



November 8th, 2023

Press release on the earnings of Sýn hf. for the first nine months of 2023

Significant Milestones Completed

Sýn hf.'s Consolidated Interim Financial Statement for the first nine months of 2023 was approved by the board of directors on November 8th, 2023.

Operating profit (EBIT) for the first nine months (9M) of 2023 amounted to ISK 1,594 million, an increase of 32% compared to the same period in the previous year. EBIT for the third quarter (Q3) amounted to ISK 592 million compared to ISK 486 million in Q3 2022.

Profit after taxes for 9M 2023 amounted to ISK 804 million compared to ISK 454 million in the same period in 2022.

Ljósleiðarinn's purchase of Sýn's core network was approved by the Icelandic Competition Authority. The core network was formally handed over on October 4th and the first payment according to the purchase agreement was received on the same day. The agreed purchase price is ISK 3,000 million and the estimated capital gain from the sale is approximately 2,400 million that will be fully entered into the company's books in the fourth quarter of 2023.

The purchase of Já.is was completed in early October. A new business unit will subsequently be established within Sýn called "Web Media and Radio". The new business unit will include Sýn's media units, except "Stöð 2", along with Já.is, Bland and related brands. It is estimated that the annual income of the new unit will amount to ISK 3,000 million. The integration of Já and related units with the advertising media of Sýn will strengthen the product offering and advertising space within Sýn's online media. "Stöð 2" will be an independent unit with a focus on subscription revenue and domestic programming. The newsroom for Vísir, Stöð 2 and Bylgjan will work across these units.

Share buyback program determined, up to a maximum of ISK 300 million.

EBIT guidance for 2023 amounting to ISK 2,200-2,500 million, remains unchanged.

Main results:

- Revenue in Q3 2023 was ISK 5,730 million compared to ISK 5,501 million in 3Q 2022. Strong revenue growth was from advertising sales and within Endor. Moderate growth in most other regular income streams. Product sales and other irregular income decreased between quarters. Income in the first nine months of the year was ISK 17,222 million compared to ISK 17,192 million in the same period last year. Taking irregular items into account, the increase in income amounted to 5.6%.
- Operating profit (EBIT) in Q3 amounted to ISK 592 million compared to ISK 486 million in Q3 2022. Profit after taxes in the first nine months of the year amounted to ISK 804 million and increased by 77% between years.



Sýn hf. • Suðurlandsbraut 8 • 108 Reykjavík • Kt. 4709051740 • syn.is



- Operating costs remained stable despite economic challenges such as the rise in inflation along with salary increases. Reduced investment in broadcasting rights and renegotiations with key suppliers led to lower depreciation in the first nine months of 2023.
- Total investments in the first nine months of 2023 amounted to ISK 3,166 million. Investment in fixed assets and intangible assets (excluding broadcasting rights) was ISK 1,656 million and investment in broadcasting license rights amounted to ISK 1,510 million.
- Ljósleiðarinn's purchase of Sýn's core network was approved by the Competition Authority and was formally handed over on October 4th. The capital gain will be fully entered into the company's books in the fourth quarter of 2023. The agreed purchase price is ISK 3,000 million and the estimated capital gain from the sale is approximately 2,400 million. The sale is expected to reduce annual operating cost by ISK 100 million a year. Annual investment requirement is expected to decrease by ISK 120 million over the contract period. The impact on operations and investments will fully realize in the year 2024.
- The purchase of Já was completed on October 13th, 2023, after approval of the transaction by the Competition Authority. The purchase is expected to increase Sýn's annual revenue by ISK 500 million and EBIT by approximately ISK 60 million a year, without taking synergies into account.
- Following the purchase of Já, a new business unit called "Web Media and Radio" will be formed. The new unit will include Vísir and related websites, Bylgjan and other radio stations, the podcast group Tal, Já.is, Bland and related brands. "Stöð 2" will be an independent business unit in charge of subscription revenue and programming. This organizational change is part of Sýn's journey to increase efficiency by sharpening the distinctions and responsibilities between business units. Sýn's business units will subsequently become Vodafone, Stöð 2, Vefmiðlar og útvarp, Innviðir and Endor.
- The first national matches produced by Sýn in collaboration with Viaplay were broadcasted during the quarter and available to all viewers. Considering the good experience, the upcoming national matches will remain in open broadcasting.
- EBIT guidance for 2023 amounting to ISK 2,200-2,500 million, remains unchanged. Based on management estimates, the result is expected to be closer to the lower limit.

Páll Ásgrímsson, CEO:

"Operating profit continues to grow from previous year and there is a good development in revenues from core activities. Advertising revenue is growing and our subsidiary Endor is doing well.

At the beginning of October, important milestones took place with the delivery of Sýn's core network to Ljósleiðarinn, together with the formal completion of the purchase of Já. With the purchase of Já and the marketplace Bland.is, we see great opportunities within advertising and other services to further strengthen our position in that market. We continue on the path of sharpening revenue-generating business units and split our media units into two independent units, "Web Media and Radio" and "Stöð 2". Web Media and Radio includes Vísir and related websites, Bylgjan and other radio stations and the podcast group Tal together with Já.is, Bland and related brands. "Stöð 2" continues to show quality content





with an emphasis on domestic production and sport. The newsroom will work across these units.

Vilborg Helga Harðardóttir will direct “Web Media and Radio” and Eva Georgs. Ásudóttir will manage “Stöð 2”. Erla Björg Gunnarsdóttir will continue to administer the news on Stöð 2, Vísir and Bylgjan.

The reaction to the variety of telecommunications and entertainment packages that were launched in August has been good, and we see a positive trend in subscription numbers. The latest surveys show that Vodafone is increasingly becoming the first choice among customers, and that satisfaction with the service is on the rise. To further strengthen its service offering, Vodafone has introduced a new service, Smart Visit, which has been very well received.

In the last quarter of the year, there will be a lot of exciting things going on at Stöð 2. This includes the 2nd series of Idol, broadcasting of national matches, along with diverse content, e.g., through our Viaplay offering.”

Balance Sheet September 30th, 2023:

Equity at the end of the period was ISK 9,049 million and the equity ratio was 28%.

The company’s total liabilities were ISK 23,269 million at the end of Q3 2023. Interest bearing long-term liabilities amounted to ISK 4,542 million and net interest-bearing debt with lease liabilities amounted to ISK 17,940 million. The current ratio was 1,37.

Financial Calendar 2023:

- | | |
|------------------------------|----------------------------------|
| ✓ Q4 2023 and annual results | February 21 st , 2024 |
| ✓ Annual General meeting | March 15 th , 2024 |

Presentation on November 9th, 2023:

- A presentation meeting will be held on Thursday November 9th, 2023. The meeting will start at 8:30 am in the company’s premises at Suðurlandsbraut 8, Reykjavík. The meeting will also be streamed live online at <https://syn.is/fjarfestatengsl/arshlutareikningar>
- Further inquiries are received via the email address fjarfestatengsl@syn.is
- Additional information can be found on Sýn’s investor relations page at <https://www.syn.is/investors> and in Nasdaq Iceland’s news network.

