Unaudited Interim Condensed Consolidated Financial Statements

For the three-month period and year ended December 31, 2020

February 11, 2021

Unaudited interim condensed consolidated statement of income for the three-month period and year ended December 31, 2020

in millions of U.S. dollars except per share data	Notes	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Three months ended December 31, 2020	Three months ended December 31, 2019
Continuing Operations					
Revenue	5	4,171	4,336	1,088	1,150
Cost of sales		(1,171)	(1,201)	(284)	(311)
Gross profit		**3,000**	**3,135**	**804**	**839**
Operating expenses		(1,505)	(1,604)	(405)	(415)
Depreciation	3	(890)	(825)	(230)	(213)
Amortization		(318)	(275)	(74)	(84)
Share of profit in the joint ventures in Guatemala and Honduras	15	171	179	71	42
Other operating income (expenses), net	12, 14	(12)	(34)	(43)	(41)
Operating profit	5	**446**	**575**	**123**	**129**
Interest and other financial expenses	10	(624)	(564)	(168)	(157)
Interest and other financial income		13	20	5	5
Other non-operating (expenses) income, net	6	(106)	227	41	309
Profit (loss) from other joint ventures and associates, net		(1)	(40)	—	(9)
Profit (loss) before taxes from continuing operations		**(271)**	**218**	**1**	**277**
Tax (charge) credit, net		(102)	(120)	(54)	(31)
Profit (loss) from continuing operations		**(373)**	**97**	**(53)**	**246**
Profit (loss) from discontinued operations, net of tax	4	(12)	57	(3)	(3)
Net profit (loss) for the period		**(385)**	**154**	**(56)**	**242**
Attributable to:					
Owners of the Company		(344)	149	(56)	223
Non-controlling interests		(41)	5	—	20
(Loss)/Earnings per common share for net profit/ (loss) attributable to the owners of the Company:					
Basic and Diluted ($ per share) (i)	7	(3.40)	1.48	(0.55)	2.20

(i) There are no dilutive potential ordinary shares

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

Unaudited interim condensed consolidated statement of comprehensive income for the three-month period and year ended December 31, 2020

in millions of U.S. dollars	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Three months ended December 31, 2020	Three months ended December 31, 2019
Net profit (loss) for the period	(385)	154	(56)	242
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:				
Exchange differences on translating foreign operations	(19)	(4)	63	32
Change in value of cash flow hedges, net of tax effects	(1)	(16)	3	2
Other comprehensive income (not to be reclassified to statement of income in subsequent periods), net of tax:				
Remeasurements of post-employment benefit obligations, net of tax effects	(2)	—	(2)	—
Total comprehensive income (loss) for the period	**(407)**	**133**	**8**	**276**

Attributable to				
Owners of the Company	(360)	131	(4)	274
Non-controlling interests	(48)	3	12	3

Total comprehensive income for the period arises from:				
Continuing operations	(395)	76	11	279
Discontinued operations	(12)	57	(3)	(3)

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 December 31, 2020

in millions of U.S. dollars	Notes	December 31, 2020	December 31, 2019(i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	3,403	3,195
Property, plant and equipment, net	8	2,755	2,899
Right of use assets		895	1,012
Investments in joint ventures	15	2,642	2,797
Investments in associates		24	25
Contract costs, net		5	5
Deferred tax assets		197	200
Derivative financial instruments	13	27	—
Amounts due from non-controlling interests, associates and joint ventures	12	90	39
Other non-current assets		77	66
TOTAL NON-CURRENT ASSETS		**10,114**	**10,238**
CURRENT ASSETS			
Inventories		37	32
Trade receivables, net	2	351	371
Contract assets, net		31	41
Amounts due from non-controlling interests, associates and joint ventures	12	206	29
Prepayments and accrued income		149	156
Current income tax assets		96	119
Supplier advances for capital expenditure		21	22
Equity investments	14	160	371
Other current assets		181	192
Restricted cash		199	155
Cash and cash equivalents		875	1,164
TOTAL CURRENT ASSETS		**2,307**	**2,652**
Assets held for sale	4	1	5
TOTAL ASSETS		**12,422**	**12,895**

(i) Restated for finalization of purchase accounting for Nicaragua and Panama acquisitions (see note 3).

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 December 31, 2020 (continued)

in millions of U.S. dollars	Notes	December 31, 2020	December 31, 2019(i)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		630	633
Treasury shares		(30)	(51)
Other reserves		(562)	(544)
Retained profits		2,365	2,222
Profit (loss) for the period attributable to equity holders		(344)	149
Equity attributable to owners of the Company		**2,059**	**2,410**
Non-controlling interests		215	271
TOTAL EQUITY		**2,274**	**2,680**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	10	5,578	5,786
Lease liabilities	10	897	988
Derivative financial instruments	13	14	17
Amounts due to non-controlling interests, associates and joint ventures	12	29	337
Payables and accruals for capital expenditure	9	485	61
Provisions and other non-current liabilities		328	322
Deferred tax liabilities		209	285
TOTAL NON-CURRENT LIABILITIES		**7,540**	**7,797**
CURRENT LIABILITIES			
Debt and financing	10	113	186
Lease liabilities	10	123	107
Put option liability	13	262	264
Derivative financial instruments		1	—
Payables and accruals for capital expenditure		345	348
Other trade payables		334	289
Amounts due to non-controlling interests, associates and joint ventures	12	311	161
Accrued interest and other expenses		445	432
Current income tax liabilities		71	75
Contract liabilities		90	82
Provisions and other current liabilities		511	474
TOTAL CURRENT LIABILITIES		**2,608**	**2,417**
Liabilities directly associated with assets held for sale	4	—	—
TOTAL LIABILITIES		**10,148**	**10,215**
TOTAL EQUITY AND LIABILITIES		**12,422**	**12,895**

(i) Restated for the finalization of purchase accounting for Nicaragua and Panama acquisitions (see note 3).

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

Unaudited interim condensed consolidated statement of cash flows for the year ended December 31, 2020

in millions of U.S. dollars	Notes	December 31, 2020	December 31, 2019
Cash flows from operating activities (including discontinued operations)			
Profit (loss) before taxes from continuing operations		(271)	218
Profit (loss) before taxes from discontinued operations	4	(12)	59
Profit (loss) before taxes		**(283)**	**276**
Adjustments to reconcile to net cash:			
Interest expense on leases		156	157
Interest expense on debt and other financing		468	408
Interest and other financial income		(13)	(20)
Adjustments for non-cash items:			
Depreciation and amortization	5	1,208	1,111
Share of net profit in Guatemala and Honduras joint ventures		(171)	(179)
(Gain) on disposal and impairment of assets, net	4, 14	20	(40)
Share based compensation		24	30
Loss from other joint ventures and associates, net		1	40
Other non-cash non-operating (income) expenses, net	6	106	(227)
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets, net		(43)	(119)
Decrease (increase) in inventories		(6)	11
Increase (decrease) in trade and other payables, net		40	(61)
Increase (decrease) in contract assets, liabilities and costs, net		8	(2)
Total changes in working capital		**(2)**	**(172)**
Interest paid on leases		(151)	(141)
Interest paid on debt and other financing		(411)	(344)
Interest received		11	15
Taxes paid	5	(142)	(114)
Net cash provided by operating activities		**821**	**801**
Cash flows from (used in) investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	10	(1,014)
Proceeds from disposal of subsidiaries and associates, net of cash disposed	4	10	111
Purchase of intangible assets and licenses	9	(202)	(171)
Purchase of property, plant and equipment	8	(622)	(736)
Proceeds from sale of property, plant and equipment	8	9	24
Proceeds from disposal of equity investments, net of costs	14	197	25
Dividends and dividend advances received from joint ventures	15	71	237
Cash (used in) provided by other investing activities, net		32	20
Net cash used in investing activities		**(495)**	**(1,502)**

