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

For the six-month period
ended June 30, 2021

September 3, 2021

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2021

Unaudited interim condensed consolidated statement of comprehensive income for the six-month period ended June 30, 2021

PYG millions	Notes	Six-months ended June 30, 2021	Six-months ended June 30, 2020 *(i)*
Revenue		1,837,932	1,298,511
Cost of sales		(477,410)	(288,997)
Gross profit		**1,360,522**	**1,009,514**
Operating expenses *(ii)*		(672,046)	(605,732)
Depreciation		(293,202)	(185,417)
Amortization		(204,575)	(110,744)
Other operating income (expenses), net		1,794	3,400
Operating profit		**192,493**	**111,021**
Interest expense		(202,570)	(199,641)
Interest and other financial result, net		582	46,635
Exchange gain (loss), net		94,057	(64,066)
Profit (loss) before taxes		**84,562**	**(106,051)**
Charge for taxes, net		(21,964)	9,693
Profit (loss) for the period		**62,598**	**(96,358)**
Attributable to:			
Equity holders of the company		**62,598**	**(96,358)**

(i) Restated as a result of the finalization of the purchase accounting in respect of the latest acquisitions (see note 3)

(ii) As of June 30, 2021, operating expenses include recharges of the support services provided by Millicom to the Group for PYG 124,371 million (June 30, 2020: PYG 62,037 million)

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

Unaudited interim condensed consolidated statement of financial position as at June 30, 2021

PYG millions	Notes	June 30, 2021	December 31, 2020 (i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	**5**	3,268,025	3,423,842
Property, plant and equipment, net	**4**	2,283,352	2,384,145
Right of use assets		437,142	457,351
Deferred tax assets		92,834	92,747
Derivative financial instruments		219	-
Contract costs, net		21	53
Other non-current assets		52,695	45,731
TOTAL NON-CURRENT ASSETS		**6,134,288**	**6,403,869**
CURRENT ASSETS			
Inventories, net		55,147	39,001
Trade receivables, net		301,023	295,669
Contract assets, net		41,679	45,790
Amounts due from related parties	**8**	15,239	12,594
Prepayments and accrued income		177,616	185,918
Supplier advances for capital expenditure		17,658	37,014
Other current assets		47,522	83,394
Restricted cash		127,206	206,151
Cash and cash equivalents		626,586	817,782
TOTAL CURRENT ASSETS		**1,409,676**	**1,723,313**
TOTAL ASSETS		**7,543,964**	**8,127,182**

(i) Restated as a result of the finalization of the purchase accounting in respect of the latest 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 June 30, 2021 (continued)

PYG millions	Notes	June 30, 2021	December 31, 2020 (i)
EQUITY AND LIABILITIES EQUITY			
Share capital and premium		327,245	327,245
Legal reserve		50,110	50,110
Other reserves		72,331	69,520
Retained profits		60,453	195,877
Profit (Loss) for the year attributable to equity holders		62,598	(135,423)
TOTAL EQUITY		**572,737**	**507,329**
LIABILITIES			
Non-current liabilities			
Debt and financing	**6**	4,673,280	4,929,306
Lease liabilities		451,187	467,259
Provisions and other non-current liabilities		325,523	354,447
Deferred tax liabilities		181,875	191,599
Total non-current liabilities		**5,631,865**	**5,942,611**
Current liabilities			
Debt and financing	**6**	95,800	162,124
Payables and accruals for capital expenditure		171,104	344,514
Lease liabilities		80,678	78,873
Other trade payables		149,044	170,019
Amounts due to related parties	**8**	115,137	155,827
Accrued interest and other expenses		226,234	185,205
Current income tax liabilities		25,694	39,449
Contract liabilities		60,739	64,803
Provisions and other current liabilities		414,931	476,423
Total current liabilities		**1,339,361**	**1,677,237**
TOTAL LIABILITIES		**6,971,226**	**7,619,848**
TOTAL EQUITY AND LIABILITIES		**7,543,963**	**8,127,177**

(i) Restated as a result of the finalization of the purchase accounting in respect of the latest acquisitions (see note 3)

