

**Tigo Guatemala Companies**  
**Unaudited Interim Condensed**  
**Combined Financial Statements**  
**For the nine-month period ended September 30, 2023**

November 28, 2023

**Unaudited interim condensed combined statement of income for  
the nine-month period ended September 30, 2023**

US\$ '000	Notes	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<b>Revenue</b> .....	4	<b>1,171,049</b>	<b>1,213,873</b>
Cost of sales .....		(291,255)	(287,296)
<b>Gross profit</b> .....	4	<b>879,794</b>	<b>926,577</b>
Operating expenses .....		(280,698)	(282,944)
Depreciation & amortization .....		(170,385)	(179,166)
Other operating income (expenses), net .....		(20,033)	(5,169)
<b>Operating profit</b> .....	4	<b>408,678</b>	<b>459,298</b>
Interest expense .....	11	(75,278)	(73,891)
Interest and other financial income .....		31,116	27,739
Foreign exchange gain (loss), net .....		(4,357)	1,263
<b>Profit before taxes</b> .....		<b>360,159</b>	<b>414,409</b>
Charge for taxes, net .....		(62,595)	(68,148)
<b>Net profit for the period</b> .....		<b>297,564</b>	<b>346,261</b>

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

Unaudited interim condensed combined statement of comprehensive  
income for the nine-month period ended September 30, 2023

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net profit for the period .....	297,564	346,261
<b>Other comprehensive income, net of tax:</b>		
<i>Item that may be reclassified to the income statement in subsequent periods</i>		
Exchange differences on translation of operations to the US dollars reporting currency .....	4,479	(13,769)
<b>Total comprehensive income for the period .....</b>	<b>302,043</b>	<b>332,492</b>

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

**Unaudited interim condensed combined statement of financial position as at September 30, 2023**

US\$ '000	Notes	September 30, 2023	December 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets, net .....	6	324,190	293,284
Property, plant and equipment, net .....	7	541,596	523,743
Right of use assets, net .....	8	157,453	170,952
Contract costs, net .....		3,229	2,831
Deferred tax assets .....		23,666	20,560
Amounts due from related parties .....	9	692,105	293,510
Income tax assets .....		10,089	8,911
Supplier advances for capital expenditure .....		1,009	6,407
Other non-current assets .....		1,628	1,357
<b>TOTAL NON-CURRENT ASSETS .....</b>		<b>1,754,965</b>	<b>1,321,555</b>
<b>CURRENT ASSETS</b>			
Inventories .....		30,332	24,470
Trade receivables, net .....		44,380	44,550
Contract assets, net .....		62,939	61,470
Amounts due from related parties .....	9	407,604	994,207
Prepayments .....		8,539	5,847
Other current assets .....		32,037	24,801
Restricted cash .....	10	4,420	7,138
Cash and cash equivalents .....	10	165,866	162,095
<b>TOTAL CURRENT ASSETS .....</b>		<b>756,117</b>	<b>1,324,578</b>
<b>TOTAL ASSETS .....</b>		<b>2,511,082</b>	<b>2,646,133</b>

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

Unaudited interim condensed combined statement of financial position as at September 30, 2023 (Continued)

US\$ '000	Notes	September 30, 2023	December 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital and premium .....		8,346	8,219
Equity contribution reserve .....		14,114	13,291
Other reserves .....		86,945	82,466
Retained earnings .....		447,455	579,260
<b>TOTAL EQUITY .....</b>		<b>556,860</b>	<b>683,236</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other debt and financing .....	11	1,485,757	1,457,518
Lease liabilities .....		142,931	157,851
Provisions and other non-current liabilities .....		58,397	52,678
Deferred tax liabilities .....		11,994	11,396
<b>Total non-current liabilities .....</b>		<b>1,699,079</b>	<b>1,679,443</b>
<b>Current liabilities</b>			
Other debt and financing .....	11	7,953	7,960
Lease liabilities .....		38,292	35,989
Amounts due to related parties .....	9	10,642	11,573
Payables and accruals for capital expenditure .....		19,492	22,859
Trade payables .....	12	36,456	47,584
Accrued interest and other expenses .....		57,417	71,663
Current income tax liabilities .....		15,904	16,650
Contract liabilities .....		33,436	39,132
Provisions and other current liabilities .....		35,551	30,044
<b>Total current liabilities .....</b>		<b>255,143</b>	<b>283,454</b>
<b>TOTAL LIABILITIES .....</b>		<b>1,954,222</b>	<b>1,962,897</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>		<b>2,511,082</b>	<b>2,646,133</b>

