

Reykjavíkurborg

(City of Reykjavik)

Interim Financial Statements
1 January - 30 September 2022



Reykjavíkurborg
(City of Reykjavik)
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Interim Financial Statements

1 January - 30 September 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 September 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-Sep 2022	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2022	Jan-Sep 2021
Operating revenue						
Tax revenues	88.523.846	88.902.666	82.971.307	87.992.675	88.286.749	82.459.834
Contributions from Municipal Equalisation Fund	6.919.622	6.721.245	5.881.955	6.919.622	6.721.245	5.881.955
Other revenues	16.543.317	16.707.368	14.676.014	66.584.288	67.332.284	60.588.284
Total operating revenues	111.986.785	112.331.280	103.529.276	161.496.584	162.340.277	148.930.073
Operating expenses						
Wage cost and wage-related expenses	67.825.752	66.138.033	62.701.129	78.806.026	77.787.708	72.770.708
Changes in pension obligations, LsRb	2.925.000	2.025.000	2.512.500	2.994.863	2.025.000	2.516.140
Other operating expenses	43.512.100	41.742.685	39.005.432	52.748.455	51.356.282	46.323.800
Total operating expenses	114.262.852	109.905.718	104.219.061	134.549.344	131.168.990	121.610.648
Operating result before depreciation, EBITDA	(2.276.067)	2.425.562	(689.785)	26.947.241	31.171.287	27.319.425
Depreciation	(5.180.558)	(5.425.211)	(4.618.044)	(16.694.376)	(16.597.765)	(15.572.209)
Operating result before financial items.....	(7.456.625)	(2.999.650)	(5.307.829)	10.252.864	14.573.522	11.747.216
Net financial items	(3.627.186)	1.368.127	230.461	(23.260.019)	(11.179.749)	(5.010.171)
Operating result before tax, adjustments and effects of associated companies	(11.083.812)	(1.631.523)	(5.077.368)	(13.007.155)	3.393.772	6.737.046
Income tax	0	0	0	(500.409)	(1.346.683)	(4.615.224)
Value adjustment of investment properties	0	0	0	20.562.928	4.504.960	14.084.113
Share in associated companies' operating results	0	0	0	(3.159)	0	(3.967)
Minority interests	0	0	0	(275.643)	(533.027)	(673.601)
Operating results.....	(11.083.812)	(1.631.523)	(5.077.368)	6.776.562	6.019.023	15.528.367

Statement of Financial Position 30 September 2022

Assets

	Notes	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operations)	
		Interim Financial	Financial	Interim Financial	Financial
		Statements	Statements	Statements	Statements
		30.9.2022	31.12.2021	30.9.2022	31.12.2021
Fixed assets					
Intangible assets		3.272.071	2.044.271	6.391.060	5.010.752
Fixed tangible assets:					
Real estate		143.586.660	134.340.046	167.385.496	158.788.230
Utilities		0	0	367.394.605	352.484.348
Investment properties		0	0	148.028.661	123.732.218
Road systems		32.133.486	28.973.357	32.588.294	29.420.701
Machinery and equipment		5.855.254	5.930.242	11.223.607	11.217.087
Lease properties		4.814.079	5.034.105	6.004.874	6.703.370
		186.389.480	174.277.749	732.625.536	682.345.953
Investments and long-term receivables:					
Capital contributions and shares in companies		14.571.005	13.893.257	5.348.239	5.278.285
Pre-paid costs		8.571.128	8.859.995	8.997.213	9.300.456
Derivative contracts		0	0	435.318	73.264
Deferred tax assets		0	0	4.263.683	3.812.930
Other long-term receivables		1.505.007	903.126	1.682.160	1.097.335
		24.647.139	23.656.378	20.726.613	19.562.270
Total fixed assets		214.308.691	199.978.398	759.743.209	706.918.975
Current assets					
Inventories		0	0	1.998.464	1.690.650
Short-term receivables:					
Unclaimed revenues and receivables		14.362.796	15.992.454	20.791.100	22.392.283
Next year's payment of other long-term receivables		898.253	686.596	969.801	779.724
Receivables from own companies		189.068	340.375	682	25.611
Pre-paid costs		388.081	388.081	619.898	732.588
Embedded derivatives		0	0	0	1.548.338
Derivative contracts		0	0	770.941	17.036
Investments available for sale		0	0	6.095.000	6.095.000
Other receivables		3.175.874	3.818.043	4.232.135	5.284.987
Bank deposits and marketable securities		0	0	13.962.402	14.657.369
Cash and cash equivalents		12.605.227	15.276.111	25.202.265	30.423.739
Total current assets		31.619.299	36.501.660	74.642.686	83.647.325
Total assets		245.927.990	236.480.058	834.385.895	790.566.300

