COMCEL TRUST

Unaudited Interim Condensed Combined Financial Statements

As at and for the nine-month period ended September 30, 2019

November 29, 2019

Unaudited interim condensed combined income statement for the nine-month period ended September 30, 2019

US$ '000	Notes	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Revenue……………………………………………………………	4	1,055,656	1,011,266
Cost of sales……………………………………………………….	4	(239,122)	(208,704)
Gross profit…………………………………………………………..	4	**816,534**	**802,562**
Operating Expenses……………………………………………….	4	(254,550)	(284,849)
Depreciation & amortization ……………………………………..	4	(169,949)	(148,355)
Other operating income (expenses), net…………………………..	4	(3,253)	(6,347)
Operating profit ………………………………………………….	4	**388,782**	**363,011**
Interest expense (i)….…………………………………………….		(70,032)	(56,191)
Interest and other financial income ……………………………..		17,973	12,657
Foreign exchange gain (loss), net ……………………………….		553	(14,461)
Profit before taxes ………………………………...………….		**337,276**	**305,016**
Charge for taxes, net ………………………………………………..		(58,776)	(50,634)
Net profit for the period …………………………………………..		**278,500**	**254,382**

(i) *Interest expense is higher than last period, since it includes US$16.1 million of lease interest expense as a result of the adoption of IFRS16 as from January 1, 2019, partially offset by a decrease on bank interests by US$3.1 million since, during Q3 2019, the Combined Group redeemed US$60 million of debt that was still outstanding at the end of 2018.*

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of comprehensive income for the nine-month period ended September 30, 2019

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net profit for the period………………………………………………..	278,500	254,382
Other comprehensive income, net of tax:		
Exchange differences on translation of operations to the US dollars reporting currency..	(2,007)	(24,533)
Total comprehensive income for the period……………………	**276,493**	**229,849**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of financial position as at September 30, 2019

US$ ‘000	Notes	September 30, 2019	December 31, 2018 (i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net…………………………………………..	6	180,822	175,351
Property, plant and equipment, net……………………………..	7	527,485	573,789
Right of use assets……………………………………………..	2	244,194	—
Contract costs, net……………………………………………..		2,531	2,451
Deferred tax assets…………………………………………….		20,001	16,724
Amounts due from related parties…………….………………..	8	240,010	245,010
Income tax assets….…………………………………………..		4,633	6,616
Supplier advances for capital expenditure...…………………..		2,480	230
Other non-current assets………………………………………..		18,078	2,770
TOTAL NON-CURRENT ASSETS……....................……….		**1,240,234**	**1,022,941**
CURRENT ASSETS			
Inventories………………………………………………………..		19,893	25,204
Trade receivables, net…………………………………………..		41,260	43,043
Contract assets, net…………………………………………….		67,662	57,257
Amounts from related parties…………………………………..	8	625,724	329,269
Prepayments……………………...……………………………..		4,979	5,263
Other current assets.…………………………………………….		2,443	23,552
Restricted cash…………………………………………………..	9	5,231	5,768
Cash and cash equivalents...…………………………………….	9	226,877	214,084
TOTAL CURRENT ASSETS……………………………………..		**994,069**	**703,440**
TOTAL ASSETS…………………………………………………..		**2,234,303**	**1,726,381**

(i) Not restated for the application of IFRS16 as the Combined Group elected the modified retrospective approach (see note 2)

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of financial position at September 30, 2019 (continued)

