

Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements
1 January - 30 September 2024



Reykjavíkurborg
(City of Reykjavik)
Reg. no. 530269-7609
City hall
Tjarnargötu 11
101 Reykjavík

Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements

1 January - 30 September 2024

Table of contents

	Page
Income Statement	2
Statement of Financial Position	3-4
Statement of Cash Flows	5

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 2024

Notes	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-Sep 2024	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2023
Operating revenue						
Tax revenues	108.782.961	110.104.345	101.860.295	108.144.191	109.472.198	101.179.940
Contributions from Municipal Equalisation Fund	11.400.183	11.469.473	9.125.303	11.400.183	11.469.473	9.125.303
Other revenues	20.857.895	22.576.633	19.167.933	81.860.470	83.810.138	73.105.345
Total operating revenues	141.041.039	144.150.450	130.153.531	201.404.844	204.751.809	183.410.587
Operating expenses						
Wage cost and wage-related expenses	76.952.478	76.378.625	72.955.134	90.804.819	91.988.387	85.959.885
Changes in pension obligations, LsRb	1.766.667	1.987.500	2.625.000	1.844.089	1.987.500	2.714.293
Other operating expenses	53.039.172	50.415.716	47.952.596	67.043.728	64.153.440	59.442.905
Total operating expenses	131.758.317	128.781.841	123.532.730	159.692.635	158.129.327	148.117.082
Operating result before depreciation, EBITDA	9.282.723	15.368.609	6.620.801	41.712.209	46.622.482	35.293.505
Depreciation	(7.047.349)	(6.981.373)	(6.200.421)	(20.555.503)	(20.304.159)	(18.825.338)
Operating result before financial items.....	2.235.373	8.387.236	420.380	21.156.706	26.318.323	16.468.167
Net financial items	(3.314.514)	(2.936.693)	(1.834.620)	(21.663.582)	(18.971.156)	(23.343.509)
Operating result before tax, adjustments and effects of associated companies	(1.079.140)	5.450.543	(1.414.240)	(506.876)	7.347.167	(6.875.341)
Income tax	0	0	0	(326.978)	(663.302)	17.269
Value adjustment of investment properties	0	0	0	2.747.041	3.945.686	4.028.629
Share in associated companies' operating results	(55.200)	0	0	(51.261)	0	37.192
Minority interests	0	0	0	(286.248)	(398.442)	(143.655)
Operating results.....	(1.134.340)	5.450.543	(1.414.240)	1.575.678	10.231.108	(2.935.906)

Statement of Financial Position 30 September 2024

Assets

	Notes	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
		Interim Financial Statements 30.9.2024	Financial Statements 31.12.2023	Interim Financial Statements 30.9.2024	Financial Statements 31.12.2023
Fixed assets					
Intangible assets		5.780.059	5.272.080	12.072.969	11.114.604
Fixed tangible assets:					
Real estate		167.168.113	162.241.089	194.737.694	188.038.699
Utilities		0	0	421.051.917	416.885.856
Investment properties		0	0	161.155.503	157.086.147
Road systems		40.432.244	38.250.309	40.864.478	38.705.015
Machinery and equipment		8.221.470	8.727.652	15.782.305	14.679.189
Lease properties		5.636.121	5.899.166	6.644.575	6.857.269
		<u>221.457.949</u>	<u>215.118.217</u>	<u>840.236.473</u>	<u>822.252.175</u>
Investments and long-term receivables:					
Capital contributions and shares in companies		16.577.812	15.546.740	6.940.052	5.964.566
Pre-paid costs		7.803.741	8.092.608	8.192.785	8.495.866
Embedded derivatives		0	0	2.039.254	1.914.127
Derivative contracts		0	0	14.666	50.239
Deferred tax assets		0	0	5.427.894	4.792.230
Other long-term receivables		1.429.066	1.228.185	1.599.966	1.402.847
		<u>25.810.618</u>	<u>24.867.534</u>	<u>24.214.618</u>	<u>22.619.875</u>
Total fixed assets		<u>253.048.626</u>	<u>245.257.831</u>	<u>876.524.060</u>	<u>855.986.654</u>
Current assets					
Inventories		0	0	1.805.062	1.876.626
Short-term receivables:					
Unclaimed revenues and receivables		19.007.580	19.016.139	26.663.147	26.666.348
Next year's payment of other long-term receivables		94.526	411.577	116.251	455.481
Receivables from own companies		1.139.920	265.818	13.081	2.590
Pre-paid costs		385.156	385.156	705.824	783.106
Embedded derivatives		0	0	621.447	15.306
Derivative contracts		0	0	45.298	218.901
Investments available for sale		420.000	624.200	6.627.000	6.831.200
Other receivables		1.420.605	2.260.131	2.960.422	3.758.027
Bank deposits and marketable securities		0	0	10.228.663	8.670.016
Cash and cash equivalents		11.824.379	11.505.818	27.058.408	27.084.881
Total current assets		<u>34.292.166</u>	<u>34.468.838</u>	<u>76.844.604</u>	<u>76.362.484</u>
Total assets		<u>287.340.791</u>	<u>279.726.670</u>	<u>953.368.664</u>	<u>932.349.137</u>