Unaudited interim condensed consolidated statement of cash flows for the year ended December 31, 2020 (continued)

Cash flows from financing activities (including discontinued operations):			
Proceeds from debt and other financing	10	1,470	2,900
Repayment of debt and other financing	10	(1,744)	(1,157)
Loan advance to joint venture	12	(193)	—
Lease capital repayment		(116)	(107)
Advances and dividends paid to non-controlling interests		(5)	(13)
Share repurchase program		(10)	—
Dividends paid to owners of the Company		—	(268)
Net cash provided by (used in) financing activities		**(598)**	**1,355**
Exchange impact on cash and cash equivalents, net		(17)	(8)
Net (decrease) increase in cash and cash equivalents		**(289)**	**645**
Cash and cash equivalents at the beginning of the year		1,164	528
Effect of cash in disposal group held for sale	4	—	(9)
Cash and cash equivalents at the end of the year		**875**	**1,164**

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

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

in millions of U.S. dollars	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Other reserves	Total	Non-controlling interests	Total equity
Balance on December 31, 2018	**101,739**	**(914)**	**153**	**482**	**(81)**	**2,525**	**(538)**	**2,542**	**251**	**2,792**
Total comprehensive income for the year	—	—	—	—	—	149	(19)	131	3	133
Dividends (ii)	—	—	—	—	—	(267)	—	(267)	—	(267)
Dividends to non controlling interest	—	—	—	—	—	—	—	—	(1)	(1)
Purchase of treasury shares(iii)	—	(132)	—	—	(12)	4	—	(8)	—	(8)
Share based compensation	—	—	—	—	—	—	29	29	1	30
Issuance of shares under share-based payment schemes	—	465	—	(2)	41	(12)	(25)	1	—	1
Effect of restructuring in Tanzania	—	—	—	—	—	(27)	9	(18)	18	—
Balance on December 31, 2019	**101,739**	**(581)**	**153**	**480**	**(51)**	**2,372**	**(544)**	**2,409**	**271**	**2,680**
Total comprehensive income for the period	—	—	—	—	—	(344)	(15)	(360)	(48)	(407)
Dividends	—	—	—	—	—	—	—	—	—	—
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(8)	(8)
Purchase of treasury shares (iii)	—	(467)	—	—	(19)	3	—	(16)	—	(16)
Share based compensation	—	—	—	—	—	—	24	24	—	24
Issuance of shares under share-based payment schemes	—	521	—	(2)	40	(11)	(26)	1	—	1
Balance on December 31, 2020	**101,739**	**(526)**	**153**	**478**	**(30)**	**2,020**	**(562)**	**2,059**	**215**	**2,274**

(i) Retained profits – includes profit for the year attributable to equity holders, of which at December 31, 2020, $310 million (2019: $306 million; 2018: $324 million) are not distributable to equity holders.

(ii) Dividends - A dividend distribution of $2.64 per share was approved by the Annual General Meeting of shareholders on May 2, 2019 and paid in equal portions in May and November 2019.

(iii) During the year ended December 31, 2020, Millicom repurchased 350,000 shares for a total amount of $10 million and withheld approximately 117,000 shares for settlement of tax obligations (2019: 132,162) on behalf of employees under share-based compensation plans.

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

Notes to the unaudited interim condensed consolidated statements

1. GENERAL

Millicom International Cellular S.A. (the "Company" or "MIC SA"), a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the "Group" or "Millicom") is a provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom provides high speed broadband and innovation around The Digital Lifestyle® services through its principal brand, TIGO.

On February 10, 2021, the Board of Directors authorized these unaudited interim condensed consolidated financial statements for issuance.

2. SUMMARY OF ACCOUNTING POLICIES

I. Basis of presentation

These interim condensed consolidated financial statements of the Group are unaudited. They are presented in US dollars ($) and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union ("EU"). 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. Millicom'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 period ended December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and in conformity with IFRS as adopted by the EU. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the December 31, 2019 consolidated financial statements, except for the changes described below.

We have made rounding adjustments to reach some of the figures included in these unaudited interim condensed consolidated financial statements. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them and percentage calculations using these adjusted figures may not result in the same percentage values as are shown in these unaudited interim condensed consolidated financial statements.

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

On March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Most countries globally, including a majority of the countries where Millicom operates, 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. These restrictions, as well as the dangers posed by the virus, produced a significant reduction in mobility and a severe disruption in global economic activity, the effect of which was felt in our markets beginning in mid-March 2020.

Impact on Millicom's markets and business

Most governments in Millicom's markets implemented restrictions beginning in mid-March, with some gradual relaxation of measures beginning in late May and continuing throughout 2020. In some countries, temporary restrictions were re-imposed toward the end of 2020 in order to contain a second wave of infection.

The re-opening of the economies had a significant impact on our prepaid mobile business, which began to recover in May and has continued to see gradual improvement since then. In postpaid mobile, the pace of recovery has been much slower. The Group's residential cable business has proven more resilient; revenue growth has decelerated but remained positive since the onset of the pandemic, and we have resumed normal service to many customers who had temporarily benefited from the free "lifeline" services. Finally, revenue from business-to-business "B2B" customers remained depressed in Q4, as many small and mid-sized businesses struggle to cope with the health and economic crises.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

II. COVID-19 - Qualitative and quantitative assessment on business activities, financial situation and economic performance (continued)

Impact of the crisis on accounting matters

As a consequence of this crisis, Millicom identified potential significant accounting implications in the following areas:

- Impairment of non-financial assets/goodwill/investments in joint ventures

  As a result of this crisis, Millicom has noticed reduced economic activity across the countries where it operates, and its operations have been suffering lower revenues, EBITDA and margins, which might have indicated potential impairments.

  In the second half of the year, our operations have shown encouraging signs of recovery and are actually over performing the forecasts used by management to carry out the impairment test as of June 30, 2020. The discount rates have also significantly decreased since the declaration of the outbreak and they have gradually returned to pre-pandemic levels. There were therefore no such indicators requiring management to carry out another impairment test for the second half of the year. With that said, in accordance with IFRS, management carried out its annual goodwill impairment test during the fourth quarter of 2020, using the Group's latest forecasts and again concluded that no impairment should be recorded in the Group Consolidated Financial Statements.

- Impairment of trade receivables

  During Q2 2020, and as a result of worsening collections, the Group had recognised additional bad debt provisions for an amount of $32 million compared to the level of provisions recorded during Q1 2020 (pre-pandemic level) and $33 million compared to Q2 2019. However, collections have significantly improved during the second half of 2020 and bad debt levels have returned to their pre-pandemic level comparing to Q1 2020. As of December 31, 2020, the total bad debt provision is close to 100% of the receivables overdue by more than 90 days.

