

Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements 1 January - 30 June 2026



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(City of Reykjavik)
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Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements

1 January - 30 June 2026

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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 2026

Notes	Reykjavik Municipal (Section A)			Reykjavik Group (Sections A and B)		
	Interim		Interim	Interim		Interim
	Financial	Budget with	Financial	Financial	Budget with	Financial
	Statements	Annexes	Statements	Statements	Annexes	Statements
	Jan-Jun 2026	Jan-Jun 2026	Jan-Jun 2025	Jan-Jun 2026	Jan-Jun 2026	Jan-Jun 2025
Operating revenue						
Tax revenues	84.341.330	83.114.752	79.207.388	83.871.676	82.648.454	78.765.918
Contributions from Municipal Equalisation Fund	10.471.879	10.275.462	8.829.432	10.471.879	10.275.462	8.829.432
Other revenues	14.661.809	12.985.129	15.396.916	61.210.819	61.437.550	57.678.213
Total operating revenues	109.475.018	106.375.343	103.433.737	155.554.373	154.361.465	145.273.563
Operating expenses						
Wage cost and wage-related expenses	58.611.768	57.416.762	55.938.912	69.502.904	68.326.558	65.883.326
Changes in pension obligations	1.951.500	1.761.500	5.045.161	2.037.710	1.761.500	5.281.084
Other operating expenses	40.978.089	39.531.184	39.139.272	49.308.611	50.959.942	47.245.576
Total operating expenses	101.541.357	98.709.446	100.123.345	120.849.225	121.048.000	118.409.986
Operating result before depreciation, EBITDA	7.933.661	7.665.897	3.310.391	34.705.148	33.313.465	26.863.578
Depreciation	(7.277.324)	(5.257.984)	(4.907.964)	(17.233.140)	(15.108.130)	(14.164.172)
Operating result before financial items.....	656.337	2.407.913	(1.597.573)	17.472.008	18.205.335	12.699.406
Net financial items	(3.868.348)	(2.009.355)	1.550.806	(19.735.876)	(14.417.946)	(14.100.665)
Operating result before tax, adjustments and effects of associated companies	(3.212.011)	398.557	(46.767)	(2.263.868)	3.787.389	(1.401.259)
Income tax	0	0	0	(536.692)	(135.053)	(441.571)
Value adjustment of investment properties	0	0	0	(2.336.593)	3.406.920	7.277.846
Share in associated companies' operating results	0	0	0	(26.823)	11.259	(26.648)
Minority interests	0	0	0	(307.055)	(380.550)	(313.862)
Operating results.....	(3.212.011)	398.557	(46.767)	(5.471.031)	6.689.967	5.094.507

Statement of Financial Position 30 June 2026

Assets

	Notes	Reykjavik Municipal (Section A)		Reykjavik Group (Sections A and B)	
		Interim Financial	Financial	Interim Financial	Financial
		Statements	Statements	Statements	Statements
		30.6.2026	31.12.2025	30.6.2026	31.12.2025
Fixed assets					
Intangible assets		4.624.923	5.152.167	11.958.331	12.285.661
Fixed tangible assets:					
Real estate		181.425.810	179.621.992	215.444.471	212.910.723
Utilities		0	0	459.681.713	453.033.143
Investment properties		0	0	172.564.536	173.982.032
Road systems		44.906.830	43.566.914	45.296.262	43.968.849
Machinery and equipment		7.658.507	8.166.350	17.634.882	18.060.267
Lease properties		5.089.111	5.629.215	6.153.858	6.654.613
		239.080.258	236.984.470	916.775.721	908.609.627
Investments and long-term receivables:					
Capital contributions and shares in companies		20.775.185	20.047.209	16.391.735	16.178.624
Pre-paid costs		7.129.719	7.322.297	7.481.746	7.685.546
Embedded derivatives		0	0	1.820.051	2.472.133
Derivative contracts		216.450	103.137	216.450	103.137
Deferred tax assets		0	0	6.555.211	5.987.000
Other long-term receivables		1.630.650	1.755.054	1.698.936	1.922.674
		29.752.004	29.227.696	34.164.128	34.349.114
Total fixed assets		273.457.185	271.364.333	962.898.180	955.244.402
Current assets					
Inventories		0	0	2.019.048	1.973.370
Short-term receivables:					
Unclaimed revenues and receivables		25.462.768	18.040.370	37.300.486	26.895.489
Next year's payment of other long-term receivables		499.182	746.938	507.529	755.594
Receivables from own companies		3.408.045	252.539	3.027	7.494
Pre-paid costs		385.156	385.156	1.579.350	1.120.985
Embedded derivatives		0	0	1.334.629	1.238.391
Other receivables		2.532.823	2.811.978	3.892.787	4.682.667
Bank deposits and marketable securities		0	0	14.772.283	15.364.438
Cash and cash equivalents		11.361.778	15.076.010	31.128.015	30.806.302
Total current assets		43.649.753	37.312.990	92.537.154	82.844.731
Total assets		317.106.938	308.677.323	1.055.435.335	1.038.089.134

