

Condensed Consolidated Interim Financial Statements  
1 January to 30 September 2024

**Reykjavík Energy**

Reg no. 551298-3029  
Bæjarhálsi 1, 110 Reykjavík



# Contents

Financial ratios and scope of services	3
Operating summary	4
Endorsement by the Board of Directors and the CEO	5
Income Statement	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Interim Financial Statements	11

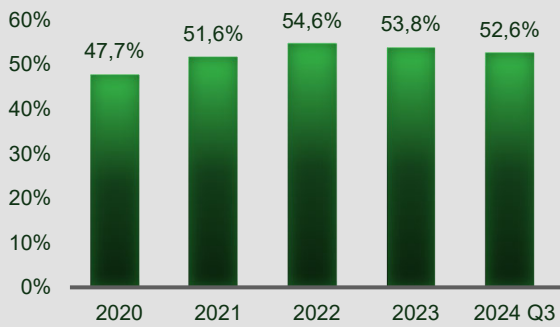
These Interim Financial statements are translated from the Icelandic original. Should there be discrepancies between the two versions, the Icelandic version will take priority.

Orkuveita Reykjavíkur emphasizes these United Nations' Sustainable Development Goals in its operations

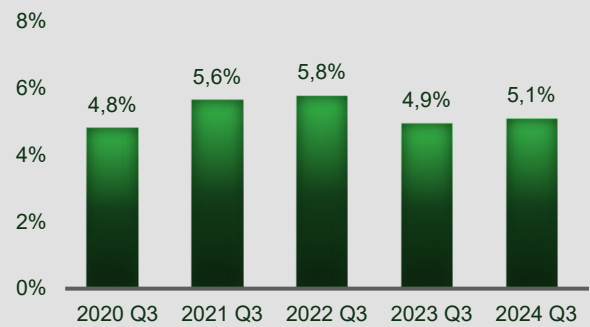


# Financial ratios

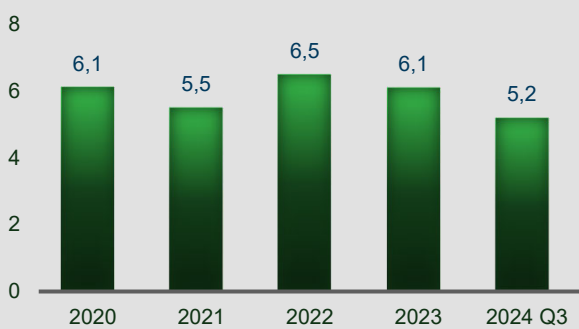
### Equity ratio



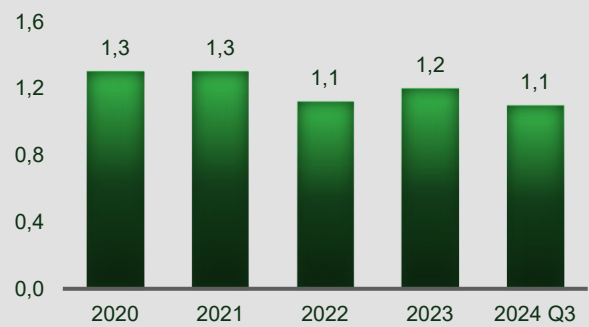
### ROA



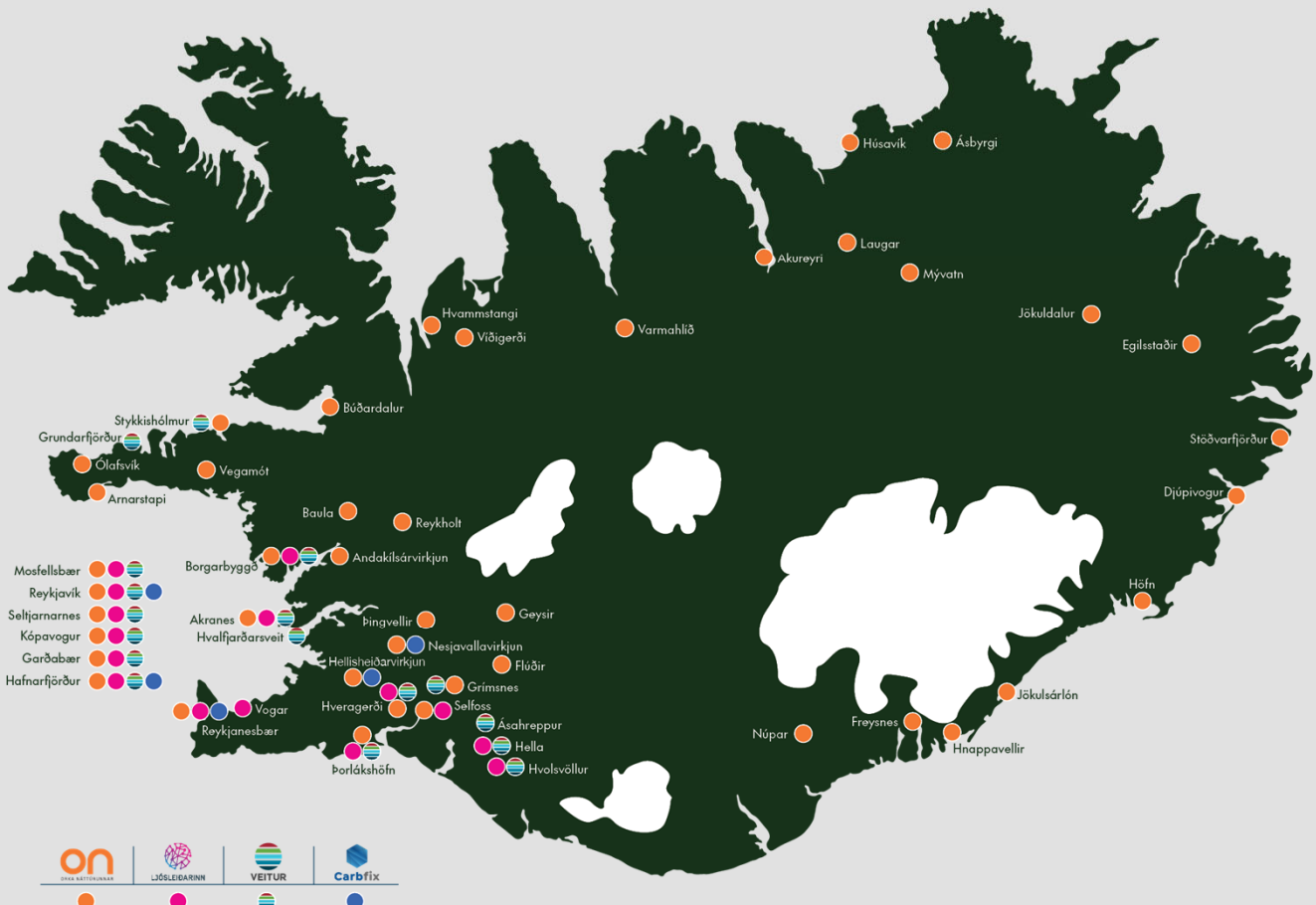
### Net debt / Net cash from operation activities