- Revenue recognition

  For countries restricted from disconnecting non paying customers at the beginning of the pandemic , such as El Salvador and Bolivia, the Group established a policy whereby operations stopped recognizing revenue after a certain number of invoices remained unpaid (usually 3 invoices - as these customers would be disconnected after 3 unpaid invoices in normal circumstances). The Group believed it was unlikely that it would collect the overdue invoiced amounts from these subscribers i.e. the 'Covid subscribers'. From that moment onwards after consideration of the guidance under IFRS 15.13, for 'Covid subscribers' the Group had only recognized revenue up to an amount equal to the consideration (cash) as and when received. Noteworthy, all our operations were finally allowed to apply free "lifeline" services for non-paying customers, with El Salvador and Bolivia being the latest to be able to apply it as from mid-2020.

  As mentioned above, our markets and operations showed encouraging signs of recovery, and therefore any unrecognized revenue during second half of 2020 has been offset with the invoicing effect of prior unrecognized revenue. For the year ended December 31, 2020, the Group invoiced but unrecognized revenue amounts to $3.9 million.

III. 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 (Phase 1). This amendment provides certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.
- Amendments to IFRS 3 - definition of a business. This amendment revises the definition of a business.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

- 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.

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

- Amendments to IFRS 4 'Insurance contracts' (deferral of effective date of IFRS 9) - effective for annual periods starting on January 1, 2021- These amendments extend the effective date to apply IFRS 9 for insurance contracts to January 1, 2023 in order to align with the effective date of IFRS 7. These amendments will not have an impact for the Group.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 - effective for annual periods starting on January 1, 2021. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate.

  Main reliefs provided by the Phase 2 amendments relate to:

  - Changes to contractual cash flows: That is, when changing the basis for determining contractual cash flows for financial assets and liabilities required by the reform will not result in an immediate gain or loss in the income statement but on an update of the effective interest rate (or an update in the discount rate to remeasure the lease liability as a result of the IBOR reform), and;
  - Hedge accounting: That is, allowing hedge relationships that are directly affected by the reform to continue, though additional effectiveness might need to be recorded.

  The Group has inventoried financial assets or liabilities (including lease liabilities), as well as hedging instruments, with IBOR features and concluded that it will not be significantly exposed to this reform. As a result, it does not expect any material effects on its consolidated financial statements from the reform and these amendments.
- 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. These amendments have not yet been endorsed by the EU.
- Amendments to IAS 1, 'Presentation of Financial Statements' - effective for annual periods starting on January 1, 2023- 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. This amendment has not yet been endorsed by the EU.
- IFRS 17, 'Insurance contracts', including amendments - effective for annual periods starting on January 1, 2023- IFRS 17 will not have an impact for the Group. IFRS 17 has not been yet endorsed by the EU.

3. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER NON-CONTROLLING INTERESTS

Acquisitions 2020

There were no material acquisitions in 2020.

Acquisitions 2019

On February 20, 2019, MIC S.A., Telefonica Centroamerica and Telefonica S.A. entered into 3 separate share purchase agreements (the “Telefonica CAM Acquisitions”) pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefonica Moviles Panama, S.A., a company incorporated under the laws of Panama, from Telefonica Centroamerica (the “Panama Acquisition”), 100% of the shares of Telefonica de Costa Rica TC, S.A., a company incorporated under the laws of Costa Rica, from Telefonica (the “Costa Rica Acquisition”) and 100% of the shares of Telefonia Celular de Nicaragua, S.A., a company incorporated under the laws of Nicaragua, from Telefonica Centroamerica (the “Nicaragua Acquisition”). While Millicom completed both acquisitions in Nicaragua and Panama, it announced on May 2, 2020 that it had terminated the Share Purchase Agreement in relation to the Costa Rica Acquisition (see note 11). The aggregate purchase price for the Telefonica Panama and Nicaragua Acquisitions was $1.08 billion, which has been subject to purchase price adjustments.

Finalization of the purchase accounting had an effect on the following financial position line items as of December 31, 2019:

(in millions of U.S. dollars)	December 31, 2019 As reported	Impact of finalization/update of purchase accounting of Nicaragua	Panama	December 31, 2019 Restated	Reason for the change
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Intangible assets, net	3,219	(4)	(20)	3,195	(i)
Property, plant and equipment, net	2,883	—	17	2,899	(ii)
Right-of-use asset (non-current)	977	—	34	1,012	(ii)
Other current assets	181	4	7	192	(iii)
LIABILITIES					
Lease liabilities (non-current)	967	—	22	988	(ii)
Lease liabilities (current)	97	—	11	107	(ii)
Deferred tax liabilities	279	—	6	285	(iv)
EQUITY					
Retained profits	2,222			2,222	
Non-controlling interests	271			271	

(i) Impact on goodwill resulting from the adjustments explained below for Nicaragua and Panama.

(ii) See Panama section below. Mainly relates to lease accounting policy alignment, final property, plant and equipment step-up and final purchase price adjustment.

(iii) See Nicaragua and Panama section below. Reflects the final price adjustment agreed for Nicaragua and Panama.

(iv) Deferred tax impact of these previously explained adjustments.

The impact of the finalization of Nicaragua and Panama's purchase accounting on the 2019 Group statement of income is immaterial. Therefore, no adjustments were made in that respect on comparative figures.

Further details of Nicaragua and Panama acquisitions are provided below.

3. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER NON-CONTROLLING INTERESTS (Continued)

Nicaragua Acquisition

This transaction closed on May 16, 2019 after receipt of the necessary approvals and, since that date, Millicom holds all voting rights in Telefonia Celular de Nicaragua ("Nicaragua") and controls it. On the same day, Millicom paid cash consideration of $437 million, which was adjusted to $430 million as of December 31, 2019 and finally adjusted to $426 million. For the purchase accounting, Millicom determined the final fair values of Nicaragua's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting was finalized by May 16, 2020 and has not materially changed since December 31, 2019, with the exception of the final price adjustment.

The final purchase accounting and differences compared to the provisional fair values reported as at December 31, 2019 are shown below:

	Provisional Fair values (100%)	Final Fair values (100%)	Differences
(in millions of U.S. dollars)			
Intangible assets (excluding goodwill) (i)	131	131	—
Property, plant and equipment (ii)	149	149	—
Right of use assets (iii)	131	131	—
Other non-current assets	2	2	—
Current assets (excluding cash) (iv)	23	23	—
Trade receivables (v)	17	17	—
Cash and cash equivalents	7	7	—
Total assets acquired	**459**	**459**	**—**
Lease liabilities (iii)	131	131	—
Other liabilities (vi)	118	118	—
Total liabilities assumed	**249**	**249**	**—**
Fair value of assets acquired and liabilities assumed, net	**210**	**210**	**—**
Acquisition price	430	426	(4)
Goodwill	**220**	**216**	**(4)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of $81 million, with estimated useful lives ranging from 4 to 10 years. In addition, a fair value step-up of $39 million on the spectrum held by Nicaragua has been recognized, with a remaining useful life of 14 years.

