

27th February, 2024

Productive year

Q4 and full year 2023





HIGHLIGHTS FROM OPERATIONS

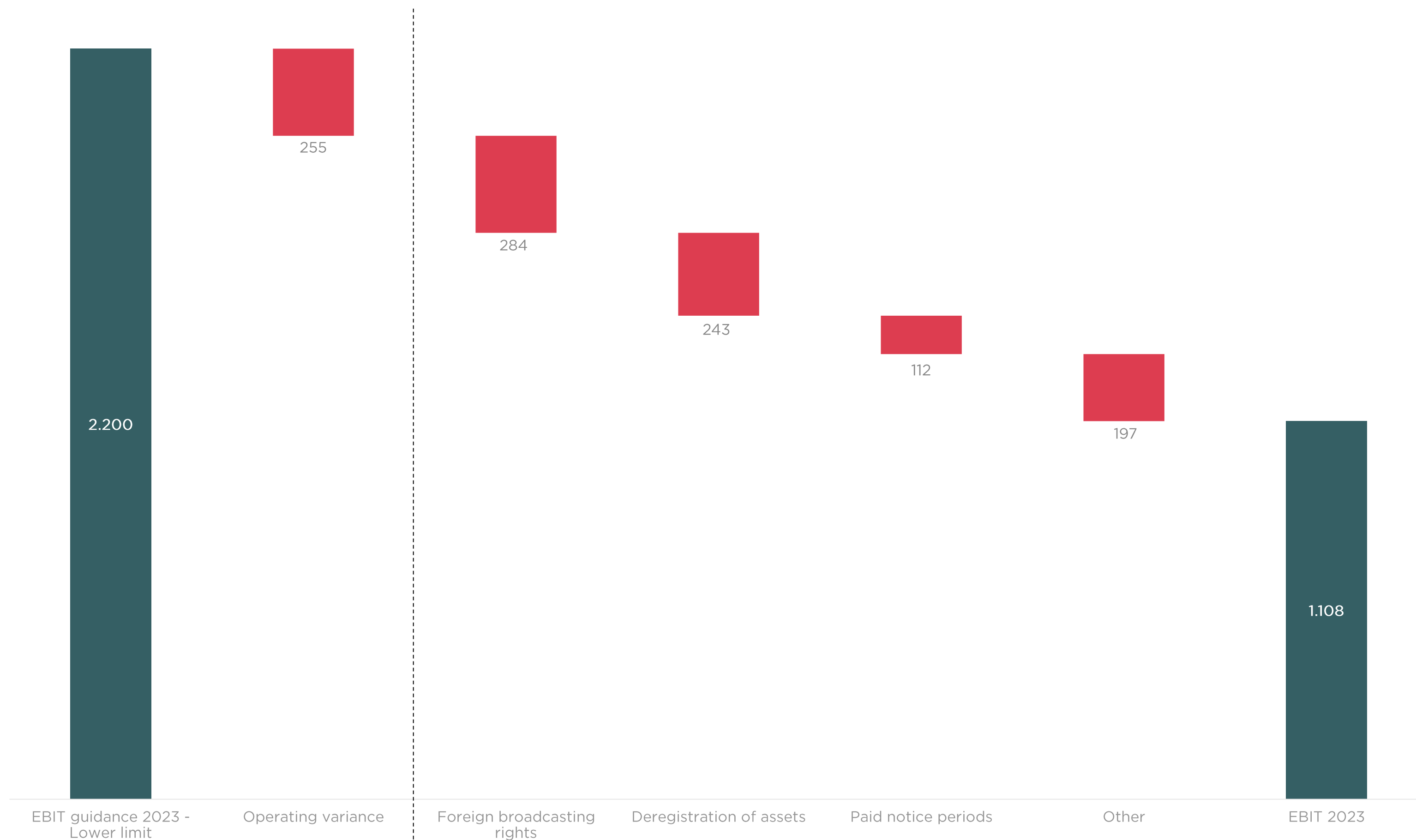
FINANCIAL RESULTS

BUSINESS UNITS AND YEAR 2024



- **Good overall result for the year.** Operating profit (EBIT) for the year 2023 amounted to ISK 3,544 million and profit after tax ISK 2,109 million. Previously disclosed sale of Sýn's core network and specific one-off items in the amount of ISK 837 affect the results of 2023. Adjusted for these items, EBIT amounts to ISK 1.945 million
- **Good revenue increase from advertising and Endor.** Advertising revenue increases by 13%. Revenue from Endor's core business increases by 44%
- **Delivery of the core network** to Ljósleiðarinn took place in Q4. ISK 1,000 million has been paid and ISK 2,000 million will be paid this year
- **Já entered Sýn's operations in Q4.** The integration of Já with Online media & Ratio has started. The purchase price was fully paid in 2023
- **The future ownership** of Online media & Radio is under review with further news expected in the spring
- **Operating cost remains stable** despite challenges in the external environment
- **Emphasis on re-negotiations with foreign suppliers** in TV, results among others things in reduction of trade payables. Continued emphasis on optimization in purchases of foreign broadcasting rights
- **ISK 1,288 million returned to shareholders** in the form of buybacks and dividend payment in 2023

DEVIATION FROM GUIDANCE



- **Foreign broadcasting rights**
 - Change in amortization period and correction from previous years
- **Deregistration of assets**
 - Especially within the Infrastructure unit
- **Paid notice periods**
 - Settlements with former CEO and cost of strategic streamlining



HIGHLIGHTS FROM OPERATIONS

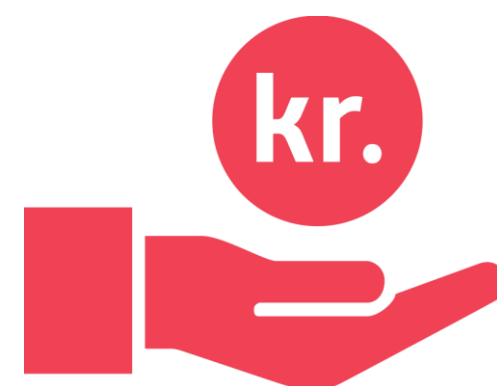
FINANCIAL RESULTS

BUSINESS UNITS AND YEAR 2024

KEY FINANCIAL RESULTS



YEAR 2023



Revenue
ISK 23,475M

+2,1%



EBIT
ISK 3,544M

122,7%



Earnings
ISK 2,109M

137,5%

INCOME STATEMENT



	Q4 2023	Q4 2022	% ch.	2023	2022	% ch.
Revenues	6.253	5.791	8,0%	23.475	22.983	2,1%
Cost of sales	-4.736	-3.696	28,2%	-15.661	-14.966	4,6%
Gross profit	1.517	2.095	-27,6%	7.814	8.017	-2,5%
