Millicom International Cellular S.A.

Half year report

June 30, 2023

MILLICOM THE DIGITAL LIFESTYLE tigo

Contents

Interim Management Report

Purpose

This half-year report for the six-month period ended June 30, 2023 has been prepared in accordance with the requirements of Article 4 of the Luxembourg Transparency Law of 11 January 2008, and should be read in conjunction with the annual report of Millicom International Cellular S.A. ("Millicom" or "the Company") for the year ended December 31, 2022 (including the consolidated financial statements included therein) and the unaudited interim condensed consolidated financial statements included in this half-year report.

Cautionary statement considering forward-looking statements

Statements included herein that are not historical facts, including without limitation statements concerning future strategy, plans, objectives, expectations and intentions, projected financial results, liquidity, growth and prospects, are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, Millicom's results could be materially adversely affected. In particular, there is uncertainty about global economic activity and inflation, the demand for Millicom's products and services, and global supply chains. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions, foreign exchange rate fluctuations and high inflation, as well as local economic conditions in the markets we serve, which can be impacted by geopolitical developments outside of our principal geographic markets, such as the armed conflict between Russia and the Ukraine and related sanctions;
- potential disruption due to diseases, pandemics, political events, armed conflict, acts by terrorists, including the impact of the COVID-19 virus and the ongoing efforts throughout the world to contain it;
- telecommunications usage levels, including traffic, customer growth and the accelerated transition from traditional to digital services;
- competitive forces,including pricing pressures, piracy, the ability to connect to other operators' networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- the achievement of our operational goals, environmental, social and governance targets, financial targets and strategic plans, including the acceleration of cash flow growth, the expansion of our fixed broadband network, the reintroduction of a share repurchase program and the reduction in net leverage;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability and terms and conditions of spectrum and licenses, the level of tariffs, laws and regulations which require the provision of services to customers without charging, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- our ability to grow our mobile financial services business in our Latin American markets;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- our expectations regarding the growth in fixed broadband penetration rates and the return that our investment in broadband networks will yield;
- the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- our ability to create new organizational structures for the Tigo Money and Towers businesses and manage them independently to enhance their value;
- relationships with key suppliers and costs of handsets and other equipment;
- disruptions in our supply chain due to economic and political instability, the outbreak of war or other hostilities, public health emergencies, natural disasters and general business conditions;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner, divest or restructure assets and businesses, and achieve the expected benefits of such transactions;

- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found in Millicom's Registration Statement on Form 20-F for the year ended December 31, 2022, filed with the U.S Securities and Exchange Commission on February 28, 2023 (the "2022 Annual Report"), including those risks outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at www.sec.gov.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by applicable law, we do not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Group performance

Revenue

Group revenue decreased 3.3% ($93 million) year-on-year to $2,762 million in H1 2023. The decrease is largely due to the impact of weaker currencies in some countries and lower telephone and equipment sales.

Cost of sales

Cost of sales decreased at a rate of 1.7% ($13 million) year-on-year to $752 million, mainly due to lower handset sales which was partially offset by a $10 million provision related to a legal ruling in Colombia, higher bad debt provision, and higher programming costs.

Operating expenses

Operating expenses increased 4.1% ($39 million) year-on-year to $988 million, mainly due to a one-off expense of $21 million related to the cost reduction project ("Everest"), incremental costs related to investments to protect our leadership position in Guatemala and an increase in share based compensation cost ($12m) reflecting the higher share price.

Depreciation and Amortization

Depreciation decreased 5.3% ($27 million) year-on-year to $482 million, mostly due to the foreign exchange impact and revision of the estimated useful life of towers and civil works (refer to note 2). Amortization expense increased 3.6% ($6 million) year-on-year to $177 million mainly due to the renewal of the spectrum license related to 1900 Mhz band in Colombia (refer to note 10).

Share of profit in Honduras joint venture

Millicom's share of profit in joint ventures was $21 million in H1 2023, an increase of 5.8% year-on-year reflecting the performance of our joint venture in Honduras.

Other operating income (expenses), net

Other operating income (expenses), net, increased by $4 million year-on-year mainly due to gains on PP&E disposals in our operations in Guatemala and Colombia offset partially by losses on similar disposals on our operations in Panama and Bolivia.

Financial income/(expense), net

Financial income (expenses), net increased by $35 million year-on year to $340 million mainly due to higher interest rates on our variable rate debt (primarily in Colombia) as well as recently introduced commissions on dollar purchases in Bolivia.

Other non-operating (expenses) income, net

Gain from other non-operating items was $27 million in H1 2023 compared to a loss of $7 million in H1 2022 mainly driven by foreign exchange gains in Colombia.

Charges for taxes, net

Tax expense was $141 million in H1 2023, decreasing from $147 million in H1 2022 primarily due to the effect of a tax amnesty booked in H1 2022 in one of our operations partially offset by the impairment of some tax credits in H1 2023.

Net profit/ (loss) for the period

Net loss attributable to the owners of the Company was $19 million or 0.11 per share for H1 2023 compared to a net profit of $152 million or $1.42 per share in H1 2022.