US$ '000	Notes	September 30, 2019	December 31, 2018 (i)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		14,009	14,009
Equity contribution reserve		12,655	12,043
Other reserves		86,115	88,122
Retained profits		703,401	424,901
TOTAL EQUITY		**816,180**	**539,075**
LIABILITIES			
Non-current liabilities			
Other debt and financing	10,13	928,545	926,868
Lease liabilities	2	227,347	—
Provisions and other non-current liabilities		51,370	43,131
Deferred tax liabilities		11,860	8,791
Total non-current liabilities		**1,219,122**	**978,790**
Current liabilities			
Lease liabilities	2	19,597	—
Amounts due to related parties	8	17,384	13,761
Payables and accruals for capital expenditure		29,065	58,053
Trade payables		17,772	22,125
Accrued interest and other expenses		62,479	66,228
Current income tax liabilities		6,493	6,688
Contract liabilities		29,873	28,224
Provisions and other current liabilities		16,338	13,437
Total current liabilities		**199,001**	**208,516**
TOTAL LIABILITIES		**1,418,123**	**1,187,306**
TOTAL EQUITY AND LIABILITIES		**2,234,303**	**1,726,381**

(i) Not restated for the application of IFRS16 as the Combined Group elected the modified retrospective approach (see note 2)

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statement of cash flows for the nine-months period ended September 30, 2019

US$ '000	Notes	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Cash flows from operating activities			
Profit before taxes		**337,276**	**305,016**
Adjustments to reconcile to net cash:			
Interest expense ……………………………………………..		70,032	56,191
Interest and other financial income…………………………..		(17,973)	(12,657)
Foreign exchange (gain) / loss, net …………………………..		(553)	14,461
Adjustments for non-cash items:			
Depreciation and amortization ………………………………	4	169,949	148,355
Loss on disposal and impairment of assets …………………		3,253	6,347
Share-based compensation …………………………………	5	612	1,048
		562,596	**518,761**
(Increase)/Decrease in trade receivables, prepayments and other current asset…………………………………………		(12,934)	5,893
Decrease in inventories………………………………………..		5,310	3,965
Increase/(Decrease) in trade and other payables …………..		5,555	(8,221)
Changes in working capital		**(2,069)**	**1,637**
Interest paid ………………………………………………………		(76,622)	(65,659)
Interest received ………………………………………………..		16,551	3,835
Taxes paid ………………………………………………………		(57,488)	(55,518)
Net cash provided by operating activities		**442,968**	**403,056**
Cash flows from investing activities:			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired ………………………………………	3	-	(32,494)
Purchase of intangible assets…………………………………	6	(16,902)	(18,445)
Purchase of property, plant and equipment …………………	7	(110,292)	(75,714)
Proceeds from sale of property, plant and equipment………		260	1,294
Net decrease in restricted cash ……………………………….		2,286	110
Net cash used by investing activities		**(124,648)**	**(125,249)**
Cash flows from financing activities			
Repayment of leases (capital component)……………………		(19,226)	-
Payment of dividends, advances and shareholders loans….	8	(290,000)	(299,430)
Net cash used by financing activities		**(309,226)**	**(299,430)**
Exchange gain/(loss) on cash and cash equivalents, net…..		3,699	(3,411)
Net increase in cash and cash equivalents		**12,793**	**(25,034)**
Cash and cash equivalents at the beginning of the year…….		214,084	295,617
Cash and cash equivalents at the end of the period		**226,877**	**270,583**

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Unaudited interim condensed combined statements of changes in equity for the nine-months period ended September 30, 2019 and year ended December 31, 2018

