

Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements 1 January - 30 June 2023



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Reykjavíkurborg

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Interim Financial Statements

1 January - 30 June 2023

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Please note:

This is an English translation of the Icelandic Interim Financial Statements of Reykjavíkurborg (the City of Reykjavik). In the event of any discrepancy between the English and Icelandic versions the original Icelandic text shall prevail.

Income Statement 1 January - 30 June 2023

	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	Interim		Interim	Interim		Interim
	Financial	Budget with	Financial	Financial	Budget with	Financial
	Statements	Annexes	Statements	Statements	Annexes	Statements
	Jan-Jun 2023	Jan-Jun 2023	Jan-jun 2022	Jan-Jun 2023	Jan-Jun 2023	Jan-jun 2022
Operating revenue						
Tax revenues	67.434.481	63.834.033	58.533.702	66.887.474	63.428.090	58.179.588
Contributions from Municipal Equalisation Fund	5.893.475	5.884.047	4.311.470	5.893.475	5.884.047	4.311.470
Other revenues	13.738.612	12.886.463	12.105.472	48.895.753	51.276.609	44.261.738
Total operating revenues	87.066.569	82.604.543	74.950.644	121.676.701	120.588.746	106.752.796
Operating expenses						
Wage cost and wage-related expenses	48.302.598	46.194.853	45.026.565	57.226.260	54.847.356	52.595.196
Changes in pension obligations, LsRb	1.750.000	750.000	1.125.000	1.829.464	750.000	1.186.195
Other operating expenses	32.906.686	30.988.948	29.905.680	39.485.589	39.830.729	33.957.936
Total operating expenses	82.959.284	77.933.801	76.057.244	98.541.313	95.428.085	87.739.328
Operating result before depreciation, EBITDA	4.107.285	4.670.742	(1.106.600)	23.135.388	25.160.661	19.013.469
Depreciation	(4.141.402)	(4.061.378)	(3.445.019)	(12.527.852)	(12.062.528)	(10.953.563)
Operating result before financial items.....	(34.118)	609.364	(4.551.619)	10.607.536	13.098.132	8.059.906
Net financial items	(886.902)	248.107	(4.341.006)	(18.609.316)	(9.556.327)	(13.277.655)
Operating result before tax, adjustments and effects of associated companies	(921.020)	857.471	(8.892.626)	(8.001.780)	3.541.805	(5.217.748)
Income tax	0	0	0	559.944	(1.380.675)	(1.183.882)
Value adjustment of investment properties	0	0	0	702.031	3.876.751	19.902.834
Share in associated companies' operating results	0	0	0	37.625	0	(5.155)
Minority interests	0	0	0	(28.243)	0	(325.940)
Operating results.....	(921.020)	857.471	(8.892.626)	(6.730.424)	6.037.882	13.170.109

Statement of Financial Position 30 June 2023

Assets

	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
	Interim Financial Statements	Financial Statements	Interim Financial Statements	Financial Statements
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Fixed assets				
Intangible assets	3.942.843	3.776.942	7.177.851	6.883.721
Fixed tangible assets:				
Real estate	153.962.659	149.614.554	179.187.100	173.917.036
Utilities	0	0	391.345.653	393.549.252
Investment properties	0	0	150.733.006	148.620.258
Road systems	34.922.906	34.372.029	35.359.326	34.823.546
Machinery and equipment	7.674.871	7.361.892	13.392.537	13.100.228
Lease properties	4.960.447	5.153.620	6.175.217	6.392.711
	<u>201.520.882</u>	<u>196.502.096</u>	<u>776.192.839</u>	<u>770.403.031</u>
Investments and long-term receivables:				
Capital contributions and shares in companies	15.238.935	14.817.627	5.938.775	5.560.599
Pre-paid costs	8.282.261	8.474.839	8.695.108	8.896.143
Embedded derivatives	0	0	0	1.448.798
Derivative contracts	0	0	287.343	78.545
Deferred tax assets	0	0	4.992.668	3.759.231
Other long-term receivables	1.373.765	1.296.581	1.528.165	1.460.293
	<u>24.894.961</u>	<u>24.589.047</u>	<u>21.442.059</u>	<u>21.203.607</u>
Total fixed assets	<u>230.358.686</u>	<u>224.868.085</u>	<u>804.812.748</u>	<u>798.490.360</u>
Current assets				
Inventories	0	0	2.899.821	2.486.363
Short-term receivables:				
Unclaimed revenues and receivables	20.564.039	18.048.559	28.324.607	25.249.646
Next year's payment of other long-term receivables	783.174	860.707	829.425	913.452
Receivables from own companies	278.759	274.975	607	473
Pre-paid costs	388.081	388.081	931.129	639.974
Embedded derivatives	0	0	0	110.312
Derivative contracts	0	0	643.351	346.984
Investments available for sale	0	0	6.095.000	6.095.000
Other receivables	3.485.708	2.435.681	4.153.176	3.007.498
Bank deposits and marketable securities	0	0	11.413.954	11.070.605
Cash and cash equivalents	19.985.791	10.220.904	33.294.176	21.922.047
Total current assets	<u>45.485.551</u>	<u>32.228.906</u>	<u>88.585.247</u>	<u>71.842.355</u>
Total assets	<u>275.844.237</u>	<u>257.096.991</u>	<u>893.397.995</u>	<u>870.332.714</u>

