

# Reykjavíkurborg

(City of Reykjavik)

## Interim Financial Statements 1 January - 30 June 2022



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

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## (City of Reykjavik)

### Interim Financial Statements

#### 1 January - 30 June 2022

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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 2022

Notes	Reykjavik Municipal (A operation)			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 2022	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2022	Jan-Jun 2021
<b>Operating revenue</b>						
Tax revenues .....	58.533.702	57.801.607	54.137.709	58.179.588	57.390.995	53.796.727
Contributions from Municipal Equalisation Fund .....	4.311.470	4.324.002	3.710.419	4.311.470	4.324.002	3.710.419
Other revenues .....	12.105.472	11.331.695	10.610.388	44.261.738	45.119.120	41.411.891
<b>Total operating revenues</b>	<b>74.950.644</b>	<b>73.457.304</b>	<b>68.458.516</b>	<b>106.752.796</b>	<b>106.834.117</b>	<b>98.919.037</b>
<b>Operating expenses</b>						
Wage cost and wage-related expenses .....	45.026.565	43.046.337	41.839.165	52.595.196	50.812.787	48.791.350
Changes in pension obligations, LsRb .....	1.125.000	1.350.000	1.750.000	1.186.195	1.350.000	1.753.028
Other operating expenses .....	29.905.680	28.120.153	26.532.598	33.957.936	34.529.218	31.173.227
<b>Total operating expenses</b>	<b>76.057.244</b>	<b>72.516.490</b>	<b>70.121.763</b>	<b>87.739.328</b>	<b>86.692.004</b>	<b>81.717.605</b>
Operating result before depreciation, EBITDA .....	( 1.106.600 )	940.814	( 1.663.247 )	19.013.469	20.142.113	17.201.431
Depreciation .....	( 3.445.019 )	( 3.620.307 )	( 3.090.945 )	( 10.953.563 )	( 11.068.677 )	( 10.394.083 )
Operating result before financial items.....	( 4.551.619 )	( 2.679.493 )	( 4.754.192 )	8.059.906	9.073.436	6.807.349
Net financial items .....	( 4.341.006 )	( 2.131.915 )	( 2.567.702 )	( 13.277.655 )	( 7.459.668 )	( 2.175.325 )
Operating result before tax, adjustments and effects of associated companies	( 8.892.626 )	( 4.811.409 )	( 7.321.894 )	( 5.217.748 )	1.613.768	4.632.024
Income tax .....	0	0	0	( 1.183.882 )	( 897.140 )	( 3.601.536 )
Value adjustment of investment properties .....	0	0	0	19.902.834	3.003.307	11.087.373
Share in associated companies' operating results .....	0	0	0	( 5.155 )	0	( 3.570 )
Minority interests .....	0	0	0	( 325.940 )	( 355.675 )	( 564.069 )
<b>Operating results.....</b>	<b>( 8.892.626 )</b>	<b>( 4.811.409 )</b>	<b>( 7.321.894 )</b>	<b>13.170.109</b>	<b>3.364.260</b>	<b>11.550.222</b>

