



Investor Presentation Q3 2023

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24 October 2023

Highlights in Q3 and 9M 2023

	Q3 2023	9M 2023
Revenue	6.501 m.kr. Q3 2022: 6.210 m.kr.	19.082 m.kr. 9M 2022: 18.339 m.kr.
EBITDA	1.811 m.kr. Q3 2022: 1.790 m.kr.	4.536 m.kr. 9M 2022: 4.516 m.kr.
EBITDA %	27,9% Q3 2022: 28,8%	23,8% 9M 2022: 24,6%
EBIT	765 m.kr. Q3 2022: 986 m.kr.	1.445 m.kr. 9M 2022: 2.242 m.kr.
CAPEX	342 m.kr. Q3 2022: 1.953 m.kr.	2.911 m.kr. 9M 2022: 3.083 m.kr.

NIBD / 12M EBITDA*	Cash	Equity Ratio	Cash generated by operation
0,96x Q4 2022: 0,58x	1.979 m.kr. Q4 2022: 3.721 m.kr.	52,4% Q4 2022: 68,9%	1.579 m.kr. Q3 2022: 2.916 m.kr.

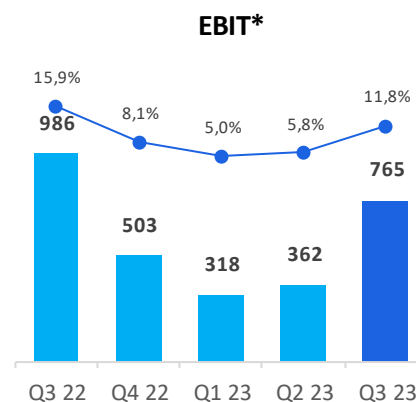
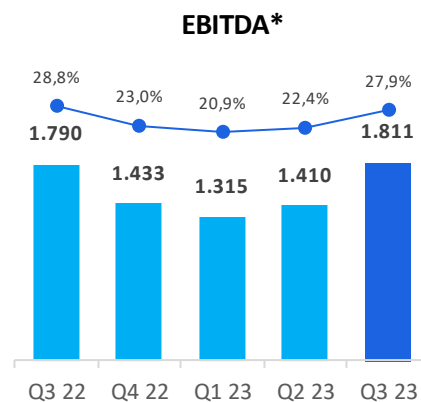
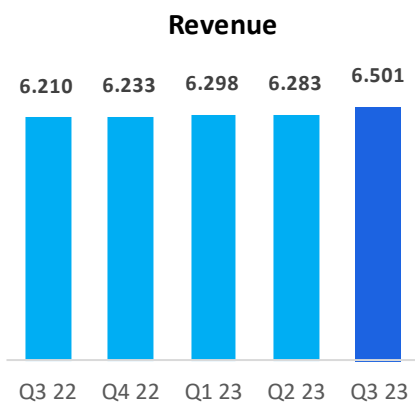
* Without 200 m.kr. cancellation of competition fine in in Q4 2022.
Net-interest bearing debt includes lease liabilities minus cash and loans at Siminn Pay



Operation

Income Statement

Income statement	Q3			9M		
	2023	2022	%	2023	2022	%
Net sales	6.501	6.210	4,7%	19.082	18.339	4,1%
Cost of sales	(4.113)	(3.681)	11,7%	(12.378)	(11.040)	12,1%
Operating expenses	(1.623)	(1.543)	5,2%	(5.259)	(5.057)	4,0%
EBIT	765	986	-22,4%	1.445	2.242	-35,5%
Net financial items	(126)	(84)	50,0%	(272)	(157)	73,2%
Income tax	(132)	(184)	-28,3%	(241)	(404)	-40,3%
Net profit from continuing operation	507	718	-29,4%	932	1.681	-44,6%
Discontinued operation	0	35.628	-100,0%	0	35.916	-100,0%
Net profit	507	36.346	-98,6%	932	37.597	-97,5%
EBITDA	1.811	1.790	1,2%	4.536	4.516	0,4%
EPS from continuing operation	0,18	0,10	80,0%	0,31	0,23	34,8%



EBITDA increases by 30% from 2Q 2023

- EBIT doubles from Q2 2023
- Profit from continuing operation triples from Q2 2023