US$ '000	Share capital (000's)	Equity Contribution Reserve (i) (000's)	Other reserves (ii) (000's)	Retained earnings (000's)	Total equity (000's)
Balance on December 31, 2017	**14,009**	**10,734**	**106,008**	**376,035**	**506,786**
Profit for the period…………………………..	—	—	—	254,382	254,382
Currency translation differences…………..	—	—	(24,533)	—	(24,533)
Total comprehensive income for the period	—	—	(24,533)	254,382	229,849
Adjustment on adoption of IFRS 15 and IFRS 9 (net of tax)…………………………...	—	—	—	33,616	33,616
Share based compensation………………..	—	1,048	—	—	1,048
Dividends (iii)…………………………………	—	—	—	(321,697)	(321,697)
Balance on September 30, 2018	**14,009**	**11,782**	**81,475**	**342,336**	**449,602**
Profit for the period…………………………..	—	—	—	82,565	82,565
Currency translation differences…………..	—	—	6,647	—	6,647
Total comprehensive income for the period	—	—	6,647	82,565	89,212
Share based compensation………………..	—	261	—	—	261
Dividends (iii)…………………………………	—	—	—	—	—
Balance on December 31, 2018	**14,009**	**12,043**	**88,122**	**424,901**	**539,075**
Profit for the period…………………………..	—	—	—	278,500	278,500
Currency translation differences…………..	—	—	(2,007)	—	(2,007)
Total comprehensive income for the period	—	—	(2,007)	278,500	276,493
Share based compensation………………..	—	612	—	—	612
Balance on September 30, 2019	**14,009**	**12,655**	**86,115**	**703,401**	**816,180**

(i) *Equity Contribution Reserve made up only with share-based compensation expense.*
(ii) *Other reserves include legal reserves of $86 million and currency translation differences at September 30, 2019. Legal reserves are not distributable.*
(iii) *Dividends — see note 11.*

The accompanying notes are an integral part of these unaudited interim condensed combined financial statements.

Notes to the unaudited interim condensed combined statements

1. ORGANIZATION

The combined financial statements are composed of 9 companies (the "Combined Group" or "Tigo Guatemala Companies") as detailed in the table below:

Name of the company	Country
Comunicaciones Celulares, S.A.………	Guatemala
Comunicaciones Corporativas, S.A.	Guatemala
Servicios Especializados en Telecomunicaciones, S.A.	Guatemala
Distribuidora de Comunicaciones de Occidente, S.A.	Guatemala
Distribuidora Central de Comunicaciones, S.A.	Guatemala
Distribuidora de Comunicaciones de Oriente, S.A.	Guatemala
Distribuidora Internacional de Comunicaciones, S.A.	Guatemala
Servicios Innovadores de Comunicación y Entretenimiento, S.A.	Guatemala
Navega.com, S.A.	Guatemala
Intertrust SPV (Cayman) Limited.	Cayman

Intertrust SPV (Cayman) Limited, acting as trustee of the Comcel Trust, is a trust established and consolidated by Comunicaciones Celulares, S.A. for the purposes of the bond issued (refer to note 10). The Comcel Trust is not a separate legal entity under Cayman Islands law. Intertrust SPV (Cayman) Limited as Trustee carries out the purposes for which the Comcel Trust was established. All references herein to the Comcel Trust shall be construed as references to Intertrust SPV (Cayman) Limited acting as Trustee under the Declaration of Trust.

In January 2014, the Comcel Trust issued a bond of US$800 million which is guaranteed by Comunicaciones Celulares, S.A. and is listed on the Luxembourg Stock Exchange. In accordance with IFRS, the Comcel Trust is consolidated within the combined Tigo Guatemala Companies.

With the proceeds of this bond, Comunicaciones Celulares, S.A. entered into a senior unsecured loan ("the Loan") with Credit Suisse AG, Cayman Islands Branch. The proceeds of the bond were used by the Comcel Trust to purchase a 100% participation interest in the Loan pursuant to a credit and guarantee. The Loan between the Comcel Trust, Credit Suisse and Comunicaciones Celulares, S.A. has been set up in a way such that, under IFRSs, the Tigo Guatemala Companies have derecognized both its asset and liability towards Credit Suisse from the date of the agreement.

The Group have combined their financial statements in order to comply with the reporting requirements stipulated in the global program of the emission of a senior bond for a total of US$800 million, of which the Companies are guarantors. The combined financial statements are intended for use by such investors.