Statement of Financial Position 30 September 2024

Equity and liabilities

Notes	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
	Interim Financial	Financial	Interim Financial	Financial
	Statements	Statements	Statements	Statements
	30.9.2024	31.12.2023	30.9.2024	31.12.2023
Equity				
Equity account	80.119.635	81.253.976	420.720.639	419.892.773
Minority interest	0	0	17.107.261	17.195.856
Total equity	80.119.635	81.253.976	437.827.900	437.088.628
Obligations				
Pension obligations	39.158.822	38.745.232	40.032.942	39.601.689
Deferred tax liabilities	0	0	22.725.537	23.399.924
Capital contributions from state	0	0	6.717.779	6.457.488
Other obligations	0	0	91.512	85.890
Total obligations	39.158.822	38.745.232	69.567.770	69.544.991
Long-term liabilities				
Long-term debts	121.239.119	111.752.513	359.353.703	342.089.494
Lease liabilities	10.769.883	11.258.268	10.949.287	11.391.824
Embedded derivatives in electricity contracts	0	0	1.766.749	1.896.603
Derivative contracts	0	0	113.042	110.834
Total long-term liabilities	132.009.002	123.010.781	372.182.781	355.488.754
Current liabilities				
Debts to credit institutions	112.876	26.757	347.135	28.141
Accounts payable	4.658.402	7.073.456	9.836.722	12.468.014
Next year's payments on long-term debts	7.372.413	11.188.614	26.494.482	29.974.516
Next year's payments on lease liabilities	1.785.915	1.649.613	1.845.757	1.713.908
Pension obligations, short-term	1.908.000	1.908.000	1.965.129	1.961.124
Accounts payable to own companies	589.751	882.255	161.790	167.129
Prepayments	505.884	80.409	3.402.551	391.915
Derivative contracts	0	0	249.133	82.057
Other payables	19.120.090	13.907.578	29.487.515	23.439.960
Total current liabilities	36.053.332	36.716.682	73.790.213	70.226.763
Total liabilities and obligations	207.221.156	198.472.694	515.540.765	495.260.509
Total equity and liabilities	287.340.791	279.726.670	953.368.664	932.349.137

