

The background of the cover is a photograph of two telecommunications workers in high-visibility yellow and red gear climbing a tall metal tower. The sun is low in the sky, creating a strong orange and yellow glow. In the background, a city and a body of water are visible. On the left side, there is a large, stylized graphic of a green and blue mesh or net. The company logo 'míla' is in the top left corner.

míla

Míla Holding hf.

Condensed Consolidated
Interim Financial Statements
1 January – 30 June 2024

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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 period from 1 January 2024 to 30 June 2024 have been prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at and for the year ended 31 December 2023. The interim financial statements comprise the 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 2024

According to the Consolidated Income Statement, total revenues for the period amounted to ISK 4.818 million. Cost of sales and operating expenses amounted to ISK 4.489 million. Net financial expenses amounted to ISK 4.346 million. Total loss for the period from 1 January to 30 June 2024 amounted to ISK 3.174 million.

According to the Consolidated Statement of Financial Position at 30 June 2024, total assets amounted to ISK 85.204 million. Equity amounted to ISK 1.397 million and total liabilities amounted to ISK 83.807 million. Included in borrowings is a subordinated shareholder loan of amount to ISK 46.138 million from Sunstone III ehf, which is payable in one instalment at the end of the loan period in the year 2031. Accrued interests in 2023 were added to the principal at year end 2023. Accrued interests in 2024 are among current liabilities.

Statement by the Board of Directors and the CEO

The Condensed Consolidated Interim Financial Statements for the first six months ended 30 June 2024 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 2024, its assets, liabilities and consolidated financial position as at 30 June 2024 and its consolidated cash flows for the period then ended.

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of Sunstone IV hf. for the period 1 January to 30 June 2024 and confirm them by means of their signatures.

Reykjavík, 4 September 2024.

Board of Directors:

Marínó Örn Tryggvason, Chairman of the Board

Marion Emanuelle Calcine

Leonard Rachce

Pauline Thomson

Oscar Cicchetti

Birna Ósk Einarsdóttir

Þórarinn V. Þórarinsson

Chief Executive Officer (CEO):

Erik Figueras Torras

Consolidated Income Statement

for the period from 1 January to 30 June 2024

	Notes	2024 1.1-30.6	2023* 1.1-30.6
Sales.....	5	4.818	4.600
Cost of sales.....	6	(2.976)	(2.815)
Gross Profit.....		1.842	1.785
Operating expenses.....	7	(1.513)	(1.386)
Operating profit (loss).....		329	399
Financial income.....	8	17	32
Financial expenses.....	8	(4.363)	(3.425)
Net exchange differences.....	8	(1)	1
Net financial cost.....		(4.346)	(3.392)
(Loss) before tax.....		(4.017)	(2.993)
Income tax.....		844	520
Other taxes.....		0	(5)
(Loss) of the period.....		(3.174)	(2.478)
Basic and diluted (loss) earnings per share.....		(24,03)	(18,77)

*Amounts have been restated, reference to note 14

Consolidated Statement of Financial Position as at 30 June 2024

		30.6.2024	31.12.2023
Assets			
Non-Current Assets			
Operating assets.....	9	28.886	28.131
Goodwill.....	10	27.534	27.534
Other intangible assets.....	10	19.946	20.436
Right of use assets.....	11	5.223	5.247
Other financial assets.....		25	38
	Non-current assets	81.614	81.386
Current assets			
Inventories.....		490	558
Accounts receivables.....		1.525	1.510
Other assets.....		152	109
Cash and cash equivalents.....		1.423	1.035
	Current assets	3.590	3.212
	Total assets	85.204	84.598
Equity			
Share capital.....		132	132
Share premium.....		12.682	12.682
Accumulated deficit.....		(11.418)	(8.244)
	Total equity	1.397	4.570
Liabilities			
Non-current liabilities			
Borrowings from parent company.....	12	46.138	45.938
Borrowings	12	23.626	22.390
Long-term lease liabilities.....	13	5.113	5.110
Deferred tax liabilities.....		3.778	4.621
	Non-current liabilities	78.654	78.059
Current liabilities			
Accounts payables.....		735	621
Accounts payables to related parties.....		0	1
Current maturities of lease liabilities.....	13	410	398
Current maturities of borrowings.....	12	80	77
Accrued interest on borrowings from parent company.....		2.888	0
Other current liabilities.....		1.039	872
	Current liabilities	5.153	1.969
	Total liabilities	83.807	80.028
	Total equity and liabilities	85.204	84.598

