

# **Platinum Nova hf.**

**Condensed Consolidated Interim  
Financial Statements March 31, 2022**

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Platínium Nova hf.  
 Reg. no. 620916-0560  
 Lágmúli 9, 108 Reykjavík

## Endorsement by the Board of Directors and the CEO

Platinum Nova hf is the parent company of Nova hf. These Condensed Consolidated Interim Financial Statements comprise the Condensed Consolidated Interim Financial Statements of Platinum Nova hf (the Company) and its subsidiary together referred to as the "Group".

According to the Condensed Consolidated Interim Statement of Comprehensive Income total revenue for the period January to March 2022 amounted to ISK 2.972,1 million. EBITDA was ISK 815,9 million and profit for the period January to March 2022 was ISK 90 million. Equity at end of the period amounted to ISK 5.226,7 million, according to the Condensed Consolidated Interim Statement of Financial Position, and the equity ratio was 23,9%. Reference is made to the Condensed Consolidated Interim statement of Changes in Equity regarding information on changes in equity during the period.

### Statement by the Board of Directors and the CEO

According to our best knowledge, it is our opinion that the Condensed Consolidated Interim Financial Statements give a true and fair view of the Condensed Consolidated Financial Performance of the Group for the period January to March 2022, its assets, liabilities and Condensed Consolidated Financial Position as at 31 March 2022 and its Condensed Consolidated cash flows for the period January to March 2022. Furthermore, it is our opinion that the Condensed Consolidated Financial Statements and the report of the Board of Directors and the CEO contain a clear overview of developments and results in the Group's operations, its position and describe the main risk factors and uncertainties facing the Group.

The Board of Directors and the CEO hereby confirm the Condensed Consolidated Interim Financial Statements for the period January to March 2022 by means of their signatures.

Reykjavík, 26. May 2022

Board of Directors

Hugh Short  
Chairman

Jón Óttar Birgisson  
Board member

Hrund Rudolfsdóttir  
Board member

Kevin Payne  
Board member

Tina Pidgeon  
Board member

Margrét Tryggvadóttir  
Managing Director (CEO):

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	January - March 2022	January - March 2021
<b>Operating revenues</b>			
Sales .....	3	2.936.040	2.761.574
Other operating income .....		36.025	26.789
		<u>2.972.065</u>	<u>2.788.363</u>
<b>Operating expenses</b>			
Cost of sales .....		1.513.960	1.504.570
Salaries and salary-related expenses .....		426.535	390.738
Other expenses .....		215.699	181.072
		<u>2.156.194</u>	<u>2.076.380</u>
<b>EBITDA</b> .....		815.871	711.983
Depreciation and amortisation .....		(470.114)	(507.121)
<b>Results from operating activities</b>		345.757	204.862
<b>Finance income and (expenses):</b>			
Interest income .....		25.383	14.294
Interest expenses .....	4	(263.262)	(99.739)
Foreign exchange gain (loss) .....		6.391	4.571
		<u>(231.488)</u>	<u>(80.874)</u>
Profit from sale of associate .....		0	250.331
<b>Profit before income tax</b>		114.269	374.319
Income tax .....		(24.226)	(22.934)
<b>Total comprehensive income for the period</b>		<u><u>90.043</u></u>	<u><u>351.385</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the Company .....		90.043	351.385
Non-controlling interests .....		0	0
Profit for the period .....		<u>90.043</u>	<u>351.385</u>

## Condensed Consolidated Statement of Financial Position

	Note	31 March 2022	31 December 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill .....		10.048.985	10.048.985
Intangible assets .....		1.780.643	1.827.904
Operating assets .....		3.529.409	3.596.168
Right of use assets .....		3.326.205	3.268.717
Investment in associates and other .....		2.596	2.596
Deferred income tax asset .....		416.538	403.698
		<u>19.104.376</u>	<u>19.148.068</u>
<b>Current assets</b>			
Inventories .....		473.398	389.434
Trade receivables .....		1.065.660	1.044.223
Other receivables .....		336.691	1.541.391
Cash and cash equivalents .....		892.125	2.178.878
		<u>2.767.874</u>	<u>5.153.926</u>
<b>Total assets</b>		<u><u>21.872.250</u></u>	<u><u>24.301.994</u></u>