Statement of Financial Position 30 June 2026

Equity and liabilities

Notes	Reykjavik Municipal (Section A)		Reykjavik Group (Sections A and B)	
	Interim Financial	Financial	Interim Financial	Financial
	Statements	Statements	Statements	Statements
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
Equity				
Equity account	83.774.908	86.986.919	453.905.026	458.730.600
Minority interest	0	0	18.938.411	18.811.119
Total equity	83.774.908	86.986.919	472.843.436	477.541.720
Obligations				
Pension obligations	44.643.160	43.790.369	45.529.027	44.637.505
Deferred tax liabilities	0	0	25.583.166	25.827.211
Capital contributions from state	0	0	8.300.948	8.010.618
Other obligations	0	0	101.717	97.358
Total obligations	44.643.160	43.790.369	79.514.858	78.572.692
Long-term liabilities				
Long-term debts	137.713.784	131.556.002	408.482.650	393.252.550
Lease liabilities	9.304.635	9.935.562	9.590.629	10.202.765
Embedded derivatives in electricity contracts	0	0	1.633.667	1.694.761
Derivative contracts	0	0	186.543	355.333
Total long-term liabilities	147.018.419	141.491.564	419.893.490	405.505.410
Current liabilities				
Debts to credit institutions	4.021	0	222.138	247.197
Accounts payable	5.262.229	7.308.598	11.139.269	13.519.464
Next year's payments on long-term debts	9.471.539	8.652.999	30.916.979	31.666.861
Next year's payments on lease liabilities	2.005.955	2.049.243	2.044.627	2.091.035
Pension obligations, short-term	2.150.000	2.150.000	2.210.957	2.211.005
Accounts payable to own companies	739.003	464.521	193.366	123.861
Prepayments	0	77.014	3.081.850	372.155
Derivative contracts	236.736	98.395	868.601	844.572
Other payables	21.800.967	15.607.702	32.505.765	25.393.163
Total current liabilities	41.670.450	36.408.471	83.183.551	76.469.312
Total liabilities and obligations	233.332.029	221.690.404	582.591.899	560.547.414
Total equity and liabilities	317.106.938	308.677.323	1.055.435.335	1.038.089.134