Our combined financial statements only include subsidiaries of the Tigo Guatemala Companies located in Guatemala and therefore do not consolidate other subsidiaries outside Guatemala that are not material over which the Combined Group has control as of, and for, the periods presented. These subsidiaries represented less than 1% of the combined total revenue, less than 1% of the combined EBITDA, 1% of the combined total assets and less than 1% of the combined total liabilities of the Combined Group as of, and for the nine-months period ended September 30, 2019.

The Combined Group provides mobile and data telephony services, corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and mobile financial services to retail and business customers in Guatemala.

All Tigo Guatemala Companies have registered offices located at Km 9.5 Carretera a El Salvador, Plaza Tigo Sta. Catarina Pinula, Guatemala. They are owned jointly by Millicom Group ("MIC Group"), whose

1. ORGANIZATION (Continued)

ultimate holding company is Millicom International Cellular S.A. ("MIC") and by Miffin Associates Corp together the "Combined Group owners".

The Combined Group shareholders are Millicom Group and Miffin which own respectively 55% and 45% interests in each of the Tigo Guatemala Companies. Those entities form one single business in substance as all of the entities have one single common management. The Combined Group is governed by a shareholders' agreement.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES

These interim condensed combined financial statements of the Combined Group are unaudited. They are presented in US dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting'. In the opinion of management, these unaudited condensed interim combined financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. The Combined Group's operations are not affected by significant seasonal or cyclical patterns.

These unaudited condensed interim combined financial statements should be read in conjunction with the combined financial statements for the year ended December 31, 2018. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2018 combined financial statements, except for the changes described below.

New and amended IFRS standards

The following changes to standards effective for annual periods starting on January 1, 2019 have been adopted by the Combined Group:

- IFRS16 "Leases". The Combined Group had to change its accounting policies as a result of adopting IFRS16 Leases.

On adoption, an additional lease liability of $263 million has been recognized and the application of the new standard had as an effect a decrease in operating expenses by $31 million as compared to what our results would have been if we had continued to follow IAS 17 in the nine months ended September 30, 2019. The impact of the adoption of the leasing standard and the new accounting policies are further explained below. The application of this standard also affects the Combined Group's depreciation, operating and financial expenses, debt and other financing and leverage ratios. The change in presentation of operating lease expenses results in a corresponding increase in cash flows derived from operating activities and a decline in cash flows from financing activities.

- The following new or amended standards became applicable for the current reporting period and did not have any significant impact on the Combined Group's accounting policies, disclosures and did not require retrospective adjustments.
    - Amendments to IFRS 9 "Financial instruments" on prepayment features with negative compensation.
    - IFRIC 23 "Uncertainty over Income Tax Treatments" clarifies how the recognition and measurement requirements of IAS 12 Income taxes, are applied where there is uncertainty over income tax treatments.
    - Amendments to IAS 19 "Employee benefits" on plan amendment, curtailment or settlement.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES

- Annual improvements 2015-2017

The following changes to standards, which are not expected to materially affect the Combined Group, will be effective from January 1, 2020:

- Amendments to the conceptual framework. The IASB has revised its conceptual framework. The Combined Group does not expect these amendments to have a material impact on the combined financial statements. These amendments have not yet been endorsed by the EU.
- Amendments to IFRS 3 - definition of a business. This amendment revises the definition of a business. The Combined Group does not expect these amendments to have a material impact on the combined financial statements. These amendments have not yet been endorsed by the EU.
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors'. These amendments have not yet been endorsed by the EU.
- Amendments to IFRS 9, IAS 39 and IFRS 7- Interest Rate Benchmark Reform. The Combined Group is currently assessing the impact of these amendments on the combined financial statements. These amendments have not yet been endorsed by the EU.

Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 "Leases" on the Combined Group's financial statements and discloses the new accounting policies that have been applied from January 1, 2019.

The Combined Group adopted the standard using the modified retrospective approach with the cumulative effect of applying the new Standard recognized in retained profits as of January 1, 2019. Comparatives for the 2018 financial statements were not restated.

a) Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Combined Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 12.7%. Each lease commitment was individually discounted using a specific incremental borrowing rate, following a build-up approach including: risk-free rates, industry risk, country risk, credit risk at cash generating unit level, currency risk and commitment´s maturity.