EBITDA on Q3 increases by 1,1% compared to Q3 2022, but EBIT decreases by 20%

- Operating profit decrease as a result of more TV right investment that lead to higher amortization
- Depreciation and amortization increase by 817 m.kr. from Q3 2022

Profit from continuing operation decreases by 211 m.kr. (29%) from Q3 2022

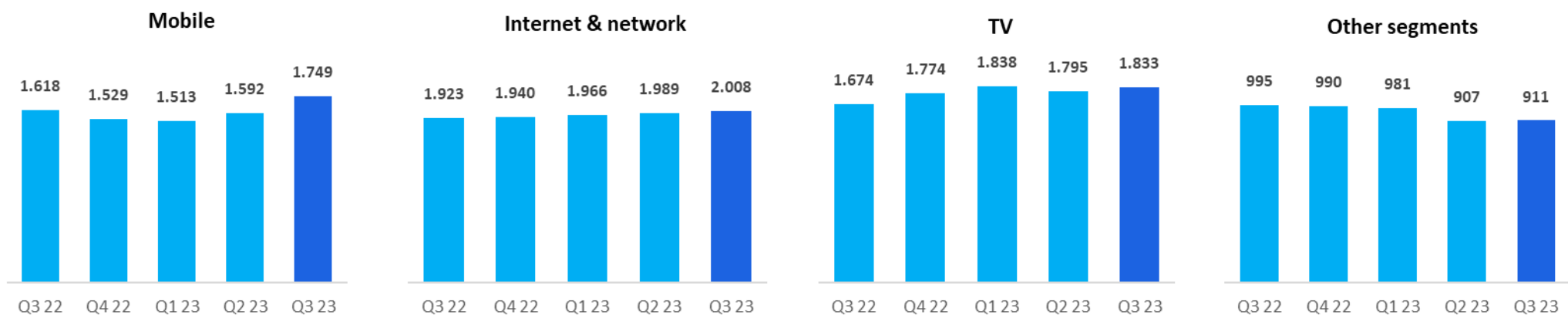
Net financial items increase by 42 m.kr. compared to Q3 2022

- Financial expenses grow by 340 m.kr.

* EBITDA and EBIT in the graphs are without a 200 m.kr. repayment of competition fine in Q4 2022

Revenue by segments

Segments	Q3				9M			
	2023	2022	Change	%	2023	2022	Change	%
Mobile	1.749	1.618	131	8,1%	4.854	4.500	354	7,9%
Fixed voice	287	318	-31	-9,7%	835	1.063	-228	-21,4%
Internet & network	2.008	1.923	85	4,4%	5.963	5.651	312	5,5%
TV	1.833	1.674	159	9,5%	5.466	4.948	518	10,5%
Equipment sales	383	418	-35	-8,4%	1.261	1.359	-98	-7,2%
Other revenue	241	259	-18	-6,9%	703	818	-115	-14,1%
Total revenue	6.501	6.210	291	4,7%	19.082	18.339	743	4,1%





Revenue 9M increase by 4,6% between periods

Excluding the non-margin one-off items related to the sale of equipment to Míla in Q1 2022, Síminn's revenue increased by ISK 832 million (4.6%) between periods

The product category was revised and more types of product packages were offered since Q2 2023

Total number of packages have increased by 10% in the period, however ARPU for the whole has lowered as some customer chose to leave the top level package for a mid range package.

Number of Mobile customers have grown by 3 thousands in the period

- About half of revenue increase is related to mobile roaming revenues

TV continues with the most revenue growth, as revenue from Premium increases by 20% advertising revenues increases by 11% between periods. On the other hand there are lower revenues relating to reselling foreign subscription and Video on Demand

Expenses, not including depreciation increase by 5,2% between periods

Prices from Síminn's telecommunication vendors are going up as inflation is partly built into the price

Amortization increases by 817 m.kr. between periods or around 36% due to investment in business system and TV content rights that have life span of 2-3 years

Síminn's debt all have variable interest rates and therefore interest expenses have gone up between periods

Salaries expenses go up by 7,7% between periods that reflects on the trend in Iceland for the last months

- Same number of employees between periods

Sales and marketing expenses were increased to support changes in product offering and make them successful.



