



February 27th, 2024

Press release on the earnings of Sýn hf. for the fourth quarter and the year 2023.

Earnings for the fourth quarter and the year 2023

Sýn hf.'s Consolidated Financial Statement for the year 2023 was approved by the board of directors on February 27th, 2024.

Operating profit (EBIT) for the year 2023 amounted to ISK 3,544 million.

Ljósleiðarinn's purchase of Sýn's core network was approved in September and formal handover took place on October 4th. The agreed purchase price was ISK 3,000 million and capital gain of 2,436 million was fully entered into the company's books in Q4 2023.

On February 13th, an announcement was made regarding the impact of certain one-off items and depreciation related to operational optimization, on the results of the year 2023. The impact of those items is ISK 837 million on the Q4 results and the year 2023.

Operating profit of the year 2023, taking into account the aforementioned one-off items and the sale of the core network, amounts to 1,945 million. The operating profit of Q4 amounts to 351 million, taking into account the aforementioned items.

Profit after taxes for 2023 amounted to ISK 2,109 million, compared to ISK 888 million in 2022.

Já's operation was included in the group in Q4 and a new business unit, Online Media & Radio, was formed. On December 14th it was announced that the future ownership of the business unit Online Media & Radio had been taken into consideration. That process is currently ongoing and news are expected in the spring.

The advertising revenues continue to increase, as well as revenues from hosting and operation solutions and roaming. Advertising revenues increased by 13% during the year. The focus of the year 2024 will be to reduce cost while maintaining the company's core revenues.

Main results:

- Sold products and services in 2023 were ISK 23,475 million compared to ISK 22,983 million in 2022. Income from media operations in Q4 increased by 5,9% from the previous year, mainly due to increase in advertising revenues. Revenue from hosting and operation solutions (Endor) increased in Q4 by 42% from the previous year.
- Operating profit (EBIT) in Q4 amounted to ISK 351 million (taking into account the sale of the core network and the aforementioned one-off items) compared to ISK 383 million in Q4 2022. The aforementioned one-off costs have a significant impact on the quarter's results, as previously stated.
- Operating costs remained stable during the year, when one-off costs in Q4 are taken into account, despite economic challenges such as the rise of inflation along with salary increases.



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- Total investments for the year 2023 amounted to ISK 5,678 million. Investment in fixed assets and intangible assets (excluding broadcasting rights) was ISK 2,726 million and investment in broadcasting license rights amounted to ISK 2,434 million.
- On February 13th, an announcement was made regarding the impact of certain one-off items on the company's operations and Q4 results and deviations from the year's guidance was explained. One-off costs of ISK 837 million have a significant impact on the Q4 results and the year 2023. Largest items thereof include amortization of broadcasting licence rights, depreciation of certain infrastructure assets and cost due to the retirement of the former CEO as well as other optimization measures. The amortization of broadcasting licence rights has come about due to changed amortization rules at the company and certain broadcasting rights will now be amortized over two years instead of three.
- Ljósleiðarinn's purchase of Sýn's core network was approved on September 28th and was formally handed over on October 4th. The agreed purchase price is ISK 3,000 million and is paid in installments according to the purchase agreement. In the year 2023 an amount of ISK 1,000 million has been paid. The purchase price will be paid in full in the year 2024. 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.
- In the first half of the year, own shares were purchased for ISK 930 million in a reverse share offering and as a part of a formal buyback program. A dividend payment to shareholders was made in April amounting to ISK 281 million. In Q4 a buyback program was launched, which ended on schedule on February 16th. Total repurchases during the year amounted to ISK 1,007 million.
- Já's operation was included in the group in Q4 and a new business unit, Online Media & Radio, was formed. Financial separation is in progress. The future ownership of this business unit is under review.
- The operations of the subsidiary Endor did well during the year. Overall, 2023 was the company's best operating year. Income from Endor's core business increased by 44% from the previous year.

Herdís Dröfn Fjeldsted, CEO:

"It is a pleasure to take over as CEO of Sýn, a workplace with powerful people and where socially important activities take place. Over the past year significant milestones have been reached, but I joined the company in the middle of January this year. Delivery of the core network took place in the fourth quarter and employees from Já.is moved into our headquarters and were welcomed by Sýn. Joining Já.is operations with the business unit Online Media & Radio has gone well.

The business environment is challenging, with notable factors such as the ongoing battle against high inflation which is undeniably impacting Sýn's operations. In the operating year 2024, we will emphasize debt reduction, cost control, and maintaining the company's core revenues.

Following the sale of the core network, it is natural to review the company's infrastructure assets, and their depreciation will positive affect operations moving forward. The changes in amortization rules for foreign broadcasting licence rights, announced on February 13th, will





result in accelerated amortization compared to previous amortization rules. We are emphasizing continued powerful operations, along with enhanced clarity and efficiency, and this depreciation adjustment is a part of that initiative.

Vodafone strengthened its product offering and customer service in the year 2023. This included new product packages and transformation of services in the B2C market, resulting in increase in both sales and customer satisfaction.

In the Media operating units, the year was characterized by good growth in advertising revenue and we are constantly looking for more opportunities in that area. The subsidiary Endor also had a very good year and Endor's operations look very good for the current operating year.

Our commitment to responsibility is at the forefront of the company's new strategy. The company has worked on a strategy in the field of sustainability to protect the road ahead. In the last two years, a sustainability standard has been implemented, which will strengthen the company's infrastructure in that direction.

In light of our ongoing strategic planning with Stöð 2 and the evaluation of the future ownership of Online Media & Radio, as well as emphasis on short-term cost containment and optimization, no guidance will be published for the current year."

Balance Sheet December 31st, 2023:

Equity at the end of the period was ISK 10,288 million and the equity ratio was 29,4%.

The company's total liabilities were ISK 24,646 million at the end of 2023. Interest bearing long-term liabilities amounted to ISK 4,461 million and net interest-bearing debt with lease liabilities amounted to ISK 18,596 million. The current ratio was 1,7.

Financial Calendar 2024:

✓ Q4 2023 and annual results	February 27 th , 2024
✓ Annual General meeting	April 11 th , 2024
✓ Q1 2024 Results	May 8 th , 2024
✓ Q2 2024 Results	August 28 th , 2024
✓ Q3 2024 Results	November 6 th , 2024
✓ Q4 2024 and annual results	February 19 th , 2025
✓ Annual General meeting	March 14 th , 2025

Presentation on February 28th, 2024:

- A presentation meeting will be held on Wednesday February 28th, 2024. The meeting will start at 08:30 am at 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.