Non-controlling interests share of net loss was $49 million in H1 2023 compared to a net loss of $17 million in H1 2022, reflecting the share of losses of the Group's partners in Tigo Colombia.

Share Capital

At June 30, 2023, Millicom had 172.1 million issued and paid up common shares of par value $1.50 each (2022: 172.1 million). T. Out of the 172.1 million issued and paid up common shares, 757 thousand were held by the Company as treasury shares (2022: 1,229 thousand). During H1 2023, the Company withheld approximately 100 thousand shares for the settlement of tax obligations on behalf of the employees under the share-based compensation schemes and issued around 556 thousand shares to management under the same schemes as part of their annual remuneration and directors as part of director remuneration.

Risks and uncertainty factors

Inflation across the region has generally declined in line with global trends. Nevertheless, interest rates remain high, impacting the Group's variable interest rate debt and financing. This is particularly visible for the Group's operations in Colombia where inflation has remained elevated near 12% and where a significant portion of the debt is at variable interest rates. The Group has also experienced a generalized softening of consumer demand which has translated into slower service revenue growth, as well as energy and labor cost pressure on margins. This trend began in H2 2022 and has continued throughout H1 of 2023. Over the past year, the Group has taken meaningful steps to mitigate these impacts, including the implementation of numerous price increases, cost efficiency and investment optimization initiatives which position the Group to sustain positive service revenue and cash flow growth going forward.

The Group continues to monitor the developments of the aforementioned events and their potential impact on performance and accounting considerations.

Financial risk management objectives and policies

Millicom’s financial risk management policies and objectives remain unchanged compared to what the Group presented in Section D. Financial risk management of the 2022 consolidated financial statements (included in Group's 2022 Annual Report).

Internal controls and Governance in the preparation of the consolidated financial statements are set out in the Governance section from pages 53 to 116 in Group's 2022 Annual Report.

Related-Party transactions

Millicom conducts transactions with certain related parties on normal commercial terms and conditions. Material related party transactions are subject to the review of the audit and compliance committee of the Company's board of directors. For further details on Millicom Group’s significant related parties please refer to note G.5. of the 2022 consolidated financial statements (included in Group's 2022 Annual Report).

Outlook[1]

As communicated on June 28, 2023, Millicom targets cumulative equity free cash flow of at least $500 million for the 2022-2024 period. Based on the company’s outlook, 2024 is expected to be the strongest year in the three-year period due to savings from Project Everest and lower expected spectrum investment and lower one-time items compared to 2023.

[1] Equity Free Cash Flow ('EFCF') is a non-IFRS measures. Please refer to our 2022 Annual Report for a list and description of non-IFRS measures.

Subsequent events

On July 14, 2023, the Group received an adverse legal ruling in Colombia related to actors' guild public performance royalty rights. Although we have already filed an appeal, an additional $10 million provision has been reflected in the Group's interim condensed consolidated financial statements as adjusting subsequent event.

/s/ José Antonio Ríos García

Chairman of the Board of Directors

Luxembourg, July 27, 2023

Responsibility Statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried on efficiently and transparently.

In accordance with Article 4 of the law of January 11, 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Millicom declares that, to the best of our knowledge, the interim condensed consolidated financial statements for the six-month period ended June 30, 2023, prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and results of the interim period.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the interim period and of business risks, where appropriate, faced by the Group.

Signed on July 27, 2023

On behalf of Millicom International Cellular S.A., by:

/s/ Mauricio Ramos

Chief Executive Officer

/s/ Sheldon Bruha

Chief Financial Officer

Report on review of interim condensed consolidated financial statements

To the Shareholders,
Millicom International Cellular S.A.
2, rue du Fort Bourbon
L – 1249 - Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Millicom International Cellular S.A. as of 30 June 2023, which comprise the interim condensed consolidated statement of financial position as at 30 June 2023 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flow for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34, Interim Financial Reporting, ("IAS 34") as issued by the International Accounting Standards Board and as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as issued by the International Accounting Standards Board and as adopted by the European Union.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, 27 July 2023

Unaudited interim condensed consolidated statement of income for the three and six-month periods ended June 30, 2023

in millions of U.S. dollars except per share data	Notes	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
Continuing Operations					
Revenue	5	2,762	2,856	1,393	1,447
Cost of sales		(752)	(765)	(380)	(395)
Gross profit		**2,010**	**2,090**	**1,013**	**1,052**
Operating expenses		(988)	(949)	(498)	(475)
Depreciation		(482)	(509)	(238)	(252)
Amortization		(177)	(171)	(90)	(90)
Share of profit in Honduras joint venture	8	21	20	11	12
Other operating income (expenses), net		4	—	1	—
Operating profit	5	**388**	**481**	**198**	**247**
Interest and other financial expenses	11	(348)	(309)	(178)	(166)
Interest and other financial income		9	4	4	2
Other non-operating (expenses) income, net	6	27	(7)	8	(11)
Profit (loss) from other joint ventures and associates, net		(3)	—	1	(1)
Profit (loss) before taxes from continuing operations		**73**	**170**	**33**	**71**
Tax expense	12	(141)	(147)	(81)	(78)
Profit (loss) from continuing operations		**(68)**	**23**	**(48)**	**(6)**
Profit (loss) from discontinued operations, net of tax	4	—	111	—	117
Net profit (loss) for the period		**(68)**	**135**	**(48)**	**111**
Attributable to:					
Owners of the Company		(19)	152	(22)	129
Non-controlling interests		(49)	(17)	(26)	(18)
Earnings/(loss) per common share for net profit/(loss) attributable to the owners of the Company:					
Basic ($ per share)	7	(0.11)	1.42	(0.13)	1.14
Diluted ($ per share)	7	(0.11)	1.41	(0.13)	1.13

