

# **Unaudited Interim Condensed Consolidated Financial Statements**

**For the three-month period ended March 31, 2021**

April 29, 2021

## Unaudited interim condensed consolidated statement of income for the three-month period ended March 31, 2021

in millions of U.S. dollars except per share data	Notes	Three-months ended March 31, 2021	Three-months ended March 31, 2020
<b>Continuing Operations</b>			
Revenue.....	4	1,088	1,088
Cost of sales.....		(303)	(305)
<b>Gross profit</b> .....		<b>785</b>	<b>783</b>
Operating expenses.....		(391)	(401)
Depreciation.....		(217)	(223)
Amortization.....		(107)	(73)
Share of profit in the joint ventures in Guatemala and Honduras.....	7	61	45
Other operating income (expenses), net.....	15	(17)	3
<b>Operating profit</b> .....	4	<b>115</b>	<b>134</b>
Interest and other financial expenses.....	10	(148)	(147)
Interest and other financial income.....		3	6
Other non-operating (expenses) income, net.....	5	58	(159)
Profit (loss) from other joint ventures and associates, net.....		(1)	—
<b>Profit (loss) before taxes from continuing operations</b> .....		<b>27</b>	<b>(167)</b>
Tax (charge) credit, net.....		(3)	16
<b>Profit (loss) from continuing operations</b> .....		<b>24</b>	<b>(151)</b>
<b>Net profit (loss) for the period</b> .....		<b>24</b>	<b>(151)</b>
<b>Attributable to:</b>			
Owners of the Company.....		42	(122)
Non-controlling interests.....		(19)	(28)
<b>Earnings/ (Loss) per common share for net profit/ (loss) attributable to the owners of the Company:</b>			
Basic and Diluted (\$ per share) (i).....	6	0.41	(1.21)

(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 March 31, 2021

in millions of U.S. dollars	Three- months ended March 31, 2021	Three- months ended March 31, 2020
Net profit (loss) for the period.....	24	(151)
<b>Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:...</b>		
Exchange differences on translating foreign operations.....	(48)	(99)
Change in value of cash flow hedges, net of tax effects.....	4	(18)
<b>Total comprehensive income (loss) for the period.....</b>	<b>(20)</b>	<b>(268)</b>
<b>Attributable to</b>		
Owners of the Company.....	5	(217)
Non-controlling interests.....	(25)	(50)

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 March 31, 2021

in millions of U.S. dollars	Notes	March 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets, net.....	9	3,280	3,403
Property, plant and equipment, net.....	8	2,610	2,755
Right of use assets.....		868	895
Investments in joint ventures.....	7	2,709	2,642
Investments in associates.....		24	24
Contract costs, net.....		5	5
Deferred tax assets.....		193	197
Derivative financial instruments.....	13	13	27
Amounts due from non-controlling interests, associates and joint ventures.....	12	45	90
Other non-current assets.....		74	77
<b>TOTAL NON-CURRENT ASSETS</b> .....		<b>9,820</b>	<b>10,114</b>
<b>CURRENT ASSETS</b>			
Inventories.....		46	37
Trade receivables, net.....		338	351
Contract assets, net.....		33	31
Amounts due from non-controlling interests, associates and joint ventures.....	12	92	206
Prepayments and accrued income.....		209	149
Current income tax assets.....		74	96
Supplier advances for capital expenditure.....		20	21
Equity investments.....	14	178	160
Other current assets.....		189	181
Restricted cash.....		187	199
Cash and cash equivalents.....		602	875
<b>TOTAL CURRENT ASSETS</b> .....		<b>1,967</b>	<b>2,307</b>
Assets held for sale.....		1	1
<b>TOTAL ASSETS</b> .....		<b>11,788</b>	<b>12,422</b>

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 March 31, 2021 (continued)