Sale profit	2.436	-	-	2.436	-	-
Operating expense	-2.002	-1.712	17,0%	-6.706	-6.425	4,4%
EBITDA	3.537	1.528	131,5%	8.285	6.644	24,7%
EBIT	1.950	383	409,2%	3.544	1.592	122,6%
Net financial expense	-363	-206	76,2%	-1.134	-846	34,0%
Income tax	-281	257	-209,3%	-301	142	-312,0%
Profit (loss)	1.306	434	201,0%	2.109	888	137,5%
<i>Gross Margin</i>	<i>24,3%</i>	<i>36,2%</i>		<i>33,3%</i>	<i>34,9%</i>	
<i>Adjusted EBITDA*</i>	<i>1.101</i>	<i>1.528</i>		<i>5.849</i>	<i>6.644</i>	
<i>Adjusted EBIT*</i>	<i>-486</i>	<i>383</i>		<i>1.108</i>	<i>1.592</i>	
<i>Adjusted EBITDA %</i>	<i>17,6%</i>	<i>26,4%</i>		<i>24,9%</i>	<i>28,9%</i>	
<i>Adjusted EBIT %</i>	<i>-7,8%</i>	<i>6,6%</i>		<i>4,7%</i>	<i>6,9%</i>	

Amounts are in ISK millions

Key factors impacting Q4 and 2023

- Revenue growth of over 2% for the year, primarily attributed to the growth in advertising sales and within the subsidiary Endor. Additionally, revenue from Já's operations is included in the fourth quarter
- Cost of sales increases by nearly 5% in 2023, mainly due to one-off items in connection with the change in amortization of foreign broadcasting rights together with additional depreciation related to Infrastructure assets. Additionally, there are added costs from Viaplay (subscriptions and production costs), along with costs from Já, which occur in the fourth quarter
- Operating expense increases by over 4% in 2023, which is below the inflation rate. The year-on-year increase is entirely accounted for in Q4, mostly explained by settlements related to the CEO's retirement and paid notice periods in connection with strategic streamlining, along with other one-off costs. Additionally, operating expenses from Já occur in the fourth quarter
- Endor's performance was strong in 2023 with significant revenue growth from previous year
- Operating profit (EBIT) for the year 2023 amounts to ISK 3,544 million and profit after tax amounts to ISK 2,109 million. Previously disclosed sale of Sýn's core network and specific one-off items in the amount of ISK 837 million affect the results of 2023. Adjusted for these items, EBIT amounts to ISK 1.945 million
- Net financial expenses increase in line with rising financial costs

