Unaudited Interim Condensed Consolidated Financial Statements of Telefónica Celular del Paraguay S.A.E.

For the six month period
ended June 30, 2020

August 28, 2020

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2020

Unaudited interim condensed consolidated statement of comprehensive income for the six-month period ended June 30, 2020

PYG millions	Notes	Six months ended June 30, 2020	Six months ended June 30, 2019
Revenue		1,818,567	1,440,165
Cost of sales		(466,525)	(265,919)
Gross profit		**1,352,042**	**1,174,246**
Operating expenses		(518,105)	(529,020)
Depreciation		(244,332)	(210,269)
Amortization		(117,716)	(94,376)
Other operating income (expenses), net		(1,241)	7,386
Corporate fees	4	(142,462)	-
Operating profit		**328,186**	**347,967**
Interest expense		(206,333)	(228,422)
Interest and other financial result, net		35,465	27,881
Other non-operating income (expenses)		144,671	-
Exchange loss, net		(102,721)	(45,653)
Profit before taxes		**199,268**	**101,773**
Charge for taxes, net		(9,168)	(36,326)
Net profit and comprehensive income for the period		**190,100**	**65,447**
Attributable to:			
Equity holders of the company		190,100	65,447

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

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2020

Unaudited interim condensed consolidated statement of financial position as at June 30, 2020

PYG millions	Notes	30 June 2020	31 December 2019 (audited)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	6	3,337,639	1,008,187
Property, plant and equipment, net	5	2,195,890	1,529,791
Right of use assets		498,810	413,565
Deferred tax assets		80,979	83,627
Contract costs, net		226	597
Other non-current assets		45,456	45,685
Amounts due from related parties		-	80,242
TOTAL NON-CURRENT ASSETS		**6,159,000**	**3,161,694**
CURRENT ASSETS			
Inventories, net		34,984	45,451
Trade receivables, net		330,764	328,507
Contract assets, net		73,646	70,930
Amounts due from related parties	8	2,377,738	1,876,868
Prepayments and accrued income		213,790	179,984
Supplier advances for capital expenditure		21,587	18,436
Other current assets		91,938	57,205
Cash and cash equivalents		944,376	187,141
TOTAL CURRENT ASSETS		**4,088,823**	**2,764,522**
TOTAL ASSETS		**10,247,823**	**5,926,216**

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

Unaudited interim condensed consolidated statement of financial position as at June 30, 2020 (continued)

PYG millions	Notes	30 June 2020	31 December 2019 (audited)
EQUITY AND LIABILITIES EQUITY			
Share capital and premium	8	168,469	164,008
Legal reserve		50,110	50,110
Other reserves		16,008	13,122
Retained profits		237,294	237,294
Profit for the year attributable to equity holders		190,100	211,007
Equity attributable to owners of the Company		**661,981**	**675,541**
TOTAL EQUITY		**661,981**	**675,541**
LIABILITIES			
Non-current liabilities			
Debt and financing	7	4,773,913	2,962,608
Lease liabilities		483,362	395,741
Provisions and other non-current liabilities		416,008	412,214
Total non-current liabilities		**5,673,283**	**3,770,563**
Current liabilities			
Debt and financing	7	112,924	278,212
Payables and accruals for capital expenditure		218,280	272,599
Lease liabilities		81,245	86,566
Other trade payables		117,625	138,498
Amounts due to related parties	10	2,520,080	249,893
Accrued interest and other expenses		213,065	190,550
Current income tax liabilities		155,658	3,993
Contract liabilities		89,306	78,945
Provisions and other current liabilities		404,376	180,856
Total current liabilities		**3,912,559**	**1,480,112**
TOTAL LIABILITIES		**9,585,842**	**5,250,675**
TOTAL EQUITY AND LIABILITIES		**10,247,823**	**5,926,216**