Statement of Financial Position 30 June 2023

Equity and liabilities

	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
	Interim Financial	Financial	Interim Financial	Financial
	Statements	Statements	Statements	Statements
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Equity				
Equity account	81.689.398	82.610.418	398.588.844	407.605.383
Minority interest	0	0	15.863.861	16.349.745
Total equity	81.689.398	82.610.418	414.452.705	423.955.128
Obligations				
Pension obligations	37.365.933	36.939.280	38.092.901	37.607.740
Deferred tax liabilities	0	0	21.048.501	21.362.811
Capital contributions from state	0	0	5.845.470	5.377.478
Other obligations	0	0	83.486	77.783
Total obligations	37.365.933	36.939.280	65.070.358	64.425.813
Long-term liabilities				
Long-term debts	107.309.798	96.829.378	324.070.844	307.006.732
Lease liabilities	10.421.045	10.492.407	11.527.746	11.625.348
Embedded derivatives in electricity contracts	0	0	286.842	0
Derivative contracts	0	0	0	40.275
Total long-term liabilities	117.730.842	107.321.784	335.885.432	318.672.356
Current liabilities				
Debts to credit institutions	81.665	27.060	1.216.597	47.176
Accounts payable	4.706.038	6.150.087	9.282.456	11.322.029
Embedded derivatives in electricity contracts	0	0	793.869	0
Next year's payments on long-term debts	10.642.237	4.913.967	32.686.208	26.392.854
Next year's payments on lease liabilities	1.444.859	1.352.812	1.596.256	1.506.743
Pension obligations, short-term	2.664.000	2.664.000	2.701.000	2.701.000
Accounts payable to own companies	566.166	1.631.315	218.353	301.292
Prepayments	80.409	80.409	3.047.438	2.137.331
Derivative contracts	0	0	1.210	150.384
Other payables	18.872.691	13.405.858	26.446.112	18.720.608
Total current liabilities	39.058.064	30.225.509	77.989.500	63.279.417
Total liabilities and obligations	194.154.839	174.486.573	478.945.290	446.377.586
Total equity and liabilities	275.844.237	257.096.991	893.397.995	870.332.714