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2024

	Share capital	Share premium	Accumulated deficit	Total equity
1.1.-30.6.2023*				
Balance at 1.1.2023.....	132	12.682	(2.904)	9.910
Prior year adjustment.....			(271)	(271)
Net loss for the period.....			(2.207)	(2.207)
Total equity 30.06.2023.....	132	12.682	(5.381)	7.431
1.1.-30.6.2024				
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

*Amounts have been restated, reference to note 14

Consolidated Statement of Cash Flows

for the period from 1 January to 30 June 2024

	2024 1.1.-30.6	2023* 1.1.-30.6
Cash flows from operating activities		
Loss for the period.....	(3.174)	(2.478)
Adjustments for:		
Depreciation.....	2.307	2.167
Gain on sale of operating assets.....	(86)	0
Other items not affecting cash flows.....	(15)	1
Income tax.....	(844)	(516)
Net finance cost.....	4.346	3.392
	2.535	2.566
Changes in:		
Inventories.....	68	(61)
Accounts receivables and other short term receivables.....	(49)	566
Accounts payables and other short term payables.....	269	(1.171)
	288	(666)
Interest received.....	21	30
Interest paid.....	(1.237)	(1.029)
Taxes paid.....	0	(4)
Net cash from operating activities	1.607	897
Cash flows to investing activities		
Investment in operating assets.....	(2.245)	(1.973)
Investment in intangible assets.....	(73)	(94)
Proceeds from sale of operating assets.....	87	0
Non-current receivables, change.....	11	11
Net cash used in investing activities	(2.220)	(2.056)
Cash flows from financing activities		
Proceeds from loans and borrowings.....	1.200	500
Others.....	0	(308)
Repayment of lease liabilities.....	(199)	(208)
Net cash (used in) from financing activities	1.001	(16)
Change in cash and cash equivalents.....	388	(1.175)
Cash and cash equivalents at the beginning of the period.....	1.035	3.081
Cash and cash equivalents at the end of the period.....	1.423	1.906

*Amounts have been restated, reference to note 14

Notes

1. The Company

Míla Holding hf. (the "Company") is a public limited liability company incorporated and domiciled in Iceland. The address of the Company's registered office is at Stórhöfði 22-30, 105 Reykjavík. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2024 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 as well as operational and advisory service for the telecommunications and co-location services. Sunstone III ehf. is the Company's parent company and the Company's ultimate parent company is Ardian Infrastructure Fund V B SCS SICAV RAIF.

2. Basis of accounting

a. Statement of compliance

The Group's Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information required for a complete set of IFRS 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 2023.

These Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors on 3 September 2024.

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.

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 2023.

4. Changes in accounting policies

The accounting policies and methods of computation applied in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2023. A number of new standards are effective for annual report periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Condensed Consolidated Interim Financial Statements and they are not considered to have significant impact on the Condensed Consolidated Interim Financial Statements.

5. Sales

Sales of service and goods are specified as follows:

	2024	2023
	1.1.-30.6	1.1.-30.6
Fixed access.....	2.102	1.983
Connectivity and internet.....	1.297	1.337
Other core business.....	1.213	1.195
Sales of service and goods.....	205	86
Total.....	4.818	4.600

Notes

6. Cost of sales

Cost of sales is specified as follows:

	2024	2023
	1.1.-30.6	1.1.-30.6
Salaries and related expenses.....	529	504
Cost of service and goods.....	635	592
Housing cost.....	255	255
Depreciation.....	1.557	1.465
Total.....	2.976	2.816

7. Operating expenses

Operating expenses are specified as follows:

	2024	2023
	1.1.-30.6	1.1.-30.6
Salaries and related expenses.....	393	244
Other expenses.....	370	441
Depreciation.....	750	701
Total.....	1.513	1.386

8. Financial income and expenses

Financial income and expenses are specified as followed:

	2024	2023
	1.1.-30.6	1.1.-30.6
Financial income:		
Interest income.....	17	32
Total.....	17	32
Financial expenses:		
Interest on borrowings.....	(4.254)	(3.320)
Interest on leases.....	(109)	(105)
Total.....	(4.363)	(3.425)
Net exchange rate differences.....	(1)	1
Net financial expenses.....	(4.346)	(3.392)

9. Operating assets

Operating assets are specified as followed:

	Telecom equipment	Buildings	Other equipment	Total
Cost				
Balance at 1.1.2023.....	50.882	3.717	777	55.376
Additions.....	4.357	162	70	4.589
Sales and disposals.....	(81)	33	(2)	(50)
Balance at 31.12.2023.....	55.158	3.912	845	59.915
Balance at 1.1.2024.....	55.158	3.912	845	59.915
Additions.....	2.135	94	16	2.245
Sales and disposals.....	0	(17)	0	(17)
Balance at 30.06.2024.....	57.293	3.989	861	62.143
Depreciation				
Balance at 1.1.2023.....	(27.178)	(1.235)	(551)	(28.964)
Depreciation.....	(2.667)	(154)	(45)	(2.866)
Sales and disposals.....	44	0	2	46
Balance at 31.12.2023.....	(29.801)	(1.389)	(594)	(31.784)
Balance at 1.1.2024.....	(29.801)	(1.389)	(594)	(31.784)
Depreciation.....	(1.384)	(81)	(24)	(1.490)
Sales and disposals.....	0	16	0	16
Balance at 30.06.2024.....	(31.185)	(1.454)	(618)	(33.257)

Notes

9. Operating assets, continued

	Telecom equipment	Buildings	Other equipment	Total
Carrying amounts				
At 31.12.2023.....	25.357	2.523	251	28.131
At 30.06.2024.....	26.108	2.534	243	28.886

10. Goodwill and other intangible assets

Goodwill and other intangible assets are specified as followed:

	Goodwill	Business relations	Software	Total
Cost				
Balance at 1.1.2023.....	27.534	21.684	937	50.155
Additions.....	0	0	185	185
Balance at 31.12.2023.....	27.534	21.684	1.122	50.340
Balance at 1.1.2024.....	27.534	21.684	1.122	50.340
Additions.....	0	0	73	73
Balance at 30.06.2024.....	27.534	21.684	1.195	50.413
Amortisation				
Balance at 1.1.2023.....	0	(539)	(722)	(1.261)
Amortisation.....	0	(1.019)	(90)	(1.109)
Balance at 31.12.2023.....	0	(1.558)	(812)	(2.370)
Balance at 1.1.2024.....	0	(1.558)	(812)	(2.370)
Amortisation.....	0	(510)	(53)	(563)
Balance at 30.06.2024.....	0	(2.068)	(865)	(2.933)
Carrying amounts				
At 31.12.2023.....	27.534	20.126	310	47.970
At 30.06.2024.....	27.534	19.616	330	47.480

11. Right of use assets

Most of Míla's leases are capitalized according to IFRS 16. Leases for a shorter period than one year or with an insignificant value are not capitalized.

Right of use assets are specified as followed:

	Telecom equipment	Buildings	Other equipment	Total
Cost				
Balance at 1.1.2023.....	229	5.460	86	5.775
Additions.....	0	198	24	222
Eliminated on disposal and termination.....	0	(200)	(25)	(225)
Remeasurement/indexation.....	12	1.060	0	1.072
Balance at 31.12.2023.....	241	6.518	85	6.844
Balance at 1.1.2024.....	241	6.518	85	6.844
Additions.....	0	64	18	82
Eliminated on disposal and termination.....	(7)	(240)	(22)	(270)
Remeasurement/indexation.....	5	322	6	334
Balance at 30.06.2024.....	239	6.663	87	6.990

Notes

11. Right of use assets, continued

	Telecom equipment	Buildings	Other equipment	Total
Depreciation and impairment losses				
Balance at 1.1.2023.....	(43)	(1.149)	(33)	(1.225)
Depreciation.....	(15)	(430)	(28)	(473)
Eliminated on disposal and termination.....	0	81	20	101
Balance at 31.12.2023.....	(58)	(1.498)	(41)	(1.597)
Balance at 1.1.2024.....	(58)	(1.498)	(41)	(1.597)
Depreciation.....	(8)	(235)	(12)	(254)
Eliminated on disposal and termination.....	7	58	19	85
Balance at 30.06.2024.....	(59)	(1.674)	(34)	(1.767)
Carrying amounts				
At 31.12.2023.....	183	5.020	44	5.247
At 30.06.2024.....	181	4.989	53	5.223

