

# Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements  
1 January - 30 September 2023



Reykjavíkurborg  
(City of Reykjavik)  
Reg. no. 530269-7609  
City hall  
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101 Reykjavík

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## Interim Financial Statements

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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 September 2023

	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	Interim		Interim	Interim		Interim
	Financial Statements Jan-Sep 2023	Budget with Annexes Jan-Sep 2023	Financial Statements Jan-Sep 2022	Financial Statements Jan-Sep 2023	Budget with Annexes Jan-Sep 2023	Financial Statements Jan-Sep 2022
<b>Operating revenue</b>						
Tax revenues .....	101.860.295	97.708.775	88.523.846	101.179.940	97.099.861	87.992.675
Contributions from Municipal Equalisation Fund .....	9.125.303	8.950.888	6.919.622	9.125.303	8.950.888	6.919.622
Other revenues .....	19.167.933	18.796.998	16.543.317	73.105.345	76.594.139	65.394.800
<b>Total operating revenues</b>	<b>130.153.531</b>	<b>125.456.662</b>	<b>111.986.785</b>	<b>183.410.587</b>	<b>182.644.888</b>	<b>160.307.096</b>
<b>Operating expenses</b>						
Wage cost and wage-related expenses .....	72.955.134	70.144.746	67.825.752	85.959.885	83.123.499	78.806.026
Changes in pension obligations, LsRb .....	2.625.000	1.125.000	2.925.000	2.714.293	1.125.000	2.994.863
Other operating expenses .....	47.952.596	45.759.099	43.512.100	59.442.905	59.021.772	52.748.455
<b>Total operating expenses</b>	<b>123.532.730</b>	<b>117.028.845</b>	<b>114.262.852</b>	<b>148.117.082</b>	<b>143.270.271</b>	<b>134.549.344</b>
Operating result before depreciation, EBITDA .....	6.620.801	8.427.817	( 2.276.067 )	35.293.505	39.374.617	25.757.753
Depreciation .....	( 6.200.421 )	( 6.081.984 )	( 5.180.558 )	( 18.825.338 )	( 18.083.710 )	( 16.694.376 )
Operating result before financial items.....	420.380	2.345.833	( 7.456.625 )	16.468.167	21.290.907	9.063.376
Net financial items .....	( 1.834.620 )	( 1.591.657 )	( 3.627.186 )	( 23.343.509 )	( 14.546.432 )	( 22.070.531 )
Operating result before tax, adjustments and effects of associated companies	( 1.414.240 )	754.176	( 11.083.812 )	( 6.875.341 )	6.744.475	( 13.007.155 )
Income tax .....	0	0	0	17.269	( 2.071.012 )	( 500.409 )
Value adjustment of investment properties .....	0	0	0	4.028.629	5.815.127	20.562.928
Share in associated companies' operating results .....	0	0	0	37.192	0	( 3.159 )
Minority interests .....	0	0	0	( 143.655 )	( 619.989 )	( 275.643 )
<b>Operating results.....</b>	<b>( 1.414.240 )</b>	<b>754.176</b>	<b>( 11.083.812 )</b>	<b>( 2.935.906 )</b>	<b>9.868.601</b>	<b>6.776.562</b>