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 and six-month periods ended June 30, 2023

in millions of U.S. dollars	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
Net profit (loss) for the period	(68)	135	(48)	111
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:				
Exchange differences on translating foreign operations	20	40	9	18
Change in value of cash flow hedges, net of tax effects	(12)	4	(7)	1
Total comprehensive income (loss) for the period	**(60)**	**179**	**(46)**	**130**

Attributable to:				
Owners of the Company	(4)	196	(15)	150
Non-controlling interests	(56)	(17)	(31)	(20)

Total comprehensive income (loss) for the period arises from:				
Continuing operations	(60)	67	(46)	12
Discontinued operations	—	111	—	118

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, 2023

in millions of U.S. dollars	Notes	June 30, 2023	December 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	10	7,703	7,361
Property, plant and equipment, net	9	3,038	2,989
Right of use assets, net		888	884
Investment in Honduras joint venture	8	602	590
Contract costs, net		11	10
Deferred tax assets		217	204
Derivative financial instruments	13	12	19
Other non-current assets		154	76
TOTAL NON-CURRENT ASSETS		**12,624**	**12,133**
CURRENT ASSETS			
Inventories		69	53
Trade receivables, net		489	379
Contract assets, net		83	77
Amounts due from non-controlling interests, associates and joint ventures	8	18	15
Prepayments and accrued income		175	117
Current income tax assets		97	111
Supplier advances for capital expenditure		14	21
Other current assets		129	197
Restricted cash		58	57
Cash and cash equivalents		697	1,039
TOTAL CURRENT ASSETS		**1,828**	**2,065**
TOTAL ASSETS		**14,452**	**14,198**

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, 2023 (continued)

in millions of U.S. dollars	Notes	June 30, 2023	December 31, 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		1,340	1,343
Treasury shares		(30)	(47)
Other reserves		(534)	(559)
Retained profits		2,867	2,691
Net profit/ (loss) for the period/year attributable to owners of the Company		(19)	177
Equity attributable to owners of the Company		**3,624**	**3,605**
Non-controlling interests		(27)	29
TOTAL EQUITY		**3,597**	**3,634**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	11	6,509	6,624
Lease liabilities	11	868	853
Derivative financial instruments	13	61	53
Payables and accruals for capital expenditure	10	788	473
Provisions and other non-current liabilities		304	295
Deferred tax liabilities		147	148
TOTAL NON-CURRENT LIABILITIES		**8,677**	**8,445**
CURRENT LIABILITIES			
Debt and financing	11	226	180
Lease liabilities	11	159	163
Derivative financial instruments		2	—
Payables and accruals for capital expenditure		307	428
Other trade payables		362	400
Amounts due to non-controlling interests, associates and joint ventures	8	109	58
Accrued interest and other expenses		442	412
Current income tax liabilities		72	86
Contract liabilities		172	88
Provisions and other current liabilities		327	305
TOTAL CURRENT LIABILITIES		**2,178**	**2,119**
TOTAL LIABILITIES		**10,855**	**10,565**
TOTAL EQUITY AND LIABILITIES		**14,452**	**14,198**

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 six-month period ended June 30, 2023

in millions of U.S. dollars	Notes	June 30, 2023	June 30, 2022
Cash flows from operating activities (including discontinued operations)			
Profit before taxes from continuing operations		73	170
Profit before taxes from discontinued operations	4	—	114
Profit before taxes		**73**	**284**
Adjustments to reconcile to net cash:			
Interest expense on leases		58	71
Interest expense on debt and other financing		290	250
Interest and other financial income		(9)	(4)
Adjustments for non-cash items:			
Depreciation and amortization	4,5	659	700
Share of profit in Honduras joint venture		(21)	(20)
Gain on disposal and impairment of assets, net		(4)	(123)
Share-based compensation		26	14
(Profit) loss from other associates and joint ventures, net		3	(1)
Other non-cash non-operating (income) expenses, net	6	(27)	6
Changes in working capital:			
Increase in trade receivables, prepayments and other current assets, net		(201)	(96)
Increase in inventories		(15)	(43)
Increase (decrease) in trade and other payables, net		61	(54)
Decrease in contract assets, liabilities and costs, net		(7)	(7)
Total changes in working capital		**(162)**	**(200)**
Interest paid on leases		(58)	(70)
Interest paid on debt and other financing		(240)	(195)
Interest received		10	3
Taxes paid		(120)	(156)
Net cash provided by operating activities		**479**	**559**
Cash flows from investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired		—	(264)
Proceeds from disposal of subsidiaries and associates, net of cash disposed	4	—	112
Purchase of spectrum and licenses		(101)	(49)
Purchase of other intangible assets	10	(91)	(125)
Purchase of property, plant and equipment	9	(429)	(406)
Proceeds from sale of property, plant and equipment	9	7	7
Dividends and dividend advances received from joint ventures and associates		50	1
Settlement of derivative financial instruments	13	(23)	8
Transfer (to) / from pledge deposits, net		(5)	33
Loans granted within the Tigo Money lending activity, net		(4)	—
Cash (used in) provided by other investing activities, net		10	10
Net cash used in investing activities		**(586)**	**(674)**