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

## Unaudited interim condensed combined statement of cash flows for the nine-month period ended September 30, 2023

US\$ '000	Notes	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<b>Cash flows from operating activities Profit before taxes</b>		<b>360,159</b>	<b>414,409</b>
<b>Adjustments to reconcile to net cash:</b>			
Interest expense .....		75,278	73,891
Interest and other financial income .....		(31,116)	(27,739)
Foreign exchange loss (gain) .....		4,357	(1,263)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....	4	170,385	179,166
Loss on disposal and impairment of assets .....	4	320	4,449
Share-based compensation .....	5	823	56
		<b>580,206</b>	<b>642,969</b>
Increase in trade receivables, prepayments, contract assets and other current assets .....		(14,123)	(8,424)
Increase in inventories .....		(5,855)	(228)
Decrease in trade payables, contract liabilities, and other payables .....	12	(12,657)	(5,751)
<b>Changes in working capital</b>		<b>(32,635)</b>	<b>(14,403)</b>
Interest paid on debt and other financing (i) .....		(72,967)	(51,490)
Interest paid on leases .....		(12,067)	(13,038)
Interest received (ii) .....		41,118	8,479
Taxes paid .....		(67,002)	(71,596)
<b>Net cash provided by operating activities</b>		<b>436,653</b>	<b>500,921</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment .....	7	(144,010)	(131,696)
Purchase of intangible assets .....	6	(40,360)	(23,500)
Proceeds from sale of property, plant and equipment .....		217	512
Net increase/(decrease) in restricted cash .....		2,711	(213)
<b>Net cash used by investing activities</b>		<b>(181,442)</b>	<b>(154,897)</b>
<b>Cash flows from financing activities</b>			
Debt and other financing .....	11	31,896	1,046,658
Repayment of debt and other financing .....	11	(4,003)	(156,399)
Repayment of leases (capital component) .....		(28,194)	(23,025)
Loans granted to shareholders .....	9	(199,566)	(1,177,208)
Payment of dividends .....		(51,805)	(50,240)
<b>Net cash used by financing activities</b>		<b>(251,672)</b>	<b>(360,214)</b>
Exchange loss on cash and cash equivalents, net .....		232	836
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,771</b>	<b>(13,354)</b>
Cash and cash equivalents at the beginning of the period		162,095	152,958
<b>Cash and cash equivalents at the end of the period</b>		<b>165,866</b>	<b>139,604</b>

- (i) During the nine-month period ended September 30, 2023, the Combined Group completed two interest semi-annual payment made on the 10-year \$900 million Senior Notes compared with 2022, which only includes one semi-annual payment (see note 11).
- (ii) The increase on interest received for the nine-month period ended September 30, 2023, is mainly due to interest paid by MIC on promissory notes (see note 9).

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

**Unaudited interim condensed combined statement of changes in equity for the nine-month period ended September 30, 2023**

US\$ '000	Share capital	Equity Contribution Reserve (i)	Other reserves (ii)	Retained earnings	Total equity
<b>Balance on December 31, 2021</b>	<b>8,219</b>	<b>13,147</b>	<b>93,563</b>	<b>565,687</b>	<b>680,616</b>
<i>Profit for the period</i> .....	—	—	—	346,261	346,261
<i>Currency translation differences</i> .....	—	—	(13,769)	—	(13,769)
Total comprehensive income for the period	—	—	(13,769)	346,261	332,492
Dividends .....	—	—	—	(468,806)	(468,806)
Share based compensation .....	—	56	—	—	56
<b>Balance on September 30, 2022</b>	<b>8,219</b>	<b>13,203</b>	<b>79,794</b>	<b>443,142</b>	<b>544,358</b>