in millions of U.S. dollars	Notes	March 31, 2021	December 31, 2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital and premium.....		629	630
Treasury shares.....		(12)	(30)
Other reserves.....		(626)	(562)
Retained profits.....		2,024	2,365
Profit (loss) for the period/year attributable to equity holders.....		42	(344)
<b>Equity attributable to owners of the Company</b>		<b>2,057</b>	<b>2,059</b>
Non-controlling interests.....		188	215
<b>TOTAL EQUITY</b>		<b>2,246</b>	<b>2,274</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Debt and financing.....	10	5,303	5,578
Lease liabilities.....	10	871	897
Derivative financial instruments.....	13	6	14
Amounts due to non-controlling interests, associates and joint ventures.....	12	28	29
Payables and accruals for capital expenditure.....		447	485
Provisions and other non-current liabilities.....		310	328
Deferred tax liabilities.....		172	209
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,136</b>	<b>7,540</b>
<b>CURRENT LIABILITIES</b>			
Debt and financing.....	10	109	113
Lease liabilities.....	10	129	123
Put option liability.....	13	262	262
Derivative financial instruments.....		1	1
Payables and accruals for capital expenditure.....		213	345
Other trade payables.....		242	334
Amounts due to non-controlling interests, associates and joint ventures.....	12	313	311
Accrued interest and other expenses.....		454	445
Current income tax liabilities.....		82	71
Contract liabilities.....		92	90
Provisions and other current liabilities.....		507	511
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,406</b>	<b>2,608</b>
<b>TOTAL LIABILITIES</b>		<b>9,542</b>	<b>10,148</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,788</b>	<b>12,422</b>

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 three-month period ended March 31, 2021

in millions of U.S. dollars	Notes	March 31, 2021	March 31, 2020
<b>Cash flows from operating activities</b>			
Profit (loss) before taxes from continuing operations .....		27	(167)
<b>Profit (loss) before taxes</b>		<b>27</b>	<b>(167)</b>
<b>Adjustments to reconcile to net cash:</b>			
Interest expense on leases.....		40	39
Interest expense on debt and other financing.....		108	108
Interest and other financial income.....		(3)	(6)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....	4	324	296
Share of net profit in Guatemala and Honduras joint ventures.....		(61)	(45)
(Gain) on disposal and impairment of assets, net .....		17	(3)
Share based compensation .....		(3)	6
Loss from other joint ventures and associates, net.....		1	—
Other non-cash non-operating (income) expenses, net .....	5	(58)	159
<b>Changes in working capital:</b>			
Decrease (increase) in trade receivables, prepayments and other current assets, net.....		(86)	(98)
Decrease (increase) in inventories .....		(10)	(22)
Increase (decrease) in trade and other payables, net.....		(73)	(11)
<b>Total changes in working capital</b> .....		<b>(168)</b>	<b>(130)</b>
Interest paid on leases.....		(36)	(37)
Interest paid on debt and other financing.....		(92)	(110)
Interest received .....		—	7
Taxes paid.....		(9)	(11)
<b>Net cash provided by operating activities</b> .....		<b>87</b>	<b>106</b>
<b>Cash flows from (used in) investing activities:</b>			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired .....		(1)	—
Proceeds from disposal of subsidiaries and associates, net of cash disposed.....		8	17
Purchase of intangible assets and licenses .....	9	(83)	(91)
Purchase of property, plant and equipment .....	8	(171)	(179)
Proceeds from sale of property, plant and equipment .....	8	1	—
Dividends and dividend advances received from joint ventures .....	7	—	24
Cash (used in) provided by other investing activities, net		8	6
<b>Net cash used in investing activities</b> .....		<b>(238)</b>	<b>(222)</b>

## Unaudited interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2021 (continued)

<b>Cash flows from financing activities:</b>			
Proceeds from debt and other financing .....	10	160	706
Repayment of debt and other financing .....	10	(394)	(137)
Loan repayment from (advance to) joint venture.....	12	148	—
Lease capital repayment.....		(29)	(31)
Advances and dividends paid to non-controlling interests.....		(3)	—
Share repurchase program.....		—	(10)
<b>Net cash provided by (used in) financing activities.....</b>		<b>(119)</b>	<b>528</b>
Exchange impact on cash and cash equivalents, net.....		(2)	(30)
<b>Net (decrease) increase in cash and cash equivalents .....</b>		<b>(273)</b>	<b>381</b>
Cash and cash equivalents at the beginning of the year.....		875	1,164
<b>Cash and cash equivalents at the end of the period.....</b>		<b>602</b>	<b>1,545</b>

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 three-month periods ended March 31, 2021 and March 31, 2020