Unaudited interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2023 (continued)

Cash flows from financing activities (including discontinued operations):			
Proceeds from debt and other financing	11	75	1,322
Repayment of debt and other financing	11	(230)	(1,931)
Lease capital repayment		(84)	(83)
Proceeds from the rights offering, net of costs	14	—	718
Advances and dividends paid to non-controlling interests		—	(3)
Net cash from (used in) financing activities		**(239)**	**24**
Exchange impact on cash and cash equivalents, net		3	(4)
Net decrease in cash and cash equivalents		**(342)**	**(95)**
Cash and cash equivalents at the beginning of the year		1,039	895
Effect of cash in disposal group held for sale	4	—	(24)
Cash and cash equivalents at the end of the period		**697**	**776**

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 period ended June 30, 2023

in millions of U.S. dollars	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Other reserves	Total	Non-controlling interests	Total equity
Balance on December 31, 2021	**101,739**	**(1,538)**	**153**	**476**	**(60)**	**2,609**	**(594)**	**2,583**	**157**	**2,740**
Total comprehensive income for the period	—	—	—	—	—	152	44	196	(17)	179
Effects of rights offering	70,357	—	106	612	—	—	—	718	—	718
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	(2)	(2)
Purchase of treasury shares(ii)	—	(87)	—	—	(3)	1	—	(3)	—	(3)
Share based compensation	—	—	—	—	—	—	10	10	—	11
Issuance of shares under share-based payment schemes	—	397	—	(2)	16	4	(16)	1	—	1
Effect of the buy-out of non-controlling interests in Panama	—	—	—	—	—	78	—	78	(78)	—
Balance on June 30, 2022	**172,096**	**(1,229)**	**258**	**1,086**	**(48)**	**2,843**	**(556)**	**3,584**	**60**	**3,644**
Balance on December 31, 2022	**172,096**	**(1,213)**	**258**	**1,085**	**(47)**	**2,868**	**(559)**	**3,605**	**29**	**3,634**
Total comprehensive income for the year	—	—	—	—	—	(19)	15	(4)	(56)	(60)
Purchase of treasury shares(ii)	—	(100)	—	—	(4)	2	—	(2)	—	(2)
Share based compensation	—	—	—	—	—	—	25	25	—	26
Issuance of shares under share-based payment schemes	—	556	—	(3)	22	(1)	(17)	—	—	—
Effect of the buy-out of non-controlling interests in Panama	—	—	—	—	—	(1)	—	(1)	—	—
Balance on June 30, 2023	**172,096**	**(757)**	**258**	**1,082**	**(30)**	**2,848**	**(534)**	**3,624**	**(27)**	**3,598**

(i) Retained profits – includes profit for the period attributable to equity holders, of which at June 30, 2023, $495 million (2022: $486 million) are not distributable to equity holders.

(ii) During the six-month period ended June 30, 2023, Millicom withheld approximately 99,902 shares for the settlement of tax obligations on behalf of employees under share-based compensation plans (2022: 87,382)

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

Notes to the unaudited interim condensed consolidated financial statements

1. GENERAL INFORMATION

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. Millicom provides high speed broadband and innovation around The Digital Lifestyle® services through its principal brand, TIGO.

On July 26, 2023, 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 year ended December 31, 2022, 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, 2022 consolidated financial statements, except for the changes described in item III 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. Current macroeconomic environment and its effect on the Group's business activities, financial situation and economic performance

Inflation across the region has generally declined in line with global trends. Nevertheless, interest rates remain high, impacting the Group's variable interest rate debt and financing. This is particularly visible for the Group's operations in Colombia where inflation has remained elevated near 12% and where a significant portion of the debt is at variable interest rates. The Group has also experienced a generalized softening of consumer demand which has translated into slower service revenue growth, as well as energy and labor cost pressure on margins. This trend began in H2 2022 and has continued throughout H1 of 2023. Over the past year, the Group has taken meaningful steps to mitigate these impacts, including the implementation of numerous price increases, cost efficiency and investment optimization initiatives which position the Group to sustain positive service revenue and cash flow growth going forward.

