

Financial press release – Síminn hf. Q3 2024

Results for the third quarter of 2024

- Revenue in the third quarter (Q3) of 2024 amounted to ISK 6,955 million compared to ISK 6,501 million in the same period 2023 and increased by 7%. Revenue from Síminn's core services, mobile, data and TV services increases by just over 3% from Q3 2023.
- EBITDA amounted to ISK 1,915 million in Q3 2024, up by ISK 104 million or 5.7% compared to the same period 2023. The EBITDA ratio was 27.5% in Q3 2024, compared to 27.9% in the same period of 2023. Operating profit EBIT amounted to ISK 864 million in Q3 2024 compared to ISK 765 million in the same period of 2023.
- Net financial expenses amounted to ISK 292 million in Q3 2024, compared to ISK 126 million in the same period of 2023. Financial expenses amounted to ISK 476 million, financial income ISK 178 million and foreign exchange gain of ISK 6 million.
- Profit in Q3 2024 amounted to ISK 449 million compared to ISK 507 million profit in the same period of 2023.
- Interest-bearing debt including lease liabilities amounted to ISK 16.1 billion at the end of Q3 2024, compared to ISK 10.5 billion at the end of 2023. Most of the increase is explained by the purchase of companies in the advertising market. Cash at the end of Q3 2024 amounted to ISK 1.1 billion, compared to ISK 1.8 billion at the end of 2023. The balance of loans at Síminn Pay was ISK 3.2 billion at the end of Q3 2024.
- Síminn's equity ratio was 45.5% at the end of Q3 2024 and equity was ISK 18.2 billion.

María Björk Einarsdóttir, CEO:

“The results for the third quarter were overall good and the results clearly show the resilience and strength of the company. We saw healthy revenue growth in the main telecommunications services as well as TV services, where the number of subscribers has continued to increase. Also, our investments in the advertising sector have met the expectations that were made at the time of the purchase and have had a significant positive effect on the share of advertising revenue in the company's operations.

In September, changes were made to the company's organization chart, where one support division was closed, and two new divisions were created. The goals of the changes are, on the one hand, to further strengthen sales and marketing of the company's products, and on the other hand, to increase the focus on product and business development. Considerable costs followed these changes, and they were added to the accrued costs due to the change of CEO, which was also charged in the quarter.

As a result of the changed focus in operations, we began to review the company's strategy, and these plans will be presented in more detail in the coming months. It is clear that the

company intends to continue moving forward, and we will focus on broadening the company's revenue base by developing and adding to our product offering new digital services and solutions that fit well with our customers' needs."

9M 2024 Results

Operation

Income statement	Q3			9M		
	2024	2023	%	2024	2023	%
Net sales	6.955	6.501	7,0%	20.401	19.082	6,9%
Cost of sales	(4.166)	(4.113)	1,3%	(12.873)	(12.378)	4,0%
Operating expenses	(1.925)	(1.623)	18,6%	(5.597)	(5.259)	6,4%
EBIT	864	765	12,9%	1.931	1.445	33,6%
Net financial items	(292)	(126)	131,7%	(807)	(272)	196,7%
Income tax	(123)	(132)	-6,8%	(260)	(241)	7,9%
Net profit	449	507	-11,4%	864	932	-7,3%
EBITDA	1.915	1.811	5,7%	5.076	4.536	11,9%
EPS	0,18	0,18	0,0%	0,34	0,31	9,7%

Total sales for 9M 2024 amounted to ISK 20,401 million compared to 19,082 million in the same period 2023, up by 6.9%. Looking at the company's core products (mobile, data and TV), revenue growth is 5.2%.

Revenue from mobile amounted to ISK 5,115 million, up by ISK 261 million or 5.4% between periods. Revenue from data (internet & network) amounted to ISK 6,213 million, up by ISK 250 million or 4.2% between periods. Revenue from TV services amounted to ISK 5,809 million, up by ISK 343 million or 6.3% between periods. Revenue from equipment sales amounted to ISK 1,187 million, down by ISK 74 million or 5.9% between periods. Other revenue amounted to ISK 2,077 million, up by ISK 539 million between periods.

The cost of sales amounted to ISK 12,873 million and increased by ISK 495 million or 4.0% from the same period last year. Operating expenses amounted to ISK 5,597 million and increased by ISK 338 million or 6.4% from the same period last year.

Depreciation amounted to ISK 3,145 million in 9M 2024, compared to ISK 3,091 million in 9M 2023, up by ISK 54 million.

Cash flow

Operating activities amounted to a total of ISK 5,122 million in 9M 2024 compared to ISK 4,548 million in 9M 2023. The decrease in operating-related assets and liabilities in 9M 2024 is ISK 299 million.

Cash generated by operation was ISK 4,823 million in 9M 2024 compared to ISK 4,143 million in 9M 2023. After interest and taxes, net cash from operating activities amounted to ISK 3,842 million in 9M 2024 compared to ISK 3,413 million in 9M 2023.