* Adjusted for the sale of core network, ISK 2,436M

REVENUES



	Q4 2023	Q4 2022	% ch.	2023	2022	% ch.
Media	2.386	2.254	6%	9.000	8.607	5%
Broadband	1.109	1.094	1%	4.405	4.422	0%
Mobile	1.131	1.219	-7%	4.863	5.165	-6%
Fixed Line	108	114	-5%	446	484	-8%
Hosting and operating solutions	776	546	42%	2.537	2.261	12%
- adjusted for irregular items				2.537	1.758	44%
Retail sale	359	363	-1%	1.236	1.267	-2%
Other revenue	383	201	91%	988	777	27%
Total Revenue	6.253	5.791	8%	23.475	22.983	2%
- adjusted for irregular items				23.475	22.480	4%

Media

Continued growth in advertising revenues across all media, with a 13% increase in 2023. Increased focus on advertisements in television, which increase by 46% in Q4. Other media revenues remain stable between years

Broadband

Revenues in broadband remain stable in 2023. Positive trend in the number of home internet subscriptions month after month in the fourth quarter

Mobile

Mobile revenues decrease by 6% in 2023, mainly explained by a reduction in IoT revenues. Revenues from roaming services have increased by 32% compared to last year

Hosting and operating solutions

Strong revenue growth during the year within Endor, as revenues increase by 44%, adjusted for passthrough revenues from foreign projects in 2022

BALANCE SHEET



Assets

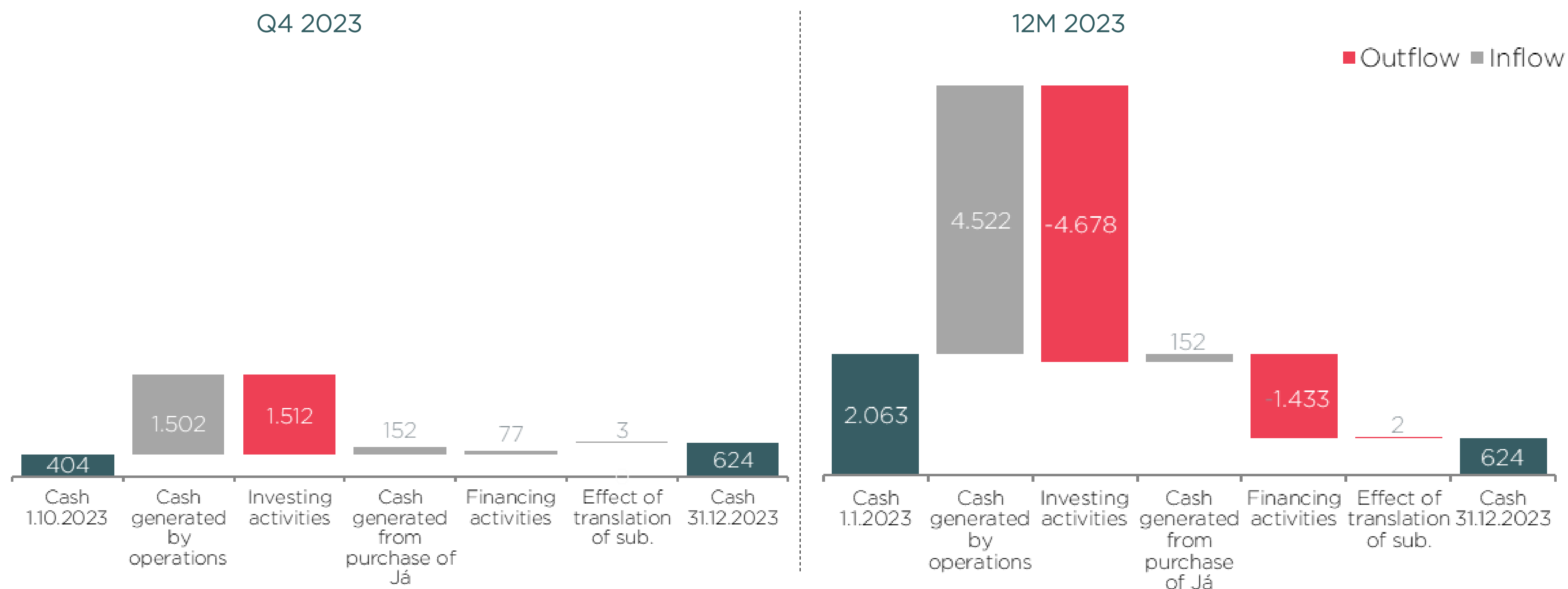
ISK m	31.12.2023	31.12.2022	% ch.
Fixed assets			
Right-of-use asset	8.420	8.620	-2%
Property, plant and equipment	3.290	2.866	15%
Goodwill	9.097	8.906	2%
Other intangible assets	4.976	4.389	13%
Long term lease receivables	141	157	-10%
Shares in other companies	174	185	-6%
Deffered tax asset	0	158	-100%
Fixed assets	26.098	25.281	3%
Current assets			
Broadcasting license rights	2.008	1.809	11%
Inventories	628	559	12%
Trade receivables and other short term receivables	5.576	3.650	53%
Cash and cash equivalents	624	2.063	-70%
Current assets	8.837	8.081	9%
Assets classified for sale	0	564	-100%
Total assets	34.935	33.926	3%