### Current ratio without aluminum derivative



# Services



# Operating summary

<b>Operating year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>1.1.-30.9</b>	<b>1.1.-30.9</b>	<b>1.1.-30.9</b>	<b>1.1.-30.9</b>	<b>1.1.-30.9</b>
<i>Amounts are at each years price level in ISK millions</i>					
Revenues .....	48.277	43.327	39.741	37.663	35.045
Expenses .....	( 20.549)	( 17.736)	( 15.516)	( 13.339)	( 14.206)
Thereof energy purchase and distribution .....	( 5.373)	( 4.993)	( 4.884)	( 4.174)	( 4.181)
<b>EBITDA .....</b>	<b>27.728</b>	<b>25.591</b>	<b>24.225</b>	<b>24.325</b>	<b>20.839</b>
Depreciation and amortisation .....	( 12.495)	( 11.544)	( 10.449)	( 9.966)	( 9.606)
<b>EBIT .....</b>	<b>15.233</b>	<b>14.047</b>	<b>13.776</b>	<b>14.359</b>	<b>11.233</b>
<b>Cash flow statement</b>					
Received interest income .....	196	117	64	109	240
Paid interest expenses .....	( 5.768)	( 5.119)	( 3.437)	( 3.174)	( 3.724)
Net cash from operating activities .....	24.650	22.445	21.714	21.832	19.416
Working capital from operation .....	20.666	19.650	19.507	18.798	15.727
<b>Liquid funds</b>					
Deposits and marketable securities .....	10.229	11.273	13.962	13.195	12.798
Cash and cash equivalents .....	9.743	5.131	7.499	17.998	11.549
Undrawn credit lines .....	13.080	8.850	4.500	10.198	8.600
<b>Liquid funds total .....</b>	<b>33.052</b>	<b>25.253</b>	<b>25.961</b>	<b>41.391</b>	<b>32.947</b>

# Endorsement by the Board of Directors and the CEO

---

Reykjavík Energy (RE) is a joint venture that is governed by Act no. 136/2013 on Reykjavík Energy. RE's statutory role is to engage in the harnessing, production and sale of electricity, hot water, and steam, and the operation of basic infrastructure, such as a distribution system for electricity, heating, water supply, sewerage, and fibre optics system, as well as other similar activities. It also encompasses other operations that can benefit from RE's research, knowledge, or facilities, as well as industrial development and innovation, as this relates to the company's core operations.

The consolidated interim financial statements for the period 1 January to 30 September 2024 are prepared in accordance with the International Financial Reporting Standard *IAS 34 Interim financial reporting*. The interim financial statements comprise the condensed consolidated interim financial statements of Reykjavik Energy and its subsidiaries. The interim financial statements have not been reviewed by the independent auditor of the company.

Profit from the Reykjavík Energy group's operations for the period 1 January to 30 September 2024 amounted to ISK 5.064 million (1.1.-30.9.2023: profit ISK 3.551 million). Comprehensive income for the period 1 January to 30 September 2024 was positive and amounted to ISK 4.263 million (1.1.-30.9.2023: positive ISK 1.070 million). According to the statement of financial position the Group's assets amounted to ISK 491.121 million at the end of the period (31.12.2023: ISK 481.290 million). Equity at the end of the period was ISK 258.247 million (31.12.2023: ISK 258.984 million), resulting in equity ratio of 52,6% (31.12.2023: 53,8%).

At the beginning of the year and at the end of the period the owners of the Company were the following three municipalities:

	Share
Reykjavik City .....	93,539%
Akranes town .....	5,528%
Borgarbyggð, municipality .....	0,933%

At RE's Annual General Meeting on 28 June, it was agreed to pay up to the amount of ISK 6.000 million in dividends to owners. Of this amount ISK 1,000 million will be paid with conditions. Details about dividends are in note 13 Other Matter. In other respects, reference is made to the Interim Financial Statements regarding the allocation of profits and other changes in equity.

## Statement of the Board of Directors and the CEO

According to the best knowledge of the Board of Directors and the CEO of Reykjavik Energy, the condensed consolidated interim financial statements are in accordance with the international financial reporting standard *IAS 34 on interim financial reporting*. It is the opinion of the Board of Directors and the CEO that the interim financial statements give a fair view of the Group's assets, liabilities and financial position 30 September 2024 and the Group's operating return and changes in cash and cash equivalents in the period 1 January to 30 September 2024.

The Board of Directors and the CEO of Orkuveita Reykjavíkur hereby confirm the Group's consolidated interim financial statements for the period 1 January to 30 September 2024.

Reykjavík, 25 November 2024.

The Board of Directors:

*Gylfi Magnússon*  
*Vala Valtýsdóttir*  
*Ragnhildur Alda Vilhjálmsdóttir*  
*Sara Björg Sigurðardóttir*  
*Þórður Gunnarsson*  
*Valgarður Lyngdal Jónsson*

CEO:

*Sævar Freyr Þráinsson*

# Income Statement

## 1 January to 30 September 2024

	Notes	2024 1.7.-30.9.	2023 1.7.-30.9.	2024 1.1.-30.9.	2023 1.1.-30.9.
Operating revenue .....	4	15.279.094	12.977.291	48.074.394	42.886.632
Settlement of hedge contracts .....		56.746	205.915	184.136	425.883
Sales profit .....		3.525	5.224	18.229	14.814
Total revenue		<u>15.339.365</u>	<u>13.188.430</u>	<u>48.276.759</u>	<u>43.327.330</u>
Energy purchase and distribution .....		( 1.579.116)	( 1.539.815)	( 5.373.448)	( 4.993.198)
Salaries and salary related expenses .....	6	( 2.560.981)	( 2.187.272)	( 7.850.685)	( 7.325.282)
Other operating expenses .....		( 3.073.583)	( 1.728.113)	( 7.324.467)	( 5.417.588)
Operating expenses, total		<u>( 7.213.680)</u>	<u>( 5.455.199)</u>	<u>( 20.548.599)</u>	<u>( 17.736.069)</u>
<b>EBITDA</b> .....		<u>8.125.685</u>	<u>7.733.231</u>	<u>27.728.160</u>	<u>25.591.262</u>
Depreciation and amortisation .....	9,10	( 4.179.063)	( 3.857.859)	( 12.495.289)	( 11.544.364)
<b>Results from operating activities (EBIT)</b> .....		<u>3.946.622</u>	<u>3.875.372</u>	<u>15.232.870</u>	<u>14.046.898</u>
Interest income .....		229.432	142.455	551.566	338.802
Interest expenses .....		( 3.383.873)	( 3.149.477)	( 11.466.393)	( 11.378.600)
Other income (expenses) on financial assets and liabilities .....		( 226.915)	1.665.535	1.174.585	660.333
Total financial income and expenses	7	<u>( 3.381.355)</u>	<u>( 1.341.487)</u>	<u>( 9.740.243)</u>	<u>( 10.379.465)</u>
Share in (loss) profit of associated companies .....		( 4)	( 41)	3.939	( 211)
Profit before income tax		<u>565.262</u>	<u>2.533.844</u>	<u>5.496.566</u>	<u>3.667.222</u>
Income tax .....		230.593	( 531.995)	( 432.110)	( 115.786)
<b>Profit for the period</b>		<u>795.855</u>	<u>2.001.850</u>	<u>5.064.457</u>	<u>3.551.436</u>
<b>Profit for the period</b>					
Attributable to Parent Company .....		795.991	2.001.912	5.064.842	3.551.515
Attributable to non-controlling interest .....		( 136)	( 62)	( 385)	( 79)
		<u>795.855</u>	<u>2.001.850</u>	<u>5.064.457</u>	<u>3.551.436</u>

The notes on pages 11 to 22 are an integral part of these Consolidated Interim Financial Statements.

# Statement of Comprehensive Income

## 1 January to 30 September 2024

	2024	2023	2024	2023
	1.7.-30.9.	1.7.-30.9.	1.1.-30.9.	1.1.-30.9.
Profit for the period .....	795.855	2.001.850	5.064.457	3.551.436
<b>Other comprehensive income</b>				
<b>Items moved to equity that could be moved later to the income statement</b>				
Translation difference .....	( 2.289.131)	( 24.204)	( 801.609)	( 2.481.503)
Other comprehensive income, after taxes .....	( 2.289.131)	( 24.204)	( 801.609)	( 2.481.503)
Total comprehensive income for the period .....	<u>( 1.493.276)</u>	<u>1.977.645</u>	<u>4.262.847</u>	<u>1.069.933</u>

The notes on pages 11 to 22 are an integral part of these Consolidated Interim Financial Statements.

# Statement of Financial Position

## 30 September 2024

	Notes	30.9.2024	31.12.2023
<b>Assets</b>			
Property, plant and equipment .....	9	438.279.551	430.996.271
Intangible assets .....	10	6.153.955	5.950.008
Right-of-use assets .....		2.336.876	2.293.737
Investments in associated companies .....		88.667	81.228
Investments in other companies .....		36.980	55.680
Embedded derivatives in electricity sales contracts .....		2.039.254	1.914.127
Hedge contracts .....		14.666	50.239
Deferred tax assets .....		5.395.669	4.792.026
Total non-current assets		<u>454.345.618</u>	<u>446.133.316</u>
Inventories .....		1.539.060	1.653.315
Trade receivables .....		6.539.164	6.580.535
Embedded derivatives in electricity sales contracts .....		621.447	15.306
Investments in other companies for sale .....	13	6.207.000	6.207.000
Hedge contracts .....		45.298	218.901
Other receivables .....		1.546.595	1.086.871
Prepaid expenses .....		304.893	382.182
Marketable securities .....		10.228.663	8.670.016
Cash and cash equivalents .....		9.743.276	10.342.367
Total current assets		<u>36.775.396</u>	<u>35.156.494</u>
<b>Total assets</b>		<u>491.121.014</u>	<u>481.289.810</u>
<b>Equity</b>			
Revaluation reserve .....		126.712.998	130.534.225
Equity reserve .....		89.329.577	82.377.266
Development reserve .....		192.433	137.330
Fair value reserve .....		5.807.000	5.807.000
Translation reserve .....		7.977.274	8.778.883
Retained earnings .....		28.227.582	31.348.927
Equity attributable to equity holders of the Company		<u>258.246.864</u>	<u>258.983.631</u>
Minority interest .....		( 96)	290
<b>Total equity</b>		<u>258.246.768</u>	<u>258.983.922</u>
<b>Liabilities</b>			
Loans and borrowings .....		171.444.068	165.248.925
Lease liabilities .....		2.273.646	2.227.221
Pension liability .....		729.012	721.527
Hedge contracts .....		113.042	110.834
Deferred revenue .....		1.766.749	1.709.737
Deferred tax liabilities .....		22.463.322	23.064.598
Total non-current liabilities		<u>198.789.839</u>	<u>193.082.843</u>
Accounts payables .....		3.883.139	3.957.445
Loans and borrowings .....		17.173.720	16.928.649
Lease liabilities .....		179.027	176.490
Hedge contracts .....		249.133	82.057
Deferred revenue .....	8	2.890.474	491.938
Current tax liability .....		1.720.940	1.887.042
Dividends to owners .....	13	1.000.000	0
Other current liabilities .....		6.987.974	5.699.424
Total current liabilities		<u>34.084.407</u>	<u>29.223.045</u>
<b>Total liabilities</b>		<u>232.874.246</u>	<u>222.305.888</u>
<b>Total equity and liabilities</b>		<u>491.121.015</u>	<u>481.289.810</u>

The notes on pages 11 to 22 are an integral part of these Consolidated Interim Financial Statements.



# Statement of Changes in Equity

## 1 January to 30 September 2024

	Revaluation reserve	Equity reserve	Develop- ment reserve	Fair value reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Minority interest	Total equity
<b>1.1.- 30.9. 2024</b>									
Equity at 1 January 2024 .....	130.534.225	82.377.266	137.330	5.807.000	8.778.883	31.348.927	258.983.631	290	258.983.922
Translation difference .....					( 801.609)		( 801.609)	( 801.609)	
Profit for the period .....						5.064.842	5.064.842	( 385)	5.064.457
Total comprehensive income .....	0	0	0	0	( 801.609)	5.064.842	4.263.232	( 385)	4.262.847
Depreciation transferred to retained earnings .....	( 3.821.227)					3.821.227	0		0
Share in profit of subsidiaries and associates transferred to equity reserve .....		6.952.312				( 6.952.312)	0		0
Other changes .....								( 1)	( 1)
Development reserve, amortisation .....			55.103			( 55.103)	0		0
Dividends to owners .....						( 5.000.000)	( 5.000.000)		( 5.000.000)
Equity at 30 September 2024 .....	126.712.998	89.329.577	192.433	5.807.000	7.977.274	28.227.582	258.246.864	( 96)	258.246.768
<b>1.1.- 30.9. 2023</b>									
Equity at 1 January 2023 .....	121.092.491	74.657.104	111.277	5.232.000	11.543.578	33.413.364	246.049.815	337	246.050.152
Translation difference .....					( 2.481.503)		( 2.481.503)	( 2.481.503)	
Profit for the period .....						3.551.515	3.551.515	( 79)	3.551.436
Total comprehensive income .....	0	0	0	0	( 2.481.503)	3.551.515	1.070.012	( 79)	1.069.933
Depreciation transferred to retained earnings .....	( 3.489.187)					3.489.187	0		0
Share in profit of subsidiaries and associates transferred to equity reserve .....		4.707.970				( 4.707.970)	0		0
Other changes .....								( 14)	( 14)
Transfer to development reserve .....			20.725			( 20.725)	0		0
Dividends to owners .....						( 5.500.000)	( 5.500.000)		( 5.500.000)
Equity at 30 September 2023 .....	117.603.304	79.365.074	132.002	5.232.000	9.062.076	30.225.370	241.619.827	244	241.620.071