(ii) A fair value step-up of $39 million has been recognized on property, plant and equipment, mainly on the core network ($25 million) and owned buildings ($8 million). The expected remaining useful lives were estimated at 6-7 years on average.

(iii) The Group measured the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date. The right-of-use assets have been adjusted by $7 million to be measured at the same amount as the lease liabilities.

(iv) Current assets include indemnification assets for tax contingencies at fair value for an amount of $11 million - see (vi) below.

(v) The fair value of trade receivables acquired was $17 million.

(vi) Other liabilities include the fair value of certain possible tax contingent liabilities for $1 million and a deferred tax liability of $50 million resulting from the above adjustments

Panama Acquisition

This transaction closed on August 29, 2019 after receipt of the necessary approvals and, since that date, Cable Onda, which is 80% owned by Millicom, holds all voting rights in Grupo de Comunicaciones Digitales, S.A. ("Panama") and controls it. On the same day, Cable Onda paid a cash consideration of $594 million to acquire 100% of the shares of Panama, finally adjusted to $587 million during Q3 2020. No non-controlling interests are recognized at acquisition date as Cable Onda acquired 100% of the shares of Panama. However, non-controlling interests are recognized in Panama's results from the date of acquisition.

For the purchase accounting, Millicom determined the fair value of Panama's identifiable assets and liabilities based on transaction and relative fair values. During Q2 and Q3 2020, the Group completed the policy alignment and evaluation in respect of the right-of-use assets and lease liabilities, and the property plant and equipment, as well as their related effect on the final valuation of the fixed assets. The related effects of these adjustments are shown in the table below.

3. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER NON-CONTROLLING INTERESTS (Continued)

The final purchase accounting and differences compared to the provisional fair values reported as at December 31, 2019 are shown below:

	Provisional Fair values (100%)	Final Fair values (100%)	Differences
(in millions of U.S. dollars)			
Intangible assets (excluding goodwill) (i)	178	182	4
Property, plant and equipment (ii)	110	127	17
Right of use assets (iii)	47	81	34
Other non-current assets	3	3	—
Current assets (excluding cash)	23	23	—
Trade receivables (iv)	21	21	—
Cash and cash equivalents	10	10	—
Total assets acquired	**391**	**446**	**55**
Lease liabilities	48	81	33
Other debt and financing	74	74	—
Other liabilities (v)	101	107	6
Total liabilities assumed	**224**	**262**	**39**
Fair value of assets acquired and liabilities assumed, net	167	184	16
Acquisition price	594	587	(7)
Goodwill	**426**	**403**	**(23)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of $55 million, with estimated useful lives ranging from 3 to 17 years. In addition, a fair value step-up of $7 million on the spectrum held by Panama has been recognized, with a remaining useful life of 17 years. Finally, a fair value step-up of $3 million has been recognised on certain software.

(ii) A fair value step-up of $17 million has been recognized on property, plant and equipment, mainly on the core network ($11 million) and owned land and buildings ($4 million). The expected remaining useful lives were estimated at 3 to 8 years.

(iii) The accounting policy alignment resulted in an increase in the right-of-use assets and lease liabilities of approximately $30 million. Subsequently, the right-of-use assets have been adjusted by $4 million to be measured at the same amount as the lease liabilities.

(iv) The fair value of trade receivables acquired was $21 million.

(v) Other liabilities include a deferred tax liability of $21 million resulting from the above adjustments

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Summary

Financial information relating to discontinued operations for the three-month period and year ended December 31, 2019 are set out below. The figures shown below are after inter-company eliminations. 2019 figures include Chad only. There have been no significant movements in 2020 except for those events disclosed at the bottom of the following tables.

Results from Discontinued Operations ($ millions)	**Twelve months ended December 31, 2019**	**Three months ended December 31, 2019**
Revenue	50	—
Cost of sales	(14)	—
Operating expenses	(29)	—
Depreciation and amortization	(11)	—
Other operating income (expenses), net	—	—
Gain/(loss) on disposal of discontinued operations	74	—
Other expenses linked to the disposal of discontinued operations	(10)	(3)
Operating profit (loss)	**61**	**(3)**
Interest income (expense), net	(2)	—
Other non-operating (expenses) income, net	—	—
Profit (loss) before taxes	**59**	**(3)**
Credit (charge) for taxes, net	(2)	—
Net profit/(loss) from discontinuing operations	**57**	**(3)**

Cash flows from discontinued operations ($ millions)	**Twelve months ended December 31, 2019**
Cash from (used in) operating activities, net	(8)
Cash from (used in) investing activities, net	5
Cash from (used in) financing activities, net	7
Net cash inflows/(outflows)	**5**

Rwanda

On January 31, 2018, Millicom completed the sale of its Rwanda operations to subsidiaries of Bharti Airtel Limited for cash consideration of $51 million. The consideration included a deferred cash payment of $17 million, which was received in Q1 2020.

Chad

In August 2020, the Group and the buyer of our operations in Chad agreed on a final price adjustment of $8 million in favor of the buyer. This price adjustment was disbursed in September 2020 and recorded under the results from discontinued operations in the Group's statement of income.

5. SEGMENT INFORMATION

Management determines operating and reportable segments based on information used by the chief operating decision maker (CODM) to make strategic and operational decisions from both a business and geographic perspective. The Group's risks and rates of return are predominantly affected by operating in different geographical regions. The Group has businesses in two main regions: Latin America ("Latam") and Africa. The Latam figures below include Honduras and Guatemala as if they are fully consolidated by the Group, as this reflects the way management reviews and uses internally reported information to make decisions. Honduras and Guatemala are shown under the Latam segment. The joint venture in Ghana is not reported as if fully consolidated.

As from January 1, 2020, Millicom is allocating corporate costs to each segment based on their contribution to underlying revenue, and only non-recurring costs, such as the M&A-related fees incurred in 2019, will remain unallocated going forward. This change in presentation has no impact on Group EBITDA.

In order to facilitate comparisons of December 31, 2020 figures with prior periods, comparative figures have been re-presented to conform with this new segment EBITDA reporting.

Revenue, operating profit (loss), EBITDA and other segment information for the three- and twelve-month periods ended December 31, 2020 and 2019, are as follows:

Twelve months ended December 31, 2020 (in millions of U.S. dollars)	**Latin America**	**Africa**	**Unallocated**	**Guatemala and Honduras(vii)**	**Eliminations and Transfers**	**Total**
Mobile revenue	3,220	357	—	(1,461)	—	2,116
Cable and other fixed services revenue	2,097	8	—	(302)	(1)	1,803
Other revenue	60	1	—	(6)	(2)	52
Service revenue (i)	**5,377**	**366**	**—**	**(1,769)**	**(4)**	**3,971**
Telephone and equipment and other revenue (i)	466	—	—	(266)	—	201
Revenue	**5,843**	**366**	**—**	**(2,035)**	**(4)**	**4,171**
Operating profit (loss)	**803**	**36**	**(32)**	**(536)**	**175**	**446**
Add back:						
Depreciation and amortization	1,561	89	11	(453)	—	1,208
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(171)	(171)
Other operating income (expenses), net	(5)	—	23	(3)	(4)	12
EBITDA (ii)	**2,360**	**125**	**2**	**(992)**	**—**	**1,495**
EBITDA from discontinued operations	—	(4)	—	—	—	(4)
EBITDA incl discontinued operations	**2,360**	**121**	**2**	**(992)**	**—**	**1,491**
Capital expenditure (iii)	(926)	(42)	(4)	258	—	(714)
Changes in working capital and others (iv)	61	11	(7)	(43)	—	22
Taxes paid	(260)	(10)	(2)	131	—	(142)
Operating free cash flow (v)	**1,234**	**80**	**(11)**	**(645)**	**—**	**657**
Total Assets (vi)	**13,418**	**926**	**4,052**	**(5,116)**	**(859)**	**12,422**
Total Liabilities	**8,878**	**959**	**3,342**	**(2,044)**	**(987)**	**10,148**