Liabilities and equity

ISK m	31.12.2023	31.12.2022	% ch.
Equity	10.288	9.469	9%
Long term liabilities			
Interest bearing debt	4.461	4.801	-7%
Lease liabilities	11.964	11.820	1%
Deferred tax liabilities	152	0	-
Long term liabilities	16.577	16.621	0%
Current liabilities			
Interest bearing debt	1.779	373	377%
Lease liabilities	1.016	1.295	-22%
Accounts payable and other current liabilities	5.275	6.168	-14%
Current liabilities	8.069	7.836	3%
Total equity and liabilities	34.935	33.926	3%
<i>Interest bearing debt</i>	<i>19.220</i>	<i>18.289</i>	
<i>Net interest bearing debt</i>	<i>18.595</i>	<i>16.226</i>	
<i>Equity ratio</i>	<i>29,4%</i>	<i>27,9%</i>	

* Amounts are in ISK millions

CASHFLOW



Main factors in the change in Free cash flow between years::

- Favorable one-off contracts with key suppliers that deliver efficiencies. One-off items impacting cash flow in 2023 that will not have an impact in 2024
- Purchase of Já. Purchase price paid in full in 2023.
- Heavy investments in property, plant and equipment and other intangible assets.

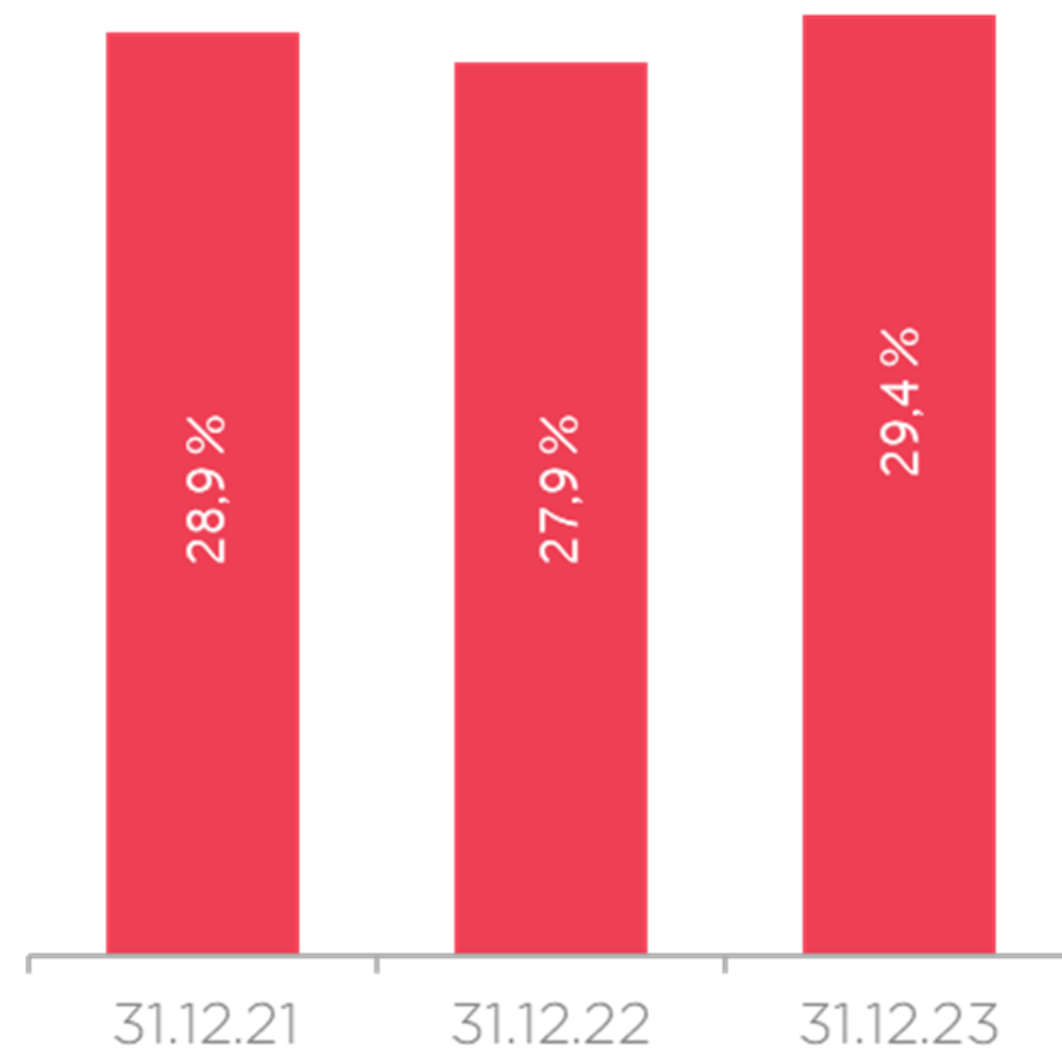
	Q4 2023	Q4 2022	% ch.	2023	2022	% ch.
Cash generated by operations before interest and tax	1.819	1.881	-3%	5.680	6.485	-12%
Investment activities	-1.512	-1.319	15%	-4.678	-3.992	17%
Free cash flow	306	562	-46%	1.002	2.493	-60%

