items	273,854	216,878	113,490	100,147
Interest income received	9,356	694	7,438	506
Interest exp. and foreign exch. diff. paid	(20,504)	(18,014)	(8,095)	(5,291)
Taxes paid	(13,922)	(7,758)	(8,468)	(4,612)
Cash flow from operating activities	<u>248,784</u>	<u>191,800</u>	<u>104,365</u>	<u>90,750</u>
Investing activities				
Power stations in operation	(8,348)	(6,630)	(4,422)	(2,927)
Power plant preparation cost	(5,027)	(1,306)	(3,625)	(870)
Purchased shares	0	(45)	0	(7)
Received dividend	0	15,584	0	0
Other investments	(2,328)	(942)	(963)	(678)
Assets sold	527	4	413	4
Other receivables, change	19,894	31	19,894	31
Investing activities	<u>4,718</u>	<u>6,696</u>	<u>11,297</u>	<u>(4,447)</u>
Financing activities				
Dividend paid to owners	(70,000)	(60,000)	(70,000)	(60,000)
Decrease in shares of an associate	0	605	0	0
Amortisation of long-term debt	(178,930)	(78,913)	(1,476)	(1,471)
Financing activities	<u>(248,930)</u>	<u>(138,308)</u>	<u>(71,476)</u>	<u>(61,471)</u>
Change in cash and cash equivalents	4,572	60,188	44,186	24,832
Effect of exchange diff. on cash and cash equiv ...	2,209	(771)	(38)	(1,685)
Cash and cash equiv. at the beginning of the year	<u>150,945</u>	<u>65,898</u>	<u>113,578</u>	<u>102,168</u>
Cash and cash equiv. at the end of the period	<u><u>157,726</u></u>	<u><u>125,315</u></u>	<u><u>157,726</u></u>	<u><u>125,315</u></u>

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

The amounts for the period and comparative amounts are amounts of the parent Company, see note 4

Notes 1 to 14 are an integral part of these interim financial statements

Notes

1. Reporting entity

Landsvirkjun is a partnership which operates in Iceland and has its headquarters at Katrínartún 2, Reykjavík, Iceland. Landsvirkjun operates according to 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 share in subsidiaries and associated companies.

2. Statement of IFRS compliance

The consolidated 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 Statement Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year 2022.

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2022 except that the Company has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning 1 January, 2023, changes to the standards and new interpretations. The Company has not adopted new or improved standards which have been issued but have not yet taken 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 of the Group for the year 2022 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. Presentation of financial statements

Landsvirkjun sold its shares in Landsnet hf. to the Icelandic state at the end of 2022. As a result, Landsvirkjun has two fewer subsidiaries, as Landsnet hf. and Landsvirkjun jointly owned Orkufjarskipti hf. Landsvirkjun now has two subsidiaries, Icelandic Power Insurance Ltd. and Landsvirkjun Power ehf.

Landsvirkjun does not prepare consolidated interim financial statements with its subsidiaries Landsvirkjun Power ehf. and Icelandic Power Insurance Ltd, because their impact is considered insignificant. Instead, the financial statements are prepared according to IAS 27 Separate Financial Statements. The performance of the subsidiaries is shown in a single number in the income statement in the line Subsidiaries and associated companies. The effects of subsidiaries and subsidiary assets and liabilities are not listed separately in the balance sheet but appear under Subsidiaries. The cash flow statement shows the parent company's cash flow.

Notes, contd.:

4. Presentation of financial statements, contd.

Landsvirkjun Group's operating revenues from continued operations in 2022 were USD 608.6 million compared to the parent company's operating revenues of USD 608.3 million. Operating expenses and financial items of the Group amounted to USD 384.7 million compared to USD 384.8 million for the parent company. Investments in subsidiaries are entered according to the equity method and their results are included in the line Subsidiaries and associated companies. Therefore, the results of the interim financial statements of the parent company are the same as those of the Group. The total assets of Landsvirkjun's parent company at the end of 2022 amounted to almost 100% of the Group's consolidated assets and the total liabilities of the parent company were nearly 100% of the total liabilities of the Group. Landsvirkjun's shares in subsidiaries are shown in the line Subsidiaries among non-current assets in the balance sheet.

Landsvirkjun's management therefore believes that the impact of presenting interim financial statements for the parent company alongside consolidated interim financial statements would be insignificant to informed readers. The IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors states that IFRS Standard requirements do not have to be applied if the effect is assessed as insignificant and not expected to influence the decisions of informed readers of financial statements.

5. Use of estimates and judgements

The preparation of the interim financial statements are in accordance 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.

6. 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 its electricity generation in Iceland, on the one hand to retail sales companies and on the other to power intensive industrial users.