5. SEGMENT INFORMATION (Continued)

Twelve months ended December 31, 2019 (in millions of U.S. dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	3,258	372	—	(1,480)	—	2,150
Cable and other fixed services revenue	2,197	9	—	(277)	—	1,928
Other revenue	60	1	—	(9)	—	51
Service revenue (i)	**5,514**	**382**	**—**	**(1,766)**	**—**	**4,130**
Telephone and equipment revenue (i)	449	—	—	(243)	—	206
Revenue	**5,964**	**382**	**—**	**(2,010)**	**—**	**4,336**
Operating profit (loss)	**980**	**19**	**(64)**	**(540)**	**179**	**575**
Add back:						
Depreciation and amortization	1,435	99	9	(444)	—	1,100
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(179)	(179)
Other operating income (expenses), net	2	(2)	42	(8)	—	34
EBITDA (ii)	**2,418**	**117**	**(13)**	**(992)**	**—**	**1,530**
EBITDA from discontinued operations	—	(3)	—	—	—	(3)
EBITDA incl discontinued operations	**2,418**	**114**	**(13)**	**(992)**	**—**	**1,527**
Capital expenditure (iii)	(1,040)	(58)	(9)	261	—	(846)
Changes in working capital and others (iv)	(86)	14	(52)	(18)	—	(143)
Taxes paid	(225)	(10)	(8)	129	—	(114)
Operating free cash flow (v)	**1,067**	**59**	**(82)**	**(619)**	**—**	**425**
Total Assets (vi)	**13,859**	**936**	**3,715**	**(5,465)**	**(150)**	**12,895**
Total Liabilities	**8,413**	**909**	**3,977**	**(2,119)**	**(965)**	**10,215**

5. SEGMENT INFORMATION (Continued)

Three months ended December 31, 2020 (in millions of U.S. dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	837	95	—	(384)	—	548
Cable and other fixed services revenue	539	2	—	(80)	—	461
Other revenue	17	—	—	(1)	(1)	15
Service revenue (i)	**1,394**	**97**	**—**	**(465)**	**(1)**	**1,024**
Telephone and equipment revenue (i)	140	—	—	(76)	—	64
Revenue	**1,534**	**97**	**—**	**(541)**	**(1)**	**1,088**
Operating profit (loss)	**238**	**13**	**(44)**	**(159)**	**75**	**123**
Add back:						
Depreciation and amortization	392	22	3	(113)	—	304
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(71)	(71)
Other operating income (expenses), net	5	(1)	44	(1)	(5)	43
EBITDA (ii)	**634**	**34**	**4**	**(273)**	**—**	**399**
EBITDA from discontinued operations	—	(3)	—	—	—	(3)
EBITDA incl discontinued operations	**634**	**31**	**4**	**(273)**	**—**	**396**
Capital expenditure (iii)	(234)	(10)	3	68	—	(174)
Changes in working capital and others (iv)	47	9	17	(4)	—	68
Taxes paid	(65)	(2)	(1)	34	—	(34)
Operating free cash flow (v)	**382**	**28**	**23**	**(175)**	**—**	**257**

5. SEGMENT INFORMATION (Continued)

Three months ended December 31, 2019 (in millions of U.S. dollars)	**Latin America**	**Africa**	**Unallocated**	**Guatemala and Honduras (vii)**	**Eliminations and transfers**	**Total**
Mobile revenue	859	95	—	(376)	—	579
Cable and other fixed services revenue	559	2	—	(71)	—	490
Other revenue	23	—	—	(4)	—	19
Service revenue (i)	**1,442**	**98**	**—**	**(451)**	**—**	**1,088**
Telephone and equipment revenue (i)	135	—	—	(73)	—	61
Revenue	**1,577**	**98**	**—**	**(525)**	**—**	**1,150**
Operating profit (loss)	**246**	**6**	**(33)**	**(132)**	**42**	**129**
Add back:						
Depreciation and amortization	379	28	3	(112)	—	297
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(42)	(42)
Other operating income (expenses), net	11	—	33	(3)	—	41
EBITDA (ii)	**636**	**33**	**3**	**(247)**	**—**	**424**
EBITDA from discontinued operations	—	(3)	—	—	—	(3)
EBITDA incl discontinued operations	**636**	**30**	**3**	**(247)**	**—**	**421**
Capital expenditure (iii)	(264)	(22)	(5)	72	—	(218)
Changes in working capital and others (iv)	(19)	(4)	37	(3)	—	10
Taxes paid	(78)	(2)	(1)	41	—	(40)
Operating free cash flow (v)	**275**	**2**	**33**	**(137)**	**—**	**173**

(i) *Service revenue is Group revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, SMS and other value-added services excluding telephone and equipment sales. Revenues from other sources comprises rental, sub-lease rental income and other non-recurring revenues. The Group derives revenue from the transfer of goods and services over time and at a point in time. Refer to the table below.*

(ii) *EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on the disposal of fixed assets. EBITDA is used by the management to monitor the segmental performance and for capital management.*

(iii) *Excluding spectrum and licenses of $101 million (2019: $59 million) and cash received on tower deals of nil (2019: $22 million).*

(iv) *'Changes in working capital and others' include changes in working capital as stated in the cash flow statement as well as share based payments expense and non-cash bonuses.*

(v) *Operating Free Cash Flow is EBITDA less cash capex (excluding spectrum and license costs) less change in working capital, other non-cash items (share-based payment expense and non-cash bonuses) and taxes paid.*

(vi) *Segment assets include goodwill and other intangible assets.*

(vii) *Including eliminations for Guatemala and Honduras as reported in the Latin America segment.*

5. SEGMENT INFORMATION (Continued)

Revenue from contracts with customers from continuing operations

in millions of U.S. dollars	Timing of revenue recognition	Twelve months ended December 31, 2020			Twelve months ended December 31, 2019			Three months ended December 31, 2020			Three months ended December 31, 2019		
		Latin America	Africa	Total Group	Latin America	Africa	Total Group	Latin America	Africa	Total Group	Latin America	Africa	Total Group
Mobile	Over time	1,728	239	1,967	1,747	261	2,007	445	62	507	476	66	542
Mobile Financial Services	Point in time	31	118	149	31	112	143	9	33	41	8	29	37
Cable and other fixed services	Over time	1,794	8	1,803	1,919	9	1,928	458	2	460	488	2	490
Other	Over time	51	1	52	51	1	52	15	—	16	19	—	19
Service Revenue		**3,604**	**366**	**3,971**	**3,748**	**382**	**4,130**	**927**	**97**	**1,024**	**991**	**98**	**1,088**
Telephone and equipment	Point in time	201	—	201	206	—	206	64	—	64	61	—	61
Revenue from contracts with customers		**3,805**	**366**	**4,171**	**3,954**	**382**	**4,336**	**991**	**97**	**1,088**	**1,052**	**98**	**1,150**