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

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2020

Unaudited interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2020

PYG millions	Notes	June 30, 2020	June 30, 2019
Cash flows from operating activities			
Profit before taxes from continuing operations		**199,268**	**101,773**
Adjustments to reconcile to net cash:			
Interest expense, net		206,333	228,422
Interest and other financial income		(35,465)	(27,881)
Exchange gain on foreign exchange		102,721	45,653
Adjustments for non-cash items:			
Depreciation and amortization		362,048	304,645
Gain on disposal and impairment of assets, net		1,241	(7,386)
Shared based compensation		2,886	1,981
Changes in working capital:			
Increase in trade receivables, prepayments and other current assets		(3,909)	(119,766)
(Decrease) increase in inventories		9,490	(9,726)
Increase in trade and other payables		2,436,756	78,903
Changes in contract assets, liabilities and costs, net		1,674	8,839
Total changes in working capital		**2,444,011**	**(41,750)**
Interest paid		(223,658)	(153,930)
Interest received		46,866	467
Taxes (paid) refunded		81,697	(12,957)
Net cash provided by operating activities		**3,187,948**	**439,037**
Cash flows from investing activities:			
Purchase of intangible assets and licenses	6	(215,435)	(238,977)
Purchase of property, plant and equipment	5	(155,367)	(72,062)
Proceeds from sale of property, plant and equipment	5, 6	6,803	7,981
Debt and other financing (granted to) obtained from related parties, net		(722,621)	(111,819)
Cash (used in) provided by other investing activities, net		(2,668,102)	-
Net cash used in investing activities		**(3,754,722)**	**(414,877)**
Cash flows from financing activities:			
Repayment of debt and financing		(436,992)	(1,962,941)
Repayment of Leases		(8,058)	(13,370)
Proceeds from issuance of debt and other financing		1,942,027	2,233,163
Payment of dividends to equity holders		(477,649)	-
Net cash provided by financing activities		**1,019,328**	**256,852**
Exchange impact on cash and cash equivalents, net		29,408	3,435
Net increase in cash and cash equivalents		**481,962**	**284,447**
Cash and cash equivalents at the beginning of the year		462,414	147,771
Cash and cash equivalents at the end of the year		**944,376**	**432,218**

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

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2020

Unaudited interim condensed consolidated statements of changes in equity for the period ended December 31, 2019 and June 30, 2020

PYG millions	Number of shares Note 8	Share Capital Note 8	Retained profits	Legal reserves	Other Reserves	Total equity
Balance as of December 31, 2018	**10,000**	**164,008**	**807,342**	**50,110**	**7,206**	**1,028,666**
Total comprehensive income for the year	-	-	65,447	-	-	65,447
Dividends	-	-	(570,048)	-	-	(570,048)
Share based compensation	-	-	-	-	1,981	1,981
Balance as of June 30, 2019 (unaudited)	**10,000**	**164,008**	**302,741**	**50,110**	**9,187**	**526,046**
Balance as of December 31, 2019 (audited)	**10,000**	**164,008**	**448,301**	**50,110**	**13,122**	**675,541**
Balance as of December 31, 2019 (restated)	**10,000**	**164,008**	**517,199**	**50,110**	**13,122**	**744,439**
Total comprehensive income for the period	-	-	190,100	-	-	190,100
Dividends	-	-	(279,905)	-	-	(279,905)
Increase of share capital	272	4,461	-	-	-	4,461
Share based compensation	-	-	-	-	2,886	2,886
Balance as of June 30, 2020 (unaudited)	**10,272**	**168,469**	**437,394**	**50,110**	**16,008**	**661,981**

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

Notes to the unaudited interim condensed consolidated statements

1. ORGANIZATION

Telefónica Celular del Paraguay S.A.E. (the "Company"), a Paraguayan Company, and its subsidiaries: Teledeportes Paraguay S.A., Lothar Systems S.A., Servicios y Productos Multimedios S.A. and Mobile Cash Paraguay S.A. (Note 3) (the "Group" or "Telecel") is a Paraguayan group providing communications, information, entertainment and solutions in Paraguay. The Company maintains multiple license contracts with Comision Nacional de Telecomunicaciones (Conatel), the regulator of the telecommunications system in Paraguay, to operate cellular and cable telephony businesses in Paraguay. The Company was formed in 1992. The general administration of the Company is located at Zavala Cue esq. Artilleria, Fernando de la Mora, Paraguay.

Telecel is a wholly owned subsidiary of Millicom International III N.V. The ultimate parent company is Millicom International Cellular S.A. (MICSA) a Luxembourg Société Anonyme whose shares are traded on the Nasdaq Stock Market in the U.S under ticker symbol TIGO and on Nasdaq Stockholm TIGO_SDB.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the 2019 consolidated financial statements, except for the changes described below.

COVID-19 - Qualitative and quantitative assessment on business activities, financial situation and economic performance

The outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a pandemic, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. The impact of the outbreak is rapidly evolving, and most countries globally, including Paraguay, have reacted by implementing severe restrictions on travel and public gatherings, including the closing of offices, businesses, schools, retail stores and other public venues, and by instituting curfews or quarantines.