For leases previously classified as finance leases the Combined Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (Continued)

US$ ´000	2019
Operating lease commitments disclosed as at December 31, 2018	**410,462**
(Plus): Non-lease components obligations	5,092
(Less): Short term leases recognized on a straight line basis as expense	_
(Less): Low value leases recognized on a straight line basis as expense	_
(Less): Forecast of indexation included in the lease commitments not part of the IFRS 16 opening balances	(33,489)
(Plus/less): Other	1,687
Gross lease liabilities	**383,752**
Discounted using the lessee's incremental borrowing rate at the date of the initial application	(121,156)
Incremental lease liabilities recognized at January 1, 2019	**262,596**
(Plus): Finance lease liabilities recognized at December 31, 2018	698
Lease liabilities recognized at January 1, 2019	**263,294**
Of which are:	
Current lease liabilities	20,383
Non-current lease liabilities	242,911

The application of IFRS 16 affected the following items in the statement of financial position on January 1, 2019:

FINANCIAL POSITION US$ '000	As at January 1, 2019 before application	Effect of adoption of IFRS 16	As at January 1, 2019 after application	Reason for the change
ASSETS				
Property, plant & equipment, net………	573,789	(764)	573,025	(i)
Right-of-use assets (non-current) **NEW..**	_	265,161	265,161	(ii)
Prepayments…………………………....	5,263	(2,565)	2,698	(iii)
LIABILITIES				
Lease Liabilities (non-current) **NEW**……	_	242,911	242,911	(iv)
Debt & Other Financing (non-current) ...	926,868	(615)	926,253	(v)
Lease Liabilities (current) **NEW**………..	_	20,383	20,383	(iv)
Trade payables	22,125	(83)	22,042	(v)

(i) Transfer of previously capitalized assets under finance leases to Right-of-Use assets.
(ii) Initial recognition of Right-of-Use assets, transfer of previously recognized finance leases and of lease prepayments being part of the Right-of-Use asset cost at transition.
(iii) Transfer of lease prepayments being part of the Right-of-Use asset cost at transition.
(iv) Initial recognition of lease liabilities and transfer of previously recognized finance lease liabilities.
(v) Transfer of previously recognized finance lease liabilities to new Lease liabilities accounts.

The application of IFRS 16 also impacts classifications within the statement of cash flows, segment information and EPS for the period starting from January 1, 2019. Its application had nevertheless no significant impact on the Combined Group's retained profits.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (Continued)

In applying IFRS 16 for the first time, the Combined Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Combined Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made when applying IAS 17 and IFRIC 4 determining whether an Arrangement contains a Lease.

b) Leases accounting policy applied from January 1, 2019 are as follows:

The Combined Group leases various lands, sites, towers, offices, warehouses, retail stores, equipment and cars. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Through December 31, 2018, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the statement of income on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under IFRS 16.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under IFRS 16.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Furthermore, the Combined Group has taken the additional following decisions in adopting the standard:

- Non-lease components are capitalized (IFRS16.15)
- Intangible assets are out of IFRS 16 scope (IFRS16.4)

According to the IFRS 16, lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate if the lessee is reasonably certain not to exercise that option. The assessment of such options is performed at the commencement of a lease. As part of the assessment, the Combined Group introduced the 'time horizon concept': the reasonable term under which the company expects to use a leased asset considering economic incentives, management decisions, business plans and the fast-paced industry Combined Group operates in. The assessment must be focused on the economic incentives for Combined Group to exercise (or not) an option to early terminate/extend a contract. The Combined Group has decided to work on the basis the lessor will generally accept a renewal/not early terminate a contract, as there is an economic incentive to maintain the contractual relationship.