Statement of Cash Flows 1 January - 30 June 2026

Notes	Reykjavik Municipal (Section A)			Reykjavik Group (Sections A and B)		
	Interim	Budget with	Interim	Interim	Budget with	Interim
	Financial	Annexes	Financial	Financial	Annexes	Financial
	Statements	Statements	Statements	Statements	Statements	Statements
	Jan-Jun 2026	Jan-Jun 2026	Jan-Jun 2025	Jan-Jun 2026	Jan-Jun 2026	Jan-Jun 2025
Cash flows from operating activities						
Operating results.....	(3.212.011)	398.557	(46.767)	(5.471.031)	6.689.967	5.094.507
Adjustments not affecting cash flow:						
Gain on sold assets	(1.633.958)	(1.500.000)	(2.414.276)	(1.677.710)	(1.500.000)	(2.598.874)
Depreciation	7.277.324	5.257.984	4.907.964	17.233.140	15.108.130	14.164.172
Indexation, discounts and exch.rate differences	3.989.731	1.874.401	2.603.600	11.536.902	5.070.626	7.495.790
Changes in marketable securities	0	0	0	1.019.102	0	(2.574.893)
Embedded derivatives, change	0	0	0	555.845	1.284.434	(149.860)
Fair value change of hedge	25.026	0	71.651	(258.075)	(43.062)	179.628
Value adjustment of investment properties	0	0	0	2.336.593	(3.406.920)	(7.277.846)
Effect of own companies and minority interests	0	0	0	333.878	369.290	340.510
Changes in pension obligations	1.951.500	1.761.500	5.045.161	2.021.035	1.773.991	5.070.357
Prepaid contribution to Brú pension fund, changes	192.578	192.578	192.578	202.078	192.578	202.123
Changes in deferred taxes	0	0	0	(1.045.532)	(1.634.866)	(735.719)
Provision for losses	7.000	0	0	7.000	0	0
Capital contributions from state, depreciation	0	0	0	(26.496)	0	0
Working capital provided by operating activities	8.597.192	7.985.021	10.359.911	26.766.729	23.904.167	19.209.894
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	(45.983)	0	17.778
Current receivables (increase) decrease	(10.028.899)	(1.507.904)	(8.625.831)	(9.662.966)	(3.510.409)	(6.688.985)
Current liabilities (decrease) increase	4.421.379	0	4.390.458	7.658.705	989.614	7.773.967
Contributions to pension payments	(1.098.709)	(930.000)	(1.025.298)	(1.128.978)	(930.000)	(1.051.826)
Prepaid contribution to Brú pension fund, changes	0	0	0	0	9.546	0
Change in operating assets and liabilities	(6.706.230)	(2.437.904)	(5.260.671)	(3.179.222)	(3.441.249)	50.934
Net cash provided by operating activities	1.890.962	5.547.117	5.099.240	23.587.507	20.462.918	19.260.828
Investment activities						
Investments in fixed tangible assets	(9.481.966)	(11.035.000)	(7.631.606)	(25.329.114)	(30.951.504)	(22.398.962)
Investment in investment properties	0	0	0	(1.414.379)	(2.225.537)	(810.393)
Investments in intangible assets	(354.036)	(474.000)	(440.501)	(1.098.351)	(994.000)	(1.086.810)
Paid road construction fees	846.081	1.666.667	1.365.631	846.081	1.666.667	1.365.631
Sales of building rights	555.888	1.333.333	789.081	555.888	1.333.333	789.081
Proceeds from sale of fixed tangible assets	875.258	166.667	841.443	1.292.818	489.333	1.844.436
Change in shareholdings	(727.976)	(650.307)	(623.466)	(239.933)	(450.000)	(470.044)
Short-term investments	0	0	0	0	0	0
Restricted bank deposits	0	0	0	93.567	0	0
Long-term receivables, change	390.297	1.050.000	25.359	393.688	1.046.795	35.537
Other investment activities	0	0	0	0	0	0
Investment activities	(7.896.453)	(7.942.640)	(5.674.058)	(24.899.735)	(30.084.913)	(20.731.522)
Financing activities						
Capital contributions from state	0	0	0	529.082	400.613	348.381
New long-term borrowings	7.427.243	7.000.000	5.612.485	18.822.534	22.985.241	22.916.643
Repayment of liabilities, before maturity	0	0	0	(31.808)	0	(675.401)
Repayments of long-term liabilities	(4.109.352)	(4.110.115)	(3.415.765)	(16.277.800)	(16.688.626)	(15.762.293)
Payments on lease liabilities	(1.030.653)	(955.108)	(925.991)	(995.094)	(999.824)	(915.548)
Prepaid revenue	0	0	0	(74.490)	0	65.545
Dividends paid	0	0	0	0	0	(209.983)
Short-term debts to credit institutions, change	4.021	0	995	(244.530)	(726)	275.391
Other financing activities	0	0	(6.943)	0	0	(6.943)
Financing activities	2.291.260	1.934.777	1.264.781	1.727.894	5.696.678	6.035.794
(Decrease) Increase in cash and cash equivalents.....	(3.714.231)	(460.746)	689.963	415.666	(3.925.317)	4.565.099
Cash and cash equivalents at beginning of year.....	15.076.010	15.565.156	12.150.761	30.806.302	32.888.261	34.132.862
Effect of changes in ownership ratio on cash.....	0	0	0	(6.404)	0	(10.811)
Effect of currency fluctuations on cash.....	0	0	0	(87.550)	0	(284.838)
Cash and cash equivalents at year-end.....	11.361.778	15.104.410	12.840.724	31.128.015	28.962.945	38.402.313
Investment and financing activities without cash flow effect						
New lease assets	0	0	(154.449)	(82.081)	0	(254.295)
New lease liabilities	0	0	154.449	50.907	0	254.295
Proceeds from sale of fixed tangible assets	269.850	0	2.567.161	426.196	0	2.567.161
Long-term receivables, change	(269.850)	0	(2.567.161)	(426.196)	0	(2.567.161)
Investments in fixed tangible assets	0	0	0	(157.874)	0	811.193
Short-term borrowings, change	0	0	0	157.874	0	(811.193)
Other payables	0	0	0	226.135	0	209.981
Unpaid dividends	0	0	0	(226.135)	0	(209.981)