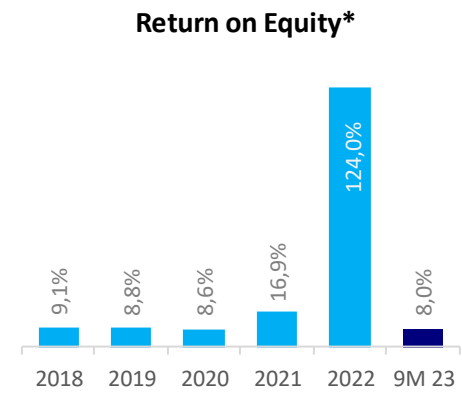
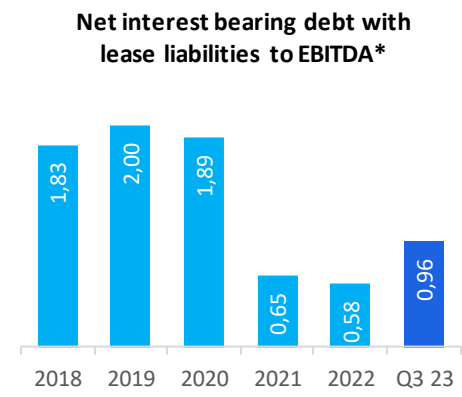
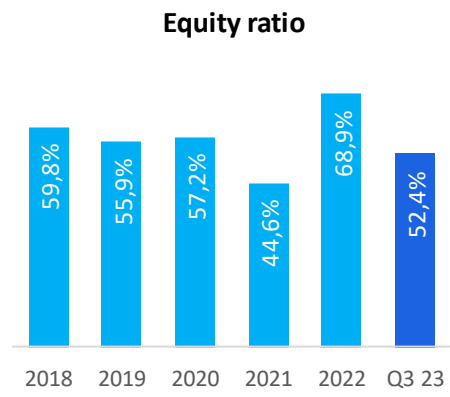
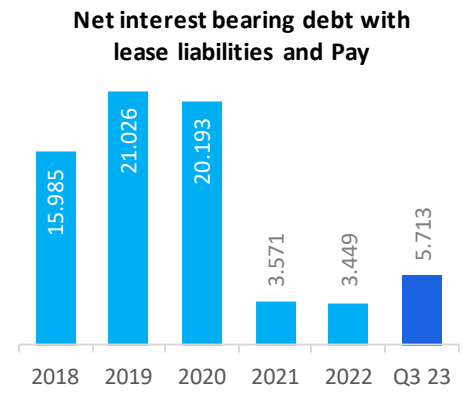
Balance Sheet and Cash Flow



Balance Sheet

Assets	30.09.2023	31.12.2022
Property, plant and equipment.....	2.472	2.466
Right-of-use assets.....	787	941
Intangible assets.....	21.276	22.122
Other non-current assets.....	581	580
Non-current assets	25.116	26.109
Inventories.....	1.209	1.212
Accounts receivables.....	2.284	2.045
Loans (Síminn Pay).....	2.310	1.359
Other current assets.....	1.364	1.048
Corporate bond.....	0	15.687
Cash and cash equivalents.....	1.979	3.721
Current assets	9.146	25.072
Total assets	34.262	51.181

Equity and liabilities	30.09.2023	31.12.2022
Total equity.....	17.953	35.261
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Borrowings.....	7.466	5.956
Finance lease.....	566	731
Accounts payables.....	0	639
Deferred tax liabilities.....	331	89
Non-current liabilities	8.363	7.415
Bank loans.....	1.909	1.929
Accounts payables.....	4.671	4.788
Current maturities of borrowings.....	269	251
Other current liabilities.....	1.097	1.537
Current liabilities	7.946	8.505
Total equity and liabilities	34.262	51.181



Net interest-bearing debt includes loans at Síminn Pay. Lease commitments included from 2019.
 *Without administrative fines in 2020 and 2022.