* Amounts are in ISK millions

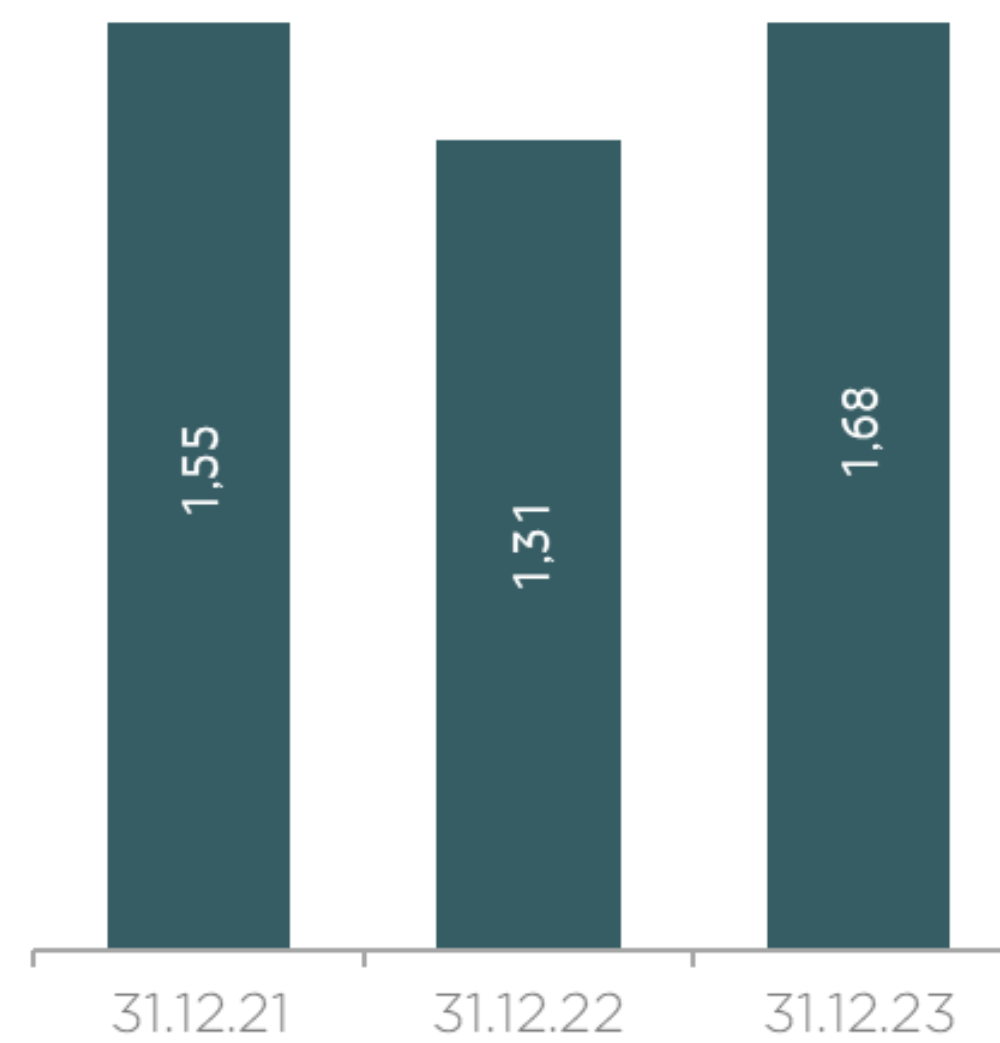
BALANCE SHEET - KEY INDICATORS



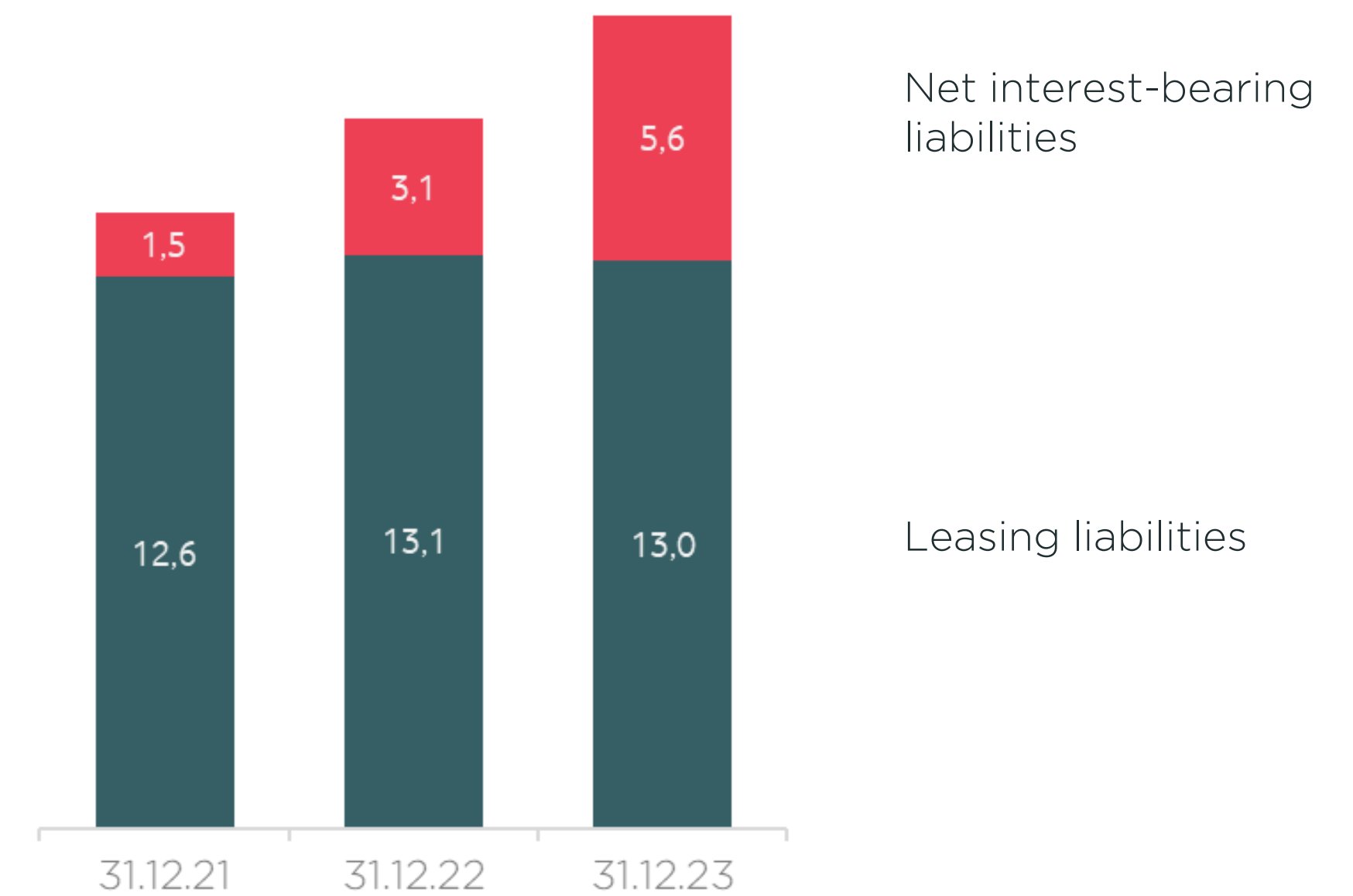
Equity Ratio



Current Ratio *



Net interest-bearing debt



*Current assets / trade payables and other short-term liabilities



HIGHLIGHTS FROM OPERATIONS

FINANCIAL RESULTS

BUSINESS UNITS AND YEAR 2024



INSIGHTS INTO BUSINESS UNITS

BUSINESS UNITS



Vodafone



Telecommunication services for home and business

IoT (Internet of Things)

TV-services

Retail

Stöð 2



Domestic programming

Sports production

Streaming services

News

Online Media & Radio



Radio

Online media

Advertising sales

Product search

News

Infrastructure



Network system

Fixed-line system

Access network

TV Broadcast

Radio Broadcast

Roaming and Interconnect

Wholesale

NOC

Endor ehf.



IT Outsourcing Services

Cloud and managed Services

Solution Selling

Data Center Services



 **vodafone**

Number of households connected

- In 2023, Vodafone connected over 38,000 households nationwide, and customers spoke for over 225 million minutes on the phone

New products are well-received

- New sales of broadband to households increased by 41% in Q4 compared to last year. New subscription packages and emphasis in marketing and sales, along with the new partnership with Viaplay, contribute to this growth
- Smart visit for households have been very popular. Hundreds of households have had a visit in the last months
- Smart visit for businesses was recently introduced, and there are plans to offer the service in Akureyri in the coming weeks