The Group continues to monitor the developments of the aforementioned events and their potential impact on performance and accounting considerations.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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:

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

Amendments to standards effective for annual periods starting on January 1, 2023 (not yet endorsed by the EU):

- 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 Organisation for Economic Co-operation 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 Group consolidated financial statements is currently being assessed by Management:

- Amendments to IFRS 16 'Leases: Lease Liability in a Sale and Leaseback' (not yet endorsed by the EU)- 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' (not yet endorsed by the EU): 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' (not yet endorsed by the EU): 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.

IV. Change in accounting estimate

During the six-month period ended June 30, 2023, the estimated useful lives of some property, plant and equipment were revised. As a result, the estimated useful lives of the 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 $27 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.

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

Acquisitions for the six-month period ended June 30, 2023

There were no material acquisitions during the six-month period ended June 30, 2023.

Acquisitions 2022

As of June 14, 2022, the Group received the formal notification from the minority shareholders of Cable Onda S.A. confirming the exercise of their put option right to sell their remaining 20% shareholding to Millicom for an amount of approximately $290 million. The transaction closed on June 29, 2022 and the payment was applied against the already recorded put option liability of $290 million.

As a result, the non-controlling interests' carrying value of $78 million have been transferred to the Group's equity.

Disposals 2022 - Tanzania

On March 10, 2022, Millicom obtained the final necessary regulatory approvals to sell its operations in Tanzania. The transaction was completed on April 5, 2022 (see note 4).

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations-Tanzania

As from March 10, 2022, and in accordance with IFRS 5, all assets and liabilities of our operations in Tanzania were classified as held for sale and their results have been removed from the results of continuing operations and are shown as a single line item on the face of the consolidated statement of income under 'Profit (loss) from discontinued operations, net of tax'.

On April 5, 2022, Millicom completed the sale for an initial cash consideration of approximately $101 million (subject to final price adjustment). The net assets de-consolidated on the date of the disposal amounted to $79 million and the net gain on disposal was calculated at $109 million.

5. SEGMENT INFORMATION

Management determines operating and reportable segments based on the reports that are used by the chief operating decision maker to make strategic and operational decisions from both a business and geographic perspective. The Millicom Group's risks and rates of return for its operations were predominantly affected by operating in different geographical regions. Until the divestiture of our Tanzania business, as discussed above, the Millicom Group had businesses in two main regions, Latin America and Africa, which constituted our two reportable segments. As a result of the sale of the Tanzania business and its classification as a discontinued operation, we no longer report an Africa segment in our unaudited interim condensed consolidated financial statements and no longer report it in our consolidated financial statements. The Group now only operates in a single region, Latin America.

As a result, the Group now reports a single segment, called the 'Group Segment', which includes the results of our Latin American operations, and regional and central corporate costs. Group segment figures will continue to include our Honduras joint venture as if it was fully consolidated, as this reflects the way management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations.

Revenue, operating profit (loss), EBITDA and other segment information for the three- and six-month periods ended June 30, 2023 and 2022, are shown on the following pages.

5. SEGMENT INFORMATION (Continued)

Six months ended June 30, 2023 (in millions of U.S. dollars)	Group Segment	Honduras (vii)	Eliminations and transfers	Group
Mobile revenue	1,683	(224)	1	1,460
Cable and other fixed services revenue	1,116	(57)	4	1,063
Other revenue	34	(2)	—	33
Service revenue (i)	**2,834**	**(283)**	**4**	**2,555**
Telephone and equipment revenue	226	(20)	—	207
Revenue	**3,060**	**(302)**	**4**	**2,762**
Operating profit (loss)	**431**	**(64)**	**21**	**388**
Add back:				
Depreciation and amortization	711	(53)	1	659
Share of profit in Honduras joint venture	—	—	(21)	(21)
Other operating expenses (income), net	(3)	(1)	—	(4)
EBITDA (ii)	**1,139**	**(118)**	**1**	**1,022**
Capital expenditure (iii)	(550)	37	—	(513)
Spectrum and licenses paid	(101)	—	—	(101)
Changes in working capital and others (iv)	(128)	(8)	—	(136)
Taxes paid	(153)	33	—	(120)
Operating free cash flow (v)	**207**	**(55)**	**1**	**153**
Total Assets (vi)	**14,810**	**(1,079)**	**722**	**14,452**
Total Liabilities	**11,395**	**(660)**	**120**	**10,855**

(i) *Service revenue is revenue related to the provision of ongoing services such as monthly subscription fees for mobile and broadband, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services, installation fees and other value-added services excluding telephone and equipment sales.*

(ii) *EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on the disposal of fixed assets.*

(iii) *Excluding spectrum and licenses.*

(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, less spectrum and licenses paid, less change in working capital, other non-cash items (share-based payment expense) and taxes paid. From 2022, the Group changed the definition of Operating Free Cash Flow to include spectrum paid in response to feedback from users of our financial statements who prefer a more comprehensive view of our cash flow generation.*