# Statement of Financial Position 30 September 2023

## Assets

	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
	Interim Financial Statements 30.9.2023	Financial Statements 31.12.2022	Interim Financial Statements 30.9.2023	Financial Statements 31.12.2022
<b>Fixed assets</b>				
Intangible assets .....	4.172.459	3.776.942	7.544.120	6.883.721
Fixed tangible assets:				
Real estate .....	157.073.888	149.614.554	182.504.115	173.917.036
Utilities .....	0	0	394.815.092	393.549.252
Investment properties .....	0	0	154.749.192	148.620.258
Road systems .....	36.849.427	34.372.029	37.295.955	34.823.546
Machinery and equipment .....	7.877.215	7.361.892	13.643.507	13.100.228
Lease properties .....	4.777.026	5.153.620	5.985.473	6.392.711
	<u>206.577.555</u>	<u>196.502.096</u>	<u>788.993.332</u>	<u>770.403.031</u>
Investments and long-term receivables:				
Capital contributions and shares in companies .....	15.378.884	14.817.627	6.003.738	5.560.599
Pre-paid costs .....	8.188.897	8.474.839	8.596.949	8.896.143
Embedded derivatives .....	0	0	875.004	1.448.798
Derivative contracts .....	0	0	85.443	78.545
Deferred tax assets .....	0	0	4.544.624	3.759.231
Other long-term receivables .....	1.418.623	1.296.581	1.574.092	1.460.293
	<u>24.986.404</u>	<u>24.589.047</u>	<u>21.679.850</u>	<u>21.203.607</u>
<b>Total fixed assets</b>	<u>235.736.418</u>	<u>224.868.085</u>	<u>818.217.303</u>	<u>798.490.360</u>
<b>Current assets</b>				
Inventories .....	0	0	2.951.072	2.486.363
Short-term receivables:				
Unclaimed revenues and receivables .....	18.257.241	18.048.559	24.679.761	25.249.646
Next year's payment of other long-term receivables .....	558.622	860.707	596.642	913.452
Receivables from own companies .....	259.984	274.975	264	473
Pre-paid costs .....	385.156	388.081	812.657	639.974
Embedded derivatives .....	0	0	0	110.312
Derivative contracts .....	0	0	308.450	346.984
Investments available for sale .....	0	0	5.632.000	5.632.000
Other receivables .....	2.915.668	2.435.681	4.818.414	3.470.498
Bank deposits and marketable securities .....	0	0	11.272.744	11.070.605
Cash and cash equivalents .....	21.234.104	10.220.904	30.965.777	21.922.047
	<u>43.610.775</u>	<u>32.228.906</u>	<u>82.037.782</u>	<u>71.842.355</u>
<b>Total current assets</b>	<u>43.610.775</u>	<u>32.228.906</u>	<u>82.037.782</u>	<u>71.842.355</u>
<b>Total assets</b> .....	<u>279.347.193</u>	<u>257.096.991</u>	<u>900.255.085</u>	<u>870.332.714</u>

# Statement of Financial Position 30 September 2023

## Equity and liabilities

	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
	Interim Financial Statements 30.9.2023	Financial Statements 31.12.2022	Interim Financial Statements 30.9.2023	Financial Statements 31.12.2022
<b>Equity</b>				
Equity account .....	81.196.177	82.610.418	402.360.720	407.605.383
Minority interest .....	0	0	15.977.702	16.349.745
<b>Total equity</b>	<b>81.196.177</b>	<b>82.610.418</b>	<b>418.338.422</b>	<b>423.955.128</b>
<b>Obligations</b>				
Pension obligations .....	37.545.017	36.939.280	38.272.305	37.607.740
Deferred tax liabilities .....	0	0	20.836.159	21.362.811
Capital contributions from state .....	0	0	6.183.875	5.377.478
Other obligations .....	0	0	84.599	77.783
<b>Total obligations</b>	<b>37.545.017</b>	<b>36.939.280</b>	<b>65.376.939</b>	<b>64.425.813</b>
<b>Long-term liabilities</b>				
Long-term debts .....	110.769.185	96.829.378	325.257.770	307.006.732
Lease liabilities .....	10.149.125	10.492.407	11.276.770	11.625.348
Prepaid revenues .....	0	0	1.147.939	0
Derivative contracts .....	0	0	36.275	40.275
<b>Total long-term liabilities</b>	<b>120.918.310</b>	<b>107.321.784</b>	<b>337.718.754</b>	<b>318.672.356</b>
<b>Current liabilities</b>				
Debts to credit institutions .....	131.187	27.060	1.910.874	47.176
Accounts payable .....	5.390.929	6.150.087	9.779.599	11.322.029
Embedded derivatives in electricity contracts .....	0	0	113.501	0
Next year's payments on long-term debts .....	11.067.393	4.913.967	33.036.418	26.392.854
Next year's payments on lease liabilities .....	1.453.687	1.352.812	1.587.232	1.506.743
Pension obligations, short-term .....	2.664.000	2.664.000	2.701.000	2.701.000
Accounts payable to own companies .....	466.971	1.631.315	216.298	301.292
Prepayments .....	80.409	80.409	3.066.272	2.137.331
Derivative contracts .....	0	0	49.450	150.384
Other payables .....	18.433.113	13.405.858	26.360.327	18.720.608
<b>Total current liabilities</b>	<b>39.687.688</b>	<b>30.225.509</b>	<b>78.820.971</b>	<b>63.279.417</b>
<b>Total liabilities and obligations</b>	<b>198.151.016</b>	<b>174.486.573</b>	<b>481.916.663</b>	<b>446.377.586</b>
<b>Total equity and liabilities</b> .....	<b>279.347.193</b>	<b>257.096.991</b>	<b>900.255.085</b>	<b>870.332.714</b>

