

Financial statements 2025

Reykjavíkurborg (City of Reykjavik)

Financial Statements 2025

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Please note:

This is an English translation of the Icelandic 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 for the year 2025

Notes	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	2025 Financial Statements	2025 Budget with Annexes	2024 Financial Statements	2025 Financial Statements	2025 Budget with Annexes	2024 Financial Statements
Operating revenue						
Tax revenues	156.510.648	159.908.836	144.747.331	155.627.709	159.037.540	143.895.638
Contributions from Municipal Equalisation Fund	18.883.077	18.520.897	16.997.374	18.883.077	18.520.897	16.997.374
Other revenues	31.195.085	28.680.941	32.705.974	119.238.659	121.373.010	116.545.614
Total operating revenues	206.588.810	207.110.673	194.450.680	293.749.445	298.931.447	277.438.627
Operating expenses						
Wage cost and wage-related expenses	113.125.985	111.952.916	104.695.157	133.148.272	133.015.149	123.653.089
Changes in pension obligations, LsRb	9.859.880	6.700.000	(846.685)	9.919.664	6.700.000	(758.229)
Other operating expenses	76.353.723	74.576.246	72.442.986	96.580.385	97.470.926	91.561.749
Total operating expenses	199.339.588	193.229.161	176.291.457	239.648.320	237.186.076	214.456.609
Operating result before depreciation, EBITDA	7.249.222	13.881.512	18.159.223	54.101.125	61.745.372	62.982.018
Depreciation	(10.510.351)	(10.200.000)	(9.560.898)	(29.644.328)	(29.777.707)	(27.874.855)
Operating result before financial items.....	(3.261.128)	3.681.512	8.598.324	24.456.797	31.967.665	35.107.163
Net financial items	(2.055.836)	(3.335.322)	(3.797.397)	(21.969.124)	(25.615.368)	(25.954.525)
Operating result before tax, adjustments and effects of associated companies	(5.316.964)	346.190	4.800.927	2.487.672	6.352.297	9.152.638
Income tax	0	0	0	(2.067.997)	(873.134)	(648.627)
Value adjustment of investment properties	0	0	0	8.334.433	7.942.740	2.773.469
Share in associated companies' operating results	0	0	(55.200)	(15.437)	0	(30.996)
Minority interests	0	0	0	(751.202)	(475.227)	(569.547)
Operating results.....	(5.316.964)	346.190	4.745.727	7.987.470	12.946.676	10.676.936

Statement of Financial Position 31 December 2025

Assets

	Notes	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
		31.12.2025 Financial Statements	31.12.2024 Financial Statements	31.12.2025 Financial Statements	31.12.2024 Financial Statements
Fixed assets					
Intangible assets		5.152.167	5.912.636	12.285.661	12.294.118
Fixed tangible assets:					
Real estate		179.621.992	170.418.495	212.910.723	199.024.410
Utilities		0	0	453.033.143	431.068.377
Investment properties		0	0	173.982.032	161.109.336
Road systems		43.566.914	40.679.049	43.968.849	41.101.315
Machinery and equipment		8.166.350	8.555.346	18.060.267	16.363.313
Lease properties		5.629.215	5.723.522	6.654.613	6.754.108
		<u>236.984.470</u>	<u>225.376.412</u>	<u>908.609.627</u>	<u>855.420.859</u>
Investments and long-term receivables:					
Shares in companies		10.379.094	8.899.188	9.517.138	8.222.686
Capital contributions		9.668.115	8.164.217	6.661.487	5.406.356
Pre-paid costs		7.322.297	7.707.452	7.685.546	8.091.700
Embedded derivatives		0	0	2.472.133	406.754
Derivative contracts		103.137	0	103.137	63.086
Deferred tax assets		0	0	5.987.000	6.171.165
Other long-term receivables		1.755.054	1.661.581	1.922.674	1.830.873
		<u>29.227.696</u>	<u>26.432.439</u>	<u>34.349.114</u>	<u>30.192.619</u>
Total fixed assets		<u>271.364.333</u>	<u>257.721.487</u>	<u>955.244.402</u>	<u>897.907.596</u>
Current assets					
Inventories		0	0	1.973.370	1.857.695
Short-term receivables:					
Unclaimed revenues and receivables		18.040.370	18.848.177	26.895.489	27.608.281
Next year's payment of other long-term receivables		746.938	869.591	755.594	887.027
Receivables from own companies		252.539	254.287	7.494	15.672
Pre-paid costs		385.156	385.156	1.120.985	684.032
Embedded derivatives		0	0	1.238.391	275.913
Derivative contracts		0	0	0	94.574
Other receivables		2.811.978	1.987.088	4.682.667	3.767.149
Bank deposits and marketable securities		0	0	15.364.438	11.594.110
Cash and cash equivalents		15.076.010	12.150.761	30.806.302	34.132.862
Total current assets		<u>37.312.990</u>	<u>34.495.059</u>	<u>82.844.731</u>	<u>80.917.315</u>
Total assets		<u>308.677.323</u>	<u>292.216.546</u>	<u>1.038.089.134</u>	<u>978.824.910</u>