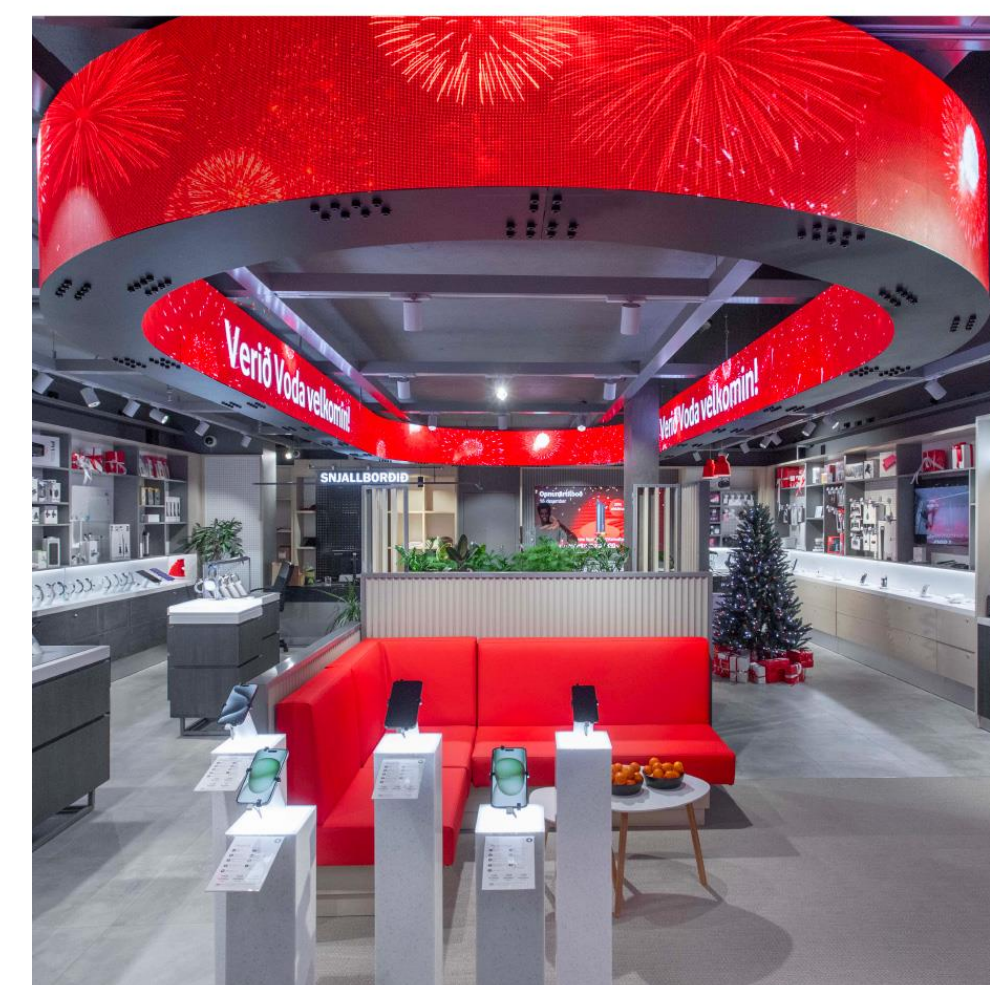


NEW VODAFONE STORE IN AKUREYRI



New store opened at Glerártorg in Akureyri

- The new store serves as a model for future of Vodafone stores, where experience and sustainability are at the forefront
- All design and presentation of products related to telecommunications, home and entertainment were conceived based on customer feedback
- Offices for sales representatives, TV-services and the business division of Vodafone in Akureyri are located on the floor above the store





- The new season of Idol aired, setting records in both viewership and telephone voting
 - Significant increase in linear viewership from 2022 Idol
- The popularity of „Kviss“ has been steadily growing year after year
 - First „Kviss of the year“ was aired
- „Kryddsíld“ aired on New Year’s Eve as usual
 - Pay-per-view offered to customers, which was a success
- The year of sports summarized on New Year’s Eve „Sportsíldin“
- Residents of Grindavík offered free subscriptions to Stöð 2 and Stöð 2+ to ensure access to Stöð 2 news and other entertainment





DEVELOPMENT OF VALUABLE INFRASTRUCTURE



- The delivery of the core network to Ljósleiðarinn has been successful
 - Purchase price paid in instalments, ISK 1,000 has been paid
 - Sýn's capacity for data transmission throughout the country will increase tenfold by the end of 2024 in collaboration with Ljósleiðarinn
- The 5G rollout continues
 - 140 5G transmitters have been installed in 55 different towns
 - The goal is to reach a total of 200 5G transmitters by the end of 2024
 - Sýn is a leader in the Icelandic market for 5G services, both domestically and internationally





 ENDOR

ENDOR'S BEST OPERATING YEAR