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
<b>Balance on December 31, 2019</b>	<b>101,739</b>	<b>(581)</b>	<b>153</b>	<b>480</b>	<b>(51)</b>	<b>2,372</b>	<b>(544)</b>	<b>2,409</b>	<b>271</b>	<b>2,680</b>
Total comprehensive income for the period.....	—	—	—	—	—	(122)	(95)	(217)	(50)	(268)
Dividends to non controlling interests.....	—	—	—	—	—	—	—	—	(4)	(4)
Purchase of treasury shares (ii)....	—	(405)	—	—	(16)	2	—	(13)	—	(13)
Share based compensation.....	—	—	—	—	—	—	6	6	—	7
Issuance of shares under share-based payment schemes.....	—	324	—	(2)	29	(8)	(19)	—	—	—
<b>Balance on March 31, 2020</b>	<b>101,739</b>	<b>(662)</b>	<b>153</b>	<b>479</b>	<b>(38)</b>	<b>2,244</b>	<b>(652)</b>	<b>2,185</b>	<b>216</b>	<b>2,401</b>
<b>Balance on December 31, 2020.....</b>	<b>101,739</b>	<b>(526)</b>	<b>153</b>	<b>478</b>	<b>(30)</b>	<b>2,020</b>	<b>(562)</b>	<b>2,059</b>	<b>215</b>	<b>2,274</b>
Total comprehensive income for the period.....	—	—	—	—	—	42	(37)	5	(25)	(20)
Dividends to non controlling interests.....	—	—	—	—	—	—	—	—	(2)	(2)
Purchase of treasury shares (ii)....	—	(98)	—	—	(6)	2	—	(4)	—	(4)
Share based compensation.....	—	—	—	—	—	—	(3)	(3)	—	(3)
Issuance of shares under share-based payment schemes.....	—	418	—	(2)	24	2	(24)	—	—	—
<b>Balance on March 31, 2021</b>	<b>101,739</b>	<b>(206)</b>	<b>153</b>	<b>476</b>	<b>(12)</b>	<b>2,066</b>	<b>(626)</b>	<b>2,057</b>	<b>188</b>	<b>2,246</b>

- (i) Retained profits – includes profit for the year attributable to equity holders, of which at March 31, 2021, \$298 million (2020: \$310 million) are not distributable to equity holders.
- (ii) During the three-month period ended March 31, 2020, Millicom repurchased 342,251 shares for a total amount of \$10 million and withheld approximately 62,000 shares for settlement of tax obligations, on behalf of employees under share-based compensation plans. For the three-month period ended March 31, 2021 the amount presented corresponds only to withheld shares.

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 April 28, 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, 2020, 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, 2020 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*

##### *Impact on Millicom's markets and business*

Economic activity continued to recover gradually in our markets, as most countries continued to ease lockdowns implemented at the beginning of the pandemic, and remittances from the U.S. to Central America sustained double-digit growth. Temporary restrictions were implemented in some countries and regions, as governments took steps to prevent a spike in new cases stemming from gatherings around the year-end and Easter holidays. However, these new restrictions appear to have had a less severe impact on economic activity and on our business as compared to those implemented at the onset of the pandemic. Meanwhile, vaccinations have begun, but less than 1% of the population in our markets had been vaccinated as of the end of March 2021.

## 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 on previous quarters:

- Impairment of non-financial assets/goodwill/investments in joint ventures
- Impairment of trade receivables
- Revenue recognition

As of March 31, 2021, the above accounting areas have not been significantly affected.

### III. New and amended IFRS standards

The following changes to standards 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:

- Amendment to IFRS 16, 'Leases' - COVID 19 Rent Concessions - effective for annual periods starting on June 1, 2020. While the Group has implemented this amendment already in 2020, the IASB (in March 2021) extended its initial application beyond June 30, 2021, by one additional year.
- 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 this will not result in an immediate gain or loss in the income statement but in 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 ineffectiveness might need to be recorded.

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

- Amendments effective for annual periods starting on January 1, 2022 (not yet endorsed by the EU):
  - 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.
- Amendments effective for annual periods starting on January 1, 2023 (not yet endorsed by the EU):
  - Amendments to IAS 1, 'Presentation of Financial Statements': These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The IASB also issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
  - IFRS 17, 'Insurance contracts', including amendments.
  - IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

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

#### *Acquisitions for the three-month periods ended March 31, 2021 and 2020*

There were no material acquisitions or disposals during the three-month periods ended March 31, 2021 and 2020.

#### 4. 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. Millicom is allocating corporate costs to each segment based on their contribution to underlying revenue, and only non-recurring costs - such as M&A related costs-, remain as unallocated. 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. The joint venture in Ghana is not reported as if fully consolidated.