Statement of Financial Position 31 December 2025

Equity and liabilities

	Notes	Reykjavik Municipal (Section A)		Reykjavik Group (A and B operations)	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
Equity					
Equity account		86.986.919	88.641.595	458.730.600	436.379.526
Minority interest		0	0	18.811.119	17.655.314
Total equity		86.986.919	88.641.595	477.541.720	454.034.839
Obligations					
Pension obligations		43.790.369	36.160.013	44.637.505	37.048.802
Deferred tax liabilities		0	0	25.827.211	23.479.384
Capital contributions from state		0	0	8.010.618	7.082.215
Other obligations		0	0	97.358	92.529
Total obligations		43.790.369	36.160.013	78.572.692	67.702.930
Long-term liabilities					
Long-term debts		131.556.002	124.126.396	393.252.550	375.406.114
Lease liabilities		9.935.562	10.706.605	10.202.765	10.932.706
Prepayment		0	0	1.694.761	1.873.970
Derivative contracts		0	0	355.333	10.643
Total long-term liabilities		141.491.564	134.833.002	405.505.410	388.223.434
Current liabilities					
Debts to credit institutions		0	0	247.197	200.239
Accounts payable		7.308.598	6.044.894	13.519.464	11.321.204
Next year's payments on long-term debts		8.652.999	7.424.223	31.666.861	29.332.871
Next year's payments on lease liabilities		2.049.243	1.833.335	2.091.035	1.890.627
Pension obligations, short-term		2.150.000	1.980.000	2.211.005	2.038.696
Accounts payable to own companies		464.521	725.695	123.861	166.402
Prepayments		77.014	80.409	372.155	355.953
Derivative contracts		98.395	0	844.572	117.432
Other payables		15.607.702	14.493.381	25.393.163	23.440.282
Total current liabilities		36.408.471	32.581.937	76.469.312	68.863.708
Total liabilities and obligations		221.690.404	203.574.951	560.547.414	524.790.071
Total equity and liabilities		308.677.323	292.216.546	1.038.089.134	978.824.910

