

February 15th, 2023

Press release on the earnings of Síni hf. for the fourth quarter and the year 2022.

Improved operations, improved future outlook

Síni hf.'s Consolidated Financial Statement for the year 2022 was approved by the board on February 15th, 2023.

Operating profit (EBIT) for the fourth quarter (Q4) amounted to ISK 383 million and profit after tax ISK 434 million. Non-recurring cost associated with strategic streamlining is ISK 150 million and cost for a back dated salary increase is around ISK 50 million in Q4.

EBIT for the year 2022 amounts to ISK 1592 million and profit before tax is ISK 888 compared to a loss for the year 2021 when adjusted to the sale of passive mobile infrastructure. Hence there is a significant operational turnaround in the core business.

EBIT is projected to be in the range of ISK 2.200 – 2.500 million for the year 2023.

Projected EBIT does not include the non-recurring profit from the sale of core network to Ljósleiðarinn. The sale is anticipated to be completed in Q2 2023 and capital gain from the sale is ISK 2.436 million.

Main results:

- Revenue for Q4 of 2022 amounted to ISK 5.791 million. Revenue for the year 2022 amounted to ISK 22.983, an increase of 6% from previous year. The gross margin for 2022 was ISK 8.017 million and increases by ISK 924 million.
- Profit after taxes amounted to ISK 888 million, compared to ISK 2.100 in 2021. Included in last year profit is a non-recurring profit of ISK 2.552 million from the sale of passive mobile infrastructure and a non-recurring loss of ISK 179 million from the sale of the Faroese affiliate Hey.
- The income tax of 2022 is positive of ISK 142 million, mainly due to of tax write-off of the company's goodwill.
- Total investments for the year 2022 amounted to ISK 3.993 million. Investment in property, plant and equipment and intangible assets (excluding broadcasting license rights) was ISK 1.682 million, compared to ISK 1.214 million in 2021. The difference between years is explained by increased investment in 5G in 2022. Investment in broadcasting rights amounted to ISK 2.291 million and decreased by ISK 250 million between years. Decrease in investment in broadcasting rights reflects in lower depreciation in the income statement, and the company's plan assume that this trend will continue.
- Purchase agreement for Ljósleiðarinn's purchase of Síni's core network and a long-term service agreement between the companies were signed on the 20th of December 2022. The sale is expected to reduce annual investment requirement by ISK 120 million and annual operating cost by more than ISK 100 million. The purchase price is ISK 3.000 million and capital gain from the sale is ISK 2.436 million which will be fully entered into

the company's books upon delivery. The decision from The Icelandic Competition Authorities is anticipated in Q2 this year.

Yngvi Halldórsson, CEO:

“The operational turnaround continues with solid results for the year. We have continuously worked on improving the fixed costs in the company which partially contributes to the year's results but will fully materialize in 2023. EBIT in Q4 2022 was ISK 383 million despite a one-off cost of ISK 150 million related to restructuring and a back dated salary increase of 50 million related to recent job market agreements. EBIT for the year is ISK 1.592 million.

Part of our restructuring efforts in recent months is too better highlight underlying performance of our business units as well as lowering operating costs in these challenging times in our economy. A critical part of ensuring operational stability has been to implement better processes and systems that will reduce cost in the long run and ensure safe and sustainable telecommunications. We have always strived to invest in innovation that enhances the business and we have increased our emphasis on sustainability. Operating a telecommunications and media company is by nature a socially responsible operation with great impact on our community. We do not take that responsibility lightly and look towards all our impact on society and the environment.

We have a positive outlook ahead and are now able to give the market an earning indication for the full year of 2023. We hope that this along with more transparency on our underlying business units will increase the market predictability for our company.

We have various positive signs going into 2023. Our media subscription base is strong, and utilization is high, and we have seen improvements in our internet to the home business.”

Balance sheet on December 31st, 2022:

Equity at the end of the period was ISK 9.469 million and the equity ratio was 27.9%. The company's total liabilities were ISK 24.457 million at the end of 2022. Net interest-bearing debt amounted to ISK 16.226 at the end of the year. The current ratio was 1.31.

Financial calendar 2023:

- ✓ Annual General meeting 2022 March 17th, 2023
- ✓ Q1 2023 Results May 10th, 2023

Presentation on February 16th, 2023

- ✓ A presentation meeting will be held on Thursday February 16th, 2023, starting 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