7. Operating revenues

	2023	2022
	1.1.-30.6.	1.1.-30.6.
Power sales are specified as follows:		
Retail sales companies	55,102	53,163
Power intensive users	226,585	290,457
Power sales total	<u>281,687</u>	<u>343,620</u>

Notes, contd.:

8. Financial income and (expenses)	2023	2022
Financial income and (expenses) are specified as follows:	1.1.-30.6.	1.1.-30.6.
Interest income	<u>10,476</u>	<u>803</u>
Interest expense	(17,349)	(16,543)
Guarantee fee	(276)	(351)
Total interest expense	<u>(17,625)</u>	<u>(16,894)</u>
Realised foreign exchange difference	714	(1,978)
Unrealised foreign exchange difference	(8,344)	11,576
Total foreign exchange difference	<u>(7,630)</u>	<u>9,598</u>
Fair value changes in embedded derivatives	(40,130)	49,799
Fair value changes in other derivatives	<u>37,089</u>	<u>(4,878)</u>
Financial income and (expenses)	<u>(17,820)</u>	<u>38,428</u>

9. Derivative financial instruments in the balance sheet

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

	30.06.2023	31.12.2022
Assets:		
Embedded derivatives in power contracts	58,648	98,752
Commodity hedges	59,067	50,583
Currency swaps	5,392	3,485
	<u>123,107</u>	<u>152,820</u>
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	64,273	98,964
Short-term component of derivative agreements	58,834	53,856
	<u>123,107</u>	<u>152,820</u>
Liabilities:		
Embedded derivatives in power contracts	26	0
Commodity hedges	5,704	33,579
	<u>5,730</u>	<u>33,579</u>
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements	1,491	5,535
Short-term component of derivative agreements	4,240	28,044
	<u>5,730</u>	<u>33,579</u>

Notes, contd.:

10. Liabilities

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

		30.06.2023		31.12.2022	
	Maturity date	Average interest	Remaining balance	Average interest	Remaining balance
Liabilities in EUR	2026	3.3%	162,943	1.6%	159,938
Liabilities in USD	2023-2035	3.7%	660,509	3.6%	839,087
			823,452		999,025
Current maturities of long-term debt			(57,619)		(222,619)
Total long-term debt			765,833		776,406

Interest rates on the loans range between 2.8-7.2%. Nominal interest rates for the period were on average 3.9%, taking into account the state guarantee fee (2022:3.3%).

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

	30.06.2023
1.7.2023-30.6.2024	57,619
1.7.2024-31.12.2024	13,810
2025	182,632
2026	190,608
2027	27,619
2028	131,764
Later	219,400
	823,452

11. Comparison of fair value and book value of long-term debt

	30.06.2023		31.12.2022	
	Book value	Fair value	Book value	Fair value
Interest bearing long term liabilities	823,452	820,523	999,025	1,004,138

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 with the underlying currencies yield curve.

Interest rates are specified as follows:

	30.06.2023	31.12.2022
Interest bearing liabilities in USD	3.7 to 5.6%	3.8 to 5.1%
Interest bearing liabilities in EUR	3.2 to 4.0%	1.5 to 3.5%

Notes, contd.:

12. Accounts payable and other payables

Accounts payable and other payables are specified as follows:	30.06.2023	31.12.2022
Accounts payable	20,366	16,665
Accrued interest	7,874	9,249
Income tax payable due to last year	181,293	0
Other short term liabilities	97,204	48,884
	<u>306,737</u>	<u>74,798</u>

13. Fair value classification

Calculations for embedded derivatives are based on the forward price of aluminium, as published by 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 other derivatives than embedded derivatives is based on an evaluation from counterparties and verified by the company with comparative calculations based on market information.

The table shows the level categorisation for items in the interim financial statements recognised at fair value.

	Level 2	Level 3	Total
30.06.2023			
Embedded derivatives		58,622	58,622
Other derivatives	58,755		58,755
Shares in other companies		655	655
	<u>58,755</u>	<u>59,277</u>	<u>118,032</u>
31.12.2022			
Embedded derivatives		98,752	98,752
Other derivatives	20,489		20,489
Shares in other companies		631	631
	<u>20,489</u>	<u>99,383</u>	<u>119,872</u>

14. Other matters

AIB, the Association of Issuing Bodies of Guarantees of Origin in Europe, issued a press release on 27 April stating that the Association had decided to suspend trading in guarantees of origin from Iceland. According to the decision, AIB is of the opinion that EECS rules have not been observed in the handling of guarantees of origin, noting that certain power-intensive industrial users maintained that renewable energy was used in their production, while at the same time guarantees of origin were being sold out of the country. AIB issued a rectification order addressed to the Icelandic issuing body, Landsnet hf. Landsvirkjun protested the AIB's decision, maintaining that it was flawed in form and substance, without foundation in EECS rules, and contrary to European law. On 1 June, AIB reconsidered its initial decision, contingent upon Landsnet meeting the AIB's stipulated prerequisites by 1 October, as the AIB still considers the matter unresolved. Efforts are being made towards further information disclosure and resolving the issue. On 8 June, UBA - the German Environment Agency - banned the sale of guarantees of origin from Iceland. Landsvirkjun successfully requested that the decision be revoked.