Such measures, as well as the general uncertainty surrounding the dangers of COVID-19, have produced a significant disruption in economic activity and are having an adverse impact on transportation, hospitality, tourism, entertainment and other industries. As a result, many economists now project a severe global recession and a contraction in economic activity in Latin America in 2020.

Impact on our business

To date, Paraguay is one of the countries that has reported the lowest cases and fatalities in Latin America. As one of the largest private companies in Paraguay, we have been supporting local governments and health officials in many ways, especially by communicating important information to the public and applying sanitation measures in our stores and offices.

Our business is at the core of the contingency plans for the millions of individuals and companies who rely on us to connect them to their family and friends, business partners, and the world. As a result, we have observed an increase in traffic of approximately 30% on our fixed networks since restrictions were imposed on the population by the government that represents almost an increase of 26% of bandwidth costs, whilst the impact on our mobile networks have been more modest.

During the last three month, the local football championship was suspended, and this has negatively impacted demand for our Pay TV services.

We have worked closely with the government to ensure our full compliance with the measures, and we had gradually rolled out "lifeline products" to retain customers who are temporarily unable to pay for our services, while also providing an incentive for other customers to continue to pay fully and in a timely manner.

During the second quarter, Tigo Money was a key strategic partner to the Government, distributing subsidies to 415,000 people, of which approximately 6 out of 10 beneficiaries were women. Small businesses without POS sold food and collected funds with their mobile wallets and cell phones, multiplying the government's help that also reached small shops in very remote areas of the country, reactivating the economy.

Our supply chain continues to function without any meaningful interruption, and we have taken steps to continue to secure sufficient inventory and supplies.

Even though the social restriction protocols have softened, health security measures continue, and the country is still on phase 3 of Covid-19 quarantine, while some regions have returned to the initial phase 0 of restrictive measures.

Management action

It is difficult to predict whether the challenges we have been facing since March will continue for the remainder of 2020 or 2021 and beyond. Considering this, we have taken steps to reduce costs, including selling and marketing and employee-related costs.

Impact on liquidity and financial resources

As of June 30, 2020, we had PYG 944,376 million in cash and cash equivalents. The company's accumulated debt financing, including lease liabilities and amounts due to related parties amounted to PYG 7,971,524 million, of which a modest portion is maturing near term, including PYG 2,714,249 million is 2020, PYG 170,141 million in 2021, PYG 168,008 million in 2022 and PYG 4,919,126 three and more years. The Group is currently in compliance with all of its covenants and interest payments.

On April 23, the Board approved an advanced payment of dividends for Servicios y Productos Multimedios S.A. based on 80% of the preliminary results, totalling PYG 227,839 million. On June 25, after receiving the audited financial staments from our external auditors, we got the final results for PYG 214,347 million. Consequently, on July 28, the Company received the return of excess advance dividends from Millicom Holding 300 N.V. for PYG 12,142 million ($1.7 million) after withholding tax.

Impact on accounting matters

As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Nevertheless, we have identified potential significant accounting implications in the following areas:

Impairment of trade receivables

During Q2 2020, and as a result of worsening collections, the Group has recognised additional bad debt provisions for an amount of PYG 38,320 million (aprox. $5.6 million) compared to the level of provisions recorded during Q1 2020 and the same amount compared to Q2 2019.

As of June 30, 2020, the total bad debt provisions covered 100% of the receivables overdue by more than 90 days.

New and amended IFRS standards

The following changes to standards effective for annual periods starting on January 1, 2020 have been adopted by the Group and did not have any significant impact on the Group's accounting policies or disclosures and did not require retrospective adjustments:

- Amendments to the conceptual framework. The IASB has revised its conceptual framework.
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform.
- Amendments to IFRS 3 - definition of a business. This amendment revises the definition of a business.

The following changes to standards not yet effective are not expected to materially affect the Group:

- IFRS 17, 'Insurance contracts' - effective for annual periods starting on January 1, 2021- IFRS 17 will not have an impact for the Group.

- Amendments to IAS 1, 'Presentation of Financial Statements' - effective for annual periods starting on January 1, 2022- This amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- Amendment to IFRS 16, 'Leases' - COVID 19 Rent Concessions - effective for annual periods starting on June 1, 2020. This amendment provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- Amendments to
  - IFRS 3 'Business Combinations' - Reference to Conceptual Framework.
  - IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
  - IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Cost of fulfilling a contract.
  - Annual improvements to IFRS Standards 2018-2020, affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41.

