

November 3<sup>rd</sup>, 2021

Press release on the financial performance of Sýn hf. for the first nine months of 2021.

## Higher Earnings and New Revenue Sources

Sýn hf's Condensed Consolidated Interim Financial Statement for the first nine months of 2021 was approved by the board of directors on November 3<sup>rd</sup>, 2021.

### Main results:

- Revenue for the third quarter (Q3) of 2021 amounted to ISK 5,533M, an increase of ISK 471M compared to the same period in 2020. Revenue for the first nine months (9M) of 2021 amounted to ISK 15,822M, an increase of 2.2% compared to 9M 2020.
- EBITDA for Q3 2021 amounted to ISK 1,886M, compared to ISK 1,593M in Q3 2020. The EBITDA margin was 34.1% in Q3 2021 compared to 31.5% in Q3 2020. EBITDA for 9M 2021 amounted to ISK 4,762M, a 10.4% increase compared to 9M 2020.
- Profit in Q3 2021 amounted to ISK 172M compared to ISK 8M in Q3 2020. Loss for 9M 2021 amounted to ISK 176M compared to ISK 402M in 9M 2020. A loss of ISK 179M was recognised in 9M 2021 in relation to the sale of the Company's share in its Faroese associate Hey.
- Cash generated by operations in Q3 2021 amounted to ISK 1,756M compared to ISK 1,055M in Q3 2020, an increase of 66.4%. Cash generated by operations in 9M 2021 amounted to ISK 3,730M compared to ISK 3,855M in 9M 2020, a decrease of 3.2%.
- Total investments in 9M 2021 amounted to ISK 1,687M, thereof ISK 911M in property, plant and equipment and intangible assets (excluding broadcasting license rights) and ISK 1,826M in broadcasting license rights. Proceeds from the sale of the Company's Faroese associate Hey amounted to ISK 1,065M. Payment of equity capital amounted to ISK 15M.
- Negative cash flow from financial activities for 9M 2021 amounted to ISK 2,439M compared to ISK 1,932M in 9M 2020. Proceeds from the sale of Hey was used to pay down debt and decrease credit lines.
- The equity ratio was 29.17% at the end of 9M 2021.
- On March 31<sup>st</sup>, an agreement was signed for the sale of passive infrastructure in the Company's mobile network. The Company still awaits the regulatory approval for the sale. The proceeds will be used partly to pay down debt, repurchase shares and new investments.

## Main results from operations in Q3 2021

	Q3 2021	Q3 2020	% ch.	9M 2021	9M 2020	% ch.
Revenue	5,533	5,062	9.3%	15,822	15,480	2.2%
Cost of sales	-3,654	-3,435	6.4%	-10,788	-10,573	2.0%
<b>Gross profit</b>	<b>1,879</b>	<b>1,627</b>	<b>15.5%</b>	<b>5,034</b>	<b>4,907</b>	<b>2.6%</b>
Operating expense	-1,457	-1,485	-19%	-4,628	-4,722	-2.0%
<b>EBITDA</b>	<b>1,886</b>	<b>1,593</b>	<b>18.4%</b>	<b>4,762</b>	<b>4,312</b>	<b>10.4%</b>
<b>EBIT</b>	<b>422</b>	<b>142</b>	<b>-</b>	<b>406</b>	<b>185</b>	<b>-</b>
Net financial expense	-211	-169	-	-421	-792	-
Effect of associates	-	23	-	-173	71	-
Income tax	-39	12	-	12	134	-
<b>Profit/Loss</b>	<b>172</b>	<b>8</b>	<b>-</b>	<b>-176</b>	<b>-402</b>	<b>-</b>
<i>Gross Margin</i>	<i>34.0%</i>	<i>32.1%</i>		<i>31.8%</i>	<i>31.7%</i>	
<i>EBITDA</i>	<i>34.1%</i>	<i>31.5%</i>		<i>30.1%</i>	<i>27.9%</i>	
<i>EBIT</i>	<i>7.6%</i>	<i>2.8%</i>		<i>2.6%</i>	<i>1.2%</i>	

Amounts are in ISK million

### Heiðar Guðjónsson CEO:

„Our core business continues to improve and the turnaround which started a year ago is gaining momentum. Despite several challenges, which are still mostly present, our business is now profitable, and we expect further profitability. We are happy to see growth in revenues in both business segments, telecommunication and media.