Revenue, operating profit (loss), EBITDA and other segment information for the three-month periods ended March 31, 2021 and 2020, are as follows:

Three-months ended March 31, 2021 (in millions of U.S. dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
Mobile revenue .....	833	87	—	(379)	—	541
Cable and other fixed services revenue .....	563	2	—	(85)	—	479
Other revenue .....	17	—	—	(2)	—	15
<b>Service revenue (i) .....</b>	<b>1,413</b>	<b>89</b>	<b>—</b>	<b>(466)</b>	<b>(1)</b>	<b>1,035</b>
Telephone and equipment and other revenue (i) ....	118	—	—	(64)	—	54
<b>Revenue .....</b>	<b>1,530</b>	<b>89</b>	<b>—</b>	<b>(530)</b>	<b>(1)</b>	<b>1,088</b>
<b>Operating profit (loss)</b>	<b>230</b>	<b>9</b>	<b>(26)</b>	<b>(159)</b>	<b>61</b>	<b>115</b>
Add back:.....						
Depreciation and amortization .....	413	21	3	(113)	—	324
Share of profit in joint ventures in Guatemala and Honduras .....	—	—	—	—	(61)	(61)
Other operating income (expenses), net .....	(5)	—	22	—	—	17
<b>EBITDA (ii)</b>	<b>638</b>	<b>31</b>	<b>(1)</b>	<b>(273)</b>	<b>—</b>	<b>394</b>
EBITDA from discontinued operations .....	—	—	—	—	—	—
<b>EBITDA incl discontinued operations</b>	<b>638</b>	<b>31</b>	<b>(1)</b>	<b>(273)</b>	<b>—</b>	<b>394</b>
Capital expenditure (iii) .....	(282)	(10)	(2)	62	—	(233)
Changes in working capital and others (iv) .....	(155)	(5)	—	(10)	—	(171)
Taxes paid .....	(31)	(5)	(3)	29	—	(9)
<b>Operating free cash flow (v)</b>	<b>170</b>	<b>10</b>	<b>(6)</b>	<b>(192)</b>	<b>—</b>	<b>(18)</b>
<b>Total Assets (vi) .....</b>	<b>12,876</b>	<b>879</b>	<b>3,758</b>	<b>(5,063)</b>	<b>(662)</b>	<b>11,788</b>
<b>Total Liabilities .....</b>	<b>8,282</b>	<b>902</b>	<b>3,091</b>	<b>(1,873)</b>	<b>(860)</b>	<b>9,542</b>

#### 4. SEGMENT INFORMATION (Continued)

Three-months ended March 31, 2020 (in millions of U.S. dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	843	87	—	(373)	—	556
Cable and other fixed services revenue	539	2	—	(73)	—	468
Other revenue	13	—	—	(2)	—	12
<b>Service revenue (i)</b>	<b>1,395</b>	<b>89</b>	<b>—</b>	<b>(448)</b>	<b>—</b>	<b>1,036</b>
Telephone and equipment revenue (i)	110	—	—	(58)	—	52
<b>Revenue</b>	<b>1,504</b>	<b>89</b>	<b>—</b>	<b>(506)</b>	<b>—</b>	<b>1,088</b>
<b>Operating profit (loss)</b>	<b>219</b>	<b>7</b>	<b>(3)</b>	<b>(134)</b>	<b>45</b>	<b>134</b>
Add back:						
Depreciation and amortization	383	23	3	(114)	—	296
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(45)	(45)
Other operating income (expenses), net	(2)	—	—	—	—	(3)
<b>EBITDA (ii)</b>	<b>600</b>	<b>30</b>	<b>(1)</b>	<b>(248)</b>	<b>—</b>	<b>382</b>
EBITDA from discontinued operations	—	—	—	—	—	—
<b>EBITDA incl discontinued operations</b>	<b>600</b>	<b>30</b>	<b>(1)</b>	<b>(248)</b>	<b>—</b>	<b>382</b>
Capital expenditure (iii)	(284)	(10)	(4)	67	—	(232)
Changes in working capital and others (iv)	(64)	—	(59)	—	—	(124)
Taxes paid	(33)	(3)	—	26	—	(11)
<b>Operating free cash flow (v)</b>	<b>219</b>	<b>16</b>	<b>(63)</b>	<b>(156)</b>	<b>—</b>	<b>15</b>
<b>Total Assets (vi)</b>	<b>13,513</b>	<b>925</b>	<b>4,408</b>	<b>(5,527)</b>	<b>(584)</b>	<b>12,736</b>
<b>Total Liabilities</b>	<b>8,201</b>	<b>911</b>	<b>4,338</b>	<b>(2,104)</b>	<b>(1,010)</b>	<b>10,335</b>

- (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 \$20 million (2020: \$39 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.
- (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 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.

