

2025-2030

Financial Plan 2026

Forecast 2025

Long-Term Plan 2027-2030

Updated by the Board of Directors
November 24th 2025

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Updated Financial Forecast for Reykjavik Energy – Revised Assumptions

The assumptions for the current fiscal year and for 2026 have been revised from those presented in the financial forecast approved and issued by the Board of Reykjavik Energy on October 6th.

On October 21st, an operational disruption occurred at Norðurál's plant in Grundartangi following a failure in two transformers. Norðurál is one of ON Power's largest customers, a subsidiary of Reykjavik Energy. According to Norðurál, the interruption will result in a temporary stop of production in a large part of the smelter, resulting in a substantial decrease in electricity consumption.

Under the existing power purchase agreement, Norðurál is obliged to pay for contractual volume irrespective of usage. However, the company has declared that while the malfunction persists, it will temporarily pay only for the electricity the smelter is able to receive. This situation directly affects ON Power's operations and, consequently, the consolidated results of Reykjavik Energy. The updated financial forecast considers available information and the Group's mitigative actions. The final financial impact of the incident, including the settlement of cash flows and any potential insurance compensation, has not yet been determined.

To ensure continued financial strength and responsible operational management, the Group's financial forecast has been updated with the following key adjustments:

- Operating profit for the current year is projected to be ISK 1.0 billion lower than in the previous forecast.
- Operating expenses will be reduced by ISK 2.2 billion in 2026.
- Investments will be reduced by ISK 6 billion in 2026.
- Dividend payments will be reduced by ISK 2 billion in 2026.

These adjustments are temporary and intended to strengthen liquidity and maintain operational balance until greater clarity is achieved regarding collection and settlement of revenues related to Norðurál. The financial forecast will continue to be reviewed regularly in line with developments and with the objective of maintaining solid long-term operations.

This updated forecast will be submitted to the City of Reykjavik's budget process.

Forecast 2025-2030 – Income statement

	Actual 2024 (ISK millions)	Forecast 2025 (ISK millions)	Forecast 2026 (ISK millions)	Forecast 2027 (ISK millions)	Forecast 2028 (ISK millions)	Forecast 2029 (ISK millions)	Forecast 2030 (ISK millions)
Operating income total	66,782	69,215	75,535	82,046	87,263	90,683	95,769
Operating expenses total	27,720	30,131	30,884	32,214	32,688	33,294	35,248
EBITDA	39,062	39,085	44,651	49,832	54,575	57,389	60,521
Deprecation	16,830	17,240	17,989	19,071	20,533	21,574	22,776
EBIT	22,232	21,844	26,662	30,761	34,042	35,815	37,745
Financial items	-12,234	-11,706	-14,582	-12,520	-12,972	-13,743	-15,695
Interest income	1,056	1,117	996	804	935	765	-200
Interest expenses	-13,816	-14,008	-13,370	-13,754	-14,524	-15,050	-16,014
Other (expenses) income on financial items	527	1,186	-2,208	429	616	542	519
Profit (loss) before income tax	9,999	10,139	12,080	18,241	21,069	22,072	22,050
Income tax	-689	-243	-271	-1,441	-1,889	-2,012	-1,889
Profit (loss) for the year	9,309	9,895	11,808	16,074	16,034	16,892	16,839
Minority shareholder	-1	0	0	-158	-378	-625	-694

Forecast 2025-2030 – Balance sheet

	Actual 2024 (ISK millions)	Forecast 2025 (ISK millions)	Forecast 2026 (ISK millions)	Forecast 2027 (ISK millions)	Forecast 2028 (ISK millions)	Forecast 2029 (ISK millions)	Forecast 2030 (ISK millions)
Assets	509,953	515,433	534,881	566,919	594,095	629,770	659,642
Non-current assets	470,877	480,130	501,371	528,623	558,393	593,341	620,580
Current assets	39,075	35,303	33,510	38,296	35,702	36,429	39,062
Equity and liabilities	509,953	515,433	534,881	566,919	594,095	629,770	659,642
Equity	265,732	264,112	271,243	287,175	304,233	329,255	338,919
Liabilities	244,221	251,321	263,638	279,744	289,862	300,515	320,723
Non-current liabilities	212,683	218,431	231,577	241,745	255,760	265,196	283,563
Current liabilities	31,537	32,890	32,060	37,999	34,102	35,320	37,159

Forecast 2025-2030 – Statement of Cash Flow

	Actual 2024 (ISK millions)	Forecast 2025 (ISK millions)	Forecast 2026 (ISK millions)	Forecast 2027 (ISK millions)	Forecast 2028 (ISK millions)	Forecast 2029 (ISK millions)	Forecast 2030 (ISK millions)
Cash generated from operations before interest and taxes	38,318	40,456	41,709	49,520	54,443	57,336	60,267
Paid interest expenses	1,066	1,081	996	804	935	765	727
Received interest income	-8,037	-8,231	-8,882	-9,458	-10,109	-10,563	-11,016
Paid income taxes	-1,744	-2,734	-2,768	-3,234	-4,045	-4,381	-4,598
Paid due to other financial income and expenses	0	394	385	389	503	442	410
Net cash from operating activities	29,725	31,220	31,439	37,296	38,582	40,430	42,469
Acquisition of property, plant and equipment	-32,902	-33,474	-37,893	-47,500	-48,024	-54,192	-47,539
Other financing activities	-1,881	0	0	0	0	0	0
Cash flow from investing activities total	-34,783	-33,474	-37,893	-47,500	-48,024	-54,192	-47,539
Cash flows from financing activities							
Proceeds from new borrowing	34,509	26,997	28,930	32,730	30,730	27,000	36,583
Repayment of borrowings	-17,324	-20,913	-23,056	-19,460	-25,201	-20,768	-21,114
Dividends paid	-6,000	-6,500	-4,500	-6,663	-6,829	-7,000	-7,175
Share capital increase	0	0	0	8,580	7,865	15,015	0
Net cash used in financing activities	11,033	-503	1,285	15,084	6,458	14,137	8,184
Increase (decrease) in cash and cash equivalents	5,975	-2,757	-5,169	4,881	-2,984	374	3,114
Cash and cash equivalents at year beginning	10,342	16,438	13,677	8,508	13,333	10,348	10,722
Exchange difference on cash and cash equivalents	121	-4	0	-56	0	0	0
Cash and cash equivalents at end of period	16,438	13,677	8,508	13,333	10,348	10,722	13,836