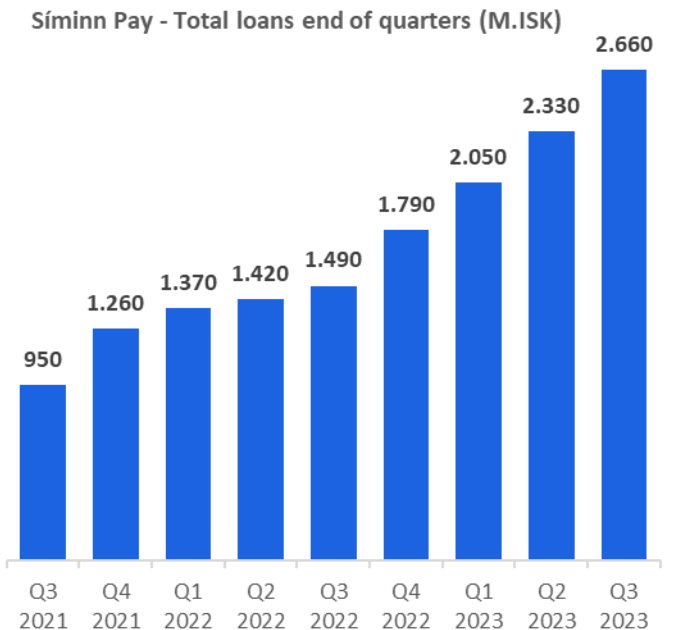
Cash Flow

Cash Flow	Q3 2023	Q3 2022	9M 2023	9M 2022
Cash flow from operating activities				
Operating profit	765	986	1.445	2.242
Operational items not affecting cash flow:				
Depreciation.....	1.046	804	3.091	2.274
Gain on sale of fixed assets.....	11	(52)	12	(56)
	1.822	1.738	4.548	4.460
Changes in current assets and liabilities.....	(243)	1.178	(405)	1.659
Cash generated by operation	1.579	2.916	4.143	6.119
Net interest expenses paid during the period.....	(94)	(32)	(100)	(208)
Payments of taxes during the period.....	(236)	(209)	(630)	(557)
Net cash from operating activities	1.249	2.675	3.413	5.354
Investing activities				
Net investment in property, plant and equipments.....	(342)	(1.953)	(2.911)	(3.083)
Consumer Loans Síminn Pay.....	(351)	(79)	(905)	(248)
Sale of stocks.....	0	32.713	15.685	32.865
Investing activities	(693)	30.681	11.869	29.534
Financing activities				
Dividend paid.....	0	0	(499)	(500)
Purchase of own shares.....	(735)	(805)	(2.187)	(2.696)
Share capital reduction.....	0	0	(15.580)	0
Payment of long term lease.....	(69)	(62)	(198)	(155)
Net Financing activities.....	1.500	0	1.479	(1.186)
Financing activities	696	(867)	(16.985)	(4.537)
Changes in cash and cash equivalents	1.252	32.489	(1.703)	30.351
Translation effects on cash.....	0	(2)	(39)	(8)
Cash and cash equivalents at the beginning of the year.....	727	1.365	3.721	3.509
Cash and cash equivalents at the end of the period.....	1.979	33.852	1.979	33.852

Síminn has chosen to gradually increase the weight of indebtedness in the balance sheet in recent quarters. The current interest rate slows down efforts to increase Síminn's leverage, but it is still extremely modest

- It is not excluded that further steps will be taken in market financing in the coming seasons