6. OTHER NON-OPERATING (EXPENSES) INCOME, NET

The Group's other non-operating (expenses) income, net comprised the following:

in millions of U.S. dollars	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Three months ended December 31, 2020	Three months ended December 31, 2019
Change in fair value of derivatives (Note 13)	(11)	—	(6)	—
Change in fair value in investment in Jumia (Note 14)	(18)	(38)	—	(6)
Change in fair value in investment in HT (Note 14)	(16)	312	5	312
Change in value of call option and put option liability (Note 13)	5	(25)	(3)	(7)
Exchange gains (losses), net	(69)	(32)	44	7
Other non-operating income (expenses), net	3	10	1	2
Total	**(106)**	**227**	**41**	**309**

7. EARNINGS PER COMMON SHARE

Earnings per common share (EPS) attributable to owners of the Company are comprised as follows:

in millions of U.S. dollars	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019(i)	Three months ended December 31, 2020	Three months ended December 31, 2019
Basic and Diluted				
Net profit (loss) attributable to equity holders from continuing operations	(332)	93	(52)	226
Net profit (loss) attributable to equity holders from discontinued operations	(12)	57	(3)	(3)
Net profit/(loss) attributable to all equity holders to determine the basic earnings (loss) per share	(344)	149	(56)	223
in thousands				
Weighted average number of ordinary shares for basic and diluted earnings per share	101,172	101,144	101,201	101,148
in U.S. dollars				
Basic and diluted				
EPS from continuing operations attributable to owners of the Company	(3.28)	0.92	(0.52)	2.23
EPS from discontinued operations attributable to owners of the Company	(0.12)	0.56	(0.03)	(0.03)
EPS for the period attributable to owners of the Company	(3.40)	1.48	(0.55)	2.20

8. PROPERTY, PLANT AND EQUIPMENT

During the year ended December 31, 2020, Millicom added property, plant and equipment for $649 million (December 31, 2019: $719 million) and received $9 million from disposal of property, plant and equipment (December 31, 2019: $24 million).

9. INTANGIBLE ASSETS

During the year ended December 31, 2020, Millicom added intangible assets for $520 million of which $421 million related to acquisition of spectrum and licenses, and $99 million to additions of other intangible assets (December 31, 2019: $101 million and $101 million, respectively) and did not receive any proceeds from disposal of intangible assets (December 31, 2019: nil).

In December 2019, Telemovil El Salvador S.A. de C.V. ('Telemovil') acquired 50Mhz spectrum in the AWS band and paid an advance of $14 million. On January 8, 2020, Telemovil made a final payment of $20 million and started using the spectrum.

In December 2019, Tigo Colombia participated in an auction launched by the Ministerio de Tecnologias de la Informacion y las Comunicaciones (MINTIC), and acquired licenses granting the right to use a total of 40 MHz in the 700 MHz band. The 20-year license will expire in 2040. As a result of this auction,Tigo Colombia has strengthened its spectrum position, which also includes 55 MHz in the 1900 band and 30 MHz of AWS. Tigo Colombia agreed to a total notional consideration of COP 2.45 billion (equivalent to approximately US$710 million using the December 31, 2020 exchange rate), of which approximately 55% will be payable in cash and 45% in coverage obligations to be met by 2025.

An initial payment of approximately $33 million was made in Q2 2020, with the remainder payable in 12 annual installments beginning in 2026 and ending in 2037. The 55% cash portion bears interest at the Colombia-10 years Treasury Bond rate. In April and May 2020, local management received permission to operate 40 Mhz in the 700 MHz band and accounted for the spectrum at an amount of $388 million corresponding to the net present value of the future payments, plus other costs directly attributable to this acquisition. The related future interest commitments will be recognized as interest expense over the next 17 years. The remaining 45% consideration due as coverage obligations are currently being estimated and will be recognized in the statement of financial position as incurred.

10. FINANCIAL OBLIGATIONS

A. Debt and financing

The most significant movements in debt and financing for the year ended December 31, 2020 were as follows:

Luxembourg

On October 27, 2020 Millicom completed the issuance of its 4.5% $500 million senior notes due 2031 in a private offering, following its proposed offering announcement dated October 19, 2020. The proceeds have been used to redeem, on October 29, 2020, Millicom's 6.0% senior notes due 2025 (the "2025 Notes") at a redemption price equal to 103% of the principal amount, plus accrued and unpaid interest. The early redemption premium amounted to $15 million and the remaining unamortized deferred costs to $7 million. Theses were recognized under "Interest and other financial expenses " in the Group's statement of income.

On October 15, 2020, Millicom entered into a 5 year, $600 million ESG-linked revolving credit facility (the "Facility") with a syndicate of 11 commercial banks. This facility is used to refinance Millicom's existing multi-currency revolving credit facility which was due to expire in 2022 and for general corporate purposes.

On November 17, 2020, Millicom fully repaid the $300 million facility with DNB/Nordea which was initially due on 2024.

El Salvador

On June 29, 2020, Telemovil El Salvador, S.A de C.V. repaid in its entirety $150 million of the principal under a credit agreement dated as of January 12, 2018 entered into with the Bank of Nova Scotia, as lender, and the Company as guarantor.

Honduras

On June 1, 2020, Honduras Cellular executed a $32 million bank loan agreement in equivalent amount in local currency for a10 year term.

Costa Rica

On June 29, 2020 Millicom Cable Costa Rica S.A. partially repaid an amount of $30 million towards its $150 million syndicated credit agreement dated as of April 13, 2018, and guaranteed by the Company.

Bolivia

On December 16, 2020, Millicom's operation in Bolivia issued a BOB 345 million (approximately $49 million using the exchange rate as of December 31, 2020) senior notes due 2026.

Paraguay

On May 4, 2020, Telefónica Celular del Paraguay, S.A.E. ("Telecel"), completed the acquisition of another Millicom subsidiary in Paraguay - Mobile Cash Paraguay S.A , and further on June 30, 2020, the acquisition of Servicios y Productos Multimedios S.A.. Effective as of those dates, these new entities now form part of the borrower's group for purposes of the $550 million 5.875% Senior Notes due 2027 issued by Telecel. Also, as of July 7, 2020 Servicios y Productos Multimedios S.A. became guarantor of the 5.875% Notes due 2027.

On December 16, 2020, Telecel executed a credit agreement with Banco Continental S.A.E.C.A. for PYG 200 billion (approximately $29 million using the exchange rate as of December 31, 2020) with a duration of 2.5 years. Main aim is to refinance outstanding bank loans with maturities from 2021 to 2023.

Guatemala

On June 19, 2020, Comunicaciones Celulares, S.A. ("Comcel") entered into a credit agreement with Banco Industrial for GTQ 500 million (approximately $64 million using the exchange rate as of December 31, 2020) for a 5 year term.