## Condensed Consolidated Statement of Financial Position

	Note	31 March 2022	31 December 2021
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital .....		3.132.346	3.132.346
Reserves .....		1.162.376	1.162.376
Retained earnings .....		931.940	841.897
		<u>5.226.662</u>	<u>5.136.619</u>
<b>Non-current liabilities</b>			
Loans and borrowings .....		5.685.296	6.737.880
Lease liabilities .....		5.285.334	5.223.124
Other non-current liabilities .....		2.521.338	2.498.859
		<u>13.491.968</u>	<u>14.459.863</u>
<b>Current liabilities</b>			
Current maturities of loans and borrowings .....		226.406	346.720
Trade payables .....		580.975	765.170
Tax payable .....		1.268.742	1.288.162
Lease liabilities and other liabilities .....		175.992	169.267
Other payables .....		841.769	2.073.564
Pre-payments .....		59.736	62.629
		<u>3.153.620</u>	<u>4.705.512</u>
<b>Total liabilities</b>		16.645.588	19.165.375
<b>Total equity and liabilities</b>		<u><u>21.872.250</u></u>	<u><u>24.301.994</u></u>

## Condensed Consolidated Statement of Cash Flows

	Note	January - March 2022	January - March 2021
<b>Cash flows from operating activities</b>			
Profit for the period .....		90.043	351.385
Adjustments for:			
Depreciation and amortisation .....		470.114	507.121
Income tax .....		24.226	22.934
Net finance expenses .....		231.488	80.874
		<u>815.871</u>	<u>962.314</u>
Changes in operating assets and liabilities:			
Inventories, (increase) decrease .....		(83.964)	(49.493)
Trade and other receivables, (increase) decrease .....		(162.527)	(28.245)
Trade and other payables, increase (decrease) .....		(99.574)	(23.973)
		<u>(346.065)</u>	<u>(101.711)</u>
Interest income received .....		25.383	14.294
Interest expenses paid .....	4	(221.356)	(99.641)
Paid taxes .....		(42.327)	(50.117)
<b>Net cash inflow from operating activities</b>		<u>231.506</u>	<u>725.139</u>
<b>Cash flows to investing activities</b>			
Acquisition of operating assets .....		(217.900)	(346.607)
Acquisition of intangible assets .....		(74.816)	(60.631)
Investment in a subsidiary, net of cash acquired .....		0	(5.213)
		<u>(292.716)</u>	<u>(412.451)</u>
<b>Cash flows from financing activities</b>			
Lease agreement, repayment of principal .....		(35.991)	(28.680)
Other non current liabilities, repayment of principal .....		(9.738)	0
Payments on loans from financial institutions .....		(1.179.898)	(100.000)
		<u>(1.225.627)</u>	<u>(128.680)</u>
<b>(Decrease) increase in cash and cash equivalents</b>		(1.286.837)	184.008
Effect of foreign exchange rates on cash and cash equivalents .....		84	1.539
<b>Cash and cash equivalents at the beginning of the year</b>		2.178.878	195.461
<b>Cash and cash equivalents at end of the period, 31 March</b>		<u><u>892.125</u></u>	<u><u>381.008</u></u>

## Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2022

	Share capital	Reserves	Retained earnings	Total
<b>Balance at 1 January 2021</b>	8.253.594	114.909	698.782	9.067.285
Revised accounting.....			52.490	52.490
<b>Revised Balance 1 January 2021.....</b>	<b>8.253.594</b>	<b>114.909</b>	<b>751.272</b>	<b>9.119.775</b>
Profit January to March 2021.....			351.385	351.385
<b>Balance at 31 March / April 1, 2021</b>	<b>8.253.594</b>	<b>114.909</b>	<b>1.102.657</b>	<b>9.471.160</b>
Profit April to December 2021.....			1.135.280	1.135.280
Share of profit of subsidiary in excess of dividend received.....		957.500	(957.500)	0
Contribution to statutory reserve.....		145.070	(145.070)	0
Recognition of share-based payments .....		173.304		173.304
Share capital increase.....	556.875			556.875
Share capital decrease.....	(5.678.123)		(521.877)	(6.200.000)
Exercised stock options.....		(228.407)	228.407	0
<b>Balance at 31 December 2021 / January 1, 2022</b>	<b>3.132.346</b>	<b>1.162.376</b>	<b>841.897</b>	<b>5.136.618</b>
<b>Balance at 1 January 2022</b>	<b>3.132.346</b>	<b>1.162.376</b>	<b>841.897</b>	<b>5.136.619</b>
Profit January to March 2022.....			90.043	90.043
<b>Balance at 31 March 2022</b>	<b>3.132.346</b>	<b>1.162.376</b>	<b>931.940</b>	<b>5.226.662</b>



## Notes to the Financial Statements

### Accounting principles

#### 1.1 Reporting entity

Platinum Nova hf. (the "Company") is a company incorporated and domiciled in Iceland. The registered office of the Company is at Lágmúli 9 in Reykjavík, Iceland. The Condensed Consolidated Interim Financial Statements for the Company as at and for the year period ended 31 March 2022 comprise the Company and its subsidiary, Nova hf., together referred to as the "Group".