I have mentioned our potential in going into related businesses. We have roughly half of Iceland 's households and companies as monthly subscribers to our services and want to expand our product offering. We outlined this in our strategic review of the business, two years ago.

Our biggest single investment over the last two years has been in our IT systems. Now the systems can handle efficiently many kinds of new business. We are therefore pleased to introduce new services in credit card acquiring for companies. It is evident that our customers are pleased with us as a new service provider entering the market.

We still await the regulatory approval for the sale of our passive infrastructure in our mobile network. “

### Operating results Q3 2021

The Company's revenue during Q3 2021 amounted to ISK 5,533M compared to ISK 5,062M for the same period in 2020.

Revenue from media operations amounted to ISK 2,124M in Q3 2021, an increase of ISK 164M compared to Q3 2020. Broadband revenue amounted to ISK 1,105M in Q3 2021 compared to ISK 1,134M in Q3 2020. Mobile revenue amounted to ISK 1,252M an increase of ISK 323M

compared to Q3 2020. Revenue from fixed line amounted to ISK 133M, a decrease of 8% between years. Revenue from hosting and operating solutions (the core business of Endor ehf.) amounted to ISK 410M in Q3 2021, compared to ISK 443M in Q3 2020. This is a decrease of 7% which can be traced to projects being postponed and therefore revenue expected in 2021 moving to 2022. Revenue from retail sales amounted to ISK 292M during the period, an increase of 15% compared to Q3 2020. Other revenue amounted to ISK 217M during the quarter, a 10% increase between years.

Cost of sales amounted to ISK 3,654M compared to ISK 3,435M in Q3 2020. Operating expenses amounted to ISK 1,457M, a decrease of 1.9% compared to Q3 2020. EBITDA for the period amounted to ISK 1,886M, an increase of ISK 293M compared to Q3 2020. The EBITDA margin was 34.1% for the period, compared to 31.5% in Q3 2020.

Net financial expenses amounted to ISK 211M in Q3 2021, an increase of ISK 42M between periods. Exchange rate difference was negative by ISK 70M in Q3 2021 compared to a loss of ISK 17M in Q3 2020. Interest expense decreased by ISK 12M between periods.

Profit for Q3 2021 amounted to ISK 172M compared to a profit of ISK 8M in Q3 2020.

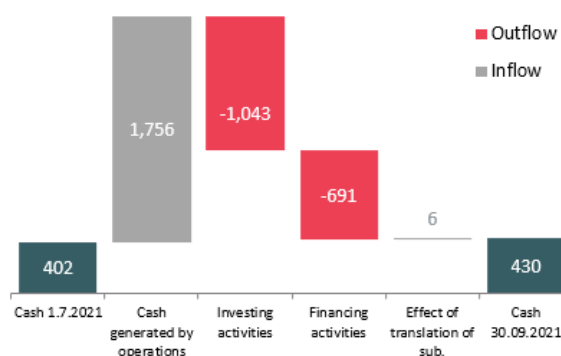
### Cash flow Q3 2021:

Cash generated from operations in Q3 2021 amounted to ISK 1,756M.

Investment activities were negative and amounted to ISK 1,043M in Q3 2021.

The Company's financing activities were negative by ISK 691M.

Cash at end of Q3 2021 amounted to ISK 430M, an increase of ISK 217M compared Q3 2020.



### Operating results 9M 2021:

The Company's revenue during 9M 2021 amounted to ISK 15,822M compared to ISK 15,480M in 9M 2020.