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

Unaudited Interim Condensed Consolidated Financial Statements

for the six-month period ended June 30, 2021

Unaudited interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2021

PYG millions	Notes	June 30, 2021	June 30, 2020 (i)
Cash flows from operating activities			
Profit (Loss) before taxes from continuing operations		**84,562**	**(106,051)**
Adjustments to reconcile to net cash:			
Interest expense, net		202,570	199,641
Interest and other financial income		(582)	(46,635)
Exchange loss (gain) on foreign exchange		(94,057)	64,066
Adjustments for non-cash items:			
Depreciation and amortization		497,777	296,161
Gain on disposal and impairment of assets, net		(1,794)	(3,400)
Shared based compensation		2,592	2,886
Changes in working capital:			
Increase in trade receivables, prepayments and other current assets		27,354	(5,384)
(Decrease) increase in inventories		(16,146)	6,430
Increase (Decrease) in trade and other payables		(14,381)	2,465,879
Changes in contract assets, liabilities and costs, net		1,969	1,674
Total changes in working capital		**(1,204)**	**2,468,599**
Interest paid		(186,664)	(206,785)
Interest received		328	46,866
Taxes (paid) refunded		(27,858)	101,268
Net cash provided by operating activities		**475,670**	**2,816,616**
Cash flows from investing activities:			
Acquisition of subsidiaries, net of cash acquired		-	(2,400,875)
Purchase of intangible assets and licenses	**5**	(157,711)	(164,998)
Purchase of property, plant and equipment	**4**	(241,043)	(31,663)
Proceeds from sale of property, plant and equipment	**4, 5**	3,483	6,485
Debt and other financing (granted to) obtained from related parties, net		-	(915,322)
Net cash used in investing activities		**(395,271)**	**(3,506,373)**
Cash flows from financing activities:			
Repayment of debt and financing		(236,872)	(436,986)
Repayment of Leases		(26,580)	(8,058)
Proceeds from issuance of debt and other financing		-	1,942,027
Payment of dividends to equity holders		-	(191,653)
Net cash provided by (used in) financing activities		**(263,452)**	**1,305,330**
Exchange impact on cash and cash equivalents, net		(8,143)	25,055
Net increase (decrease) in cash and cash equivalents		**(191,196)**	**640,628**
Cash and cash equivalents at the beginning of the year		817,782	187,141
Cash and cash equivalents at the end of the year		**626,586**	**827,769**

(i) Restated as a result of the finalization of the purchase accounting in respect of the latest acquisitions (see note 3)

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 six-month periods ended June 30, 2021 and June 30, 2020

PYG millions	Number of shares	Share Capital	Retained profits	Legal reserves	Other Reserves	Total equity
Balance as of December 31, 2019	**10,000**	**164,008**	**448,301**	**50,110**	**13,122**	**675,541**
Total comprehensive income for the period	-	-	(98,015)	-	-	(98,015)
Other adjustments	-		(41,417)			(41,417)
Effect of acquisition of subsidiaries	-	-	-	-	50,922	50,922
Dividends	-	-	(211,007)	-	-	(211,007)
Increase of share capital	272	163,237	-	-	-	163,237
Share based compensation	-	-	-	-	2,886	2,886
Balance as of June 30, 2020 (unaudited) (i)	**10,272**	**327,245**	**97,862**	**50,110**	**66,930**	**542,147**
Balance as of December 31, 2020 (i)	**10,272**	**327,245**	**60,454**	**50,110**	**69,520**	**507,329**
Total comprehensive income for the period	-	-	62,598	-	-	62,598
Cash flow hedge reserve	-	-	-	-	219	219
Share based compensation	-	-	-	-	2,592	2,592
Balance as of June 30, 2021 (unaudited)	**10,272**	**327,245**	**123,052**	**50,110**	**72,331**	**572,738**

(i) Restated as a result of the finalization of the purchase accounting in respect of the latest acquisitions (see note 3)

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

Telefónica Celular del Paraguay S.A.E. (the "Company"), a Paraguayan Company, and its subsidiaries: Teledeportes Paraguay S.A., Lothar Systems S.A., Mobile Cash Paraguay S.A. and Servicios y Productos Multimedios S.A. (the "Group" or "Telecel") is a Paraguayan group providing communications, information, entertainment, cable TV, mobile financial services and solutions in Paraguay. The Company maintains multiple license contracts with the Comisión Nacional de Telecomunicaciones (Conatel), the regulator of the telecommunications system in Paraguay, to operate cellular and cable telephony business in Paraguay and with the Banco Central del Paraguay to operate as an EMPE (Entidad de Medio de Pago Electrónico), which is the form under which Tigo Money operates since March, 2015. The Company was formed in 1992.

The general administration of the Company is located at Avda. Mariscal López esq. Tte. Insaurralde, Fernando De La Mora, Paraguay.