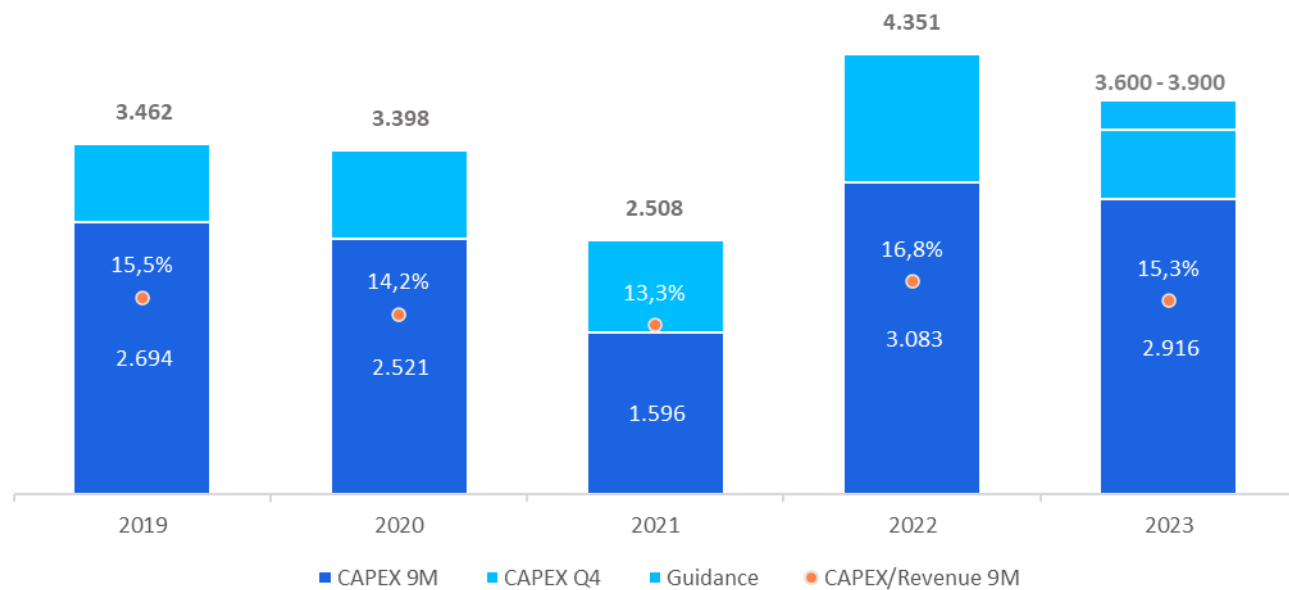
The capacity for external growth is significant as equity is over 50% and undrawn credit lines are 5 b.kr.



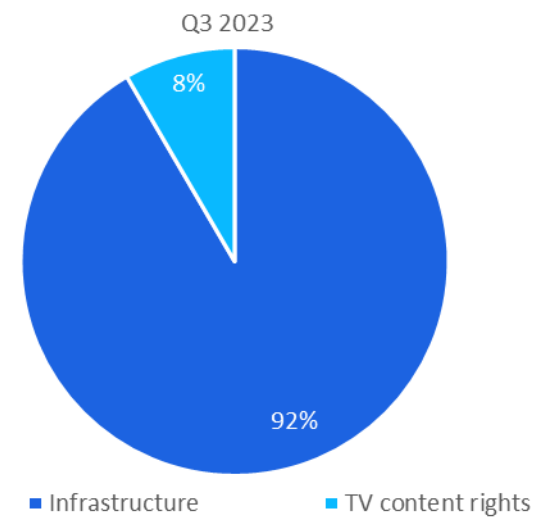


CAPEX

CAPEX



4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0





Highlights





IceGuys breaking records

The series about IceGuys has broken the viewership record on Síminn TV, three times

More Icelandic drama series will premiere on Síminn TV this winter than ever before.

Updated product range has been well received by customers. More diverse subscription packages have been put on sale that include added value, e.g., with included wireless amplifiers and accessories for Apple Watch and Samsung smartwatches

Síminn was the first telecommunications company in Iceland to connect homes to a 10 Gbit/s internet connection

Síminn's cooperation with HSÍ regarding the broadcasts of men's and women's handball matches has been successful and will continue to improve and develop.





Síminn sponsors women to study technical subjects

Síman's Community Fund sponsors five young women to study technical subjects at the University of Reykjavík. This is part of an effort to increase diversity in technical fields.

Support for Vertonet, the organization of women in information technology, was renewed together with the fact that Síminn welcomed over 200 elementary school girls on Girls and Technology Day.

Síminn received the coveted award of being one of 'Iceland's Strongest Companies' both from Creditinfo and Keldunni/VB.

Co-operation with startup company Empower that is developing a DEI (Diversity, equity and inclusion) software that promotes the representation and participation of different groups of individuals.