Income from media operations amounted to ISK 6,194M in 9M 2021, a 7% increase compared to 9M 2020. Broadband income amounted to ISK 3,366M in 2021, a decrease of 2% compared to 9M 2020. Mobile income amounted to ISK 3,252M an increase of ISK 578M compared to 9M 2020. Income from fixed line amounted to ISK 407M, a decrease of 13% between periods. Income from hosting and operating solutions amounted to ISK 1,075M in 9M 2021, a 39% decrease from 9M 2020. Income from retail sales amounted to ISK 896M during the period, an increase of 23% compared to 9M 2020. Other income amounted to ISK 632M, a 4% increase from 9M 2020.

Cost of sales amounted to ISK 10,788M, an increase of ISK 215M compared to 9M 2020. Operating expenses amounted to ISK 4,628M, compared to ISK 4,722M in 9M 2020. EBITDA for the period amounted to ISK 4,762M, a 10.4% increase compared to 9M 2020. The EBITDA margin was 30.1% for the period, compared to 27.9% in 9M 2020.

Net financial expenses amounted to ISK 421M in 9M 2021, a decrease of ISK 371M between periods. Exchange rate difference was negative by ISK 2M in 9M 2021 compared to a loss of

ISK 259M in 9M 2020. Interest expense of long-term debt decreases between years due to changes in interest rates.

Loss for 9M 2021 amounted to ISK 176M compared to a loss of ISK 402M in Q3 2020. A loss of ISK 179M was recognised in 9M 2021 in relation to the sale of the Company's Faroese associate Hey.

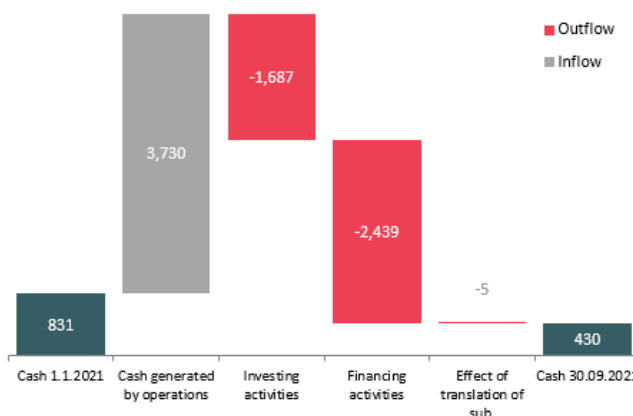
### Cash flow 9M 2021:

Cash generated from operations in 9M 2021 amounted to ISK 3,730M.

Investment activities amounted to ISK 1,687M in 9M 2021 compared to ISK 2,345M in 9M 2020. ISK 1,065M are included in investing activities for 2021, in relation to the sale of the Company's Faroese associate Hey.

The Company's financing activities were negative by ISK 2,439M in 9M 2021

Cash equivalents at the end of 9M amounted to ISK 430M, an increase of ISK 217M compared to 9M 2020.



### Balance sheet on September 30th, 2021:

Equity at the end of the period was ISK 8,275M and the equity ratio was 29.17%. Outstanding capital amounted to ISK 2,964M.

The Company's total liabilities were ISK 20,098M at the end of Q3 2021. Net interest-bearing debt amounted to ISK 13,699M. The current ratio was 1.06.

### Presentation on November 4th, 2021:

- A presentation meeting will be held on Thursday November 4<sup>th</sup>, 2021. The meeting will only be online and will begin at 8:30 am at <https://syn.is/fjarfestatengsl>
- Presentation materials are available on Sýn's investor relations page at <https://www.syn.is/investors> and in Nasdaq Iceland's news network.

### Financial calendar 2021:

- ✓ Q4 2021 and annual results February 16<sup>th</sup>, 2022
- ✓ Annual general meeting March 18<sup>th</sup>, 2022

### Further information:

- ✓ Further inquiries are received via the email address [fjarfestatengsl@syn.is](mailto:fjarfestatengsl@syn.is)