#### 4. SEGMENT INFORMATION (Continued)

Revenue from contracts with customers from continuing operations

in millions of U.S. dollars	Timing of revenue recognition	Three-months ended March 31, 2021			Three-months ended March 31, 2020		
		Latin America	Africa	Total Group	Latin America	Africa	Total Group
Mobile.....	Over time	445	56	501	463	60	522
Mobile Financial Services.....	Point in time	8	31	40	7	27	34
Cable and other fixed services.....	Over time	477	2	479	466	2	468
Other.....	Over time	15	—	15	12	—	12
<b>Service Revenue.....</b>		<b>946</b>	<b>89</b>	<b>1,035</b>	<b>948</b>	<b>89</b>	<b>1,036</b>
Telephone and equipment.....	Point in time	54	—	54	52	—	52
<b>Revenue from contracts with customers.....</b>		<b>999</b>	<b>89</b>	<b>1,088</b>	<b>999</b>	<b>89</b>	<b>1,088</b>

#### 5. OTHER NON-OPERATING (EXPENSES) INCOME, NET

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

in millions of U.S. dollars	Three-months ended March 31, 2021	Three-months ended March 31, 2020
Change in fair value of derivatives (Note 13).....	—	—
Change in fair value in investment in Jumia (Note 14).....	—	(18)
Change in fair value in investment in Helios Towers (Note 14).....	18	(61)
Change in value of call option and put option liability (Note 13).....	1	10
Exchange gains (losses), net.....	37	(90)
Other non-operating income (expenses), net.....	1	1
<b>Total.....</b>	<b>58</b>	<b>(159)</b>

#### 6. 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	Three-months ended March 31, 2021	Three-months ended March 31, 2020
<b>Basic and Diluted</b>		
Net profit (loss) attributable to equity holders from continuing operations .....	42	(122)
Net profit (loss) attributable to equity holders from discontinued operations .....	—	—
Net profit/(loss) attributable to all equity holders to determine the basic earnings (loss) per share .....	42	(122)
<b>in thousands</b>		
Weighted average number of ordinary shares for basic and diluted earnings per share .....	101,334	101,123
<b>in U.S. dollars</b>		
<b>Basic and diluted</b>		
EPS from continuing operations attributable to owners of the Company .....	0.41	(1.21)
EPS from discontinued operations attributable to owners of the Company .....	—	—
EPS for the period attributable to owners of the Company .....	0.41	(1.21)

## 7. 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.

Refer to note 16 "Subsequent Events" for an update on the signed agreement for the sale of AirtelTigo Ghana to the Government of Ghana. At March 31, 2021, the carrying value of the Group's investment in AirtelTigo Ghana joint venture is zero.

At March 31, 2021, the equity accounted net assets of Millicom's joint ventures in Guatemala and Honduras totaled \$3,191 million (December 31, 2020: \$3,072 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 a total reserve of \$278 million (December 31, 2020: \$278 million), \$153 million (December 31, 2020: \$153 million) represent statutory reserves that are unavailable to be distributed to the Group. During the three-month period ended March 31, 2021, Millicom's joint ventures did not pay any dividends or dividend advances to the Company (December 31, 2020: \$71 million).

in millions of U.S. dollars	2021	
	Guatemala(i)	Honduras (i)
<b>Opening Balance at January 1, 2021</b> .....	<b>2,031</b>	<b>610</b>
Results for the period.....	54	7
Currency exchange differences.....	4	3
<b>Closing Balance at March 31, 2021</b> .....	<b>2,089</b>	<b>620</b>

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

## 8. PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended March 31, 2021, Millicom added property, plant and equipment of \$95 million (March 31, 2020: \$108 million) and received \$1 million from disposal of property, plant and equipment (March 31, 2020: nil).

## 9. INTANGIBLE ASSETS

During the three-month period ended March 31, 2021, Millicom added intangible assets of \$25 million of which \$0.3 million related to acquisition of spectrum and licenses, and \$25 million to additions of other intangible assets (March 31, 2020: \$44 million out of which \$21 million related to spectrum and licenses and \$23 million to additions of intangible assets) and did not receive any proceeds from disposal of intangible assets (March 31, 2020: nil).