The Combined Group considered the specialized nature of most of its assets under lease, there is a low likelihood the lessor can find a third party to substitute Combined Group as lessee and past practice to conclude that, pending clarification from IFRIC, the lease term can go beyond the notice period when there is more than an insignificant penalty for the lessor not to renew the lease. This analysis requires judgment and has a significant impact on the lease liability recognized under IFRS 16.

3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the nine-month period ended September 30, 2019, the Combined Group did not complete any acquisition.

4. BREAKDOWN OF OPERATING PROFIT

The gross profit and operating profit of the Combined Group can be summarized as follows:

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Revenue	1,055,656	1,011,266
Cost of rendering telecommunication services	(239,122)	(208,704)
Gross profit	**816,534**	**802,562**
Depreciation and amortization	(169,949)	(148,355)
Dealer commissions	(65,746)	(62,584)
Employee related costs (see note 5)	(48,049)	(46,639)
Sites and network maintenance	(43,753)	(44,635)
Operating lease expense	(500)	(34,406)
External services	(26,247)	(25,320)
Phone subsidies	(17,649)	(22,958)
Advertising and promotion	(21,072)	(17,657)
Other fees and costs	(9,888)	(8,507)
Loss on disposal and impairment of assets, net	(3,253)	(6,347)
Other expenses	(21,646)	(22,143)
Operating profit	**388,782**	**363,011**

5. EMPLOYEE RELATED COSTS

Employee related costs are comprised as follows:

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Wages and salaries	(48,556)	(47,180)
Social security	(3,157)	(2,683)
Share based compensation	(612)	(1,048)
Capitalized employee related costs	6,585	6,706
Other employee related costs	(2,309)	(2,434)
Total	**(48,049)**	**(46,639)**

6. INTANGIBLE ASSETS

The Combined Group used cash for the purchase of Intangible assets as follows:

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Additions………………………………………………………………….	7,701	15,051
Decrease in payables for intangible assets…………………………..	9,201	3,394
Cash used for the purchase of intangible assets………………..	**16,902**	**18,445**

The charge for amortization of intangible assets for the nine-month period ended September 30, 2019 was $17 million (September 30, 2018: $14 million).

During the nine-month period ended September 30, 2019, Tigo Guatemala companies did not receive any proceeds from disposals of intangible assets (September 30, 2018: nil).

7. PROPERTY, PLANT AND EQUIPMENT

The Combined Group used cash for the purchase of property, plant and equipment as follows:

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Additions…………………………………………………………………..	98,359	81,213
Change in suppliers' advances………………………………………	2,251	(3,861)
Change in payables for property, plant and equipment……………..	9,682	(1,638)
Cash used for the purchase of property, plant and equipment..	**110,292**	**75,714**

The charge for depreciation on property, plant and equipment for the nine-month period ended September 30, 2019 was $152 million (September 30, 2018: $134 million).

During the nine-month period ended September 30, 2019, Tigo Guatemala companies received $260,000 in cash from disposal of property, plant and equipment (September 30, 2018 $1.3 million).

8. RELATED PARTY TRANSACTIONS

Millicom Group subsidiaries

The Combined Group conducts transactions with one of its shareholders MIC, which in turn is partly owned by its principal shareholder investment AB Kinnevik ("Kinnevik"). On November 7, 2019, the shareholders of Kinnevik agreed to distribute the company's interest in Millicom to its existing shareholders effective on November 12, 2019. Hence, since November 13, 2019, Kinnevik is no longer a related party to the Millicom Group.

As business as usual, the Combined Group receives business support and financing from various Millicom Group entities including MIC the ultimate holding company Millicom International 2 NV ("MIC 2NV") and Millicom International Operations S.A. ("MIO S.A.").

The Combined Group also recharges to other Millicom Group entities certain services performed on their behalf.

8. RELATED PARTY TRANSACTIONS (Continued)

The receivable balance with MIC 2NV at September 30, 2019 represents shareholder loans that are due in 2019 and 2020.