Statement of Cash Flows 1 January - 30 June 2023

	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	Interim		Interim	Interim		Interim
	Financial	Budget with	Financial	Financial	Budget with	Financial
	Statements	Annexes	Statements	Statements	Annexes	Statements
	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2022
Cash flows from operating activities						
Operating results.....	(921.020)	857.471	(8.892.626)	(6.730.424)	6.037.882	13.170.109
Adjustments not affecting cash flow:						
Gain on sold assets	(1.964.177)	(2.625.000)	(2.580.139)	(1.927.797)	(2.625.000)	(2.602.781)
Depreciation	4.141.402	4.062.617	3.445.019	12.527.852	12.063.767	10.953.563
Indexation, discounts and exch.rate differences	4.166.678	2.838.219	3.398.790	10.611.178	5.295.611	8.745.814
Embedded derivatives, change	0	0	0	1.647.248	(127.830)	279.598
Value adjustment of investment properties	0	0	0	(702.031)	(3.876.751)	(19.902.834)
Effect of own companies and minority interests	0	0	0	(9.382)	0	331.095
Changes in pension obligations	1.750.000	750.000	1.125.000	1.829.464	750.000	1.186.195
Changes in deferred taxes	0	0	0	(412.271)	607.491	615.024
Provision for losses	(358.763)	0	(997.479)	(358.763)	0	(997.479)
Working capital provided by operating activities	6.814.121	5.883.307	(4.501.435)	16.475.074	18.125.170	11.778.302
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	(425.169)	25.000	(534.148)
Current receivables (increase) decrease	(3.535.302)	(1.232.752)	241.349	(5.050.448)	(1.341.132)	454.601
Current liabilities (decrease) increase	3.942.434	0	3.827.398	7.195.925	435.178	439.869
Contributions to pension payments	(1.323.347)	(1.300.000)	(1.256.895)	(1.344.303)	(1.300.000)	(1.273.489)
Prepaid contribution to Brú pension fund, changes	192.578	192.578	192.578	202.167	202.143	202.141
Change in operating assets and liabilities	(723.637)	(2.340.174)	3.004.431	578.172	(1.978.811)	(711.026)
Net cash provided by operating activities	6.090.484	3.543.133	(1.497.003)	17.053.246	16.146.359	11.067.276
Investment activities						
Investments in fixed tangible assets	(10.329.994)	(10.697.500)	(11.207.160)	(20.854.001)	(30.144.090)	(19.458.863)
Investment in investment properties	0	0	0	(1.466.508)	(3.383.314)	(2.198.172)
Investments in intangible assets	(642.070)	(574.000)	(1.115.367)	(995.826)	(896.453)	(1.459.752)
Paid road construction fees	1.163.485	1.249.999	1.120.496	1.163.485	1.249.999	1.120.496
Sales of building rights	1.272.756	2.500.000	2.020.028	1.272.756	2.500.000	2.022.713
Proceeds from sale of fixed tangible assets	918.466	125.000	87.800	924.896	576.775	249.586
Change in shareholdings	(421.308)	(1.075.107)	(200.843)	(340.521)	2.242.219	56.334
Short-term investments	(984.800)	(984.800)	947.458	(301.745)	(612.918)	(866.960)
Long-term receivables, change	750.011	674.699	646.154	770.478	699.359	687.296
Investment activities	(8.273.453)	(8.781.710)	(7.701.434)	(19.826.985)	(27.768.424)	(19.847.323)
Financing activities						
Capital contributions from state	0	0	0	282.037	518.969	271.557
New long-term borrowings	14.783.550	10.500.000	8.549.671	30.075.188	23.175.325	12.377.277
Repayments of long-term liabilities	(2.201.889)	(2.245.424)	(1.535.246)	(16.178.032)	(16.552.893)	(9.568.030)
Payments on lease liabilities	(688.409)	(651.394)	(567.838)	(726.737)	(651.394)	(581.420)
Short-term borrowings, change	54.605	0	(29.876)	1.107.635	3.294	96.141
Dividends paid	0	0	0	(355.355)	(323.050)	0
Other financing activities	0	0	(11.391)	0	400	(11.391)
Financing activities	11.947.857	7.603.182	6.405.319	14.204.736	6.170.652	2.584.134
(Decrease) Increase in cash and cash equivalents.....	9.764.888	2.364.605	(2.793.118)	11.430.997	(5.451.413)	(6.195.913)
Cash and cash equivalents at beginning of year.....	10.220.904	14.913.942	15.276.111	21.922.047	22.122.559	30.423.739
Effect of changes in ownership ratio on cash.....	0	0	0	3.643	0	(66)
Effect of currency fluctuations on cash.....	0	0	0	(62.511)	(13.975)	(19.480)
Cash and cash equivalents at year-end.....	19.985.791	17.278.547	12.482.993	33.294.176	16.657.170	24.208.281
Investment and financing activities without cash flow effect						
New lease assets	(168.019)	0	0	(170.235)	0	(176.719)
New lease liabilities	168.019	0	0	170.235	0	176.719
Proceeds from sale of fixed tangible assets	423.463	0	0	423.463	0	0
Long-term receivables, change	(423.463)	0	0	(423.463)	0	0
Investments in fixed tangible assets	0	0	0	(134.665)	0	0
Short-term borrowings, change	0	0	0	134.665	0	0