  All of these amendments are effective for annual periods starting on January 1, 2022.

3. ACQUISITION OF SUBSIDIARIES

Acquisitions 2020

During the six-month period ended June 30, 2020, and as a result of a shareholding restructuring, Telecel SAE made the following acquisitions under common control:

a) Mobile Cash Paraguay SA:

On 20 May 2020, the parent shareholder of the Company contributed its 99.99% shareholding in Mobile Cash Paraguay SA into Telecel SAE. As consideration for this contribution, Telecel SAE issued 272 new shares to its parent for a value of PYG 4,461 million. Since that date, Telecel SAE controls Mobile Cash Paraguay SA (MCP) and fully consolidates it, recognising non-controlling interests for the 0.01% shareholding it does not own.

The purchase consideration also includes potential indemnifications from the sellers (including tax and litigation contingencies). For the purchase accounting, Telecel SAE determined the provisional fair values of Mobile Cash Paraguay SA's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting is still provisional at June 30, 2020, particularly in respect of final price adjustment. Management expects to finalize the purchase accounting in Q4 2020.

The provisional purchase accounting as at June 30, 2020 is as follows:

	Provisional Fair values (100%) (PYG millions)
Intangible assets, net	5,869
Property, plant and equipment, net	1,821
Current assets (excluding cash and trade receivables)	120,619
Trade receivables	570
Cash and cash equivalents	144,915
Total Assets acquired	**273,794**
Other debt and financing	111,292
Other liabilities	13,049
Total Liabilities assumed	**124,341**
Fair value of assets acquired and liabilities assumed, net	149,453
Acquisition price	4,455
Gain on purchase (*)	**(144,998)**

(*) Included in the consolidated statement of comprehensive income as Other non-operating income.

b) Servicios y Productos Multimedios SA:

On 29 June 2020, through a Share Purchase Agreement (SPA), Telecel SAE acquired 99.90% of Servicios y Productos Multimedios SA (SPM) from Millicom Holdings 300 NV for approximately $372 million (subject to potential purchase price adjustments) in cash, payable within 90 days from closing the shares purchase agreement.

The transfer of ownership of shares of SPM was approved by the appropriate regulator "Comisión Nacional de Telecomunicaciones (CONATEL)" on June 03, 2020 by Board Resolution Nº 1182/2020.

Since that date, Telecel SAE controls and fully consolidates SPM, recognizing non-controlling interests for the remaining 0.10% shareholding it does not own.

The purchase consideration also includes potential indemnifications from the sellers (including tax and litigation contingencies). For the purchase accounting, Telecel SAE determined the provisional fair values of SPM's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting is still provisional at June 30, 2020, particularly in respect of final price adjustment. Management expects to finalize the purchase accounting in Q4 2020.

The provisional purchase accounting as at June 30, 2020 is as follows:

	Provisional Fair values (100%) (PYG millions)
Intangible assets, net	63,227
Property, plant and equipment, net	764,587
Right of use assets, net	116,096
Other non-current assets	2,409
Current assets (excluding cash and trade receivables)	283,215
Trade receivables	3,400
Cash and cash equivalents	17,836
Total Assets acquired	**1,250,770**
Lease liabilities	116,908
Other debt and financing	764,079
Other liabilities	92,462
Total Liabilities assumed	**973,449**
Fair value of assets acquired and liabilities assumed, net	277,321
Acquisition price	2,523,438
Provisional Goodwill	**2,246,117**

4. CORPORATE FEES

During the six-month period ended, the Group has recognized expenses for PYG 142,462 million in concept of VCF (Value-creating fees) for the support services provided by Millicom to its international affiliates to optimize services and knowledge that result in obtaining more viable, efficient and profitable telecommunications and cable operators.

5. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended, the Group added property, plant and equipment for PYG 155,367 million (June 30, 2019: PYG 72,062 million) and received PYG 6,803 million in cash from disposal of property, plant and equipment (June, 2019: PYG 7,981 million).

6. INTANGIBLE ASSETS

During the six-month period ended June 30, 2020, the Group added intangible assets of PYG 215,435 million (June 30, 2019: PYG 238,977 million) and did not receive proceeds from disposal of intangible assets (June 30, 2019: PYG nil).

7. DEBT AND FINANCING

In April 2019, Telecel issued $300 million (PYG 1,914,000 million) 5.875% senior notes due 2027 (the “Telecel 2027 Notes”). The Telecel 2027 Notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15th and October 15th of each year, starting on October 15th, 2019. The net proceeds of the Telecel 2027 Notes were used to finance the purchase of the Telecel 2022 Notes.