Statement of Financial Position 30 September 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
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Equity				
Equity account	80.810.965	91.894.777	381.935.574	369.004.546
Minority interest	0	0	14.701.763	14.259.431
Total equity	80.810.965	91.894.777	396.637.337	383.263.977
Obligations				
Pension obligations	35.379.366	34.394.045	36.053.453	35.024.924
Deferred tax liabilities	0	0	17.820.413	17.256.418
Capital contributions from state	0	0	5.246.558	3.697.625
Other obligations	0	0	76.619	69.047
Total obligations	35.379.366	34.394.045	59.197.043	56.048.014
Long-term liabilities				
Long-term debts	88.564.435	75.120.045	300.541.793	280.562.920
Lease liabilities	10.153.656	9.961.099	11.258.367	11.536.136
Embedded derivatives in electricity contracts	0	0	1.076.158	931.389
Derivative contracts	0	0	6.500	332.279
Total long-term liabilities	98.718.091	85.081.144	312.882.818	293.362.724
Current liabilities				
Debts to credit institutions	126.055	40.128	126.211	40.433
Accounts payable	4.318.978	5.326.413	8.690.281	10.082.642
Next year's payments on long-term debts	4.226.212	3.125.701	24.303.159	19.778.861
Next year's payments on current liabilities, own companies	0	3.343	0	817
Next year's payments on lease liabilities	1.285.137	1.121.881	1.407.738	1.266.769
Pension obligations, short-term	2.309.000	2.309.000	2.344.000	2.344.000
Accounts payable to own companies	1.612.972	554.575	925.655	101.800
Prepayments	80.409	87.060	3.618.070	1.950.979
Derivative contracts	0	0	99.264	1.584.188
Other payables	17.060.806	12.541.992	23.446.164	20.741.094
Total current liabilities	31.019.568	25.110.092	65.668.698	57.891.584
Total liabilities and obligations	165.117.025	144.585.281	437.748.559	407.302.323
Total equity and liabilities	245.927.990	236.480.058	834.385.896	790.566.300