Telecel is a wholly owned subsidiary of Millicom International III N.V. The ultimate parent company is Millicom International Cellular S.A. ("MIC S.A."), a Luxembourg Société Anonyme whose shares are traded (as Swedish Depositary Receipts) on the Stockholm stock exchange under the symbol TIGO SDB and, since January 9, 2019, on the Nasdaq Stock Market in the U.S. under the symbol TIGO.

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES

I. Basis of presentation

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. 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.

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

Impact on our business

From the very beginning of the pandemic, Telecel responded to the challenge of COVID-19 with strong governance and an unwavering commitment to protect employees and provide uninterrupted connectivity to customers. As one of the largest private companies in Paraguay, Telecel has also provided support to local governments and health offices throughout the pandemic.

The vaccination campaign has started slowly in Paraguay, however by of the end of June 2021 was ready for massive deployment. These advances in vaccination campaign at the end of Q2 2021 resulted in progressive recovery of commercial activities and mobility trends improved along the country.

Impact of the crisis on accounting matters

As a consequence of the COVID-19 crisis, we had identified potential significant accounting implications in the following area:

- Impairment of trade receivables

2. SUMMARY OF CONSOLIDATION AND ACCOUNTING POLICIES (Continued)

As of June 30, 2021, and for the six-month period ended June 30, 2021, the above accounting area has not been significantly affected.

III. New and amended IFRS standards

The following changes to standars 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 (extension not early adopted by 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 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:
  ◦ 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:
  ◦ 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. 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.
  ◦ Amendments to IAS 8, 'Accounting policies, Changes in Accounting Estimates and Errors': Definition of accounting estimates.
  ◦ Amendments to IAS 12, 'Income Taxes: Deferred tax related to Assets and liabilities arising from a Single Transaction' - These amendments clarify that the initial recognition exception does not apply to the initial recognition of leases and decommissioning obligations. These amendments apply prospectively to transitions that occur on or after the beginning of the earliest comparative period presented. In addition, an entity should apply the amendments for the first time by recognising deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented.

IV. Comparatives figures

Certain reclassifications have been made to the prior year's quarterly accounts to enhance comparability with the current year's quarterly accounts. As a result, certain line items have been amended in the statement of comprehensive income and the related notes. Comparative figures have been adjusted to conform to the current year's presentation.

3. ACQUISITION OF SUBSIDIARIES

Acquisitions for the six-month periods ended June 30, 2021.

There were no material acquisitions or disposals during the six-month periods ended June 30, 2021.

Acquisitions for the six-month periods ended June 30, 2020.

During the six-month periods ended June 30, 2020, and as a result of a shareholding restructuring, the Company made the acquisitions under common control of Servicios y Productos Multimedios SA ("SPM") and Mobile Cash Paraguay SA ("MCP").

The final purchase accounting and differences compared to the provisional fair values reported as at December 31, 2020 are shown below:

		Impact of finalization/update of purchase accounting of			
PYG millions	December 31, 2020 As reported	Servicios y Productos Multimedios SA	Mobile Cash Paraguay SA	December 31, 2020 Restated	Reason for the change
Consolidated statement of financial position					
ASSETS					
Intangible assets, net	3,338,901	(90,188)	175,129	3,423,842	*(i)*
Property, plant and equipment, net	2,254,137	130,008	-	2,384,145	*(ii)*
EQUITY					
Share capital and premium	168,469	-	158,776	327,245	*(iii)*
Other reserves	49,869	-	19,651	69,520	*(iv)*
Retained profits	237,294	(41,417)	-	195,877	*(v)*
Profit (Loss) for the year attributable to equity holders	(29,849)	(84,753)	(20,821)	(135,423)	*(vi)*
LIABILITIES					
Deferred tax liabilities	-	165,991	17,517	191,600	*(vii)*

(i) *Impact on goodwill and customer lists resulting from the adjustments explained below for SPM and MCP.*
(ii) *Mainly relates to SPM property, plant and equipment step-up.*
(iii) *Impact of the 272 new shares premium issued by the Company as consideration for MCP shares contribution.*
(iv) *Related to MCP's bargain purchase impact.*
(v) *Impact of SPM's final price adjustment.*
(vi) *Impact of the amortization and depreciation of the intangible and property, plant and equipment step-up.*
(vii) *Deferred tax impact of these previously explained adjustments.*