<b>Balance on December 31, 2022</b>	<b>8,219</b>	<b>13,291</b>	<b>82,466</b>	<b>579,260</b>	<b>683,236</b>
<i>Profit for the period</i> .....	—	—	—	297,564	297,564
<i>Currency translation differences</i> .....	—	—	4,479	—	4,479
Total comprehensive income for the period	—	—	4,479	297,564	302,043
Dividends .....	—	—	—	(429,369)	(429,369)
Share capital .....	127	—	—	—	127
Share based compensation .....	—	823	—	—	823
<b>Balance on September 30, 2023</b>	<b>8,346</b>	<b>14,114</b>	<b>86,945</b>	<b>447,455</b>	<b>556,860</b>

(i) Equity contribution reserve is made up only of share-based compensation expense.

(ii) Other reserves include legal reserves of \$82.5 million and currency translation differences for \$4.5 million in 2023 (2022: -\$13.8 million). Legal reserves are not distributable.

**Notes to the unaudited interim condensed combined financial statements**

**1. GENERAL INFORMATION**

The combined financial statements are composed of ten companies incorporated in Guatemala (the “Combined Group”, “Tigo Guatemala”), as detailed in the table below:

<b>Name of the company</b>
Comunicaciones Celulares, S.A.
Comunicaciones Corporativas, S.A.
Servicios especializados en Telecomunicaciones, S.A.
Distribuidora de Comunicaciones de Occidente, S.A.
Distribuidora Central de Comunicaciones, S.A.
Distribuidora de Comunicaciones de Oriente, S.A.
Distribuidora Internacional de Comunicaciones, S.A.
Servicios Innovadores de Comunicación y Entretenimiento, S.A.
Navega.com, S.A.
Cloud2Nube, S.A.

In January 2022, Walkers Fiduciary Limited, established a CT Trust with the sole purpose of the present transaction and, acting as trustee of the CT Trust, issued a bond to repay existing corporate indebtedness. Walkers Fiduciary Limited as Trustee carries out the purposes for which the CT Trust was established. All references herein to the CT Trust shall be construed as references to Walkers Fiduciary Limited acting as Trustee under the Declaration of Trust.

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

All Tigo Guatemala Companies have registered offices located at Km 9.5 Carretera a El Salvador, Plaza Tigo Sta. Catarina Pinula, Guatemala. They are owned jointly by Millicom Group (“MIC Group” or “Millicom”), whose ultimate holding company is Millicom International Cellular S.A. (“MIC”).

The Group have combined their financial statements in order to comply with the reporting requirements stipulated in the global program of the emission of a Senior Notes due 2032 for US\$900 million under rule 144A Restricted Global Note, of which Comunicaciones Celulares, S.A. is “the borrower” and the rest of the Tigo Guatemala companies, as mentioned above, are the guarantors (together, the “Loan Guarantors”). The unaudited interim condensed combined financial statements are intended for use by such investors.

On November 28 2023, the representatives of the Board of Directors (“Board”) for Comunicaciones Celulares, S.A. and the other Tigo Guatemala Companies authorized these unaudited interim condensed combined financial statements for issuance.



## **2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES**

### **I. Basis of preparation**

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

These unaudited condensed interim combined financial statements should be read in conjunction with the combined financial statements for the year ended December 31, 2022. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the December 31, 2022 combined financial statements, except for the changes described below.

### **II. Current macroeconomic environment and its effect on the Combined Group's business activities, financial situation and economic performance.**

Although the macroeconomic backdrop has become more challenging, Guatemala is a country with stable macroeconomics. Over the past year, the global economy has been marked by increased inflation, rising interest rates slower GDP growth, and these trends have also impacted the market where the Combined Group operates. The Combined Group has experienced a generalized softening of consumer demand which has translated to the service revenue decrease for the nine-month period ended September 30, 2023. Over the past year, the Combined Group has taken meaningful steps to mitigate these impacts, to sustain positive service revenue and cash flow growth going forward. The Combined Group continues to monitor the developments of the aforementioned events and their potential impact on performance and accounting considerations.

