

## INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Board of Directors of Landsvirkjun and its green bond holders

### Assurance scope

The scope of our work was limited to assurance over the following statement (here after referred to as the Statement) which is put forth on Landsvirkjun website<sup>1</sup> (accessed 28 February 2019) "The proceeds of USD \$ 200 million raised through the USPP under the Green Bond Framework have been fully allocated to two projects, Theistareykir geothermal power plant and Búrfell II (the expansion of Búrfell hydropower plant)". The reporting criteria against which this information was assessed are relevant parts of the Landsvirkjun Green Bond Framework, available on the Landsvirkjun website<sup>1</sup>.

### Responsibilities of Landsvirkjun

The CEO and CFO are responsible for putting forth the Statement and that it is free of material misstatements, whether due to fraud or in error, in accordance with the Green Bond Framework.

### Responsibility of the auditor's

Our responsibility is to express an assurance conclusion on the Statement specified above based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with ISAE 3000 Assurance Engagement Other than Audits of Reviews of Historical Financial Information issued by IASB.

### Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Boards for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply ISQC 1 International Standard on Quality Control and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Work performed

- We compared that the projects listed in the Statement were consistent with the eligible projects according to the Green Bond Framework.
- We confirmed the receipt of the funds from the Green Bond issue as listed in the Statement.
- We inspected information from the CFO regarding allocation and reconciliation of the amounts to the eligible projects.

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<sup>1</sup> <https://www.landsvirkjun.com/finance/funding/green-bond>

**Conclusion**

Based on the assurance procedures we have performed and the evidence we have obtained, in our opinion, the Statement, has been put forth in accordance with the reporting criteria.

Reykjavík, 28 February 2019.

**Deloitte ehf.**



Pétur Hansson

State Authorized Public Accountant