## 10. FINANCIAL OBLIGATIONS

### Debt and financing

The most significant movements in debt and financing for the three-month period ended March 31, 2021 were as follows:

#### Luxembourg

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. This redemption follows Millicom's announcement dated February 11, 2021. Total consideration of approximately \$180 million was funded from cash, consistent with the Company's decision to prioritize debt reduction. The redemption premium of \$5 million and the accelerated amortization of the upfront costs of \$3 million, have been recorded in the line "Interest and other financial expenses" in the statement of income during the three-month period ended March 31, 2021.

#### Colombia

On February 16, 2021, UNE EPM Telecomunicaciones S.A. issued under the approved local bond program, a COP 485,680 million bond (approximately \$138 million using the transaction date exchange rate) with 3 maturities; Series 7 years at 5.56% fixed rate, Series 10 years at CPI plus 2.61% and 15 years at CPI plus 3.18% margin. With the aim to improve UNE's natural hedge against local currency, the bond proceeds were used on March, 26, 2021 to partially repay 50% of the \$300 million syndicated loan of Colombia Movil S.A. (originally due in December 2024).

#### Panama

In November 2020, Cable Onda executed an agreement with Bank of Nova Scotia for \$110 million, which were disbursed in two tranches. The first tranche of \$85 million was disbursed in December 2020, and on March 1, 2021 the second and final tranche (\$25 million) was disbursed to Cable Onda.

#### 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 March 31, 2021	As at December 31, 2020
Due within:.....		
One year.....	109	113
One-two years.....	256	107
Two-three years.....	379	439
Three-four years.....	595	811
Four-five years.....	480	467
After five years.....	3,592	3,755
<b>Total debt and financing.....</b>	<b>5,412</b>	<b>5,691</b>

As at March 31, 2021, 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 \$285 million (December 31, 2020: \$287 million).

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at March 31, 2021 and December 31, 2020.

in millions of U.S. dollars	Bank and financing guarantees (i)	
	As at March 31, 2021	As at December 31, 2020
Terms	Outstanding and Maximum exposure	
0-1 year.....	58	59
1-3 years.....	227	227
3-5 years.....	—	—
<b>Total.....</b>	<b>285</b>	<b>287</b>

(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:

<b>in millions of U.S. dollars</b>	<b>Three-months ended March 31, 2021</b>	<b>Three-months ended March 31, 2020</b>
Interest expense on bonds and bank financing.....	(86)	(97)
Interest expense on leases.....	(40)	(39)
Early redemption charges.....	(5)	—
Other.....	(17)	(11)
<b>Total interest and other financial expenses.....</b>	<b>(148)</b>	<b>(147)</b>

## 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 March 31, 2021, the total amount of claims brought against Millicom and its subsidiaries is \$257 million (December 31, 2020: \$288 million). The Group's share of the comparable exposure for joint ventures is \$15 million (December 31, 2020: \$14 million).

As at March 31, 2021, \$43 million has been provisioned by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2020: \$45 million). The Group's share of provisions made by the joint ventures was \$3 million (December 31, 2020: \$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.

### *Taxation*

At March 31, 2021, the tax risks exposure of the Group's subsidiaries is estimated at \$317 million, for which provisions of \$72 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (December 31, 2020: \$339 million of which provisions of \$77 million were recorded). The Group's share of comparable tax exposure and provisions in its joint ventures amounts to \$72 million (December 31, 2020: \$69 million) and \$5 million (December 31, 2020: \$7 million), respectively.

### *Capital commitments*

At March 31, 2021, the Company and its subsidiaries had fixed commitments to purchase network equipment, other fixed assets and intangible assets of \$453 million of which \$300 million are due within one year (December 31, 2020: \$564 million of which \$400 million are due within one year). The Group's share of commitments in the joint ventures is \$66 million and \$37 million. (December 31, 2020: \$69 million and \$52 million).