In June 2019, Telecel registered to issue bonds on the Paraguayan stock market. Telecel registered a bond program for PYG 300,000,000,000 (approximately $47 million) that has been launched in different series from 5 years to 10 years.

The first three series were launched on June 5th, 2019 for PYG 230,000,000,000 (approximately $37 million). They were registered and issued as follows: (i) PYG 115,000,000,000 (approximately $18 million) at an 8.75% rate, due June 3rd, 2024; (ii) PYG 50,000,000,000 (approximately $7.8 million) at a 9.25% rate, due May 29th, 2026; and (iii) PYG 65,000,000,000 (approximately $10 million) a at 10%, due May 31st, 2029.

In December 2019, Telecel issued two additional series for PYG 35,000,000,000 as follows: (iv) PYG 10,000,000,000 at a 9.25% rate, due December 30th, 2026; and (v) PYG 25,000,000,000 at a 10% rate, due December 24th, 2029.

In January 2020, Telecel made a retap of the Unsecured Senior Notes due 2027 for $250 million with an interest rate of 5.875%. This issuance was fully subscribed and we received $16 million as premium proceed, resulting in an effective interest rate of 4.81%. $2.7 million of related amortized costs were recognized and the Redeemed Notes were also classified as part of this group.

In February 2020, Telecel, IPS (Instituto de Previsión Social) and IIC (Interamerican Investment Corporation) signed an agreement to cancel the outstanding credit facility with the Paraguayan Social Security Entity (IPS) paying the principal plus cumulate interests by an amount of PYG 319,232 million.

Finally, in February 2020, Telecel completed the issuance of the remaining program with the following series: (vi) PYG 15,000,000,000 at a 9.25% rate, due by January 29th, 2027; and (vii) PYG 20,000,000,000 at 10%, due by January 31st, 2030.

Regarding outstanding loans with local Banks, Regional Bank issued on July 2018; PYG 115,000,000,000, fixed rate 8.90%, maturity 7 years, first capitalization payment would be in Januay 2021.

BBVA Bank issued on January 2019; PYG 177,000,000,000, fixed rate 8.70%, maturity 7 years, first capitalization payment would be in June 2021.

Continental Bank issued on September 2019; PYG 370,000,000,000, fixed rate 9.00%, maturity 7 years, next and second capitalization payment would be in September 2020.

Itaú Bank issued on Januay 2020; PYG 154,620,000,000, fixed rate 9.00%, maturity 5 years, first capitalization payment scheduled on July 2020.

PYG Millions	Carrying Value	Fair Value (i)	Carrying Value	Fair Value (i)
	As at June 2020	As at June 2020	As at December 2019	As at December 2019
Borrowings and local bonds	1,085,924	1,187,812	1,331,537	1,530,095

(i) Fair values are measured with reference to Level 1 (for listed bonds) or 2

USD Millions	Carrying Value	Fair Value (i)	Carrying Value	Fair Value (i)
	As at June 2020	As at June 2020	As at December 2019	As at December 2019
International bonds	558	573	300	323

(i) Fair values are measured with reference to Level 1 (for listed bonds) or 2

Bank and Development Financial Institution financings

(PYG millions)	Issuance date	Maturity date	Fixed interest rate	As at June 30, 2020	As at December 31, 2019
Banco Itaú Paraguay S.A.	10/2015	09/2020	9.00%	153,915	102,980
Inter-American Development Bank / IPS (*)	07/2017	05/2022	10.08%	-	304,446
Banco Regional S.A.E.C.A.	07/2018	06/2025	8.90%	115,000	115,000
Banco Bilbao Vizcaya Argentaria	01/2019	11/2025	8.94%	176,590	176,552
Banco Continental S.A.E.C.A.	09/2019	09/2026	9.00%	342,941	369,288
Bank and Development Financial Institution financing				**788,362**	**1,068,266**

(*) This Facility is guaranteed by Millicom.

Analysis of debt and other financing by maturity

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

$ millions	As at June 30, 2020	As at December 31, 2019
Due within:		
One year	112,924	278,115
One-two years	142,124	233,533
Two-three years	142,124	170,979
Three-four years	284,086	122,700
Four-five years	125,957	226,200
After five years	4,079,622	2,209,294
Total debt	**4,886,837**	**3,240,821**

8. CAPITAL STRUCTURE AND FINANCING

Share capital, share premium and reserves

The authorized share capital of the Company is PYG 169,469 million. As at 30 June 2020, the total subscribed and fully paid-in share capital was PYG 168,469 million consisting of 10,272 registered common shares at a par value of PYG 16.4 million each. As at 31 December 2019, the total subscribed and fully paid-in share capital was PYG 164,008 million consisting of 10,000 registered common shares at a par value of PYG 16.4 million each.

