Míla Holding hf.

Condensed Consolidated

Interim Financial Statements

1 January – 30 June 2025

Contents

Endorsement and Statement by the Board of Directors and the CEO

Operations of the Group

The condensed consolidated interim financial statements of Míla Holding hf. for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard IAS 34, interim financial reporting, and should be read in conjunction with Míla Holding hf. consolidated financial statements 2024. The interim financial statements comprise the condensed consolidated interim financial statements of Míla Holding hf. (the "Company") and its subsidiary Míla hf., together referred to as the "Group".

Operations in the six-month period ended 30 June 2025

According to the condensed consolidated income statement, total revenues for the period amounted to ISK 4.954 million. Cost of sales and operating expenses amounted to ISK 4.731 million. Net finance costs amounted to ISK 4.318 million. Total loss for the period amounted to ISK 3.277 million.

According to the condensed consolidated statement of financial position at 30 June 2025, total assets amounted to ISK 86.226 million. Total liabilities amounted to ISK 91.383 million. Included in long-term borrowings are subordinated shareholder loans amounting to ISK 51.891 million from Sunstone III ehf. The shareholder loans are payable in one instalment at the end of their loan period, first repayment to take place in the year 2031, after the maturity date of other interest bearing loans and borrowings. Accrued interests in 2024 were added to the principal at year end 2024. Accrued interests in 2025 are among current liabilities. The Group´s secured bank loans are subject to various financial covenants; the shareholder loans and accrued interests are classified as equity when calculating the financial covenants and represent an equity ratio of 57,5% at 30 June 2025. The shareholder loans are not classified as equity in the financial statements and therefore the equity in the condensed consolidated statement of financial position at 30 June 2025 was negative by ISK 5.157 million and the equity ratio was -6,0%. In September 2025, Míla acquired the telecommunications network assets of Eygló Eignarhaldsfélag. Further details regarding the acquisition are provided in Note 15.

Statement by the Board of Directors and the CEO

The condensed consolidated interim financial statements for the first six months ended 30 June 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The condensed consolidated interim financial statements have not been audited or reviewed by the Company's independent auditors.

According to the best of our knowledge, in our opinion the condensed consolidated interim financial statements give a true and fair view of the financial performance of the Group for the six months period ended 30 June 2025, its assets, liabilities and consolidated financial position as at 30 June 2025 and its consolidated cash flows for the period then ended.

In our opinion, the condensed consolidated interim financial statements and the endorsement of the board of directors and the CEO give a fair view of the development and performance of the Group's operations and its position.

The board of directors and the CEO have today discussed the condensed consolidated interim financial statements of Míla Holding hf. for the period 1 January to 30 June 2025 and confirm them by means of their signatures.

Reykjavík, 24 September 2025.

On the Board of Directors of the Company:

Marinó Örn Tryggvason, Chairman of the Board
Marion Emmanuelle Calcine
Leonard Rasche
Pauline Thomson
Oscar Cicchetti
Birna Ósk Einarsdóttir
Þórarinn V. Þórarinsson

Chief Executive Officer (CEO):

Erik Figueras Torras

The electronic signatures of the Board of Directors and CEO of the Company are included on the title page of the condensed consolidated interim financial statement.

Condensed consolidated income statement and other comprehensive income for 1 January to 30 June 2025

	Note	2025 1.1.-30.06.	2024 1.1.-30.06
Revenue		4.954	4.818
Cost of sales	5	(3.129)	(2.976)
Gross profit		**1.825**	**1.842**
Operating expenses	6	(1.602)	(1.513)
Operating profit		**222**	**329**
Finance income		25	17
Finance costs		(4.342)	(4.363)
Net exchange differences		(2)	(1)
Net finance costs	8	**(4.318)**	**(4.346)**
Loss before tax		**(4.096)**	**(4.017)**
Income tax		819	844
Loss for the period and other comprehensive loss		**(3.277)**	**(3.173)**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Condensed consolidated statement of financial position