The notes on pages 11 to 22 are an integral part of these Consolidated Interim Financial Statements.

# Statement of Cash Flows

## 1 January to 30 September 2024

	2024 1.1.-30.9.	2023 1.1.-30.9.
<b>Cash flows from operating activities</b>		
Profit for the period .....	5.064.457	3.551.436
Adjusted for:		
Financial income and expenses .....	9.740.243	10.379.465
Share in P/L of associates .....	( 3.939)	211
Income tax .....	432.110	115.786
Depreciation and amortisation .....	12.495.289	11.544.364
Profit from sale of property, plants and equipment .....	( 18.229)	( 14.814)
Pension liability, change .....	11.484	58.828
Working capital from operation before interest and taxes	27.721.415	25.635.275
Inventories, decrease .....	114.255	147.153
Current assets, decrease .....	164.847	651.504
Current liabilities, increase .....	3.224.556	1.980.755
Cash generated from operations before interests and taxes	31.225.073	28.414.687
Received interest income .....	196.438	116.919
Paid interest expenses .....	( 5.768.209)	( 5.118.841)
Dividend received .....	95.783	191.155
Paid taxes .....	( 1.099.410)	( 1.159.385)
Net cash from operating activities	24.649.675	22.444.535
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment .....	( 20.390.146)	( 17.784.297)
Acquisition of intangible assets .....	( 1.649.702)	( 464.931)
Proceeds from sale of property, plant and equipment .....	53.417	78.588
Acquisition of associated companies .....	( 3.500)	0
Change in marketable securities .....	( 975.245)	40.545
Net cash used in investing activities	( 22.965.176)	( 18.130.095)
<b>Cash flows from financing activities</b>		
Proceeds from new borrowings .....	14.871.674	15.269.138
Repayment of borrowings .....	( 13.191.406)	( 16.579.998)
Deferred revenue .....	13.021	1.147.939
Dividends paid .....	( 4.000.000)	( 5.500.000)
Repayment of lease liability .....	( 93.004)	( 108.343)
Net cash used in financing activities	( 2.399.715)	( 5.771.263)
<b>Decrease in cash and cash equivalents .....</b>	( 715.217)	( 1.456.824)
<b>Cash and cash equivalents at year beginning .....</b>	10.342.367	6.650.749
Effect of currency fluctuations on cash and cash equivalents .....	116.126	( 63.280)
<b>Cash and cash equivalents at the end of the period .....</b>	9.743.276	5.130.646
<b>Investments and financing without payment effects:</b>		
Acquisition of property, plant and equipment .....	783.069	( 180.147)
Current liabilities, change .....	( 783.069)	180.147
<b>Other information</b>		
Working capital from operation .....	20.665.893	19.649.752

The notes on pages 11 to 22 are an integral part of these Consolidated Interim Financial Statements.

# Notes

## 1. Reporting entity

Reykjavik Energy (RE) is a partnership that complies with the Icelandic law no. 136/2013 on Reykjavik Energy. RE's headquarters are at Bæjarháls 1 in Reykjavik. RE's condensed consolidated interim financial statements include the financial statements of the parent company and its subsidiaries, (together referred to as "the Group") and a share in associated companies. The consolidated interim financial statements of Reykjavik Energy is a part of the consolidated financial statements of Reykjavik city.

The Group provides services through its subsidiaries that operate power plants, distribute electricity, hot water and cold water, operates the sewage systems, a fiber optic system and provide a carbon capture service in its service area.

Subsidiaries in the Group	Main operations	Functional currency	Share	
			30.9.2024	31.12.2023
Ljósleiðarinn ehf.	Fiber optics system	ISK	100%	100%
OR Eignir ohf.	Holding company	ISK	100%	100%
Veitur ohf.	Distribution of electricity and hot water	ISK	100%	100%
Orka náttúrunnar ohf.	Production and sale of electricity	ISK	100%	100%
ON Power ohf.	Production and sale of electricity	USD	100%	100%
OR- vatns- og fráveita sf.	Cold water and sewage	ISK	100%	100%
Eignarhaldsfélagið Carbfix ohf.	Consulting, researches and innovation	ISK	99,9%	99,9%
Carbfix hf.	Consulting, researches and innovation	EUR	100%	100%
Coda Terminal hf.	Construction of a carbon capture plant	EUR	100%	100%

## 2. Basis of preparation

### a. Statement of compliance

These consolidated interim financial statements have been prepared in accordance with international Financial Reporting Standard *IAS 34 Interim Financial Reporting*. They do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023. Same accounting principles are applied as for the year 2023. The annual financial statements can be found at the company's web site; [www.orkuveitan.is](http://www.orkuveitan.is) and at the web site of the Icelandic Stock exchange market; [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

The consolidated interim financial statements were approved by the Board of Directors on 25 November 2024.

### b. Change in presentation

The presentation of the income statement has been changed from the same period last year. Work in progress will be sold within the group and have therefore been reclassified among fixed assets and intangible assets in accordance with their final classification.

### c. Functional and presentation currency

The consolidated interim financial statements are presented in Icelandic kronas, which is RE's functional currency. All financial information has been rounded to the nearest thousand unless otherwise stated.

### d. Basis of measurement

The consolidated interim financial statements have been prepared on the historical cost basis except for a part of property, plant and equipment have been revalued at fair value, embedded derivatives in electricity sales contracts, assets held for sale and other financial assets and liabilities are stated at fair value. The methods used to measure fair values are discussed further in note 41 with the consolidated financial statements for the year ended 31 December 2023.

# Notes

---

## 2. Basis of preparation, contd.

### e. *Foreign currency*

#### i) **Trade in foreign currencies**

Trade in foreign currencies is reported into each consolidation company at the rate of the business day. Monetary assets and debts in foreign currencies are reported in the rate of the reporting date. Other assets and debts reported at fair value in foreign currency are reported at the rate of the day the fair value was set. Exchange difference due to foreign trade is reported through P/L.