# Statement of Cash Flows 1 January - 30 September 2023

	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	Interim	Budget with	Interim	Interim	Budget with	Interim
	Financial	Annexes	Financial	Financial	Annexes	Financial
	Statements	Annexes	Statements	Statements	Annexes	Statements
	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2022
<b>Cash flows from operating activities</b>						
Operating results.....	( 1.414.240 )	754.176	( 11.083.812 )	( 2.935.906 )	9.868.601	6.776.562
Adjustments not affecting cash flow:						
Gain on sold assets .....	( 2.379.026 )	( 3.933.000 )	( 2.906.684 )	( 2.362.051 )	( 3.933.000 )	( 2.942.847 )
Depreciation .....	6.200.421	6.081.984	5.180.558	18.825.337	18.083.710	16.694.376
Indexation, discounts and exch.rate differences .....	5.171.714	4.256.147	5.705.875	13.917.247	7.942.234	12.456.552
Embedded derivatives, change .....	0	0	0	497.707	( 191.745 )	1.498.388
Value adjustment of investment properties .....	0	0	0	( 3.966.391 )	( 5.815.127 )	( 20.562.972 )
Effect of own companies and minority interests .....	0	0	0	106.463	619.989	278.802
Changes in pension obligations .....	2.625.000	1.125.000	2.925.000	2.714.293	1.125.000	2.994.863
Changes in deferred taxes .....	0	0	0	( 873.939 )	911.237	665.601
Provision for losses .....	( 2.187.804 )	0	( 792.743 )	( 2.187.804 )	0	( 792.743 )
<b>Working capital provided by operating activities</b>	<b>8.016.065</b>	<b>8.284.307</b>	<b>( 971.806 )</b>	<b>23.734.955</b>	<b>28.610.898</b>	<b>17.066.582</b>
<b>Changes in operating assets and liabilities:</b>						
Inventories decrease (increase) .....	0	0	0	( 491.798 )	37.500	( 307.818 )
Current receivables (increase) decrease .....	1.353.558	( 616.376 )	2.660.313	742.172	( 777.746 )	3.651.691
Current liabilities (decrease) increase .....	4.088.553	0	3.584.975	7.563.493	652.168	2.981.137
Contributions to pension payments .....	( 2.019.263 )	( 1.950.000 )	( 1.939.679 )	( 2.049.728 )	( 1.950.000 )	( 1.966.334 )
Prepaid contribution to Brú pension fund, changes .....	288.867	288.867	288.867	303.250	303.214	303.212
<b>Change in operating assets and liabilities</b>	<b>3.711.714</b>	<b>( 2.277.509 )</b>	<b>4.594.475</b>	<b>6.067.389</b>	<b>( 1.734.864 )</b>	<b>4.661.887</b>
<b>Net cash provided by operating activities</b>	<b>11.727.779</b>	<b>6.006.797</b>	<b>3.622.669</b>	<b>29.802.344</b>	<b>26.876.034</b>	<b>21.728.469</b>
<b>Investment activities</b>						
Investments in fixed tangible assets .....	( 17.316.983 )	( 17.907.000 )	( 17.976.845 )	( 35.852.959 )	( 47.076.884 )	( 32.192.996 )
Investment in investment properties .....	0	0	0	( 2.272.155 )	( 5.074.971 )	( 2.851.170 )
Investments in intangible assets .....	( 1.109.771 )	( 1.093.500 )	( 1.643.138 )	( 1.591.420 )	( 1.577.179 )	( 2.137.613 )
Paid road construction fees .....	1.270.868	1.874.997	1.308.504	1.270.868	1.874.997	1.308.504