Miffin Associates Corp

The receivable balance with Miffin at September 30, 2019 represents shareholder loans than are due in 2019 and 2020.

Transactions with Miffin shareholders represent recurring commercial operations such as purchase of handsets, buildings and towers leases and airtime sales.

Kinnevik

Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper industries and financial services. As of September 30, 2019, and 2018, Kinnevik owned approximately 37% of MIC until November 12, 2019 (see above). During the nine-month period ended September 30, 2019 and September 30, 2018, the Combined Group received services from Kinnevik subsidiaries including fraud detection, procurement and professional services.

The following transactions were conducted with related parties during the nine-month period ended September 30, 2019 and September 30, 2018:

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Costs & Operating Expenses		
Purchases of goods and services (Miffin)…………………………….	168,049	133,524
Purchase of goods and services (MIC)……………………………….	1,030	2,146
Purchases of goods and services (Other)…………………………….	4,792	2,281
Total…………………………...………………………………………….	**173,871**	**137,951**

US$ '000	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Revenue		
Sale of goods and services (Miffin)…………………………………….	223,158	189,345
Sale of goods and services (MIC)……………………………………..	8,005	4,907
Sale of goods and services (Other)…………………………………….	2,690	1,960
Total……………………………………………………………………….	**233,853**	**196,212**

8. RELATED PARTY TRANSACTIONS (Continued)

As at September 30, 2019 the Combined Group had the following balances with related parties:

US$ '000	As at September 30, 2019	As at December 31, 2018
Assets		
Millicom International II NV	474,843	314,614
Miffin Associates Corp	388,873	257,674
MIC S.A	1,208	223
Metrored Cable Honduras	318	107
Newcom Nicaragua, S.A.	303	42
Telemóvil El Salvador, S.A.de C.V	-	324
Others	189	1,295
Total	**865,734**	**574,279**

US$ '000	As at September 30, 2019	As at December 31, 2018
Liabilities		
Miffin Associates Corp	10,287	7,665
MIC S.A	2,421	2,575
Millicom Cable Costa Rica	1,112	1,183
Millicom Spain, S. L	1,077	1,235
Metrored Cable Honduras	192	119
Others	2,295	984
Total	**17,384**	**13,761**

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised:

US$ '000	As at September 30, 2019	As at December 31, 2018
Cash and cash equivalents in U.S. dollars	157,376	135,548
Cash and cash equivalents in GTQ	69,501	78,536
Total cash and cash equivalents	**226,877**	**214,084**

Cash and short-term deposits in the financial statement position comprise cash at banks and on hand and short- term deposits with a maturity of six months or less, which are subject to an insignificant risk of changes in value. For the combined statement purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Combined Group's cash management.

9. CASH AND CASH EQUIVALENTS (Continued)

Restricted cash comprised:

US$ '000	As at September 30, 2019	As at December 31, 2018
Restricted cash in GTQ……………………………………………….	5,231	5,768
Total restricted cash……………..…………………………………….	**5,231**	**5,768**

Restricted cash mainly refers to cash within the mobile financial services business, which is restricted in accordance with local regulations.

10. DEBT AND FINANCING

Analysis of debt and other financing by maturity

The total amount of debt and financing is repayable as follows:

US$ '000	As at September 30, 2019	As at December 31, 2018
Due within:		
After five years…………………………………………………………	928,545	926,868
Total debt………………………………………………………………..	**928,545**	**926,868**

On January 30, 2014, Tigo Guatemala Companies issued an $800 million 6.875% fixed interest rate bond repayable in 10 years, to refinance the Combined Group and to repay in 2014 each individual financing facility existing as at December 31, 2013. The bond was issued at 98.233% of the principal and has an effective interest rate of 7.168%.