# Statement of Financial Position 30 June 2022

## Assets

	Notes	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operations)	
		Interim Financial	Financial	Interim Financial	Financial
		Statements	Statements	Statements	Statements
		30.6.2022	31.12.2021	30.6.2022	31.12.2021
<b>Fixed assets</b>					
Intangible assets .....		2.882.746	2.044.271	5.972.342	5.010.752
Fixed tangible assets:					
Real estate .....		140.458.654	134.340.046	163.827.499	158.788.230
Utilities .....		0	0	356.886.820	352.484.348
Investment properties .....		0	0	146.624.395	123.732.218
Road systems .....		29.976.739	28.973.357	30.431.009	29.420.701
Machinery and equipment .....		6.050.430	5.930.242	11.487.849	11.217.087
Lease properties .....		4.707.764	5.034.105	5.873.824	6.703.370
		181.193.587	174.277.749	715.131.396	682.345.953
Investments and long-term receivables:					
Capital contributions and shares in companies .....		14.223.544	13.893.257	5.346.243	5.278.285
Pre-paid costs .....		8.667.417	8.859.995	9.098.284	9.300.456
Derivative contracts .....		0	0	238.997	73.264
Deferred tax assets .....		0	0	3.474.443	3.812.930
Other long-term receivables .....		1.269.594	903.126	1.446.794	1.097.335
		24.160.555	23.656.378	19.604.761	19.562.270
<b>Total fixed assets</b>		208.236.889	199.978.398	740.708.499	706.918.975
<b>Current assets</b>					
Inventories .....		0	0	2.224.793	1.690.650
Short-term receivables:					
Unclaimed revenues and receivables .....		16.070.345	15.992.454	23.435.359	22.392.283
Next year's payment of other long-term receivables .....		1.063.305	686.596	1.139.533	779.724
Receivables from own companies .....		273.284	340.375	390	25.611
Pre-paid costs .....		388.081	388.081	804.835	732.588
Embedded derivatives .....		0	0	316.342	1.548.338
Derivative contracts .....		0	0	315.237	17.036
Investments available for sale .....		0	0	6.095.000	6.095.000
Other receivables .....		3.566.294	3.818.043	4.741.998	5.284.987
Bank deposits and marketable securities .....		0	0	14.464.746	14.657.369
Cash and cash equivalents .....		12.482.993	15.276.111	24.208.281	30.423.739
<b>Total current assets</b>		33.844.302	36.501.660	77.746.514	83.647.325
<b>Total assets</b> .....		242.081.191	236.480.058	818.455.014	790.566.300

# Statement of Financial Position 30 June 2022

## Equity and liabilities

Notes	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operations)	
	Interim Financial	Financial	Interim Financial	Financial
	Statements	Statements	Statements	Statements
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
<b>Equity</b>				
Equity account .....	83.002.151	91.894.777	383.628.686	369.004.546
Minority interest .....	0	0	14.685.828	14.259.431
<b>Total equity</b>	<b>83.002.151</b>	<b>91.894.777</b>	<b>398.314.514</b>	<b>383.263.977</b>
<b>Obligations</b>				
Pension obligations .....	34.262.150	34.394.045	34.937.630	35.024.924
Deferred tax liabilities .....	0	0	17.442.317	17.256.418
Capital contributions from state .....	0	0	4.841.664	3.697.625
Other obligations .....	0	0	74.437	69.047
<b>Total obligations</b>	<b>34.262.150</b>	<b>34.394.045</b>	<b>57.296.047</b>	<b>56.048.014</b>
<b>Long-term liabilities</b>				
Long-term debts .....	84.241.380	75.120.045	286.436.831	280.562.920
Lease liabilities .....	9.873.370	9.961.099	10.965.734	11.536.136
Embedded derivatives in electricity contracts .....	0	0	147.467	931.389
Derivative contracts .....	0	0	109.374	332.279
<b>Total long-term liabilities</b>	<b>94.114.750</b>	<b>85.081.144</b>	<b>297.659.407</b>	<b>293.362.724</b>
<b>Current liabilities</b>				
Debts to credit institutions .....	10.252	40.128	36.263	40.433
Accounts payable .....	4.075.710	5.326.413	8.255.016	10.082.642
Next year's payments on long-term debts .....	3.864.166	3.125.701	25.673.755	19.778.861
Next year's payments on current liabilities, own companies .....	0	3.343	0	817
Next year's payments on lease liabilities .....	1.203.135	1.121.881	1.322.159	1.266.769
Pension obligations, short-term .....	2.309.000	2.309.000	2.344.000	2.344.000
Accounts payable to own companies .....	1.768.008	554.575	357.831	101.800
Prepayments .....	80.409	87.060	2.387.422	1.950.979
Derivative contracts .....	0	0	493.526	1.584.188
Other payables .....	17.391.460	12.541.992	24.315.074	20.741.094
<b>Total current liabilities</b>	<b>30.702.139</b>	<b>25.110.092</b>	<b>65.185.047</b>	<b>57.891.584</b>
<b>Total liabilities and obligations</b>	<b>159.079.040</b>	<b>144.585.281</b>	<b>420.140.500</b>	<b>407.302.323</b>
<b>Total equity and liabilities .....</b>	<b>242.081.191</b>	<b>236.480.058</b>	<b>818.455.014</b>	<b>790.566.300</b>