## 12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties:

<b>in millions of U.S. dollars</b>	<b>Three-months ended March 31, 2021</b>	<b>Three-months ended March 31, 2020</b>
<b>Expenses</b>		
Purchases of goods and services from Mifflin.....	(49)	(54)
Purchases of goods and services from EPM.....	(10)	(9)
Other expenses.....	(5)	(4)
<b>Total.....</b>	<b>(64)</b>	<b>(67)</b>

<b>in millions of U.S. dollars</b>	<b>Three-months ended March 31, 2021</b>	<b>Three-months ended March 31, 2020</b>
<b>Income / gains</b>		
Sale of goods and services to Mifflin.....	89	78
Sale of goods and services to EPM.....	4	3
Other income / gains.....	1	1
<b>Total.....</b>	<b>93</b>	<b>82</b>

The Group had the following balances with related parties:

<b>in millions of U.S. dollars</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Liabilities</b>		
Payables to Guatemala joint venture(i).....	231	231
Payables to Honduras joint venture(ii).....	104	103
Payables to EPM.....	18	20
Payables to Panama non-controlling interests.....	1	1
Other accounts payable.....	1	1
<b>Total.....</b>	<b>354</b>	<b>356</b>

(i) Interest bearing shareholder loans of which \$28 million are due after more than one year.

(ii) Mainly advances for dividends expected to be declared in 2021

## 12. RELATED PARTY TRANSACTIONS (Continued)

in millions of U.S. dollars	As at March 31, 2021	As at December 31, 2020
<b>Assets</b>		
Receivables from Guatemala joint venture(i).....	55	206
Receivables from Honduras joint venture.....	77	84
Receivables from EPM.....	3	3
Receivables from Panama non-controlling interests.....	1	1
Other accounts receivable.....	5	5
<b>Total</b> .....	<b>141</b>	<b>299</b>

(i) In March 2021, the Guatemala joint venture prepaid \$147.5 million of principal (out of the \$193 million Millicom 's shareholder loan, granted in October 2020 and repayable by January 13, 2022, at the latest).

## 13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at March 31, 2021 and December 31, 2020:

in millions of U.S. dollars	Carrying value		Fair value	
	As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020
<b>Financial liabilities</b>				
Debt and financing.....	5,412	5,691	5,639	5,572

(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 March 31, 2021, the fair values of the swaps amount to an asset of \$9 million (December 31, 2020: an asset of \$23 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 March 31, 2021, the fair value of El Salvador amount to a liability of \$3 million (December 31, 2020: a liability of \$3 million), Costa Rica swaps amount to a liability of \$5 million and an asset of \$2 million (December 31, 2020: liability of \$5 million and asset of \$1 million) and the fair value of Colombia swap amounts to an asset of \$5 million (December 31, 2020: a liability of \$7 million).

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

#### Call and put options - Panama

As of March 31, 2021, management used the same values as those used for Q4 2020 closing since there were no significant developments during Q1 2021 indicating a significant change in Cable Onda's valuation.

As a consequence, the put option liability amounts to \$262 million.

The call option, having a strike price at initial Transaction price +10% interest p.a (exercisable from June 14, 2021 to July 14, 2022), has been valued at \$3 million.

There are no other derivative financial instruments with a significant fair value at March 31, 2021.

## 14. EQUITY INVESTMENTS

As at March 31, 2021 and December 31, 2020, 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	March 31, 2021	December 31, 2020
Investment in HT.....	178	160
<b>Equity investment - total.....</b>	<b>178</b>	<b>160</b>

During June and November 2020, Millicom disposed of a total of 85 million shares that it owned in Helios Towers plc ("HT"). As a result of these transactions, Millicom owns a remaining shareholding of 7.6% in HT, valued at \$178 million and \$160 million (level 1) at March 31, 2021 and December 31, 2020, respectively (using a share price of GBP 1.69 and GBP 1.53, respectively). The changes in fair value are shown under 'Other non-operating (expenses) income, net' (see note 5).

## 15. 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 seeking to reach an agreement with the Tanzanian government regarding the conditions of the IPO, taking into account the proposed sale of our Tanzanian operation.

## 16. SUBSEQUENT EVENTS

### *Africa divestiture*

On April 19, 2021, we announced that we have signed agreements for the sale of our operations in Tanzania and for the disposal of our stake in the AirtelTigo joint venture in Ghana. In Tanzania, Millicom agreed to sell its entire operations to a consortium led by Axian, a pan-African group that was part of the consortium that acquired Millicom's operations in Senegal in 2018. In Ghana, Millicom along with its joint venture partner, Bharti Airtel Limited, have signed a definitive agreement for the transfer of AirtelTigo to the Government of Ghana. Millicom recorded a \$25 million charge in Q1 as part of this agreement. Completion of each transaction is subject to regulatory approvals. The provision charge is recorded under the line "Other operating income (expenses), net" in the statement of income.