	Note	30.6.2025	31.12.2024
Assets			
Non-current assets			
Operating assets	9	29.814	29.577
Goodwill	10	27.534	27.534
Other intangible assets	10	19.017	19.451
Right-of-use assets	11	5.009	5.117
Non-current assets		81.375	81.680
Current assets			
Inventories		320	424
Accounts receivables		1.614	1.563
Receivables with related parties	14	853	853
Other receivables		196	146
Cash and cash equivalents		1.868	1.551
Current assets		4.851	4.536
Total assets		**86.226**	**86.216**
Equity			
Share capital		132	132
Share premium		12.682	12.682
Accumulated deficit		(17.971)	(14.693)
Total equity		**(5.157)**	**(1.879)**
Liabilities			
Non-current liabilities			
Subordinated shareholder loan	12	51.891	51.891
Borrowings	12	26.348	25.283
Lease liabilities	13	4.940	5.016
Deferred tax liabilities		3.043	3.862
Non-current liabilities		86.222	86.052
Current liabilities			
Accounts payables		619	462
Other current liabilities with related parties	14	2.862	0
Current maturities of lease liabilities	13	443	443
Current maturities of borrowings	12	281	261
Other current liabilities		956	877
Current liabilities		5.161	2.043
Total liabilities		**91.383**	**88.095**
Total equity and liabilities		**86.226**	**86.216**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Condensed consolidated statement of changes in equity for 30th of June 2025

	Share capital	Share premium	Accumulated deficit	Total equity
1.1.-30.06.2024				
Balance at 1.1.2024	132	12.682	(8.243)	4.571
Net loss for the period			(3.174)	(3.174)
Total equity 30.06.2024	**132**	**12.682**	**(11.417)**	**1.397**
1.1.-30.06.2025				
Balance at 1.1.2025	132	12.682	(14.693)	(1.879)
Net loss for the period			(3.277)	(3.277)
Total equity 30.06.2025	**132**	**12.682**	**(17.971)**	**(5.157)**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Condensed consolidated statement of cash flows for 1 January to 30 June 2025

	Note	2025 1.1.-30.06.	2024 1.1.-30.06
Cash flows from operating activities			
Loss for the period		(3.277)	(3.174)
Adjustments for:			
Depreciation		2.347	2.307
Gain on sale of operating assets		4	(86)
Other items not affecting cash flows		1	(14)
Net finance cost	8	4.318	4.346
Income tax		(819)	(844)
		2.574	**2.535**
Changes in:			
Inventories		104	68
Account receivables and other short term receivables		(92)	(49)
Account payables and other short term payables		248	269
Cash generated from operating activities		**2.834**	**2.823**
Interest received		10	21
Interest paid		(1.286)	(1.237)
Net cash from operating activities		**1.558**	**1.607**
Cash flows from investing activities			
Acquisition of operating assets	9	(1.753)	(2.245)
Acquisition of intangible assets	10	(142)	(73)
Proceeds from sale of operating assets	9	0	87
Proceeds from non-current financial assets		10	11
Net cash used in investing activities		**(1.884)**	**(2.220)**
Cash flows from financing activities:			
Proceeds from borrowings	12	1.000	1.200
Repayment of borrowings	12	(133)	0
Payment of lease liabilities	13	(223)	(199)
Net cash from financing activities		**644**	**1.001**
Net increase in cash and cash equivalents		318	388
Cash and cash equivalents at 1 January		1.551	1.035
Effect of movements in exchange rates on cash held		(1)	(0)
Cash and cash equivalents at 30 June		**1.868**	**1.423**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Notes to the condensed consolidated interim financial statements

1. The Company

Mila Holding hf. (the "Company" or "Míla Holding") is a public limited liability company incorporated and domiciled in Iceland. The address of the Company's registered office is at Stórhöfði 22-30, 110 Reykjavík. The consolidated interim financial statements of the Company as at and for 30 June 2025 comprise the Company and its subsidiary, Míla hf., together referred to as the "Group". The core business of the Group is to build and operate a telecommunications network in Iceland alongside the provision of telecommunication services and related services. The condensed interim financial statements are a part of the condensed consolidated interim financial statements of Míla Holding hf. and Sunstone II hf. Sunstone III ehf. is the Company's parent company. The ultimate parent company of Míla Holding is Ardian Infrastructure Fund V B SCS SICAV RAIF, which has its registered address at 26A, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg.