Sales of building rights .....	1.689.053	3.748.000	2.241.195	1.689.053	3.748.000	2.243.880
Proceeds from sale of fixed tangible assets .....	1.001.705	185.000	200.300	1.028.466	862.662	527.287
Change in shareholdings .....	( 561.257 )	( 1.612.661 )	( 548.303 )	( 405.917 )	3.363.328	56.731
Short-term investments .....	( 984.800 )	( 984.800 )	947.458	( 200.189 )	( 426.977 )	172.951
Long-term receivables, change .....	682.811	674.699	438.769	711.179	711.689	488.406
<b>Investment activities</b>	<b>( 15.328.373 )</b>	<b>( 15.115.265 )</b>	<b>( 15.032.061 )</b>	<b>( 35.623.074 )</b>	<b>( 43.595.336 )</b>	<b>( 32.384.019 )</b>
<b>Financing activities</b>						
Capital contributions from state .....	0	0	0	308.778	778.453	754.402
New long-term borrowings .....	18.836.701	15.750.000	12.347.910	34.105.839	34.762.987	19.632.164
Repayments of long-term liabilities .....	( 3.277.265 )	( 3.578.340 )	( 2.564.671 )	( 21.078.214 )	( 25.039.543 )	( 13.582.249 )
Payments on lease liabilities .....	( 1.049.769 )	( 988.863 )	( 882.490 )	( 1.118.247 )	( 988.863 )	( 916.790 )
Prepaid revenues .....	0	0	0	1.147.939	0	0
Derivative contracts paid .....	0	0	0	0	0	0
Paid-in capital .....	0	0	0	0	0	0
Short-term borrowings, change .....	104.127	0	85.927	1.913.357	4.942	( 11.518 )
Dividends paid .....	0	0	0	( 355.355 )	( 323.050 )	( 258.439 )
Other financing activities .....	0	0	( 248.169 )	0	0	( 248.169 )
<b>Financing activities</b>	<b>14.613.794</b>	<b>11.182.797</b>	<b>8.738.507</b>	<b>14.924.096</b>	<b>9.194.926</b>	<b>5.369.401</b>
<b>(Decrease) Increase in cash and cash equivalents.....</b>	<b>11.013.201</b>	<b>2.074.329</b>	<b>( 2.670.884 )</b>	<b>9.103.367</b>	<b>( 7.524.376 )</b>	<b>( 5.286.150 )</b>
<b>Cash and cash equivalents at beginning of year.....</b>	<b>10.220.904</b>	<b>14.913.942</b>	<b>15.276.111</b>	<b>21.922.047</b>	<b>22.122.559</b>	<b>30.423.739</b>
<b>Effect of changes in ownership ratio on cash.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3.643</b>	<b>0</b>	<b>( 66 )</b>
<b>Effect of currency fluctuations on cash.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 63.280 )</b>	<b>( 20.963 )</b>	<b>64.741</b>
<b>Cash and cash equivalents at year-end.....</b>	<b>21.234.104</b>	<b>16.988.271</b>	<b>12.605.227</b>	<b>30.965.777</b>	<b>14.577.220</b>	<b>25.202.265</b>
<b>Investment and financing activities without cash flow effect</b>						
New lease assets .....	( 168.019 )	0	( 283.432 )	( 250.984 )	0	( 463.990 )
New lease liabilities .....	168.019	0	283.432	250.984	0	463.990
Proceeds from sale of fixed tangible assets .....	340.774	0	0	340.774	0	0
Long-term receivables, change .....	( 340.774 )	0	0	( 340.774 )	0	0
Investments in fixed tangible assets .....	0	0	0	( 180.147 )	0	0
Short-term borrowings, change .....	0	0	0	180.147	0	0