In June 2015, Tigo Guatemala Companies set up 10 years maturity loans in local currency with two local banks; Banco Industrial for GTQ 600 million ($78 million) and Banco G&T for GTQ 1 billion ($122 million). The effective combined interest rate of the loans is 7.16%. Interest is paid in monthly installments while the loan is repayable in one bullet with a 10 years maturity and with an option of early repayment after 5 years without any penalties.

In November and December 2018, the Combined Group redeemed GTQ 467 million ($60 million), of the principal amount of the debt with Banco G&T.

As at December 31, 2018, Debt and financing included finance lease liabilities of approximately $1 million. As at September 30, 2019, and as a result of the application of IFRS 16, these are now shown under lease liabilities in the statement of financial position and therefore excluded from the table above in 2019.

As at September 30, 2019 and December 31, 2018, none of the shareholders had issued any guarantees to secure the obligations of the Combined Group's operations.

Pledged assets

As at September 30, 2019 and December 31, 2018, the assets pledged by the Combined Group´s operations for these debts and financings are nil.

11. DIVIDENDS

The ability of the Combined Group to make dividend payments is subject to, among other things, the conditions of indebtedness, legal restrictions and the ability to repatriate funds from the combined entities. The Combined Group don´t have any restriction to make dividend payments, however at September 30, 2019 the entities of the Combined Group have not declared any dividends related with retained earnings to 2018.

12. COMMITMENTS AND CONTINGENCIES

Litigation & legal risks

The Tigo Guatemala Companies are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As at September 30, 2019 and December 31, 2018 by $ 1.2 million in both periods have been provided for these claims in the combined statement of financial position. Management is of the opinion that while it is impossible to ascertain the ultimate legal and financial liability with respect to these claims, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Combined Group's financial position and operations.

Between 2017 and 2019, the International Commission Against Impunity in Guatemala ("CICIG"), and Guatemalan prosecutors have pursued investigations that have included the country´s telecommunications sector and Comcel. On September 3, 2019, the CICIG´s activities in Guatemala were discontinued, after the Guatemalan government did not renew the CICIG´s mandate. As at September 30, 2019, Management has not been able to assess the potential impact, (if any), on these interim condensed combined financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that maybe imposed by law enforcement authorities. Accordingly, no provision has been recorded as of September 30, 2019.

Tax claims

At September 30, 2019, Navega.Com, S.A. is disputing through an administrative process an adjustment made by the Tax Authorities in regards with the goodwill amortization of approximately $18.5 million related with business combinations completed in 2011 with effective date on January 2012. Despite the administrative process has been initiated at the Supreme Court, the tax authority has requested that the attorney general´s office investigate this matter through a criminal prosecution. Currently, a criminal court resolution is pending to define if the administrative o criminal way should be followed. At the current stage of the process, the Company has no information that deems for a provision to be necessary.

In 12 April 2018, the Constitutional Court notified Navega.Com, S.A. of an appeal filed by the Tax Authorities against the ruling of the Supreme Court of Justice in regards with the 3% stamp tax on the dividends payments from Navega.Com, S.A. to the shareholders for the 2007 and 2010 fiscal years. The estimated tax claim amounts to $2 million. Navega.Com, S.A. has responded this appeal and is waiting for a final resolution from the Constitutional Court. The Combined Group has recorded a provision in regards with this contingency.

12. COMMITMENTS AND CONTINGENCIES (Continued)

Capital commitments

As of September 30, 2019, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for $45 million (December 31, 2018: $31 million), from various suppliers.

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at September 30, 2019 and December 31, 2018:

	Carrying Value		Fair Value	
US$ '000	September 30, 2019 (unaudited)	December 31, 2018 (audited)	September 30, 2019 (unaudited)	December 31, 2018 (audited)
FINANCIAL LIABILITIES				
Other debt and financing…………	928,545	926,868	954,752	942,165

14. SUBSEQUENT EVENTS

There is no subsequent event since September 30, 2019 and up to the date of those financial statements.

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