#### ii) **Subsidiaries with other functional currency than the Icelandic krona**

Assets and liabilities in the operations of the companies of the group that have USD and EUR as their functional currency are translated into Icelandic kronas at the rate of the reporting date. Income and expenses of these operations is calculated into Icelandic kronas at the average exchange rate of the period. The exchange difference due to this is reported in a special account in the statement of comprehensive income. When operations with another functional currency than the Icelandic krona are sold, partly or in full, the accommodating exchange difference is recognised in P/L.

### f. *Use of estimates and judgements*

The preparation of the consolidated interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

# Notes

---

### 3. Operation and revenue recognition of Group's components

The following provides information about the operation of Group's components. Breakdown of revenue for different operations is given in note 4 and income by segment in note 5.

<b>Products and services</b>	<b>Nature, timing of revenue recognition and payments terms</b>
a. Electricity	ON Power ohf. and Orka náttúrunnar ohf. generate electricity and sell electricity and Utilities distribute electricity according to law no. 65/2003. Revenue from the sale and distribution of electricity is recognised in the income statement according to measured delivery to customer over the period plus a fixed fee. The rate for the distribution of electricity has a revenue cap set by the National Energy Authority in accordance with laws on energy number 65/2003. Upon connection of new users to distribution systems of electricity and upon renewal of connection an initial fee is charged. The initial fee is intended to cover cost of new distribution systems and their renewal. Connection fee is recognised in the income statement upon delivery of the service. Trade receivables from the sale and distribution of electricity generally have a 30 day grace period. Some contracts with certain customers may have different payment arrangements but that is an exception.
b. Hot water	ON Power, Orka náttúrunnar and Utilities generate harness hot water and Utilities distribute harness hot water. Revenue from the sale and distribution of harness hot water is recognised in the income statement according to measured delivery to customer over the period plus a fixed fee. Upon connection of new users to distribution systems of harness hot water or upon renewal of connection an initial fee is charged. The initial fee is intended to cover cost of new distribution systems and their renewal. Connection fee is recognised in the income statement upon delivery of the service. Trade receivables from the sale and distribution of harness hot water generally have a 30 day grace period. Some contracts with certain customers may have different payment arrangements but that is an exception.
c. Cold water	OR - vatns- og fráveita collects and distributes cold water from reservoirs. Revenue from the sale of cold water is based on the size of properties plus a fixed fee which is recorded over the period in the income statement. The legal limitation on the upper limit of the rate is 0,5% of the real estate value. In addition revenue is stated for cold water according to measurement from specific industries. Upon connection of new users to distribution systems of cold water and upon renewal of connection an initial fee is charged. The initial fee is intended to cover cost of new distribution systems and their renewal. Connection fee is recognised in the income statement upon delivery of the service. Trade receivables from the sale of cold water generally have a 30 day grace period. Some contracts with certain customers may have different payment arrangements but that is an exception. Billing for cold water and sewage is done in the first 9 months of the year but income is distributed evenly over the year.



# Notes

## 3. Operation and revenue recognition of Group's components, contd.

Products and services	Nature, timing of revenue recognition and payments terms
d. Sewer system	OR - vatns- og fráveita runs the sewer system. Revenue is based on the size of properties plus a fixed fee which is recorded over the period in the income statement. The legal limitation on the upper limit of the rate is 0,5% of the real estate rateable value. Upon connection of new users to sewage system and upon renewal of connection an initial fee is charged. The initial fee is intended to cover cost of new sewer systems and their renewal. Connection fee is recognised in the income statement upon delivery of the service. Trade receivables from the sewer system generally have a 30 day grace period. Some contracts with certain customers may have different payment arrangements but that is an exception. Billing for cold water and sewage is done in the first 9 months of the year but income is distributed evenly over the year.
e. Other revenues	Ljósleiðarinn operates fiber optics data system. Revenue from fiber optics data system is recognised in the income statement upon delivery of the goods and service. This is a competitive practice that is supervised by The Electronic Communications Office of Iceland. Reykjavík Energy the parent company operates rental of housing and equipment, incidental sale of specialist consultancy services and more. The income of the Carbfix companies is due to consulting, construction and operation of disposal sites. Rental income is recorded as income in the income statement linearly over the lease term and other revenue is recognised upon delivery of goods or services. Trade receivables from other revenues generally have a 30 day grace period.

## 4. Revenues from sales of goods and services

The Group's income from sales of goods and services is specified as follows:

	2024	2023
	1.1.-30.9.	1.1.-30.9.
Electricity.....	18.860.049	17.690.706
Hot water.....	14.313.320	12.268.043
Cold water.....	3.023.365	2.743.955
Sewer system.....	5.324.551	4.962.625
Other revenues.....	6.553.109	5.221.303
Revenues from sales of goods and services total.....	48.074.394	42.886.632

# Notes

## 5. Segment reporting, contd.

Segment information is presented by the Group's internal reporting. Business segments presented are Utilities, that represent licensed operations in hot and cold water, distribution of electricity and sewage, Energy sale and production, representing the competitive operations in producing and sale of electricity and hot water and Other Operation, that represents the activities of the parent company, the fiber optic operations and the Carbfix companies. The parent company's main activities is providing service to subsidiaries, rental of housing and equipment, incidental sale of specialist consultancy services and more. Ljósleiðarinn represents the fiber optic operations and the Carbfix companies are working on development and distribution of the Carbfix carbon storage method, with the aim of reducing greenhouse gas emissions and combating climate change. Segment reporting is conducted by using the same accounting principle as the group uses and is described in note 41 with the consolidated financial statements for the year ended 31 December 2023.