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

(vii) *Including eliminations for Honduras as reported in the Group Segment.*

5. SEGMENT INFORMATION (Continued)

Six months ended June 30, 2022 (in millions of U.S. dollars)	Group Segment	Honduras (vii)	Eliminations and transfers	Group
Mobile revenue	1,702	(215)	1	1,487
Cable and other fixed services revenue	1,142	(53)	3	1,092
Other revenue	38	(2)	—	36
Service revenue (i)	**2,881**	**(270)**	**3**	**2,615**
Telephone and equipment revenue	259	(18)	—	241
Revenue	**3,140**	**(288)**	**3**	**2,856**
Operating profit (loss)	**522**	**(60)**	**20**	**481**
Add back:				
Depreciation and amortization	732	(53)	—	680
Share of profit in Honduras joint venture	—	—	(20)	(20)
EBITDA (ii)	**1,254**	**(113)**	**—**	**1,141**
EBITDA from discontinued operations	22	—	—	22
EBITDA incl discontinued operations	**1,276**	**(113)**	**—**	**1,163**
Capital expenditure (iii)	(571)	46	—	(524)
Spectrum and licenses paid	(49)	—	—	(49)
Changes in working capital and others (iv)	(194)	8	—	(186)
Taxes paid	(181)	25	—	(156)
Operating free cash flow (v)	**281**	**(34)**	**—**	**248**
Total Assets (vi)	**14,653**	**(1,055)**	**729**	**14,327**
Total Liabilities	**11,190**	**(621)**	**115**	**10,683**

5. SEGMENT INFORMATION (Continued)

Three months ended June 30, 2023 (in millions of U.S. dollars)	Group Segment	Honduras (vii)	Eliminations and transfers	Group
Mobile revenue	851	(112)	—	738
Cable and other fixed services revenue	564	(28)	2	537
Other revenue	17	(1)	—	16
Service revenue (i)	**1,431**	**(141)**	**2**	**1,291**
Telephone and equipment revenue	112	(11)	—	101
Revenue	**1,543**	**(152)**	**2**	**1,393**
Operating profit (loss)	**221**	**(33)**	**11**	**198**
Add back:				
Depreciation and amortization	354	(26)	—	328
Share of profit in Honduras joint venture	—	—	(11)	(11)
Other operating expenses (income), net	—	(1)	—	(1)
EBITDA (ii)	**574**	**(60)**	**—**	**515**
EBITDA from discontinued operations	—	—	—	—
EBITDA incl discontinued operations	**574**	**(60)**	**—**	**515**
Capital expenditure (iii)	(240)	16	—	(224)
Spectrum and licenses paid	(48)			(48)
Changes in working capital and others (iv)	(30)	5	—	(25)
Taxes paid	(112)	29	—	(83)
Operating free cash flow (v)	**145**	**(10)**	**—**	**135**

5. SEGMENT INFORMATION (Continued)

Three months ended June 30, 2022 (in millions of U.S. dollars)	Group Segment	Honduras (vii)	Eliminations and transfers	Group
Mobile revenue	858	(108)	—	751
Cable and other fixed services revenue	572	(27)	1	547
Other revenue	19	(1)	—	18
Service revenue (i)	**1,449**	**(136)**	**2**	**1,315**
Telephone and equipment revenue	142	(10)	—	132
Revenue	**1,591**	**(145)**	**2**	**1,447**
Operating profit (loss)	**266**	**(32)**	**13**	**247**
Add back:				
Depreciation and amortization	368	(27)	—	342
Share of profit in Honduras joint venture	—	—	(12)	(12)
Other operating expenses (income), net	—	1	(1)	—
EBITDA (ii)	**634**	**(58)**	**—**	**577**
EBITDA from discontinued operations	(8)	—	—	(8)
EBITDA incl discontinued operations	**627**	**(58)**	**—**	**569**
Capital expenditure (iii)	(269)	21	—	(248)
Spectrum and licenses paid	(19)	—	—	(19)
Changes in working capital and others (iv)	(70)	7	—	(62)
Taxes paid	(116)	22	—	(94)
Operating free cash flow (v)	**153**	**(7)**	**—**	**146**

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

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

in millions of U.S. dollars	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
Change in fair value of derivatives (Note 13)	3	11	4	2
Change in value of call option and put option liability (Note 3)	—	(1)	(2)	(1)
Exchange gains (losses), net	23	(17)	6	(13)
Other non-operating income (expenses), net	2	1	1	—
Total	**27**	**(7)**	**8**	**(11)**