The Groups principal operations are telecommunications and related activities.

#### 1.2 Basis of preparation

The main accounting policies used in preparing these financial statements are set out below. These methods were applied in a consistent manner in both years presented, unless otherwise stated.

Condensed Consolidated Interim Financial Statements of Platínium Nova hf. for the period January to March 2022 is prepared in accordance with the International Financial Reporting Standards on IAS 34 as approved by the European Union and additional requirements in the Annual Accounts Act. The Condensed Interim Financial Statements do not contain all the information required in the completed financial statements and should therefore be read in the light of the Consolidated Financial Statements for the year 2021.

The Condensed Consolidated Interim Financial Statements are presented in Icelandic Kronas (ISK) which is the Groups's functional currency. All financial information presented in ISK has been rounded to the nearest thousand, unless otherwise indicated.

#### 1.3 Important issues related to accounting estimates

The listing of assets and liabilities with respect to the next financial year is based on the Group's assessment. Such an assessment is constantly reviewed in the light of experience and other factors, such as future expectations, which are considered reasonable given the circumstances. Such an accounting estimate is, by its nature, seldom exactly in line with the actual result.

### 2. Revised accounting treatment of end-user equipment

Assets that previously were classified as Other Receivables on the Balance Sheet are now classified under Operating Assets according to IAS16. The numbers for the period January to March 2022 reflect the new treatment and comparative numbers have been adjusted. Effects on comparative Balance Sheet numbers can be seen in below table. Costs of those assets were previously expensed over estimated lifetime under Cost of sales on the Income Statement but are now depreciated over 3 years according to the new treatment. Effects in current period on Cost of sales are reduction by 39 m.kr. and increase in Depreciation by 19 m.kr.. Effects on the previously reported full year Income Statement numbers for 2021 will be outlined in the Annual Financial Statement for 2022.

The effects on the Balance sheet comparative numbers are as follows:

	Reported 31.12.2021	Revision	Revised 31.12.2021
Other Receivables .....	1.689.882	(148.491)	1.541.391
Operating Assets .....	3.359.218	236.950	3.596.168
Retained earnings .....	(753.438)	(88.459)	(841.897)

## Notes to the Financial Statements

### 3. Revenue from contracts with customers

In accordance with internal reporting the Group in whole is defined as one segment with four main revenue streams: Mobile, internet, product sales and other revenues.

Mobile services:	Revenue from mobile services. Including subscription and prepaid revenues for data usage on mobile handsets. Also roaming revenues, interconnect revenues and other related revenues. Recognized over time in the relevant subscription period or in the period when usage occurs.
Internet services:	Revenue from internet services. Including subscriptions and prepaid revenues for fiber and other data connections. Also internet access fees, lease of equipment and other related revenues. Recognized over time in the relevant subscription period or in the period when usage occurs.
Product sales:	Revenue from sale of handsets, routers, accessories and other equipment. Recognised at a point in time when control of the product has transferred over to the customer.
Other:	Revenue from various other telco related services not applicable to the above categories. Such as fixed line services, joint venture operations, media etc. Recognized in the period when usage occurs.

	Mobile	Internet	Product sales	Other	Total
<b>January to March 2022</b>					
Point in time .....	0	0	491.093	0	491.093
Over time .....	1.201.875	962.647	0	280.425	2.444.947
Total revenue .....	1.201.875	962.647	491.093	280.425	2.936.040

	Mobile	Internet	Product sales	Other	Total
<b>January to March 2021</b>					
Point in time .....	0	0	592.766	0	592.766
Over time .....	1.095.520	840.465	0	232.823	2.168.808
Total revenue .....	1.095.520	840.465	592.766	232.823	2.761.574

### 4. Other

Increase in interest expenses between 2021 and 2022 results from higher balance of interest bearing liabilities as well as higher interest rates between the years. In addition the balance of lease liabilities has increased with higher lease payments that are classified under depreciation and interest expenses according to IFRS16.