Statement of Cash Flows 1 January - 30 September 2024

Notes	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-Sep 2024	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2023
Cash flows from operating activities						
Operating results.....	(1.134.340)	5.450.543	(1.414.240)	1.575.678	10.231.108	(2.935.906)
Adjustments not affecting cash flow:						
Gain on sold assets	(1.668.786)	(5.199.000)	(2.379.026)	(1.736.495)	(5.199.000)	(2.362.051)
Depreciation	7.047.349	6.981.373	6.200.421	20.555.503	20.304.159	18.825.337
Indexation, discounts and exch.rate differences	4.276.479	4.183.831	5.171.714	11.008.644	10.453.087	13.917.247
Embedded derivatives, change	0	0	0	456.311	(553.148)	497.707
Value adjustment of investment properties	0	0	0	(2.747.041)	(3.945.686)	(3.966.391)
Effect of own companies and minority interests	55.200	0	0	337.509	398.442	106.463
Changes in pension obligations	1.766.667	1.987.500	2.625.000	1.827.178	1.987.500	2.714.293
Prepaid contribution to Brú pension fund, changes	288.867	288.867	288.867	300.698	303.250	303.250
Changes in deferred taxes	0	0	0	(1.186.196)	(812.263)	(873.939)
Provision for losses	(4.000)	0	0	(4.000)	0	0
Working capital provided by operating activities	10.631.435	13.693.114	10.492.736	30.391.790	33.167.450	26.226.009
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	71.591	(3.401)	(491.798)
Current receivables (increase) decrease	(26.017)	(674.156)	1.353.558	548.594	4.165.850	742.172
Current liabilities (decrease) increase	2.505.652	(67.332)	4.088.553	6.390.910	378.114	7.563.493
Contributions to pension payments	(1.353.076)	(1.297.500)	(2.019.263)	(1.391.984)	(1.297.500)	(2.049.728)
Change in operating assets and liabilities	1.126.559	(2.038.988)	3.422.848	5.619.111	3.243.063	5.764.139
Net cash provided by operating activities	11.757.994	11.654.126	13.915.584	36.010.901	36.410.513	31.990.148
Investment activities						
Investments in fixed tangible assets	(13.529.567)	(14.970.200)	(17.316.983)	(35.490.840)	(55.439.371)	(35.852.959)
Investment in investment properties	0	0	0	(1.230.297)	(4.869.629)	(2.272.155)
Investments in intangible assets	(1.528.902)	(1.452.753)	(1.109.771)	(3.181.339)	(1.997.973)	(1.591.420)
Paid road construction fees	1.535.756	1.499.400	1.270.868	1.535.756	1.499.400	1.270.868
Sales of building rights	1.645.833	2.999.000	1.689.053	1.671.376	2.999.000	1.689.053
Proceeds from sale of fixed tangible assets	91.075	2.200.000	1.001.705	306.270	2.250.250	1.028.466
Change in shareholdings	(1.086.271)	(1.609.457)	(561.257)	(1.045.440)	(1.100.040)	(405.917)
Short-term investments	629.675	0	(984.800)	(345.570)	(90.813)	(200.189)
Long-term receivables, change	120.170	0	(1.504.993)	148.511	21.333	(1.476.625)
Investment activities	(12.122.231)	(11.334.010)	(17.516.177)	(37.631.574)	(56.727.842)	(37.810.878)
Financing activities						
Capital contributions from state	0	0	0	493.310	829.311	308.778
New long-term borrowings	11.051.825	12.375.000	18.836.701	25.923.499	35.629.664	34.105.839
Short-term debts to credit institutions, change	86.119	0	104.127	266.792	1.994	1.913.357
Repayments of long-term liabilities	(9.144.352)	(9.127.609)	(3.277.265)	(23.652.834)	(27.789.460)	(21.078.214)
Payments on lease liabilities	(1.306.097)	(1.126.331)	(1.049.769)	(1.303.000)	(1.126.331)	(1.118.247)
Paid-in capital	0	0	0	0	19.081.763	0
Prepaid revenue	0	0	0	13.021	0	1.147.939
Dividends paid	0	0	0	(258.440)	(194.222)	(355.355)
Other financing activities	(698)	0	0	(698)	0	0
Financing activities	686.797	2.121.060	14.613.794	1.481.649	26.432.719	14.924.096
(Decrease) Increase in cash and cash equivalents.....	318.561	2.441.176	11.013.201	(143.023)	6.115.390	9.103.367
Cash and cash equivalents at beginning of year.....	11.505.818	12.316.614	10.220.904	27.084.881	22.853.215	21.922.047
Effect of changes in ownership ratio on cash.....	0	0	0	424	0	3.643
Effect of currency fluctuations on cash.....	0	0	0	116.126	0	(63.280)
Cash and cash equivalents at year-end.....	11.824.379	14.757.790	21.234.104	27.058.408	28.968.605	30.965.777
Investment and financing activities without cash flow effect						
New lease assets	(440.469)	0	(168.019)	(540.153)	0	(250.984)
New lease liabilities	440.469	0	168.019	540.153	0	250.984
Proceeds from sale of fixed tangible assets	0	0	340.774	0	0	340.774
Long-term receivables, change	0	0	(340.774)	0	0	(340.774)
Investments in fixed tangible assets	0	0	0	(75.477)	0	(180.147)
Short-term borrowings, change	0	0	0	75.477	0	180.147
Investments in intangible assets	0	0	0	858.547	0	0
Short-term borrowings, change	0	0	0	(858.547)	0	0
Other payables	0	0	0	64.610	64.610	0
Unpaid dividends	0	0	0	(64.610)	(64.610)	0