7. EARNINGS PER COMMON SHARE

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

in millions of U.S. dollars	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
Basic and Diluted				
Net profit (loss) attributable to equity holders from continuing operations	(19)	40	(22)	12
Net profit (loss) attributable to equity holders from discontinued operations	—	111	—	117
Net profit (loss) attributable to all equity holders to determine the profit (loss) per share	(19)	152	(22)	129
in thousands				
Weighted average number of ordinary shares for basic and diluted earnings per share	171,096	107,046	171,287	113,488
Potential shares as a result of share-based compensation plans	1,432	276	2,254	468
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution (i)	172,529	107,322	173,541	113,956
in U.S. dollars				
Basic				
Earnings (loss) per common share for profit (loss) from continuing operations attributable to owners of the Company	(0.11)	0.38	(0.13)	0.11
Earnings (loss) per common share for profit (loss) from discontinued operations attributable to owners of the Company	—	1.04	—	1.03
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company	(0.11)	1.42	(0.13)	1.14
Diluted				
Earnings (loss) per common share for profit (loss) from continuing operations attributable to owners of the Company	(0.11)	0.38	(0.13)	0.11
Earnings (loss) per common share for profit (loss) from discontinued operations attributable to owners of the Company	—	1.04	—	1.02
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company	(0.11)	1.41	(0.13)	1.13

(i) *For the purpose of calculating the diluted earnings (loss) per common share, the weighted average outstanding shares used for the basic earnings (loss) per common share were increased only by the portion of the shares which have a dilutive effect on the earnings (loss) per common share.*

8. 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. Our investments in joint ventures is comprised solely of Honduras.

At June 30, 2023, the equity accounted net assets of our joint venture in Honduras totaled $419 million (December 31, 2022: $401 million). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and identified assets and assumed liabilities recognized as part of the purchase accounting). Out of these net assets, $3 million (December 31, 2022: $3 million) represent statutory reserves that are unavailable to be distributed to the Group. During the six-month period ended June 30, 2023, Millicom's joint venture in Honduras repatriated cash of $62 million in the form of management fees, dividend advances and repayment of a shareholder loan (June 30, 2022: $26 million).

8. INVESTMENTS IN JOINT VENTURES (Continued)

At June 30, 2023, Millicom had $102 million payable to Honduras joint venture which were mainly made up of loan advances (December 31, 2022: $48 million). In addition, as of June 30, 2023, Millicom had a total receivable from Honduras of $15 million, (December 31, 2022: $13 million) mainly corresponding to other operating receivables.

The table below summarizes the movements for the year in respect of the Group's joint ventures carrying values:

	2023
in millions of U.S. dollars	**Honduras (i)**
Opening Balance at January 1, 2023	**590**
Millicom's share of the results for the period	21
Dividends declared during the period	(9)
Currency exchange differences	—
Closing Balance at June 30, 2023	**602**

(i) Share of profit is recognized under 'Share of profit in Honduras joint ventures' in the statement of income for the period ended June 30, 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended June 30, 2023, Millicom added property, plant and equipment for $315 million (June 30, 2022: $378 million) and received $7 million from disposal of property, plant and equipment (June 30, 2022: $7 million).

10. INTANGIBLE ASSETS

During the six-month period ended June 30, 2023, Millicom added intangible assets for $368 million of which $317 million related to spectrum and licenses, and $52 million to additions of other intangible assets (June 30, 2022: $192 million of which $116 million related to an adjustment on spectrum and licenses and $76 million to additions of intangible assets) and did not receive any proceeds from disposal of intangible assets (June 30, 2022: nil).

On February 3, 2023, the Colombian 'Ministerio de Tecnologias de la Informacion y las Comunicaciones' (MINTIC) approved the renewal of the spectrum license related to 1900 Mhz band, which was initially granted on February 3, 2003, for an additional period of 20 years. The total preliminary consideration amounts to COP 1.14 billion (approximately $271 million at June 30, 2023 exchange rate). While the total acquisition consideration is known, final payment terms and conditions are still under negotiation. Tigo Colombia filed an appeal in that respect and is currently waiting for an answer from MINTIC. As of June 30, 2023, the spectrum license of approximately $297 million - including the estimated cost of bank guarantees of $14 million - has been recorded as an intangible asset with a corresponding liability under 'Payables and accruals for capital expenditure' in the statement of financial position.

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 June 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.

11. FINANCIAL OBLIGATIONS

A. Debt and financing

The most significant movements in debt and financing for the six-month period ended June 30, 2023 were as follows. When applicable, local currency amounts are translated in USD using the exchange rate at the time of occurrence.

Luxembourg

On May 10, 2023, MIC SA notified holders of its SEK 2,000 million stibor plus 2.35% Senior Unsecured Floating Rate Sustainability Notes due 2024 of the early voluntary redemption of the Notes in full. The notes, amounting to SEK 2,000 million (approximately $184 million), have been redeemed on June 8, 2023. These were hedged through cross currency swaps for which the Group paid $23 million on the settlement date (see note 13).

Colombia

On January 5, 2023, UNE EPM Telecomunicaciones S.A. ("UNE") issued a COP230 billion (approximately $50 million) bond consisting of two tranches with three and four and a half-year maturities. Interest rates are variable, based on CPI + a margin, and interest is payable in Colombian peso.

Guatemala

The $150 million debt outstanding with Banco Industrial initially due on 2025 was extended to October 31, 2028.

On June 13, 2023, our principal subsidiary in Guatemala, Comcel, executed a new 7-year loan with Banco Industrial up to GTQ 400 million of which GTQ 250 million (approximately $32 million) have been disbursed, mainly to finance the acquisition of spectrum (refer to note 10).