		Impact of finalization/update of purchase accounting of			
PYG millions	June 30, 2020 As reported	Servicios y Productos Multimedios SA	Mobile Cash Paraguay SA	June 30, 2020 Restated	Reason for the change
Consolidated statement of comprehensive income					
Amortization	(107,440)	-	(3,304)	(110,744)	*(i)*
Other non operating income (expenses)	107,721	-	(107,721)	-	*(ii)*
Charge for taxes, net	7,710	-	1,983	9,693	*(iii)*

(i) *Impact of amortization of customer lists resulting from the adjustments explained below for MCP.*
(ii) *Mainly relates to the excess of the fair value of the net MCP's identifiable assets acquired, over the consideration transferred, finally recorded as equity contribution under 'Other reserves' considering the transaction as a business combination under common control.*
(iii) *Impact of the effect of deferred tax as a result of the amortization of customer lists.*

Further details of SPM and MCP acquisitions are provided below.

3. ACQUISITION OF SUBSIDIARIES (Continued)

Mobile Cash Paraguay SA Acquisition:

On 20 May 2020, the parent shareholder of the Company contributed its 99% shareholding in Mobile Cash Paraguay SA into the Company. As consideration for this contribution, the Company issued 272 new shares to its parent for a value of PYG 4,461 million. Since that date, the Company controls Mobile Cash Paraguay SA (MCP) and fully consolidates it, recognising non-controlling interests for the 1% shareholding it does not own.

For the purchase accounting, the Company determined the provisional fair values of Mobile Cash Paraguay SA's identifiable assets and liabilities based on transaction and relative fair values.

The final purchase accounting and differences compared to the provisional fair values reported as at December 31,2020 for MCP are shown below:

(in PYG millions)	Provisional Fair values (100%)	Final Fair Values (100%)	Differences
Intangible assets, net *(i)*	5,742	180,871	175,129
Property, plant and equipment, net	1,703	1,703	-
Current assets (excluding cash and trade receivables)	3,386	3,386	-
Trade receivables, net	2,194	2,194	-
Restricted Cash	116,635	116,635	-
Cash and cash equivalents	86,377	86,377	-
Deferred tax assets	128	128	-
Total assets acquired	**216,165**	**391,294**	**175,129**
Other debt and financing	179,529	179,529	-
Deferred tax liabilities *(ii)*	-	17,517	17,517
Other liabilities	910	910	-
Total liabilities assumed	**180,439**	**197,956**	**17,517**
Fair value of assets acquired and liabilities assumed, net	**35,726**	**193,338**	**157,612**
Purchase consideration *(iii)*	4,455	163,231	158,776
Bargain purchase *(iv)*	**(31,271)**	**(30,107)**	**(1,164)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of PYG 198,259 million (approximately US$ 29.8 million), with estimated useful lives of 5 years.

(ii) Deferred tax liability of PYG 19,826 million resulting from the above adjustment.

(iii) The purchase consideration change refers to the difference between the fair value and the nominal value of the Mobile Cash Paraguay SA shares that were delivered in exchange of the 272 shares issued by Telecel.

(iv) The excess of the fair value of the net identifiable assets acquired, over the consideration transferred has been recorded as equity contribution under 'Other reserves' considering the transaction is a business combination under common control.

3. ACQUISITION OF SUBSIDIARIES (Continued)

Servicios y Productos Multimedios SA Acquisition:

On 29 June 2020, through a Share Purchase Agreement (SPA), the Company acquired 99.90% of Servicios y Productos Multimedios SA (SPM) from Millicom Holdings 300 NV for a final cash consideration of US$ 370.1 million (after final price adjustment).

The transfer of ownership of shares of SPM was approved by the appropriate regulator "Comisión Nacional de Telecomunicaciones (CONATEL)" on June 3, 2020 by Board Resolution Nº 1182/2020. Since that date, the Company controls and fully consolidates SPM, recognizing non-controlling interests for the remaining 0.10% shareholding it does not own.

The final purchase accounting and differences compared to the provisional fair values reported as at December 31,2020 for SPM are shown below:

(in PYG millions)	Provisional Fair values (100%)	Final Fair Values (100%)	Differences
Intangible assets, net (i)	106,433	191,186	84,753
Property, plant and equipment, net (ii)	809,906	939,914	130,008
Right of use assets, net	111,755	111,755	-
Other non-current assets	1,515	1,515	-
Current assets (excluding cash and trade receivables)	274,168	274,168	-
Trade receivables, net	17,034	17,034	-
Cash and cash equivalents	36,179	36,179	-
Deferred tax assets	7,906	7,906	-
Total assets acquired	**1,364,896**	**1,579,657**	**214,761**
Lease liabilities	115,535	115,535	-
Other debt and financing	955,750	955,750	-
Deferred tax liabilities (iii)	-	165,991	165,991
Other liabilities	38,641	38,641	-
Total liabilities assumed	**1,109,926**	**1,275,917**	**165,991**
Fair value of assets acquired and liabilities assumed, net	**254,970**	**303,740**	**48,770**
Purchase consideration (iv)	2,560,937	2,519,520	(41,417)
Goodwill	**2,305,967**	**2,215,780**	**(90,187)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of PYG 1,379,668 million (approximately US$ 202.6 million) with estimated useful lives of 10 years.