During Q3 2020, Comcel's board of directors decided to redeem the $800 million aggregate principal amount of its outstanding 6.875% Senior Notes due 2024 on November 18, 2020. The redemption was officially announced on October 1, 2020 at a redemption price equal to 102.292% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest of $16 million, resulting in an aggregate amount of $834 million payable on November 18, 2020. This redemption was financed through a mix of local financing and shareholders' loans. The redemption premium ($18 million) and additional interest ($7 million), as well as the remaining unamortized deferred costs amounting to $8 million, have been expensed in Comcel's statement of income for the year ended December 31, 2020. The impact on the Group's statement of income is therefore an $18 million expense (at 55% ownership) recorded on the line "Share of profit in the joint ventures in Guatemala and Honduras".

On October 5, 2020, Comcel executed a credit agreement for GTQ 1,697 million (approximately $218 million using the exchange rate as of December 31, 2020) for a 5 year term with the aim to cancel the credit agreement with Banco Industrial and to finance and refinance working capital, capital expenditures and general corporate purposes.

10. FINANCIAL OBLIGATIONS (Continued)

A. Debt and financing (Continued)

Panama

On October 15, 2020, Cable Onda S.A. partially repaid $50 million of its $75 million credit agreement dated as of August 27, 2019, with Banco Nacional de Panama S.A .

On December 1, 2020, Cable Onda S.A. executed a credit agreement with Bank of Nova Scotia for $110 million divided into 2 tranches. Tranche A ($85 million) was disbursed on December 1, 2020 to partially redeem the Local Bond ($85 million), and Tranche B is expected to be disbursed in Q1 2021.

Analysis of debt and financing by maturity

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

in millions of U.S. dollars	As at December 31, 2020	December 31, 2019
Due within:		
One year	113	186
One-two years	107	155
Two-three years	439	145
Three-four years	811	517
Four-five years	467	1,085
After five years	3,755	3,884
Total debt and financing	**5,691**	**5,972**

As at December 31, 2020, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees was $287 million (December 31, 2019: $464 million).

In addition to the above, in 2019, MIC Tanzania Public Limited Company entered into a loan facility agreement, with the Standard Bank of South Africa acting as an agent and a consortium of banks acting as the original lenders. The facility agreement, maturing in 2025, has an all asset debenture securing the whole amount, as well as a pledge over the shares of the immediate holding company of the borrower.

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at December 31, 2020 and December 31, 2019.

	Bank and financing guarantees (i)	
in millions of U.S. dollars	**As at December 31, 2020**	**As at December 31, 2019**
Terms	**Outstanding and Maximum exposure**	
0-1 year	59	29
1-3 years	227	134
3-5 years	—	300
Total	**287**	**464**

(i) If non-payment by the obligor, the guarantee ensures payment of outstanding amounts by the Group's guarantor.

The Group’s interest and other financial expenses comprised the following:

in millions of U.S. dollars	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Three months ended December 31, 2020	Three months ended December 31, 2019
Interest expense on bonds and bank financing	(386)	(348)	(98)	(93)
Interest expense on leases	(156)	(157)	(40)	(44)
Early redemption charges	(15)	(10)	(15)	—
Others	(67)	(47)	(15)	(19)
Total interest and other financial expenses	**(624)**	**(564)**	**(168)**	**(157)**

10. FINANCIAL OBLIGATIONS (Continued)

B. Lease liabilities

In early 2020, and following a change in regulation in Colombia, future lease payments for the use of certain public assets have been significantly decreased. This triggered a lease modification and a decrease of the related lease liabilities (and right-of-use assets) of approximately $45 million.

Except for the change above, there have been no other unusual significant events affecting lease liabilities (and right-of-use assets) during the year ended December 31, 2020.

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits, legal, regulatory, commercial and other legal risks that arise in the normal course of business. As of December 31, 2020, the total amount of claims brought against Millicom and its subsidiaries is $284 million (December 31, 2019: $204 million). The Group's share of the comparable exposure for joint ventures is $14 million (December 31, 2019: $4 million).

As at December 31, 2020, $45 million has been provisioned by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2019: $30 million). The Group's share of provisions made by the joint ventures was $3 million (December 31, 2019: $3 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group’s financial position and operations.

On May 25, 2020, as a result of the termination of the Costa Rica acquisition (see Note 3), Telefonica filed a complaint, followed by an amended complaint on August 3, 2020, against us in the Supreme Court of New York. The amended complaint asserts claims for breach of contract and alleges, among other things, that we were required to close because the closing conditions specified in the sale and purchase agreement for the acquisition had been satisfied. The complaint seeks, among other relief, a declaration of Telefonica’s rights, and unspecified damages, costs, and fees. The case remains at a preliminary phase, with the discovery process set to commence after the Court’s denial of a motion to dismiss. We believe the complaint is without merit and that our position will ultimately be vindicated through the judicial process.

Taxation

At December 31, 2020, the tax risks exposure of the Group's subsidiaries is estimated at $339 million, for which provisions of $77 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (December 31, 2019: $300 million of which provisions of $50 million were recorded). The Group's share of comparable tax exposure and provisions in its joint ventures amounts to $69 million (December 31, 2019: $49 million) and $7 million (December 31, 2019: $4 million), respectively.

Capital commitments

At December 31, 2020, the Company and its subsidiaries had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $564 million of which $400 million are due within one year (December 31, 2019: $122 million of which $102 million are due within one year). Increase is mainly due to the newly acquired spectrum license by Tigo Colombia and the related network coverage obligations (note 9). The Group’s share of commitments in the joint ventures is $69 million and $52 million. (December 31, 2019: $52 million and $51 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three- month period and year ended December 31, 2020 and December 31, 2019:

in millions of U.S. dollars	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Three months ended December 31, 2020	Three months ended December 31, 2019
Expenses				
Purchases of goods and services from Miffin	(216)	(214)	(60)	(55)
Purchases of goods and services from EPM	(37)	(42)	(9)	(13)
Lease of towers and related services from HT (i)	—	(146)	—	(28)
Other expenses	(57)	(10)	(48)	(128)
Total	**(310)**	**(412)**	**(117)**	**(224)**

(i) HT ceased to be a related party on October 15, 2019 (note 14).

in millions of U.S. dollars	Twelve months ended December 31,	Twelve months ended December 31,	Three months ended December 31,	Three months ended December 31,
Income / gains				
Sale of goods and services to Miffin	327	306	90	84
Sale of goods and services to EPM	15	13	4	3
Other income / gains	2	3	—	2
Total	**343**	**322**	**94**	**89**

As at December 31, 2020 and December 31, 2019, the Group had the following balances with related parties:

in millions of U.S. dollars	As at December 31, 2020	As at December 31, 2019
Liabilities		
Payables to Guatemala joint venture(i)	231	361
Payables to Honduras joint venture(ii)	103	133
Payables to EPM	20	37
Payables to Panama non-controlling interests	1	—
Other accounts payable	1	—
Total	**356**	**531**

(i) Interest bearing shareholder loans of which $29 million are due after more than one year.

(ii) Mainly advances for dividends expected to be declared in 2020 and shareholder loans.