PYG millions (unaudited)	2020	2019
At 1 January	164,008	164,008
Additions	4,461	-
As at 30 June	**168,469**	**164,008**

As explained in note 3, Telecel SAE issued 272 new shares as consideration for the contribution of 99.99% of Mobile Cash Paraguay SA for a total value of PYG 4,461 million.

9. COMMITMENTS AND CONTINGENCIES

Litigation & claims

Telecel operates in an emerging market, where the regulatory, political, technological and economic environments are evolving. As a result, there are uncertainties that may affect future operations, the ability to conduct business, foreign exchange transactions and debt repayments and which may impact upon agreements with other parties. In the normal course of business, Telecel faces uncertainties regarding taxation and regulation, including interconnection, license renewal and tariffs, which may impact the profitability of its operations.

The Company and its subsidiaries are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of June 30, 2020, the total amount of provisions related to claims against the Group's operations was PYG 8,218 million (December 31, 2019: PYG 8,218 million). 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 Group's financial position and operations.

Capital commitments

At June 30, 2020, the Company had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of PYG 184,497 million (December 31, 2019: PYG 345,496 million).

10. RELATED PARTY TRANSACTIONS

The following net transactions, related to sales of good and services ne of purchases of goods and services, were conducted and the relevant incomes/(expenses) recorded with related parties during the six-month period ended June 30, 2020:

PYG millions (unaudited)	Six months ended June 30, 2020	Six months ended June 30, 2019
Millicom - Other Paraguayan Operations	-	59,506
Millicom - Non-Paraguayan companies	109,344	(27,013)
Total	**109,344**	**32,493**

As at June 30, 2020 the Group had the following balances with related parties:

PYG millions (unaudited)	At June 30, 2020	At December 31, 2019
Receivables Short Term		
Millicom - Other Paraguayan Operations	-	334,719
Millicom - Non-Paraguayan companies	2,377,738	1,542,149
Total	**2,377,738**	**1,876,868**

PYG millions (unaudited)	At June 30, 2020	At December 31, 2019
Receivables Long Term		
Millicom - Other Paraguayan Operations	**-**	80,242
Total	**-**	**80,242**

PYG millions (unaudited)	At June 30, 2020	At December 31, 2019
Payables		
Millicom - Other Paraguayan Operations	-	227,860
Millicom - Non-Paraguayan companies	2,520,080	22,033
Total	**2,520,080**	**249,893**

11. SUBSEQUENT EVENTS

Tax

Due to the state of sanitary emergency due to the COVID-19 pandemic, the Tax Administration of Paraguay has determined some extensions of tax due dates and / or payment facilities that are:

- Extension of the Corporate Income Tax corresponding to the 2019 financial year, from April to June and payment in 4 (four) consecutive installments.

- Extension of the Value Added Tax corresponding to the month of June, from April to May.

- Extension of the 4 (four) Advances of Corporate Income Tax 2020, from May, July, September and November to July, September, November and December respectively.

The Financial Statements publication has been also postponed to July 31, 2020 by the Tax authority, due to the COVID-19 pandemic.

Commitments

On July 13, we received the total amount of Intercompany loans between Telecel – MIOSA (a wholly-owned subsidiary of MICSA) and Telecel – MICSA for $306 million, including principal of $301 million and interest of $5 million.

Litigation

On July 17, we received a notification of a new legal claim for PYG 3,000 million. The claimant is a journalist claiming non-pecuniary damages related to an unauthorized SIM card change. We have found the claim to have no merits, therefore no legal provision has been recorded.

Others

On July 23, the Company renewed the Football Transmission Rights Agreement with the Paraguayan Football Association (known in Spanish as APF) for a three-year term beginning on the 1st of January, 2021.

On April 23, the Board approved an advanced payment of dividends for Servicios y Productos Multimedios S.A. based on 80% of the preliminary results, totalling PYG 227,839 million. On June 25, after receiving the audited financial staments from our external auditors, we got the final results for PYG 214,347 million. Consequently, on July 28, the Company received the return of excess advance dividends from Millicom Holding 300 N.V. for PYG 12,142 million ($1.7 million) after withholding tax..

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