### Business segments - divisions

1.1.- 30.9. 2024	Utilities	Energy sale and production	Other Operation	Adjustments	IFRS 16*	Total
External revenue .....	30.382.668	13.370.739	4.523.352	0		48.276.759
Inter-segment revenue .....	4.605.136	6.712.828	9.084.521 (	20.402.485)		0
Total segment revenue .....	34.987.804	20.083.566	13.607.873 (	20.402.485)		48.276.759
Segment operation expenses .....	( 20.558.853)	( 8.703.161)	( 11.758.754)	20.306.266	165.903 (	20.548.599)
Segment profit EBITDA .....	14.428.951	11.380.406	1.849.119 (	96.220)	165.903	27.728.160
Depreciation and amortisation .....	( 5.677.634)	( 4.491.094)	( 2.288.189)	70.299 (	108.672)	( 12.495.289)
Segment results, EBIT .....	8.751.317	6.889.312	( 439.069)	( 25.921)	57.231	15.232.870
Financial income and expenses .....	( 4.489.251)	( 2.397.622)	( 3.556.997)	766.683 (	63.055)	( 9.740.243)
Share in loss of associated companies .....	0	0	3.939	0		3.939
Income tax .....	( 375.377)	( 942.767)	1.158.801 (	274.957)	2.190 (	432.110)
Profit (loss) for the period .....	3.886.690	3.548.923	( 2.833.327)	465.805 (	3.634)	5.064.457
<b>1.1.- 30.9. 2023</b>						
External revenue .....	26.845.575	13.126.993	3.354.762	0		43.327.330
Inter-segment revenue .....	4.222.072	5.399.660	8.598.106 (	18.219.838)		0
Total segment revenue .....	31.067.647	18.526.653	11.952.868 (	18.219.838)		43.327.330
Segment operation expenses .....	( 17.643.295)	( 8.443.900)	( 9.971.667)	18.156.195	166.598 (	17.736.069)
Segment profit EBITDA .....	13.424.353	10.082.753	1.981.201 (	63.644)	166.598	25.591.262
Depreciation and amortisation .....	( 5.242.728)	( 4.235.578)	( 1.993.334)	46.835 (	119.559)	( 11.544.364)
Segment results, EBIT .....	8.181.625	5.847.175	( 12.133)	( 16.809)	47.039	14.046.898
Financial income and expenses .....	( 5.652.137)	( 2.229.203)	( 1.673.114)	( 775.271)	( 49.740)	( 10.379.465)
Share in loss of associated companies .....	0	0	( 211)	0	(	211)
Income tax .....	( 215.787)	( 723.350)	578.257	244.079	1.015 (	115.786)
Profit for the period .....	2.313.701	2.894.622	( 1.107.201)	( 548.001)	( 1.685)	3.551.436

\* Segment reporting as used by management does not take into account the guidance of IFRS 16.

# Notes

## 5. Segment reporting, contd.

### Business segments - divisions, contd.

	Utilities	Energy sale and production	Other Operation	Adjust- ments	IFRS 16*	Total
<b>Balance sheet (30.9.2024)</b>						
Property, plant and equipment and intangible assets .....	235.753.549	151.974.621	56.966.576 (	261.239)		444.433.506
Right-of-use assets .....					2.336.876	2.336.876
Other assets .....	29.220.122	7.777.932	193.519.609 (	186.167.031)		44.350.632
						491.121.014
Loans and borrowings .....	87.760.022	53.216.744	192.767.788 (	145.126.766)		188.617.788
Lease liabilities .....					2.452.674	2.452.674
Other liabilities .....	21.896.081	14.410.967	47.616.980 (	42.120.243)		41.803.785
						232.874.246
<b>Investments (1.1.-30.9.2024)</b>						
Property, plant and equipment and intangible assets .....	11.101.472	5.463.183	4.692.123	0		21.256.778
<b>Balance sheet (31.12.2023)</b>						
Property, plant and equipment and intangible assets .....	230.353.938	152.358.342	54.495.239 (	261.239)		436.946.279
Right-of-use assets .....					2.293.737	2.293.737
Other assets .....	25.611.049	10.055.838	178.924.277 (	172.541.371)		42.049.794
						481.289.810
Loans and borrowings .....	82.731.886	55.536.810	184.377.574 (	140.468.696)		182.177.574
Lease liabilities .....					2.403.711	2.403.711
Other liabilities .....	18.802.222	13.418.382	38.804.246 (	33.300.248)		37.724.603
						222.305.888
<b>Investments (1.1.-30.9.2023)</b>						
Property, plant and equipment and intangible assets .....	10.315.026	3.295.582	5.789.947 (	984.944)		18.415.610

\* Segment reporting as used by management does not take into account the guidance of IFRS 16.

# Notes

## 6. Salaries and salary related expenses

	2024	2023
	1.1.-30.9.	1.1.-30.9.
Salaries and salary related expenses are specified as follows:		
Salaries .....	7.333.847	6.623.839
Defined contribution pension expenses .....	993.518	887.011
Defined benefit pension expenses, changes .....	65.226	89.293
Other salary related expenses .....	674.610	595.478
Total salaries and salary related expenses .....	9.067.201	8.195.621

Salaries and salary related expenses are stated in the interim financial statements as follows:

Expensed in the income statement .....	7.850.685	7.325.282
Capitalised on projects .....	1.216.516	870.338
Total salaries and salary related expenses .....	9.067.201	8.195.621

Number of employees:

Number of annual working units .....	682,4	636,7
--------------------------------------	-------	-------

Management's salaries and benefits for the parent company and subsidiaries are specified as follows:

Salaries to the Board of Directors of the Parent Company .....	19.814	17.826
Salaries of the CEO of the Parent Company .....	36.372	31.022
Salaries of Managing Directors of the Parent Company* .....	83.812	79.149
Salaries to the Board of Directors of subsidiaries** .....	29.376	13.450
Salaries of four Managing Directors of subsidiaries .....	124.498	122.161
Termination expenses .....	0	68.084
	293.872	331.692

\* For the first two months of 2023 there were four Managing Directors, from 1 March 2023 there were three.

\*\* Four board of Directors until 31 May 2023, five from 1 June 2023.

## 7. Financial income and expenses

	2024	2023
	1.1.-30.9.	1.1.-30.9.
Financial income and expenses are specified as follows:		
Interest income .....	551.566	338.802
Interest expenses and paid indexation .....	( 5.861.263)	( 5.071.773)
Indexation .....	( 5.316.581)	( 5.970.262)
Guarantee fee to owners 1) .....	( 288.549)	( 336.566)
Total interest expenses .....	( 11.466.393)	( 11.378.600)
Fair value changes of embedded derivatives in electricity sales contracts .....	731.268	( 797.607)
Fair value changes of financial assets and financial liabilities through P/L .....	564.902	242.684
Unredeemed fair value changes of hedge contracts .....	( 378.460)	73.298
Foreign exchange difference .....	134.408	897.133
Dividends .....	122.466	244.825
Total of other income (expenses) on financial assets and liabilities .....	1.174.585	660.333
Total financial income and expenses .....	( 9.740.243)	( 10.379.465)

# Notes

## 7. Financial income and expenses, cont.

1) The Group paid a guarantee fee to the owners of the company for guarantees they have made on the Groups loans and borrowings according to a decision made on the annual meeting of Reykjavik Ennergy in 2005. The fee on yearly basis for its licensed operations is 0,86% (2023: 0,81%) and 0,66% (2023: 0,65%) regarding loans due for operations in the open market. The guarantee fee is calculated on total loans quarterly. The guarantee fee amounted to ISK 289 million in the period 1 January to 30 September 2024 (1.1.-30.9.2023: ISK 337 million) and is accounted for among interest expenses.