As of September 30, 2023, and for the nine-month period ended September 30, 2023, management did not identify any significant adverse accounting effects as a result of the above-mentioned events.

### **III. New and amended IFRS standards**

The following changes to standards have been adopted by the Combined Group and did not have any significant impact on the Combined Group's accounting policies or disclosures and did not require retrospective adjustments:

- Amendments to IAS 1, 'Disclosure of Accounting Policies' that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
- 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 transactions 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 recognizing deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented. The Combined Group has been applying the so-called "Linked transaction approach" in the calculation of deferred taxes related to leases (and ARO) since the adoption of IFRS 16 (in

## **2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (Continued)**

compliance with these amendments). Therefore, the adoption of these amendments did not have an impact for the Combined Group.

Amendments to standards effective for annual periods starting on January 1, 2023:

- Amendments to IAS 12, 'Income taxes: International Tax Reform – Pillar Two Model Rules': These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Cooperation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. This amendment is not applicable for interim periods ending on or before December 31, 2023. The potential impact of the adoption of these amendments is currently being assessed by Management.

The following changes to standards are effective for annual periods starting on January 1, 2024 and their potential impact on the Combined Group financial statements is currently being assessed by Management:

- Amendments to IFRS 16 'Leases: Lease Liability in a Sale and Leaseback' - The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
- Amendments to IAS 1, 'Presentation of Financial Statements': These amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.
- Amendments to IAS 7, 'Statement of Cash Flows' and IFRS 7, 'Financial Instruments: Disclosures: Supplier Finance Arrangements': These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability: These amendments help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.

## **IV. Change in accounting estimate**

During 2023, the estimated useful lives of some property, plant and equipment were revised. As a result, the estimated useful lives of the Combined Group's towers, poles and ducts were changed from 15 to 25 years, while the related civil works' useful lives were increased from 10 to 15 years. These changes are considered as a change in accounting estimate per IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and are therefore accounted for prospectively, meaning that no changes should be accounted for past periods. This also applies to assets that are fully depreciated – and for which no new cost should be reset. i.e., they remain fully depreciated.

For the full year 2023, the expected net effect of the changes is a decrease in depreciation expense of approximately \$14 million compared to what we expected the depreciation charge to be using previous estimated useful lives. Management considers it is impracticable to estimate the net effect of the changes in depreciation for the future years.

This change in accounting estimate also affects the lease right-of-use assets (for those being depreciated over the shorter of useful life and lease term) and on asset retirement obligation provisions. Though, its impact is immaterial.

**Tigo Guatemala Companies – Unaudited Interim Condensed Combined Financial Statements  
For the nine-month period ended September 30, 2023**

**3. ACQUISITION OF BUSINESS**

During the nine-month period ended September 30, 2023 and 2022, the Combined Group did not complete any acquisition.

**4. BREAKDOWN OF OPERATING PROFIT**

The gross profit and operating profit of the Combined Group can be summarized as follows for the nine-month period ended September 30, 2023 and September 30, 2022, respectively:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Tigo Mobile.....	942,418	991,684
Tigo Home.....	167,515	164,311
Tigo Corporate.....	58,958	55,100
Tigo Money (MFS).....	2,158	2,778
<b>Revenue</b> .....	<b>1,171,049</b>	<b>1,213,873</b>
Cost of rendering telecommunication services.....	(291,255)	(287,296)
<b>Gross profit</b> .....	<b>879,794</b>	<b>926,577</b>
Depreciation and amortization.....	(170,385)	(179,166)
Dealer commissions.....	(62,874)	(71,106)
Employee related costs (see note 5).....	(61,903)	(55,038)
Sites and network maintenance.....	(60,199)	(55,761)
Other fees and costs.....	(30,717)	(11,319)
Advertising and promotion.....	(28,679)	(24,208)
Other expenses.....	(21,699)	(20,475)
Phone subsidies.....	(18,221)	(23,245)
External services.....	(15,894)	(22,136)
Loss on disposal and impairment of assets, net.....	(320)	(4,449)
Lease expense.....	(225)	(376)
<b>Operating profit</b> .....	<b>408,678</b>	<b>459,298</b>