2. Basis of accounting

a. Statement of compliance

The Group's condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim report does not include all of the notes normally included in an annual consolidated financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2024. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 24 September 2025.

b. Basis of measurement

The condensed consolidated interim financial statements are prepared on the historical cost basis.

c. Functional and presentation currency

The Company's functional currency is Icelandic króna, ISK. These condensed consolidated financial statements are prepared in ISK. All financial information presented in ISK have been rounded to the nearest million, unless otherwise indicated.

d. Going concern

The condensed consolidated financial statements are prepared on a going concern basis. The Group's management has made an assessment of the ability to continue as a going concern and is satisfied that the Group has the resources to continue. In making this assessment, management has taken into consideration the risk exposures facing the Group and the fact the entity has negative equity. The Shareholder loans are subordinated to the secured borrowings of the Group and are treated as equity in calculation of the Groups financial covenants.

3. Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimations of uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

4. Changes in accounting policies

As of 1 January 2024, the Group implemented amendments to IAS 1 concerning classification of liabilities as current or non-current liabilities with covenants. The amendments clarify that a liability should only be classified as a long-term liability if the Group meets the loan covenants regarding the right to defer settlement of the liability for at least 12 months after the reporting period ends and management´s plans or expectations to exercise the right to defer settlement are in place and do not affect the classification. The amendments are applied retrospectively but have no effect on comparative amounts.

5. Cost of sales

Cost of sales is specified as follows:	30.6.2025	30.6.2024
Salaries and related expenses	572	529
Purchased service and goods	697	635
Operating costs of real estate	286	255
Depreciation	1.574	1.557
Total	**3.129**	**2.976**

6. Operating expenses

Operating expenses are specified as follows:	30.6.2025	30.6.2024
Salaries and related expenses	395	393
Other expenses	435	370
Depreciation	773	750
Total	**1.602**	**1.513**

7. Salaries and salary related expenses

Salaries and salary-related expenses is specified as follows:	30.6.2025	30.6.2024
Salaries	1.091	1.085
Contributions to pension funds	145	136
Other salary-related expenses	99	92
	1.335	**1.313**
Salaries and related expenses are specified as follows in the income statement:		
Cost of sales	572	529
Capitalised work	368	392
Operating expenses	395	393
	1.335	**1.313**

8. Net finance costs

Finance income and finance cost are specified as follows:	30.6.2025	30.6.2024
Finance income:		
Interest income	25	17
Total	**25**	**17**
Finance costs:		
Interest on borrowings	(1.364)	(1.366)
Interest on borrowings from related parties	(2.862)	(2.888)
Interest on leases	(116)	(109)
Total	**(4.342)**	**(4.363)**
Net exchange rate differences	(2)	(1)
Net finance costs recognised in profit or loss	**(4.318)**	**(4.346)**

9. Operating assets

Operating assets are specified as follows:	Telecom equipment	Buildings	Other equipment	Total
Cost				
Balance at 1.1.2024	55.158	3.912	845	59.915
Additions	4.173	213	41	4.427
Sales and disposals	(23)	5	(15)	(32)
Balance at 31.12.2024	**59.309**	**4.130**	**871**	**64.310**
Balance at 1.1.2025	59.309	4.130	871	64.310
Additions	1.571	149	32	1.753
Sales and disposals	(4)	(1)	(1)	(6)
Balance at 30.06.2025	**60.876**	**4.278**	**902**	**66.056**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Notes to the condensed consolidated interim financial statements