12. RELATED PARTY TRANSACTIONS (Continued)

in millions of U.S. dollars	As at December 31, 2020	As at December 31, 2019
Assets		
Receivables from Guatemala joint venture (i)	206	11
Receivables from Honduras joint venture (ii)	84	11
Receivables from EPM	3	3
Receivables from Panama non-controlling interests	1	—
Receivable from AirtelTigo Ghana (iii)	—	43
Other accounts receivable	5	4
Total	**299**	**73**

(i) In October 2020, Millicom granted a shareholder loan of $193 million to Guatemala (out of which $39 million is due after more than one year as of December 31, 2020. The loan bears interests at 4% p.a. and is repayable by December 15, 2021, at the latest. Together with other shareholder and external financings, the proceeds were used to repay the $800 million aggregate principal amount of its outstanding 6.875% Senior Notes due 2024 (note 10).

(ii) In November 2020, our operations in Honduras completed a shareholding restructuring whereby Telefonica Cellular S.A. acquired the shares of Navega S.A. de CV from its existing shareholders. The sale consideration will be payable in several installments with a final settlement in November 2023. As of December 31, 2020, $51 million out of a total receivable of $79 million is due after more than one year and therefore disclosed in non-current assets. The disposal also triggered the recognition of a net gain of $ 4 million, under 'Other operating income (expenses), net' in the Group's statement of income, corresponding to the portion of gain realized on the unrelated investors' interests in the joint venture (i.e. 33.33%).

(iii) In 2020, and as a result of the significant deterioration of the credit risk of AirtelTigo Ghana, combined with other unfavorable economic factors, Millicom concluded that this related party loan was underperforming and should be impaired. As a consequence, the Group fully impaired this receivable of $45 million during the year, disclosed under 'Other operating income (expenses), net' in the income statement..

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at December 31, 2020 and December 31, 2019:

in millions of U.S. dollars	Carrying value		Fair value(i)	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Financial liabilities				
Debt and financing	5,691	5,972	5,572	6,229

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

Derivative financial instruments

Currency and interest rate swap contracts

MIC S.A. entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the SEK 2 billion (approximately $211 million) senior unsecured sustainability bond issued in May 2019. These swaps are accounted for as cash flow hedges as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is May 2024. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At December 31, 2020, the fair values of the swaps amount to an asset of $23 million (December 31, 2019: a liability of $0.2 million).

Colombia, El Salvador and Costa Rica operations have also entered into several swap agreements in order to hedge foreign currency and interest rate risks on certain long term debts. These swaps are accounted for as cash flow hedges and related fair value changes are recorded through other comprehensive income. At December 31, 2020, the fair value of El Salvador amount to a liability of $3 million (December 31, 2019: a a liability of $3 million), Costa Rica swaps amount to a liability of $5 million and an asset of $1 million (December 31, 2019: a liability of $14 million) and the fair value of Colombia swap amount to a liability of $7 million (December 31, 2019: nil).

Interest rate and currency swaps are measured with reference to Level 2 of the fair value hierarchy.

13. FINANCIAL INSTRUMENTS (Continued)

Call and put options - Panama

As of December 31, 2020, the put option liability is valued at $262 million (December 31, 2019: $264 million) (being the higher of the value of the 'Transaction Price' put option and fair market value - for further details refer to the Group's 2019 consolidated financial statements). Changes in the value of the put option liability are recorded in the Group's statement of income under 'other non-operating (expenses) income, net' (see note 6).

As of December 31, 2020, call options have a fair value of $3 million (December 31, 2019: nil).

There are no other derivative financial instruments with a significant fair value at December 31, 2020.

14. EQUITY INVESTMENTS

As at December 31, 2020 and December 31, 2019, Millicom has the following investments in equity instruments measured at fair value through profit and loss under IFRS 9:

in millions of U.S. dollars	December 31, 2020	December 31, 2019
Investment in Jumia	—	32
Investment in HT	160	338
Equity investment - total	**160**	**371**

Jumia Technologies AG (“Jumia”)

In the course of June 2020, Millicom disposed of its entire stake in Jumia (approximately 6%) for a total net consideration of $29 million, triggering a net gain on disposal of $15 million recorded in the statement of income for the year ended December 31, 2020 under ‘other operating income (expenses), net’. The changes in fair value prior to the disposal were shown under 'Other non-operating (expenses) income, net' (note 6).

Helios Towers plc (“HT”)

During November 2020, Millicom disposed of a second portion of its shareholding in HT (52 million shares or 5.2%) for a total net consideration of GBP 80 million or $106 million (at a price per share of GBP 1.55), triggering the recognition of a net gain on disposal of $1 million. In June 2020, Millicom disposed of 33 million shares that it owned in HT for a total net consideration of GBP 49 million ($62 million), triggering a net gain on disposal of $5 million. Net gains on disposal have been recorded in the statement of income for the year ended December 31, 2020 under ‘other operating income (expenses), net’.

Following these disposals, Millicom owns a remaining shareholding of 7.6% in HT, valued at $160 million (level 1) at the December 31, 2020 share price (GBP 1.53). The changes in fair value are shown under 'Other non-operating (expenses) income, net' (see note 6).

15. INVESTMENTS IN JOINT VENTURES

Joint ventures are businesses over which Millicom exercises joint control as decisions over the relevant activities of each, such as the ability to upstream cash from the joint ventures, require unanimous consent of shareholders. Millicom determines the existence of joint control by reference to joint venture agreements, articles of association, structures and voting protocols of the board of directors of those ventures.

At December 31, 2020, the equity accounted net assets of Millicom's joint ventures in Guatemala, Honduras and Ghana totaled $3,072 million (December 31, 2019: $3,346 million). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and previously unrecognized assets and assumed liabilities recognized as part of the purchase accounting). Out of these reserves, $153 million (December 31, 2019: $142 million) represent statutory reserves that are unavailable to be distributed to the Group. During the year ended December 31, 2020, Millicom's joint ventures paid $71 million (December 31, 2019: $237 million) as dividends or dividend advances to the Company.

	2020	
in millions of U.S. dollars	**Guatemala(i)**	**Honduras (i)**
Opening Balance at January 1, 2020	**2,089**	**708**
Disposal of the Group's investment in Navega to Celtel (ii)	—	(83)
Results for the period	144	27
Dividends declared during the period	(199)	(55)
Currency exchange differences	(3)	13
Closing Balance at December 31, 2020	**2,031**	**610**

(i) Share of profit is recognized under 'Share of profit in the joint ventures in Guatemala and Honduras' in the statement of income.

(ii) See note 12.

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA

The Tanzanian government has implemented legislation requiring telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25% of their shares in a Tanzanian public offering. The Group is currently planning for the IPO of our Tanzanian operation pursuant to the legislation and have filed a draft prospectus with the Tanzania Capital Market and Securities Authority in December 2019. The Regulator has since requested the Group to retain an underwriter to ensure the success of the IPO. Together with its investment bank advisers, the Group is seeking an underwriter active in the Tanzanian and Eastern African markets, a process currently underway.

17. SUBSEQUENT EVENTS

On February 11, Millicom announced that it has given notice to holders of its Notes due 2026, 2028 and 2029 of the company's intention to exercise its right to call 10% of the principal outstanding of these Notes at a price of 103%. Total consideration of approximately $180 million will be funded from cash, consistent with the company's decision to prioritize debt reduction.