**5. EMPLOYEE RELATED COSTS**

Employee related costs are comprised of the following for the nine-month period ended September 30, 2023 and September 30, 2022 as follows:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Wages and salaries.....	(62,369)	(56,224)
Social security.....	(3,472)	(3,424)
Other employee related costs.....	(3,451)	(3,149)
Share based compensation.....	(823)	(56)
Capitalized employee related costs.....	8,212	7,815
<b>Total</b> .....	<b>(61,903)</b>	<b>(55,038)</b>

## 6. INTANGIBLE ASSETS

The Combined Group used cash for intangible assets purchasing during the nine-month period ended September 30, 2023 and September 30, 2022 as follows:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Additions .....	49,444	26,044
Decrease in payables for intangible assets .....	(9,084)	(2,544)
<b>Cash used for the purchase of intangible assets .....</b>	<b>40,360</b>	<b>23,500</b>

On May 8, 2023, the Guatemalan Superintendence of Telecommunications (SIT) announced a public auction of 120 MHz of radio spectrum in the 2.5 GHz band which was held on September 2, 2023. The auction included 8 blocks, 7 of which were awarded to Comunicaciones Celulares, S.A. ("Comcel") for a total cash consideration of approximately \$33 million.

The charge for amortization of intangible assets for the nine-month period ended September 30, 2023 was \$18.5 million (September 30, 2022: \$19.0 million).

During the nine-month period ended September 30, 2023, the Combined Group did not receive any proceeds from disposal of intangible assets (September 30, 2022: nil).

## 7. PROPERTY, PLANT AND EQUIPMENT

The Combined Group used cash for property, plant and equipment purchasing during the nine-month period ended September 30, 2023 and September 30, 2022 as follows:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Additions .....	141,576	143,501
Change in suppliers' advances .....	(5,360)	(7,000)
Change in payables for property, plant and equipment .....	7,794	(4,805)
<b>Cash used for the purchase of property, plant and equipment .....</b>	<b>144,010</b>	<b>131,696</b>

The charge for depreciation of property, plant and equipment for the nine-month period ended September 30, 2023 was \$122.6 million (September 30, 2022: \$132.9 million).

During the nine-month period ended September 30, 2023, the Combined Group received \$0.2 million in cash from disposal of property, plant and equipment (September 30, 2022: \$0.5 million).

## 8. RIGHT OF USE ASSETS

The charge for depreciation of right of use assets for the nine-month period ended September 30, 2023 was \$29.3 million (September 30, 2022: \$27.2 million).

## 9. RELATED PARTY TRANSACTIONS AND BALANCES

### *Millicom Group*

The Combined Group receives business support and financing from various Millicom Group holdings including Millicom International Cellular S.A. (“MIC S.A”, the ultimate holding company). Millicom International II NV (“MIC II NV”) and Millicom International Operations S.A. (“MIO S.A.”). Business transactions with EPM group is associated with data links, financial services and leases. The Combined Group also recharges to other Millicom Group entities certain services performed on their behalf.

The receivable balance with MIC II NV at September 30, 2023 represents shareholder loans that are due in 2024 and 2025.

The Combined Group have the following balances with related parties as at September 30, 2023 and December 31, 2022, respectively:

US\$ '000	As at September 30, 2023	As at December 31, 2022
<b>Non-current assets</b> .....		
Millicom International II NV (i) .....	692,095	293,500
Other MIC Group .....	10	10
<b>Total</b> .....	<b>692,105</b>	<b>293,510</b>
<b>Current assets</b> .....		
Millicom International II NV (i) .....	397,506	983,328
MIC S.A .....	1,643	3,065
Other MIC group .....	8,455	7,814
<b>Total</b> .....	<b>407,604</b>	<b>994,207</b>
<b>Current liabilities</b> .....		
Millicom Spain, S. L .....	5,525	2,265
MIC S.A .....	—	1,354
Other MIC group .....	5,117	7,954
<b>Total</b> .....	<b>10,642</b>	<b>11,573</b>

(i) As of September 30, 2023, the balance includes the Senior Notes net proceeds of \$891.3 million upstreamed to Millicom International II NV; following its receipt as of February 3, 2022, partially offset with the dividends declared of 2022 results (\$377.2 million).