8. Operating assets continued

	Telecom equipment	Buildings	Other equipment	Total
Depreciation				
Balance at 1.1.2024	(29.801)	(1.389)	(594)	(31.784)
Depreciation	(2.761)	(168)	(50)	(2.979)
Sales and disposals	1	15	14	30
Balance at 31.12.2024	**(32.561)**	**(1.542)**	**(630)**	**(34.733)**
Balance at 1.1.2025	(32.561)	(1.542)	(630)	(34.733)
Depreciation	(1.392)	(92)	(27)	(1.511)
Sales and disposals	0	0	1	2
Balance at 30.06.2025	**(33.953)**	**(1.634)**	**(655)**	**(36.242)**
Carrying amounts				
At 31.12.2024	26.748	2.588	241	**29.577**
At 30.06.2025	26.923	2.644	247	**29.814**

Total depreciation is specified as follows in the income statement:	**30.6.2025**	**31.12.2024**
Cost of sales	1.574	1.557
Operating expenses	773	750
Total	**2.347**	**2.307**

Useful life is specified as follows:	
Telecom equipment	7 - 30 years
Buildings	15 - 33 years
Other equipment	3 - 15 years

10. Goodwill and other intangible assets

Goodwill and other intangible assets are specified as follows:	Goodwill	Business relations	Software	Total
Cost				
Balance at 1.1.2024	27.534	21.684	1.122	50.340
Additions	0	0	145	145
Balance at 31.12.2024	**27.534**	**21.684**	**1.267**	**50.485**
Balance at 1.1.2025	27.534	21.684	1.267	50.485
Additions	0	0	142	142
Balance at 30.06.2025	**27.534**	**21.684**	**1.408**	**50.627**
Amortisation				
Balance at 1.1.2024	0	(1.558)	(812)	(2.370)
Amortisation	0	(1.019)	(110)	(1.129)
Balance at 31.12.2024	**0**	**(2.578)**	**(922)**	**(3.499)**
Balance at 1.1.2025	0	(2.578)	(922)	(3.499)
Amortisation	0	(510)	(66)	(576)
Balance at 30.06.2025	**0**	**(3.087)**	**(988)**	**(4.075)**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

10. Goodwill and other intangible assets (continued)

Carrying amounts				
At 31.12.2024	27.534	19.106	345	**46.986**
At 30.06.2025	27.534	18.597	420	**46.551**

Business relations consist of customer relationships and the Míla trademark.

Useful life is specified as follows:

Software	2 - 15 years
Business relations	15 years

11. Right-of-use assets

The Group leases telecom equipment, land & buildings and other equipment like vehicles. Most of the Groups´leases are capitalized in accordance with IFRS 16. Leases with a lease term of less than one year or an insignificant value are not capitalized. For leased sites without a contractual definite lease term, the Group estimates the lease term to be 15 years and revalues the lease term every five years and more often if needed.

Right-of-use assets are specified as follows:	Telecom equipment	Land & Buildings	Other equipment	Total
Cost				
Balance at 1.1.2024	241	6.518	85	6.844
New leases	0	119	24	143
Eliminated on disposal and termination	(7)	(87)	(19)	(113)
Remeasurement/indexation	8	291	4	303
Balance at 31.12.2024	**242**	**6.841**	**94**	**7.177**
Balance at 1.1.2025	242	6.841	94	7.177
New or renewed leases	0	68	35	103
Eliminated on disposal and termination	0	(16)	0	(16)
Remeasurement/Indexation	4	48	(4)	49
Balance at 30.06.2025	**246**	**6.942**	**125**	**7.313**
Depreciation and impairment losses				
Balance at 1.1.2024	(58)	(1.498)	(41)	(1.597)
Depreciation	(14)	(476)	(24)	(514)
Eliminated on disposal and termination	7	25	19	52
Balance at 31.12.2024	**(65)**	**(1.949)**	**(46)**	**(2.060)**
Balance at 1.1.2025	(65)	(1.949)	(46)	(2.060)
Depreciation	(7)	(239)	(13)	(260)
Eliminated on disposal and termination	0	16	0	16
Balance at 30.06.2025	**(72)**	**(2.172)**	**(59)**	**(2.304)**
Carrying amounts				
At 31.12.2024	177	4.893	48	**5.117**
At 30.06.2025	174	4.770	66	**5.009**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

Notes to the condensed consolidated interim financial statements

12. Borrowings

This note provides information on contractual terms of the Group's interest-bearing borrowings, which are measured at amortized cost, and changes during the year.