Bolivia

In February 2023, Tigo Bolivia signed three new bank loan agreements in local currency for a corresponding total amount of approximately $10 million and a repayment period of 5 years.

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 June 30, 2023	As at December 31, 2022
Due within:		
One year	226	180
One-two years	202	394
Two-three years	508	564
Three-four years	1,517	777
Four-five years	744	1,122
After five years	3,538	3,766
Total debt and financing	**6,735**	**6,804**

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at June 30, 2023 and December 31, 2022.

	Bank and financing guarantees (i)		Supplier guarantees	
in millions of U.S. dollars	As at June 30, 2023	As at December 31, 2022	As at June 30, 2023	As at December 31, 2022
Terms	Outstanding and Maximum exposure		Outstanding and Maximum exposure	
0-1 year	38	13	—	2
1-3 years	118	70	—	—
3-5 years	349	418	—	—
Total	**506**	**501**	**—**	**2**

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

11. FINANCIAL OBLIGATIONS (Continued)

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

in millions of U.S. dollars	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
Interest expense on bonds and bank financing	(235)	(213)	(119)	(111)
Interest expense on leases	(58)	(64)	(30)	(33)
Early redemption charges	(1)	—	(1)	—
Others	(53)	(32)	(28)	(23)
Total interest and other financial expenses	**(348)**	**(309)**	**(178)**	**(166)**

12. 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 June 30, 2023, the total amount of claims brought against MIC SA and its subsidiaries is $279 million (December 31, 2022: $239 million). The Group's share of the comparable exposure for its joint venture in Honduras is $13 million (December 31, 2022: $13 million).

As at June 30, 2023, $31 million has been provisioned by its subsidiaries for these risks in the unaudited interim condensed consolidated statement of financial position (See also note 14) (December 31, 2022: $25 million). The Group's share of provisions made by the joint venture was $1 million (December 31, 2022: $1 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 June 30, 2023, the tax risks exposure of the Group's subsidiaries is estimated at $200 million, for which provisions of $38 million have been recorded in tax liabilities; representing management's assessment of the probable cash outflow of eventual claims and required payments related to those risks (December 31, 2022: $221 million of which provisions of $38 million were recorded). The Group's share of comparable tax exposure and provisions in its joint venture amounts to $108 million (December 31, 2022: $97 million) and $7 million (December 31, 2022: $7 million), respectively.

Capital commitments

At June 30, 2023, the Company and its subsidiaries had fixed commitments to purchase network equipment, other fixed assets and intangible assets of $443 million of which $374 million are due within one year (December 31, 2022: $406 million of which $259 million are due within one year). The Group's share of commitments in its Honduras joint venture is $27 million of which $27 million are due within one year. (December 31, 2022: $29 million and $29 million respectively).

13. FINANCIAL INSTRUMENTS

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

in millions of U.S. dollars	Carrying value		Fair value (i)	
	As at June 30, 2023	As at December 31, 2022	As at June 30, 2023	As at December 31, 2022
Financial liabilities				
Debt and financing	6,735	6,804	5,990	6,327

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

13. FINANCIAL INSTRUMENTS (Continued)

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 2024 SEK 2 billion bond and the foreign currency risk in relation to the 2027 SEK 2.2 billion bond (approximately $211 million and $236 million, respectively, using the exchange rate at the time of the issuance of each bond) issued in May 2019 and January 2022, respectively with maturity dates May 2024 and January 2027, respectively. All swap contracts attached to the 2024 SEK 2 billion bond were terminated on May 10, 2023, after the early redemption of the bond (refer to note 11) and were settled against a cash payment of $23 million.

In January 2023, MIC S.A. also entered into two currency swap agreements to hedge an intercompany receivable of COP 206 billion (approximately $41 million) owed by UNE (refer to note 11). These swaps are accounted for as cash flow hedges as hedging relationships are highly effective.

The fair value of MIC S.A. swaps, amounts to a liability of $61 million as of June 30, 2023 (December 31, 2022: a liability of $53 million) and are recorded through other comprehensive income.

In 2020 and 2018, respectively, the Group's operations in Colombia and El Salvador 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. On January 12, 2023, the interest rate swap in El Salvador matured, with a settlement payment of $21 thousand (fair value at December 31, 2022:nil) and the fair value of Colombia swaps amounted to an asset of $10 million as of June 30, 2023 (December 31, 2022: an asset of $19 million).

The net fair value of the derivative financial instruments for the Group, as of June 30, 2023 amounted to a liability of $51 million (December 31, 2022: a liability of $34 million)

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

There are no other derivative financial instruments with a significant fair value at June 30, 2023.

14. SUBSEQUENT EVENTS

Colombia litigation

On July 14, 2023, the Group received an adverse legal ruling in Colombia related to actors' guild public performance royalty rights. Although we have already filed an appeal, an additional $10 million provision has been reflected in the Group's interim condensed consolidated financial statements as adjusting subsequent event.