(ii) A fair value step-up of PYG 155,192 million (approximately US$ 23 million) has been recognized on property, plant and equipment, mainly on customer premise equipment PYG 78,618 million (approximately US$11.5 million), towers and other civil works PYG 35,181 million (approximately US$5 million), and other network equipment PYG 22,296 million (approximately US$ 3 million). The expected remaining useful lives were estimated at 6-7 years on average.

(iii) Deferred tax liability of PYG 175,405 million resulting from the above adjustments.

(iv) Impact of SPM's final price adjustment.

4. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended June 30, 2021, the Group added property, plant and equipment for PYG 154,003 million (June 30, 2020: PYG 16,045 million) and received PYG 3,483 million in cash from disposal of property, plant and equipment (June 30, 2020: PYG 6,485 million). The year-to-year variations are mainly due to the consolidation of SPM and MCP (effective from Q2 2020 – see note 3).

5. INTANGIBLE ASSETS

During the six-month period ended June 30, 2021, the Group added intangible assets of PYG 60,731 million (June 30, 2020: PYG 89,248 million) and did not receive proceeds from disposal of intangible assets (June 30, 2020: PYG nil).

6. FINANCIAL OBLIGATIONS

Debt and Financing

International Bonds - Senior Notes 2027

In April 2019, Telecel issued US$ 300 million (approximately PYG 2,026,341 million at June 30, 2021) 5.875% Senior Notes due 2027 (the "Telecel 2027 Notes"). The Telecel 2027 Notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15th and October 15th of each year, starting on October 15th, 2019. The net proceeds of the Telecel 2027 Notes were used to finance the purchase of the Telecel 2022 Notes.

On January 28, 2020, Telecel issued at a premium US$ 250 million (approximately PYG 1,688,618 million at June 30, 2021) of 5.875% Telecel 2027 Notes (the "New Notes"), representing an additional issuance from the Senior Notes described above. The New Notes are treated as a single class with the initial notes, and were priced at 106.375 for an implied yield to maturity of 4.817%. The corresponding US$ 15.9 million premium received is being amortized over the Senior Notes maturity.

Paraguayan Stock Exchange bonds issue

In June 2019, Telecel registered to issue bonds on the Paraguayan stock market. Telecel registered a bond program for PYG 300,000,000,000 (approximately US$ 44,415,032) that has been launched in different series from 5 years to 10 years.

The first three series were launched on June 5th, 2019 for PYG 230,000,000,000 (approximately US$ 34,051,524). They were registered and issued as follows: (i) PYG 115,000,000,000 (approximately US$ 17,025,762) at an 8.75% rate, due June 3rd, 2024; (ii) PYG 50,000,000,000 (approximately US$ 7,402,505) at a 9.25% rate, due May 29th, 2026; and (iii) PYG 65,000,000,000 (approximately US$ 9,623,257) at a 10% rate, due May 31st, 2029.

In December 2019, Telecel issued two additional series for PYG 35,000,000,000 (approximately US$ 5,181,754) as follows: (iv) PYG 10,000,000,000 (approximately US$ 1,480,501) at a 9.25% rate, due December 30th, 2026; and (v) PYG 25,000,000,000 (approximately US$ 3,701,253) at a 10% rate, due December 24th, 2029.

Additionally, in February 2020, Telecel completed the issuance of the remaining program with the following series: (vi) PYG 15,000,000,000 (approximately US$ 2,220,752) at a 9.25% rate, due by January 29th, 2027; and (vii) PYG 20,000,000,000 (approximately US$ 2,961,002) at a 10% rate, due by January 31st, 2030.

In May 2020, the Group completed the acquisition of 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 the purposes of the US$ 550 million 5.875% Senior Notes due 2027 issued by the Group. In addition, as of July 7, 2020 Servicios y Productos Multimedios S.A. became guarantor of the 5.875% Notes due 2027.