12. Borrowings

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

	2024 30.6.2024	2023 31.12.2023
Borrowings are specified as follows:		
Secured bond in ISK - Indexation + 2,2%.....	6.781	6.549
Secured bank loan in ISK - REIBOR + 2,65%.....	17.500	16.500
Long term liability with related parties - REIBOR + 2,9%.....	46.138	45.938
	70.419	68.987
Capitalized borrowing cost.....	(575)	(582)
Total.....	69.844	68.405
Aggregated annual maturities are as follows:		
Payments 2024.....	80	77
Payments 2025.....	218	214
Payments 2026.....	232	227
Payments 2027.....	247	242
Payments 2028.....	263	258
Payments later.....	69.378	67.969
Total	70.419	68.987
Changes in borrowings during the period are as follows:		
Long-term liabilities at 1.1.2024/1.1.2023.....	68.405	61.372
New borrowings.....	1.200	1.996
Accrued interest and indexation.....	232	5.056
Expensed borrowing costs.....	7	(19)
Total.....	69.844	68.405

Mila's shares and bank accounts are pledged against the borrowing of Sunstone IV from unrelated parties. In addition, Mila guarantees a maximum of ISK 19.200 million.

Notes

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 1.1.2023.....	208	4.503	56	4.767
Payments.....	(14)	(389)	(27)	(430)
Additions, terminations and indexation.....	0	198	24	222
Remeasurement/indexation.....	13	1.060	0	1.073
Terminated leases.....	0	(119)	(5)	(124)
Lease liabilities 31.12.2023.....	207	5.253	47	5.507
Lease liabilities 1.1.2024.....	207	5.253	47	5.508
Payments.....	(7)	(197)	(12)	(215)
Additions, terminations and indexation.....	0	64	18	82
Remeasurement/indexation.....	5	322	6	334
Terminated leases.....	0	(182)	(3)	(185)
Lease liabilities 30.06.2024.....	206	5.260	57	5.523

Aggregated annual maturities are as follows:

	30.6.2024	31.12.2023
Payments 2024.....	410	398
Payments 2025.....	426	407
Payments 2026.....	373	354
Payments 2027.....	378	361
Payments 2028.....	391	375
Payments later.....	3.545	3.613
	5.523	5.508

14. Prior year adjustments

With reference to note 26 in the Group's Annual Consolidated Financial Statement as at and for the year ended 2023, amounts for the comparison period of 2023 have been restated.

The following table summarises the impacts on the Condensed Consolidated Interim Financial Statements:

Consolidated Statement of Financial Position	Impact of adjustments		
	As previously reported	Adjustments	As restated
Total assets	84.025	0	84.025
Retained earnings.....	(5.112)	(271)	(5.383)
Others.....	12.814	0	12.814
Total equity	7.702	(271)	7.431
Deferred tax liability.....	5.504	(68)	5.436
Others.....	66.385	0	66.385
Non-current liabilities	71.889	(68)	71.821
Current liabilities to related parties.....	0	338	338
Others.....	4.434	0	4.434
Current liabilities	4.434	338	4.772
Total equity and liabilities	84.025	0	84.025

Notes

14. Prior year adjustments, continued

	Impact of adjustments		
	As previously reported	Adjustments	As restated
Consolidated Income Statement			
Operating expenses.....	(2.479)	1.093	(1.386)
Income tax.....	739	(219)	520
Others.....	(1.612)	0	(1.612)
	(3.352)	874	(2.478)
Consolidated Statement of Cash Flows			
Loss for the period.....	(3.352)	874	(2.478)
Accounts payables and other short term payables.....	(84)	(1.093)	(1.177)
Income tax.....	(739)	219	(520)
Others.....	5.072	0	5.072
Net cash from operating activities	897	0	897
Net cash used in investing activities	(2.056)	0	(2.056)
Net cash (from) used in financing activities	(16)	0	(16)
Net change in cash and cash equivalents	(1.175)	0	(1.175)