### Fair value changes through P/L

Generally accepted valuation methods are used to determine the fair value of certain financial assets and financial liabilities, further discussed In note 41 with the financial statements of the Group for the year 2023. Change in fair value that is recognized in the income statement amounts to ISK 918 million income in the period 1 January to 30 September 2024 (1.1.-30.9.2023: expence ISK 482 million). Fair value changes on financial assets and liabilities defined at level 3 amounts to ISK 731 million income in the period 1 January to 30 September 2024 (1.1.-30.9.2023: expence ISK 798 million).

## 8. Receivables and deferred revenue

The balance of trade receivables and deferred revenue changes considerably between periods since income is collected evenly but actual usage fluctuates significantly between periods. Also, billing for cold water and sewage is done in the first nine months of the year but income disbursed evenly over the year. Recognition of income is subject to usage and deliverance of the service in accordance with accounting standards.

## 9. Property, plant and equipment

	Production system	Utility system	Other real estates	Other equipment	Total
<b>30.9.2024</b>					
<b>Cost or deemed cost</b>					
Balance at year beginning .....	375.981.252	465.614.035	13.431.037	5.545.699	860.572.022
Additions during the period .....	8.049.469	9.922.156	1.555.523	938.476	20.465.623
Reclassification of assets .....	0	0	0	( 44.972)	( 44.972)
Translation difference .....	( 1.887.277)	0	0	1.110	( 1.886.167)
Sold or disposed of .....	2.828	( 1.374)	0	( 209.619)	( 208.166)
Balance at period end .....	382.146.272	475.534.816	14.986.559	6.230.694	878.898.341
<b>Depreciation</b>					
Balance at year beginning .....	175.082.753	250.788.956	1.210.036	2.494.006	429.575.751
Depreciated during the period .....	5.816.052	5.478.867	93.039	411.523	11.799.480
Reclassification of assets .....	0	0	0	( 44.972)	( 44.972)
Translation difference .....	( 537.461)	0	0	448	( 537.013)
Sold or disposed of .....	( 4)	4	0	( 174.456)	( 174.456)
Balance at period end .....	180.361.340	256.267.827	1.303.074	2.686.548	440.618.790
<b>Carrying amounts</b>					
At 1.1. 2024.....	200.898.499	214.825.078	12.221.001	3.051.693	430.996.271
At 30.9. 2024.....	201.784.932	219.266.989	13.683.485	3.544.145	438.279.551



# Notes

## 9. Property, plant and equipment, cont.

	Production system	Utility system	Other real estates	Other equipment	Total
<b>The year 2023</b>					
<b>Cost or deemed cost</b>					
Balance at year beginning .....	355.699.819	432.329.044	12.220.189	4.215.137	804.464.190
Additions during the year .....	10.268.182	13.905.247	1.262.575	1.576.710	27.012.715
Translation difference .....	( 6.107.551)	0	0	85	( 6.107.467)
Sold or disposed of .....	22.753	0	( 51.727)	( 246.233)	( 275.207)
Revaluation, increase .....	16.098.048	19.379.744	0	0	35.477.792
Balance at year end .....	375.981.252	465.614.035	13.431.037	5.545.699	860.572.022
<b>Depreciation</b>					
Balance at year beginning .....	161.908.071	232.571.539	978.205	2.245.457	397.703.273
Depreciated during the year .....	7.544.640	6.823.342	231.830	442.652	15.042.464
Translation difference .....	( 1.492.108)	0	0	5	( 1.492.103)
Sold or disposed of .....	( 27.983)	0	0	( 194.108)	( 222.091)
Revaluation, increase .....	7.150.133	11.394.075	0	0	18.544.208
Balance at year end .....	175.082.753	250.788.956	1.210.036	2.494.006	429.575.751
<b>Carrying amounts</b>					
At 1.1. 2023.....	193.791.749	199.757.504	11.241.984	1.969.680	406.760.917
At 31.12. 2023 .....	200.898.499	214.825.078	12.221.001	3.051.693	430.996.271

## 10. Intangible assets

Intangible assets are specified as follows:

	Heating rights	Software	Development cost	Business relations	Total
<b>30.9.2024</b>					
<b>Cost</b>					
Balance at year beginning .....	1.478.758	5.521.463	446.062	1.908.000	9.354.283
Additions during the period .....	35.000	526.918	229.237	0	791.155
Reclassification of assets .....	0	0	44.972	0	44.972
Sold or disposed of .....	0	0	( 1.455)	0	( 1.455)
Translation difference .....	0	0	1.408	0	1.408
Balance at period end .....	1.513.758	6.048.381	720.224	1.908.000	10.190.364
<b>Amortisation</b>					
Balance at year beginning .....	457.768	2.888.453	20.206	37.847	3.404.275
Amortisation during the period .....	0	449.789	5.168	132.203	587.160
Reclassification of assets .....	0	0	44.972	0	44.972
Translation difference .....	0	0	1	0	1
Balance at period end .....	457.768	3.338.242	70.348	170.050	4.036.409
<b>Carrying amounts</b>					
At 1.1. 2024 .....	1.020.990	2.633.010	425.855	1.870.153	5.950.008
At 30.09. 2024 .....	1.055.990	2.710.139	649.877	1.737.950	6.153.955
<b>31.12.2023</b>					
<b>Cost</b>					
Balance at year beginning .....	1.427.031	4.484.555	182.982	0	6.094.568
Reclassification of assets .....	51.727	0	0	0	51.727
Additions during the year .....	0	1.259.477	318.404	1.908.000	3.485.881
Sold or disposed of .....	0	( 222.568)	( 56.039)	0	( 278.607)
Translation difference .....	0	0	714	0	714
Balance at year end .....	1.478.758	5.521.463	446.062	1.908.000	9.354.283
<b>Amortisation</b>					
Balance at year beginning .....	457.768	2.516.136	13.885	0	2.987.789
Amortisation during the year .....	0	540.731	6.321	37.847	584.899
Sold or disposed of .....	0	( 168.413)	0	0	( 168.413)
Balance at year end .....	457.768	2.888.453	20.206	37.847	3.404.275
<b>Carrying amounts</b>					
At 1.1. 2023 .....	969.263	1.968.419	169.097	0	3.106.779
At 31.12. 2023 .....	1.020.990	2.633.010	425.855	1.870.153	5.950.008

# Notes

## 11. Fair value

### Comparison of fair value versus carrying amounts

The carrying amounts of financial assets and financial liabilities is equal to their fair value with the exception that interest bearing loans are stated at amortised cost. The fair values of interest bearing liabilities, together with the carrying amounts are specified as follows:

	30.9.2024		31.12.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing liabilities .....	188.617.788	177.401.838	182.177.574	171.579.725

The fair value of interest bearing liabilities is calculated based on present value of future principal and interest, which is discounted at market interest rate plus appropriate interest rate risk premium at the reporting date. The fair value of interest bearing liabilities where a direct or indirect market price is available is assessed as Level 1 fair value. Fair value for liabilities that cannot be obtained through direct or indirect pricing is measured as Level 2 fair value.