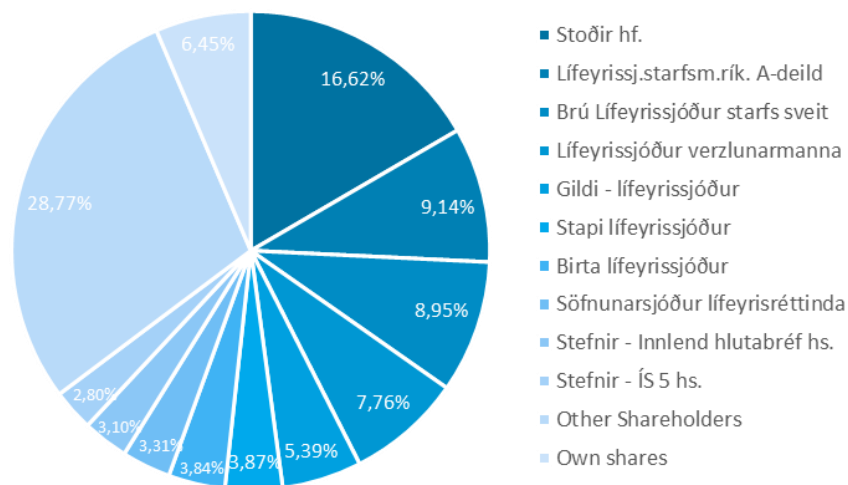


Shareholders

Shareholders



Shareholders 12.10.2023	Position	% O/S
Stoðir hf.	461.194.170	16,62%
Lífeyrissj.starfsm.rík. A-deild	253.771.439	9,14%
Brú Lífeyrissjóður starfs sveit	248.377.095	8,95%
Lífeyrissjóður verzlunarmanna	215.422.187	7,76%
Gildi - lífeyrissjóður	149.446.085	5,39%
Stapi lífeyrissjóður	107.451.623	3,87%
Birta lífeyrissjóður	106.467.528	3,84%
Söfnunarsjóður lífeyrisréttinda	91.830.504	3,31%
Stefnir - Innlend hlutabréf hs.	85.893.255	3,10%
Stefnir - ÍS 5 hs.	77.731.688	2,80%
Top 10 shareholders	1.797.585.574	64,78%
Other Shareholders	798.359.519	28,77%
Shares outstanding	2.595.945.093	93,55%
Own shares	179.054.907	6,45%
Total number of shares	2.775.000.000	100%



Dividends, share buy-backs and reduction of share capital

- ISK 500 million was paid in dividend on 31 March 2023
- On the same day, the company's share capital was reduced by ISK 1,440 million with ISK 15.7 billion payment to shareholders
- On 21 March, the implementation of a buy-back program of ISK 1 billion was announced. It ended on July 17.
- On 18 July, a new program of ISK 1 billion was announced and purchases have begun
- Share buy-backs in 9M 2023 amounted to ISK 2,187 million

There were 1,041 shareholders at the end of Q3 2023

Síminn's shares have declined 15.9% year-to-date and 19,6% over the past 12 months



Outlook for 2023



Unchanged guidance for 2023

EBITDA guidance for the year remains unchanged

- Sales have been strong and the number of customers have increased
- Síminn's customers now have broader range of options than before, which can lead to a lower ARPU
- Consistent inflation remains a challenge, but will not have any major impact on the operation for the rest of the year

CAPEX guidance remains unchanged

- The actors strike in Hollywood will have impact on Q4 CAPEX – Next year will be even more affected, how much remains to be seen
- More focus on innovation in television operation and financial tech



EBITDA

5,9 - 6,3 billion

CAPEX

3,6 – 3,9 billion*

* Excluding cost of mobile frequency licenses



Appendix

Business segments

Mobile: Revenue from mobile services in Iceland and abroad, whether conventional GSM services, satellite services or other mobile services.

Fixed voice: Revenue from fixed voice services for (fees and traffic).

Internet & network: Revenue from data service, including xDSL services, GPON, Internet, IP networks, local loops and access networks.

TV: Distribution of TV, subscriptions, fees and advertising on Síminn TV.

Equipment sales: Revenue from sale of telco equipment.

Other revenue: Revenues related to telecommunications, information technology and finance.

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