Statement of Cash Flows 1 January - 30 September 2022

Notes	Reykjavik Municipal (A operation)			Reykjavik Group (A and B operations)		
	Interim		Interim	Interim		Interim
	Financial Statements Jan-Sep 2022	Budget with Annexes Jan-Sep 2022	Financial Statements Jan-Sep 2021	Financial Statements Jan-Sep 2022	Budget with Annexes Jan-Sep 2022	Financial Statements Jan-Sep 2021
Cash flows from operating activities						
Operating results.....	(11.083.812)	(1.631.523)	(5.077.368)	6.776.562	6.019.023	15.528.367
Adjustments not affecting cash flow:						
Gain on sold assets	(2.906.684)	(4.049.145)	(2.015.964)	(2.942.847)	(4.049.145)	(2.052.630)
Depreciation	5.180.558	5.425.211	4.618.044	16.694.376	16.491.093	15.586.735
Indexation, discounts and exch.rate differences	7.545.456	1.068.220	1.988.720	14.296.133	3.691.124	3.295.124
Embedded derivatives, change	0	0	0	1.498.388	822.773	(4.907.389)
Value adjustment of investment properties	0	0	0	(20.562.972)	(4.504.960)	(14.084.131)
Effect of own companies and minority interests	0	0	0	278.802	533.027	677.568
Changes in pension obligations	2.925.000	2.025.000	2.512.500	2.994.863	2.025.000	2.516.188
Changes in deferred taxes	0	0	0	665.601	(1.189.231)	3.307.810
Provision for losses	(792.743)	(600.000)	(381.850)	(792.743)	(600.000)	(381.850)
Working capital provided by operating activities	867.775	2.237.763	1.644.082	18.906.163	19.238.704	19.485.793
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	(307.818)	18.671	(32.432)
Current receivables (increase) decrease	2.660.313	(388.005)	(1.333.976)	3.651.691	(223.865)	(978.128)
Current liabilities (decrease) increase	3.584.975	756.348	1.375.750	2.981.137	677.336	4.158.683
Contributions to pension payments	(1.939.679)	(1.837.500)	(1.681.154)	(1.966.334)	(1.837.500)	(1.706.092)
Prepaid contribution to Brú pension fund, changes	288.867	288.867	277.197	303.212	292.728	291.543
Change in operating assets and liabilities	4.594.475	(1.180.290)	(1.362.182)	4.661.887	(1.072.631)	1.733.573
Net cash provided by operating activities	5.462.250	1.057.473	281.900	23.568.050	18.166.074	21.219.366
Investment activities						
Investments in fixed tangible assets	(17.976.845)	(21.252.747)	(10.466.775)	(32.192.996)	(38.018.147)	(22.842.917)
Investment in investment properties	0	0	0	(2.851.170)	(2.991.010)	(2.819.924)
Investments in intangible assets	(1.643.138)	(1.988.246)	(833.814)	(2.137.613)	(2.468.408)	(1.187.615)
Paid road construction fees	1.308.504	2.700.000	1.784.022	1.308.504	2.700.000	1.784.022
Sales of building rights	2.241.195	3.750.000	1.909.980	2.243.880	3.750.000	1.948.243
Proceeds from sale of fixed tangible assets	200.300	299.145	658.725	527.287	299.145	991.252
Change in shareholdings	(548.303)	(1.437.767)	(838.656)	56.731	3.258.083	(267.839)
Short-term investments	947.458	0	(25.328)	172.951	0	2.203.937
Restricted bank deposits	0	0	0	0	0	(5.432)
Long-term receivables, change	438.769	790.000	4.047.643	488.406	849.992	757.543
Investment activities	(15.032.061)	(17.139.615)	(3.764.203)	(32.384.019)	(32.620.345)	(19.438.729)
Financing activities						
Capital contributions from state	0	0	0	754.402	443.401	566.047
New long-term borrowings	10.508.329	18.016.667	18.618.959	17.792.583	28.961.838	30.838.448
Repayments of long-term liabilities	(2.564.671)	(2.494.068)	(2.014.724)	(13.582.249)	(18.397.612)	(15.474.557)
Payments on lease liabilities	(882.490)	(833.220)	(779.405)	(916.790)	(833.220)	(822.171)
Derivative contracts paid	0	0	0	0	(91.684)	0
Paid-in capital	0	0	0	0	0	325
Short-term borrowings, change	85.927	0	(471.510)	(11.518)	(51.858)	(1.180.143)
Dividends paid	0	0	0	(258.439)	(362.684)	(258.440)
Other financing activities	(248.169)	0	(244)	(248.169)	0	(244)
Financing activities	6.898.926	14.689.379	15.353.076	3.529.819	9.668.180	13.669.264
(Decrease) Increase in cash and cash equivalents.....	(2.670.884)	(1.392.763)	11.870.772	(5.286.150)	(4.786.091)	15.449.900
Cash and cash equivalents at beginning of year.....	15.276.111	14.546.655	8.110.912	30.423.739	25.833.077	26.318.982
Effect of changes in ownership ratio on cash.....	0	0	0	(66)	0	459
Effect of currency fluctuations on cash.....	0	0	0	64.741	(5.094)	(3.255)
Cash and cash equivalents at year-end.....	12.605.227	13.153.892	19.981.684	25.202.265	21.041.892	41.766.086
Investment and financing activities without cash flow effect						
New lease assets	(283.432)	0	0	(463.990)	0	(61.652)
New lease liabilities	283.432	0	0	463.990	0	61.652
Proceeds from sale of fixed tangible assets	540.010	0	0	540.010	0	0
Long-term receivables, change	(540.010)	0	0	(540.010)	0	0
Investments in fixed tangible assets	0	0	0	(314.085)	0	0
Short-term borrowings, change	0	0	0	314.085	0	0