At the end of Q1 2024, Síminn made a payment of ISK 3.7 billion due to the acquisition of three companies in the advertising market, which affects the investment activities of the period. In Q1 2023, Síminn sold a bond that the company received as a payment when Míla was sold, which explains the positive investment movements in the period.

In Q1 2024, new borrowings, due to the purchase of companies, were ISK 4.5 billion. During the same period in 2023, financing movements were negative, amounting to ISK 17,681 million which is mainly explained by the fact that the company's share capital was reduced by a payment to shareholders that amounted to almost ISK 15.6 billion considering own shares.

Cash flow	9M 2024	9M 2023
Operating profit	1.931	1.445
Depreciation	3.145	3.091
Items not affecting cash flow	46	12
Total operating activities	5.122	4.548
Changes in current assets and liabilities	(299)	(405)
Cash generated by operation	4.823	4.143
Net interest expenses paid during the period	(609)	(100)
Payments of taxes during the period	(372)	(630)
Net cash from operating activities	3.842	3.413
Investing activities	(6.759)	11.869
Financing activities	2.259	(16.985)
Changes in cash and cash equivalents	(658)	(1.703)
Translation effects on cash	(4)	(39)
Cash and cash equivalents at the beginning of period	1.810	3.721
Cash and cash equivalents at the end of period	1.148	1.979

Balance sheet

Síminn's acquisition of companies in the advertising market, which took place at the end of Q1 2024, has a significant impact on the balance sheet. The main change is that goodwill increases by ISK 4.4 billion.

Total assets amounted to ISK 39,873 million at the end of Q3 2024 but were ISK 33,789 million at the end of 2023.

Interest-bearing debts, including lease liabilities, were ISK 16,071 million at the end of Q3 2024 compared to ISK 10,530 million at the end of 2023. Cash at the end of Q3 2024 amounted to ISK 1,148 million compared to ISK 1,810 million at the end of 2023. Net interest-bearing debt with lease liabilities and Síminn Pay consumer loans were ISK 11,736 million at the end of Q3 2024 compared to ISK 5,822 million at the end of 2023.

Equity amounted to ISK 18,157 million at the end of Q3 2024 and equity ratio was 45.5%.

Assets	30.09.2024	31.12.2023
Property, plant and equipment.....	3.480	2.552
Right-of-use assets.....	2.014	732
Intangible assets.....	24.428	21.047
Other non-current assets.....	544	431
Non-current assets	30.466	24.762
Inventories.....	1.396	1.257
Accounts receivables.....	2.420	2.279
Loans (Síminn Pay).....	3.076	2.715
Other assets.....	1.367	966
Cash and cash equivalents.....	1.148	1.810
Current assets	9.407	9.027
Total assets	39.873	33.789
Equity and liabilities	30.09.2024	31.12.2023
Total equity.....	18.157	17.600
Total equity	18.157	17.600
Borrowings.....	11.337	7.470
Finance lease.....	1.694	503
Deferred tax liabilities.....	263	232
Non-current liabilities	13.294	8.205
Other Current liabilities.....	8.422	7.984
Current liabilities	8.422	7.984
Total equity and liabilities	39.873	33.789

Guidance 2024

The guidance for the group is unchanged from what was published following the Q1 2024 financial results.

It is assumed that the cost of organizational changes will fit within the earnings forecast. The revenue development for the year is mostly in line with expectations and sales have been strong during the important autumn period. The integration of new companies has been successful, and their results are in line with expectations. It is not expected that Noona Iceland and the purchase of a loan portfolio will be part of operations this year.

The guidance for 2024:

- EBITDA will be in the range of ISK 7.0 to 7.3 billion.
- EBIT will be in the range of ISK 2.7 to 3.0 billion.
- CAPEX excluding licenses and spectrums will be in the range of ISK 3.3 to 3.6 billion.

Investor meeting 23 October 2024

An investor presentation will be held on Wednesday 23 October 2024 at 8:30 am at Síminn's headquarters in Ármúli 25, Reykjavík. During the meeting, María Björk Einarsdóttir CEO and Óskar Hauksson CFO will present the financial results. The meeting will be held in Icelandic. Documents for the meeting are available in Nasdaq's Iceland company news and on the company's investor relations website <https://www.siminn.is/fjarfestar/quarterly-results>.

The meeting is webcasted on: <https://www.siminn.is/fjarfestar/fjarfestakynning>.

Financial Calendar 2024

Announcement of the 2024 results	18 February 2025
Annual General Meeting 2025	13 March 2025

Further information:

María Björk Einarsdóttir, CEO (maria@siminn.is)

Óskar Hauksson, CFO (oskarh@siminn.is)

Note: This English version is a translation of the Icelandic text that accompanies the Q3 2024 results of Síminn hf.