	Year of Maturity	30.6.2025	31.12.2024
Borrowings are specified as follows:			
Secured bond in ISK - CPI Indexation + 2,2%..	2029	6.902	6.795
Secured bank loans in ISK - REIBOR + 2,65%..	2029	16.416	16.482
Secured bank loans in ISK - REIBOR + 2,75%..	2029	3.800	2.800
Shareholder loan ISK - REIBOR + 2,9%..	2031-2033	51.891	51.891
		79.009	**77.968**
Unamortised borrowing- and commission fees..		(489)	(534)
Total..		**78.520**	**77.435**

Repayments of borrowings are as follows:	30.6.2025	31.12.2024
Repayments in 2025(6 months)/2024(12 months)..	148	261
Repayments in 2026...	322	277
Repayments in 2027...	347	297
Repayments in 2028...	399	334
Repayments in 2029...	25.901	24.909
Payments later...	51.891	51.891
Total	**79.009**	**77.968**

Changes in borrowings during the period are as follows:	30.6.2025	31.12.2024
Borrowings at beginning of year..	77.968	68.986
New borrowings..	1.000	3.000
Payments...	(133)	(83)
Accrued interest and indexation..	173	6.065
Borrowing at end of year..	**79.009**	**77.968**

13. Lease liabilities

This note provides information on the Group's lease liabilities, which are measured at amortized cost, and changes during the year.

	Telecom equipment	Buildings	Other equipment	Total
Lease liabilities 1.1.2024...	207	5.253	47	5.508
Payments..	(14)	(387)	(24)	(424)
Additions, terminations and indexation...............................	9	409	28	446
Terminated leases...	0	(70)	0	(70)
Lease liabilities 31.12.2024...	**202**	**5.206**	**52**	**5.459**
Lease liabilities 1.1.2025...	202	5.206	52	5.459
Payments..	(5)	(204)	(13)	(222)
Additions, terminations and indexation...............................	5	116	31	152
Terminated leases...	0	(6)	(0)	(6)
Lease liabilities 30.06.2025...	**202**	**5.112**	**69**	**5.383**

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK

13. Lease liabilities (continued)

	30.6.2025	31.12.2024
Aggregated annual maturities are as follows:		
Repayments in 2025(6 months)/2024(12 months)	232	443
Repayments in 2026	399	381
Repayments in 2027	409	390
Repayments in 2028	423	405
Repayments in 2029	426	407
Payments later	3.496	3.433
	5.383	**5.459**

14. Related Party

Shareholders who have a significant impact on the Group's operations, directors and their close family members and legal entities controlled by them are considered as related party.

Transactions with related parties and balances at the end of 2024:

	Purchased service & products	Sold services	Interest Income/ expenses	Receivables	Payables
Sunstone II hf	0	0	0	853	0
Sunstone III hf	0	0	(5.753)	0	51.891
	0	0	(5.753)	0	51.891

Transactions with related parties and balances at the end of June 2025:

	Purchased service & products	Sold services	Interest Income/ expenses	Receivables	Payables
Sunstone II hf	0	0	0	853	0
Sunstone III hf	0	0	(2.862)	0	51.891
	0	0	(2.862)	853	51.891

15. Subsequent event

On 11 August 2025, Míla hf. and Eygló Eignarhaldsfélag entered into an agreement for the purchase of Eygló´s telecommunications infrastructure. The purchase price amounts to ISK 705 million and shall be paid in two installments. The first installment, in the amount of ISK 300 million, was paid on the delivery date the 1 of September 2025. The second installment, in the amount of ISK 405 million, shall be paid no longer than six months from delivery and is subject to the condition that an inspection of the assets has been carried out and that the assets conform to the tender documents.

Condensed consolidated interim financial statements - Míla Holding hf. 1.1.-30.6.2025 Amounts are in millions ISK