Statement of Cash Flows for the year 2025

Notes	Reykjavik Municipal (Section A)			Reykjavik Group (A and B operations)		
	2025 Financial Statements	2025 Budget with Annexes	2024 Financial Statements	2025 Financial Statements	2025 Budget with Annexes	2024 Financial Statements
Cash flows from operating activities						
Operating results.....	(5.316.964)	346.190	4.745.727	7.987.470	12.946.676	10.676.936
Adjustments not affecting cash flow:						
Gain on sold assets	(4.818.183)	(4.928.000)	(6.119.136)	(5.030.248)	(4.928.000)	(6.205.101)
Gain on shares in companies	(19.381)	0	0	(19.496)	0	0
Depreciation	10.510.351	10.200.000	9.560.898	29.644.328	29.777.707	27.874.855
Indexation, discounts and exch.rate differences	3.686.425	3.763.910	4.455.554	10.987.059	10.304.425	10.920.644
Embedded derivatives, change	0	0	0	(3.027.858)	0	1.246.766
Fair value change of hedging instruments	(4.741)	0	0	1.126.353	0	0
Value adjustment of investment properties	0	0	0	(8.334.433)	(7.942.740)	(2.773.469)
Effect of own companies and minority interests	0	0	55.200	763.510	475.227	593.856
Changes in pension obligations	9.859.880	6.700.000	(846.685)	9.890.969	6.766.481	(758.229)
Prepaid contribution to Brú pension fund, changes	385.156	385.156	385.156	404.247	404.343	404.342
Changes in deferred taxes	0	0	0	(1.481.521)	(911.766)	(1.677.514)
Provision for losses	(9.000)	0	(3.000)	(5.872)	0	3.687
Write-down, government capital contribution	0	0	0	(12.707)	0	(10.928)
Working capital provided by operating activities	14.273.541	16.467.257	12.233.713	42.891.802	46.892.353	40.295.845
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	(115.960)	158.537	72.413
Current receivables (increase) decrease	(15.336)	0	872.537	(1.579.749)	(174.246)	(206.895)
Current liabilities (decrease) increase	2.123.794	100.000	(598.710)	4.626.532	336.024	1.177.068
Contributions to pension payments	(2.059.523)	(2.000.000)	(1.666.533)	(2.129.214)	(2.006.789)	(1.717.150)
Change in operating assets and liabilities	48.935	(1.900.000)	(1.392.707)	801.610	(1.686.475)	(674.564)
Net cash provided by operating activities	14.322.476	14.567.257	10.844.006	43.693.411	45.205.879	39.621.280
Investment activities						
Investments in fixed tangible assets	(20.615.042)	(22.723.000)	(18.737.853)	(57.093.447)	(64.520.199)	(51.042.646)
Investment in investment properties	0	0	0	(4.419.075)	(6.663.475)	(2.051.961)
Investments in intangible assets	(798.350)	(1.070.000)	(2.001.782)	(2.517.086)	(2.328.000)	(4.978.130)
Paid road construction fees	2.655.090	3.100.000	2.863.058	2.655.090	3.100.000	2.863.058
Sales of building rights	3.363.109	3.074.000	5.446.793	3.368.233	3.074.000	5.472.336
Proceeds from sale of fixed tangible assets	1.901.854	1.854.000	1.539.853	3.155.725	2.699.997	2.148.870
Change in shareholdings	(1.460.525)	(1.400.000)	(58.781)	(1.437.570)	(1.400.000)	(62.081)
Change in contributions	(1.503.897)	(1.415.652)	(1.513.084)	(1.255.131)	(683.412)	(1.345.564)
Short-term investments	(3.395)	0	204.200	572.358	0	115.908
Change in marketable securities	0	0	0	(2.795.534)	0	(2.024.862)
Long-term receivables, change	1.589.207	0	(888.410)	1.601.801	27.591	(852.050)
Investment activities	(14.871.951)	(18.580.652)	(13.146.005)	(58.164.635)	(66.693.499)	(51.757.121)
Financing activities						
Capital contributions from state	0	0	0	410.254	1.098.359	597.499
New long-term borrowings	13.165.662	16.500.000	16.230.370	45.270.214	51.222.671	51.205.630
Prepayment of longterm loans	0	0	0	(318.857)	0	0
Repayments of long-term liabilities	(7.758.302)	(7.732.538)	(11.455.241)	(31.774.800)	(31.041.672)	(30.703.185)
Payments on lease liabilities	(1.925.693)	(1.851.582)	(1.797.820)	(1.908.429)	(1.851.582)	(1.800.787)
Paid-in capital	0	0	0	0	9.020.682	0
Prepaid revenue	0	0	0	(52.489)	0	(33.934)
Dividends paid	0	0	0	(419.965)	(420.055)	(387.660)
Other financing activities	(6.943)	0	(27.366)	54.988	(47.157)	182.628
Financing activities	3.474.724	6.915.879	2.949.943	11.260.916	27.981.244	19.060.192
(Decrease) Increase in cash and cash equivalents.....	2.925.249	2.902.485	644.943	(3.210.307)	6.493.624	6.924.351
Cash and cash equivalents at beginning of year.....	12.150.761	10.512.262	11.505.818	34.132.862	31.467.099	27.084.881
Effect of changes in ownership ratio on cash.....	0	0	0	(10.971)	0	2.405
Effect of currency fluctuations on cash.....	0	0	0	(105.281)	154	121.226
Cash and cash equivalents at year-end.....	15.076.010	13.414.746	12.150.761	30.806.302	37.960.876	34.132.862
Investment and financing activities without cash flow effect						
New lease assets	(913.029)	0	(808.690)	(1.021.937)	0	(953.723)
New lease liabilities	913.029	0	808.690	1.021.937	0	953.723
Proceeds from sale of fixed tangible assets	1.450.000	0	0	1.450.000	0	0
Long-term receivables, change	(1.450.000)	0	0	(1.450.000)	0	0
Investments in fixed tangible assets	0	0	0	646.102	0	85.450
Short-term borrowings, change	0	0	0	(646.102)	0	(85.450)
Investments in intangible assets	0	0	0	0	0	1.867.547
Short-term borrowings, change	0	0	0	0	0	(1.867.547)