# Statement of Cash Flows 1 January - 30 June 2022

Notes	Reykjavik Municipal (A operation)			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 2022	Jan-Jun 2022	Jan-Jun2021	Jan-Jun 2022	Jan-Jun 2022	Jan-Jun2021
<b>Cash flows from operating activities</b>						
Operating results.....	( 8.892.626 )	( 4.811.409 )	( 7.321.894 )	13.170.109	3.364.260	11.550.222
Adjustments not affecting cash flow:						
Gain on sold assets .....	( 2.580.139 )	( 2.699.430 )	( 1.733.226 )	( 2.602.781 )	( 2.699.430 )	( 1.764.674 )
Depreciation .....	3.445.019	3.620.307	3.090.945	10.953.563	11.068.677	10.414.261
Indexation, discounts and exch.rate differences .....	4.458.743	712.936	1.377.638	9.805.766	2.461.539	1.666.614
Embedded derivatives, change .....	0	0	0	279.598	548.516	( 4.849.939 )
Value adjustment of investment properties .....	0	0	0	( 19.902.834 )	( 3.003.307 )	( 11.112.886 )
Effect of own companies and minority interests .....	0	0	0	331.095	355.675	567.639
Changes in pension obligations .....	1.125.000	1.350.000	1.750.000	1.186.195	1.350.000	1.746.972
Changes in deferred taxes .....	0	0	0	615.024	( 792.821 )	3.601.536
Provision for losses .....	( 997.479 )	( 600.000 )	( 386.850 )	( 997.479 )	( 600.000 )	( 386.850 )
Depreciated capital contributions from state .....	0	0	0	0	0	0
<b>Working capital provided by operating activities</b>	<b>( 3.441.482 )</b>	<b>( 2.427.595 )</b>	<b>( 3.223.387 )</b>	<b>12.838.255</b>	<b>12.053.109</b>	<b>11.432.894</b>
Changes in operating assets and liabilities:						
Inventories decrease (increase) .....	0	0	0	( 534.148 )	12.447	( 40.498 )
Current receivables (increase) decrease .....	241.349	( 1.013.801 )	( 1.352.533 )	454.601	( 904.375 )	( 2.269.888 )
Current liabilities (decrease) increase .....	3.827.398	504.232	2.196.148	439.869	451.557	4.594.590
Contributions to pension payments .....	( 1.256.895 )	( 1.225.000 )	( 1.085.397 )	( 1.273.489 )	( 1.225.000 )	( 1.101.822 )
Prepaid contribution to Brú pension fund, changes ....	192.578	192.578	180.908	202.141	202.142	178.676
<b>Change in operating assets and liabilities</b>	<b>3.004.431</b>	<b>( 1.541.991 )</b>	<b>( 60.873 )</b>	<b>( 711.026 )</b>	<b>( 1.463.229 )</b>	<b>1.361.058</b>
<b>Net cash provided by operating activities</b>	<b>( 437.051 )</b>	<b>( 3.969.586 )</b>	<b>( 3.284.260 )</b>	<b>12.127.229</b>	<b>10.589.880</b>	<b>12.793.952</b>
<b>Investment activities</b>						
Investments in fixed tangible assets .....	( 11.207.160 )	( 11.310.998 )	( 6.088.115 )	( 19.458.863 )	( 22.618.290 )	( 13.893.932 )
Investment in investment properties .....	0	0	0	( 2.198.172 )	( 1.994.007 )	( 2.260.873 )