### Interest rates used for determining fair value

Where applicable, the interest yield curve at the reporting date is used in discounting estimated cash flow. The interests are specified as follows:

	30.9.2024	31.12.2023
Embedded derivatives in electr. sales contr. ....	7,11% to 8,50%	7,32% to 9,24%
Hedge contracts .....	4,86% to 5,10%	4,3% to 5,6%
Interest bearing loans .....	1,37% to 10,98%	2,05% to 11,46%

Sensitivity analysis on effect of change in interest rates, currency and price of aluminium are shown in note 29 in the financial statements of the Group for the year 2023. It is recommended to take into consideration this note while reading the interim financial statements for the current period since change in these presumptions can have considerable effect on certain amounts in the consolidated interim financial statements.

### Fair value hierarchy

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Valuation of shares in other companies is prepared by specialists within the company and other specialists and based on the results and official data on future earnings and investments in underlying assets.

	Level 1	Level 2	Level 3	Total
<b>30.9.2024</b>				
Shares in companies .....	0	0	6.243.980	6.243.980
Embedded derivatives in sales contracts .....	0	0	2.660.701	2.660.701
Hedge contracts .....	0	( 302.211)	0	( 302.211)
Marketable securities .....	10.228.663	0	0	10.228.663
	10.228.663	( 302.211)	8.904.681	18.831.134
<b>31.12.2023</b>				
Shares in companies .....	0	0	6.262.680	6.262.680
Embedded derivatives in sales contracts .....	0	0	1.929.433	1.929.433
Hedge contracts .....	0	76.249	0	76.249
Marketable securities .....	8.670.016	0	0	8.670.016
	8.670.016	76.249	8.192.113	16.938.379

# Notes

## 12. Related parties

### Definition of related parties

Reykjavik City, institutions and companies ruled by the City, associated companies, Board members, Directors and key management are considered as the Group's related parties. Spouses of the before mentioned and financially dependent children are also considered as related parties as well as companies owned by or directed by those in question.

### Transactions with related parties

The parties mentioned here above have had transactions with the Group within the period.

The following gives an overview of the transactions with related parties during the period 1 January to 30 September 2024 as well as a statement of receivables and payables at the end of the period. Transactions and positions with subsidiaries are eliminated in the interim financial statement, therefore that information is not provided. This information does not include sale of conventional household supplies to the related parties.

	<b>2024</b>	<b>2023</b>
	<b>1.1.-30.9.</b>	<b>1.1.-30.9.</b>
Sale to related parties:		
Reykjavik City.....	1.474.063	1.255.986
Institutions and companies controlled by Reykjavik City.....	668.948	585.714
	<u>2.143.011</u>	<u>1.841.700</u>
Purchases from related parties:		
Reykjavik City.....	45.236	42.880
Institutions and companies controlled by Reykjavik City.....	10.845	34.450
Associates.....	86.278	81.874
Board members and key managers.....	0	59.109
	<u>142.359</u>	<u>218.313</u>
	<b>30.9.2024</b>	<b>31.12.2023</b>
Receivables for related parties:		
Reykjavik City.....	89.234	320.908
Institutions and companies controlled by Reykjavik City.....	66.074	37.299
	<u>155.308</u>	<u>358.207</u>
Payables for related parties:		
Reykjavik City.....	1.073.720	197.221
Institutions and companies controlled by Reykjavik City.....	22	1.879
Associates.....	0	14
	<u>1.073.742</u>	<u>199.114</u>
	<b>2024</b>	<b>2023</b>
	<b>1.1.-30.9.</b>	<b>1.1.-30.9.</b>
Guarantee fee paid to owners of the company:		
Reykjavik City .....	268.994	313.251
Akranes town .....	17.682	21.637
Borgarbyggð, municipality .....	1.830	1.678
	<u>288.507</u>	<u>336.566</u>

Reykjavik Energy paid a guarantee fee to Reykjavik City and other owners of the company for guarantees they have granted on the Groups loans and borrowings. For further information regarding amounts and the guarantee fee, see note 7.

# Notes

---

## 13. Other matters

### **Arbitration on the interpretation of the provision of the electricity contract with Norðurál**

In 2024, the arbitration process continued regarding the interpretation of the provisions of the electricity sales contract with Norðurál, which ON Power is in charge of implementing. The case pertains to RE's demand for a review of contracts, where the balance between the interests of the contracting parties has been disturbed due to events and assumptions over which RE has no control. In this phase of the case, will result of the arbitration only refer to whether the balance between the contracting parties has been disturbed due to unforeseeable incidents, resulting in a discussion of changes in contracts, but not to take a position on possible amounts.

### **Sale of shares in Landsnet**

Over the past periods, the aim has been to sell RE's shares in Landsnet, as the Electricity Act stipulates that the transmission company must be directly owned by the Icelandic state and/or municipalities. At the end of 2020, RE's board agreed that a declaration of intent regarding a change in Landsnet's ownership would be signed, and to begin negotiations regarding the sale of the shares. As a result, negotiations began with representatives of the Ministry of Finance on the matter. At the end of 2022, the ministry negotiated with state-owned companies to purchase their shares in Landsnet, but the ministry wanted to finalise those agreements before its purchase of RE's shares was completed. The sale of RE's shares in Landsnet was not finalised in the year 2024 as had been planned. The book value of the shares in Landsnet is estimated at ISK 6,2 billion on 30.9.2024 and is included among current assets.

### **Repair at headquarters**

In 2015, severe water damage occurred at the company's headquarters on Bæjarháls 1. The renovation of the exterior walls of the building has been completed and the construction of the interior has begun. RE has entered into a construction contracts for the internal work, and the total liability for these contracts are ISK 965 million. According to the construction contract the completion of all construction works is 31 December 2024 but the completion of the work will be delayed to the first half of 2025, the current estimation of completion is May 2025.

### **Dividend to owners**

At RE's Annual General Meeting on 28 June, it was agreed to pay a dividend up to the amount of ISK 6.000 million. Of this amount, ISK 4.000 million was paid in July and ISK 1.000 was paid on 15 November and are therefore among current liabilities on 30.9.2024. Payment of ISK 1.000 million will be paid in December, assuming that the year end result will be according to the financial forecast.

## 14. Events after the reporting period

Management is not aware of events that have occurred after the reporting period and affected the condensed consolidated interim financial statements or need to be disclosed.