6. FINANCIAL OBLIGATIONS (Continued)

PYG Millions	Carrying Value	Fair Value (i)	Carrying Value	Fair Value (i)
	As at June 2021	As at June 2021	As at December 2020	As at December 2020
Borrowings and local bonds	1,007,340	1,298,078	1,081,661	1,316,620

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

USD Millions	Carrying Value	Fair Value (i)	Carrying Value	Fair Value (i)
	As at June 2021	As at June 2021	As at December 2020	As at December 2020
International bonds	557	580	558	588

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

Bank and Development Financial Institution financings

(PYG millions)	Issuance date	Maturity date	Initial amount	Fixed interest rate	As at June 30, 2021	As at December 31, 2020
Banco Regional S.A.E.C.A.	07/2018	06/2025	115,000	8.90%	103,500	92,000
Banco Bilbao Vizcaya Argentaria	01/2019	11/2025	177,000	8.70%	70,466	141,228
Banco Continental S.A.E.C.A.	09/2019	09/2026	370,000	9.00%	290,247	263,794
Banco Itaú Paraguay S.A.	01/2020	12/2024	154,620	9.00%	45,838	107,608
Banco Continental S.A.E.C.A.	12/2020	12/2023	200,000	5.00%	199,529	179,410
Bank and Development Financial Institution financing					**709,580**	**784,040**

Analysis of debt and other financing by maturity

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

PYG millions	As at June 30, 2021	As at December 31, 2020
Due within:		
One year	95,800	162,124
One-two years	255,329	142,124
Two-three years	250,924	333,034
Three-four years	126,114	271,960
Four-five years	120,166	99,328
After five years	3,920,747	4,082,860
Total debt	**4,769,080**	**5,091,430**

Covenants

The Group’s financing facilities are subject to a number of covenants including net leverage ratio, debt service coverage ratios, debt to earnings ratios, and cash levels. In addition, certain of its financings contain restrictions on sale of businesses or significant assets within the businesses. At 30 June 2021 there were no breaches in financial covenants.

7. COMMITMENTS AND CONTINGENCIES

Litigation & claims

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

The Company and its subsidiaries are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of June 30, 2021, the total amount of provisions related to claims against the Group's operations was PYG 9,257 million (December 31, 2020: PYG 8,218 million), and a contingent liability of PYG 39,180 million as a result of a case against Teledeportes SA. Management is of the opinion that while it is not possible to ascertain the ultimate legal and financial liability with respect to these claims, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Group's financial position and operations.

Capital commitments

At June 30, 2021, the Company had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of PYG 463,007 million (December 31, 2020: PYG 531,603 million). The increase is due to that during June the purchase orders related to the mobile network modernization project were issued.

8. RELATED PARTY TRANSACTIONS

The following transactions were conducted and the relevant incomes/expenses recorded with related parties during the six-month period ended June 30, 2021:

PYG millions (unaudited)	Six months ended June 30, 2021	Six months ended June 30, 2020 *(i)*
Expenses		
Millicom - Other Paraguayan Operations	-	(121,150)
Millicom - Non-Paraguayan companies	(134,151)	(79,891)
Total	**(134,151)**	**(201,041)**

PYG millions (unaudited)	Six months ended June 30, 2021	Six months ended June 30, 2020 *(i)*
Income / Gains		
Millicom - Other Paraguayan Operations	123	6,690
Millicom - Non-Paraguayan companies	7,794	38,064
Total	**7,917**	**44,754**

(i) For comparability purposes, the gross income and expenses with related parties have been disclosed; previously, the amount of net income/expenses was disclosed.

8. RELATED PARTY TRANSACTIONS (Continued)

As at June 30, 2021 the Group had the following balances with related parties:

PYG millions (unaudited)	At June 30, 2021	At December 31, 2020
Receivables Short Term		
Millicom - Transcom Paraguay SA	-	31
Millicom - Non-Paraguayan companies *(i)*	15,239	12,563
Total	**15,239**	**12,594**

PYG millions (unaudited)	At June 30, 2021	At December 31, 2020
Payables		
Millicom - Transcom Paraguay SA	-	-
Millicom - Non-Paraguayan companies *(ii)*	115,137	155,827
Total	**115,137**	**155,827**

(i) Mainly from MIC SA due to 2021 DTH Teleport services and with Navega, Bolivia Celular SA, Cable Costa Rica by wholesale services.
(ii) Mainly recharges of VCF (Value-creating fees) for the support services provided by Millicom to the Group.

9. SUBSEQUENT EVENTS

To date, the Group has no subsequent events to report.

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