- The year 2023 was overall the best operational year for Endor
- Infrastructure sales to domestic customers looks promising for 2024
- Continued implementation of smaller and larger clients for IT outsourcing services
- Emphasis on expanding services related to cyber security and Microsoft core solutions





ONLINE MEDIA AND RADIO



VÍSIR

BYLGJAN
989



B L A N D

Spara

NEW BUSINESS UNIT IN OPERATION



- Vísir is the most popular website in Iceland for the third consecutive year*
 - The TV segment of Vísir has never been more popular
- The podcast service, Tal continues to thrive
 - A new type of advertisement has been launched that is broadcasted on various different podcasts
- New 360° street-view captures were released on Já.is last November
- Bylgjan is the most popular radio station among the age of 18-49 according to Gallup
- Growth in advertising sales of 13%
 - November a record month
- Revenues for Online media & Radio are approximately ISK 840 million in the fourth quarter of 2023



*Weekly users according to Gallup's online media survey



- New CEO came in mid-January
- Future ownership of the new business unit, “Online media & Radio” is under ongoing review
- Emphasis on **debt reduction and cost containment** during the year, while maintaining revenues from the core business
- Strategic planning is underway for the linear part of **Stöð 2**
- **No dividends will be paid** for the year 2023.
- Considering that the future ownership of “Online media & Radio” is under review and current is emphasis on optimization, no **guidance** will be published this year



Questions?

Inquiries should be directed to
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