**9. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

The following significant transactions were conducted with related parties for the nine-month period ended September 30, 2023 and September 30, 2022 respectively:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<b>Income</b>		
Interest and other income MIC holdings .....	29,572	25,898
Sale of goods and services MIC Others .....	5,488	4,754
Sale of goods and services MIC holdings .....	633	649
Sale of goods and services EPM .....	309	278
<b>Total</b> .....	<b>36,002</b>	<b>31,579</b>
<b>Expenses</b>		
Other fees and costs MIC holdings (i) .....	21,423	2,363
Purchase of goods and services EPM .....	11,890	10,604
Purchase of goods and services MIC Others .....	3,954	1,555
Purchase of goods and services MIC holdings .....	775	181
<b>Total</b> .....	<b>38,042</b>	<b>14,703</b>

(i) Mainly VCF (Value-creating fees) for the support services provided by Millicom to the Combined Group for 2023.

**10. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

Cash and cash equivalents comprised as of September 30, 2023 and as of December 31, 2022 respectively:

US\$ '000	As at September 30, 2023	As at December 31, 2022
Cash and cash equivalents in U.S. Dollars .....	32,087	61,068
Cash and cash equivalents in GTQ .....	133,779	101,027
<b>Total cash and cash equivalents</b> .....	<b>165,866</b>	<b>162,095</b>

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

Restricted cash comprised as at September 30, 2023 and as at December 31, 2022, respectively:

US\$ '000	As at September 30, 2023	As at December 31, 2022
Restricted cash in GTQ .....	4,420	7,138
<b>Total restricted cash</b> .....	<b>4,420</b>	<b>7,138</b>

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

## 11. OTHER DEBT AND FINANCING

Borrowings due after more than one year as of September 30, 2023 and as at December 31, 2022, respectively:

US\$ '000	As at September 30, 2023	As at December 31, 2022
Bond financing .....	871,345	870,487
Bank financing .....	622,365	594,991
<b>Total other debt and financing due after more than one year</b> .	<b>1,493,710</b>	<b>1,465,478</b>

No borrowings are due within one year.

The total amount of debt and financing as of September 30, 2023 and as at December 31, 2022, respectively, is repayable as follows:

US\$ '000	As at September 30, 2023	As at December 31, 2022
Amounts due within 1 year .....	7,953	7,960
Amounts due within 2 to 3 years .....	57,264	7,960
Amounts due within 3 to 4 years .....	71,580	305,264
Amounts due within 4 to 5 years .....	269,619	273,807
Amounts due after five years .....	1,087,294	870,487
<b>Total debt</b> .....	<b>1,493,710</b>	<b>1,465,478</b>

The interest expense for the nine-month period ended September 30, 2023 and September 30, 2022, respectively, is comprised as follow:

US\$ '000	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Interest expense on Bonds .....	33,840	30,741
Interest expense on Bank financing .....	27,845	28,478
Interest expense on Leases .....	11,995	12,976
Other .....	1,598	1,696
<b>Total debt</b> .....	<b>75,278</b>	<b>73,891</b>

On January 27, 2022, Comunicaciones Celulares, S.A. completed the issuance of a new 10-year \$900 million Senior Notes, bearing interest at 5,125% and due in 2032. On November 20, 2022, Comcel announced that approximately \$19 million in principal amount of the Notes, have been accepted and settled on November 21, 2022. Interest expense on bonds for the nine-month period ended September 30, 2022 includes only eight months impact compared with the period ended September 30, 2023.

On April 24, 2023, the debt outstanding with Banco Industrial, S.A. for \$184.4 initially due on 2025 was extended to October 31, 2028.