Investments in intangible assets .....	( 1.115.367 )	( 1.332.494 )	( 545.540 )	( 1.459.752 )	( 1.652.602 )	( 778.302 )
Paid road construction fees .....	1.120.496	1.800.000	1.198.643	1.120.496	1.800.000	1.198.643
Sales of building rights .....	2.020.028	2.500.000	1.627.528	2.022.713	2.500.000	1.665.791
Proceeds from sale of fixed tangible assets .....	87.800	199.430	657.945	249.586	199.430	779.259
Change in shareholdings .....	( 200.843 )	( 958.512 )	( 851.321 )	56.334	1.777.921	( 272.347 )
Short-term investments .....	947.458	0	( 20.774 )	( 866.960 )	0	3.435.611
Restricted bank deposits .....	0	0	0	0	0	( 3.749 )
Long-term receivables, change .....	646.154	540.000	3.677.693	687.296	579.995	360.593
<b>Investment activities</b>	<b>( 7.701.434 )</b>	<b>( 8.562.573 )</b>	<b>( 343.940 )</b>	<b>( 19.847.323 )</b>	<b>( 19.407.552 )</b>	<b>( 9.769.306 )</b>
<b>Financing activities</b>						
Capital contributions from state .....	0	0	0	271.557	689.735	450.749
New long-term borrowings .....	7.489.718	12.500.000	12.261.819	11.317.325	19.871.988	24.436.308
New lease liabilities .....	0	0	0	0	0	37.819
Repayments of long-term liabilities .....	( 1.535.246 )	( 1.479.488 )	( 1.245.494 )	( 9.568.030 )	( 12.105.316 )	( 10.410.203 )
Payments on lease liabilities .....	( 567.838 )	( 555.480 )	( 513.538 )	( 581.420 )	( 555.480 )	( 536.323 )
Derivative contracts paid .....	0	0	0	0	( 61.123 )	0
Paid-in capital .....	0	0	0	0	0	325
Short-term borrowings, change .....	( 29.876 )	0	( 251.205 )	96.141	( 34.572 )	( 859.713 )
Dividends paid .....	0	0	0	0	0	( 77.822 )
Other financing activities .....	( 11.391 )	0	( 22.653 )	( 11.391 )	0	( 22.653 )
<b>Financing activities</b>	<b>5.345.366</b>	<b>10.465.032</b>	<b>10.228.930</b>	<b>1.524.181</b>	<b>7.805.231</b>	<b>13.018.487</b>
<b>(Decrease) Increase in cash and cash equivalents.....</b>	<b>( 2.793.118 )</b>	<b>( 2.067.128 )</b>	<b>6.600.730</b>	<b>( 6.195.913 )</b>	<b>( 1.012.440 )</b>	<b>16.043.134</b>
<b>Cash and cash equivalents at beginning of year.....</b>	<b>15.276.111</b>	<b>14.546.655</b>	<b>8.110.912</b>	<b>30.423.739</b>	<b>25.833.077</b>	<b>26.318.982</b>
<b>Effect of changes in ownership ratio on cash.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 66 )</b>	<b>0</b>	<b>459</b>
<b>Effect of currency fluctuations on cash.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 19.480 )</b>	<b>( 3.396 )</b>	<b>( 227.194 )</b>
<b>Cash and cash equivalents at year-end.....</b>	<b>12.482.993</b>	<b>12.479.527</b>	<b>14.711.642</b>	<b>24.208.281</b>	<b>24.817.241</b>	<b>42.135.380</b>
<b>Investment and financing activities without cash flow effect</b>						
New lease assets .....	0	0	0	( 176.719 )	0	0
New lease liabilities .....	0	0	0	176.719	0	0