On June 13, 2023, Comunicaciones Celulares, S.A. executed a new 7-year with Banco Industrial, S.A. up to Q400 million of which Q250 million (approximately \$32 million) have been disbursed, mainly to finance the acquisition of spectrum 2.5 GHz band. On October 2, 2023, the remaining GTQ150 million (approximately \$19 million) has been disbursed, mainly to finance the acquisition of the 700 MHz spectrum (see note 6).

## 11. OTHER DEBT AND FINANCING (Continued)

### ***Pledged assets***

At September 30, 2023, there were no pledged deposits (2022: nil).

## 12. TRADE PAYABLES

Trade payables as at September 30, 2023 and as at December 31 of 2022 respectively, are comprised as follow:

US\$ '000	As at September 30, 2023	As at December 31, 2022
T&E suppliers .....	21,818	22,527
Employee-related costs .....	1,243	6,892
Network maintenance and IT costs .....	2,718	6,762
Fixed operators .....	5,352	3,273
Programming and Interconnection costs .....	3,275	2,919
Others .....	2,050	5,211
<b>Total .....</b>	<b>36,456</b>	<b>47,584</b>

## 13. DIVIDENDS

The ability of the Combined Group to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions, and the ability to repatriate funds. The Combined Group does not have any restriction of dividend payments. As of September 30, 2023, the entities of the Combined Group have declared dividends of approximately \$429 million related to the 2022 results.

## 14. COMMITMENTS AND CONTINGENCIES

### ***Operational environment***

The Combined Group operates in Guatemala, 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, the Combined Group faces uncertainties regarding taxation, interconnect rate, license renewal and tariff arrangements, which can have a significant impact on the long-term economic viability of operations.

### ***Litigation and legal risks***

The Combined Group are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As of September 30, 2023, the total amount of claims brought against the companies is estimated at \$18 million (December 31, 2022: \$0 million) for which no provision has been recorded. Management is of the opinion that while it is impossible to ascertain the ultimate legal and financial liability with respect to these claims, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Combined Group's financial position and operations.

### ***Tax claims***

As of September 30, 2023, Navega.Com, S.A. is disputing through a judicial phase an adjustment made by the Tax Authorities in regards with the goodwill amortization of approximately \$24.8 million related with business combinations completed in 2011 with an effective date on January 1, 2012. Since the process is in an intermediate stage, no provision has been deemed necessary as of September 30, 2023.



#### 14. COMMITMENTS AND CONTINGENCIES (Continued)

In 2007, the tax authorities made an adjustment regarding the stamp tax on dividend distributions made by Comunicaciones Celulares, S.A., to its shareholders in that year. The tax position resulting from the adjustment has been resolved in different ways by the courts, sometimes in favour of the taxpayers, however recently it has solved in favour of the tax authorities. Based on the latest jurisprudence, management decided to recognize a provision in June 2020. As of September 30, 2023, the provision, which represents management's best estimate of the outcome, amounts to \$7.5 million, and includes the total adjustment plus a portion of fines and interest. This case is in the judicial phase at the Guatemalan Supreme Court.

##### **Capital commitments**

At September 30, 2023, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$67 million (December 31, 2022: \$90 million), from various suppliers.

#### 15. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at September 30, 2023 and December 31, 2022.

US\$ '000	Carrying Value		Fair Value (i)	
	As at September 30, 2023	As at December 31, 2022	As at September 30, 2023	As at December 31, 2022
<b>FINANCIAL LIABILITIES</b> .....				
Other debt and financing .....	<b>1,493,710</b>	<b>1,465,478</b>	<b>1,248,464</b>	<b>1,324,214</b>

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

#### 16. SUBSEQUENT EVENTS

##### **Spectrum**

On October 2, 2023, Comunicaciones Celulares, S.A paid Q335 million (approximately \$43 million) to acquire 2x10 MHz of nationwide spectrum in the 700 MHz band.

##### **Severance**

On October 26, 2023, the Combined Group recognized a restructuring cost in the statement of income related to severance for Q24.5 million (approximately \$3.1 million).

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