Unaudited Interim Condensed Consolidated Financial Statements

For the three-and nine month periods ended September 30, 2021

October 28, 2021

Unaudited interim condensed consolidated statement of income for the three- and nine-month periods ended September 30, 2021

in millions of U.S. dollars except per share data	Notes	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Continuing Operations					
Revenue	4	3,270	3,083	1,093	1,026
Cost of sales		(928)	(887)	(313)	(286)
Gross profit		**2,343**	**2,196**	**780**	**740**
Operating expenses		(1,193)	(1,101)	(400)	(369)
Depreciation		(640)	(660)	(212)	(217)
Amortization		(239)	(244)	(57)	(88)
Share of profit in the joint ventures in Guatemala and Honduras	7	185	101	56	22
Other operating income (expenses), net	14	(8)	31	29	9
Operating profit	4	**447**	**323**	**197**	**97**
Interest and other financial expenses	10	(389)	(457)	(112)	(141)
Interest and other financial income	10	22	8	17	1
Other non-operating (expenses) income, net	5	(37)	(147)	(20)	(10)
Profit (loss) from other joint ventures and associates, net	12	(38)	—	(35)	1
Profit (loss) before taxes from continuing operations		**4**	**(272)**	**46**	**(53)**
Tax (charge) credit, net		(84)	(48)	(42)	1
Profit (loss) from continuing operations		**(80)**	**(320)**	**4**	**(51)**
Profit (loss) from discontinued operations, net of tax		—	(9)	—	(8)
Net profit (loss) for the period		**(81)**	**(329)**	**4**	**(59)**
Attributable to:					
Owners of the Company		(53)	(288)	5	(51)
Non-controlling interests		(28)	(40)	(1)	(9)
(Loss)/Earnings per common share for net profit/ (loss) attributable to the owners of the Company:					
Basic and Diluted ($ per share) (i)	6	(0.52)	(2.85)	0.05	(0.50)

(i) There are no dilutive potential ordinary shares

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

Unaudited interim condensed consolidated statement of comprehensive income for the three-and nine-month periods ended September 30, 2021

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Net profit (loss) for the period	(81)	(329)	4	(59)
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:				
Exchange differences on translating foreign operations	(37)	(82)	(8)	(8)
Change in value of cash flow hedges, net of tax effects	13	(4)	3	2
Total comprehensive income (loss) for the period	**(105)**	**(415)**	**(1)**	**(66)**

Attributable to				
Owners of the Company	(71)	(356)	1	(54)
Non-controlling interests	(34)	(59)	(2)	(11)

Total comprehensive income for the period arises from:				
Continuing operations	(105)	(407)	—	(57)
Discontinued operations	—	(8)	—	(8)

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 September 30, 2021

in millions of U.S. dollars	Notes	September 30, 2021	December 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	3,201	3,403
Property, plant and equipment, net	8	2,549	2,755
Right of use assets		805	895
Investments in joint ventures	7	2,596	2,642
Investments in associates		23	24
Contract costs, net		6	5
Deferred tax assets		207	197
Derivative financial instruments	13	21	27
Amounts due from non-controlling interests, associates and joint ventures	12	31	90
Other non-current assets		72	77
TOTAL NON-CURRENT ASSETS		**9,511**	**10,114**
CURRENT ASSETS			
Inventories		55	37
Trade receivables, net		352	351
Contract assets, net		33	31
Amounts due from non-controlling interests, associates and joint ventures	12	51	206
Prepayments and accrued income		187	149
Current income tax assets		96	96
Supplier advances for capital expenditure		20	21
Equity investments	14	—	160
Other current assets		189	181
Restricted cash		183	199
Cash and cash equivalents		723	875
TOTAL CURRENT ASSETS		**1,889**	**2,307**
Assets held for sale		—	1
TOTAL ASSETS		**11,400**	**12,422**

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 September 30, 2021 (continued)

in millions of U.S. dollars	Notes	September 30, 2021	December 31, 2020
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		628	630
Treasury shares		(38)	(30)
Other reserves		(595)	(562)
Retained profits		2,023	2,365
Loss for the period / year attributable to equity holders		(53)	(344)
Equity attributable to owners of the Company		**1,966**	**2,059**
Non-controlling interests		179	215
TOTAL EQUITY		**2,145**	**2,274**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	10	5,172	5,578
Lease liabilities	10	823	897
Derivative financial instruments	13	1	14
Amounts due to non-controlling interests, associates and joint ventures	12	1	29
Payables and accruals for capital expenditure		452	485
Provisions and other non-current liabilities		306	328
Deferred tax liabilities		202	209
TOTAL NON-CURRENT LIABILITIES		**6,956**	**7,540**
CURRENT LIABILITIES			
Debt and financing	10	95	113
Lease liabilities	10	130	123
Put option liability	13	285	262
Derivative financial instruments		2	1
Payables and accruals for capital expenditure		279	345
Other trade payables		249	334
Amounts due to non-controlling interests, associates and joint ventures	12	150	311
Accrued interest and other expenses		474	445
Current income tax liabilities		87	71
Contract liabilities		88	90
Provisions and other current liabilities		461	511
TOTAL CURRENT LIABILITIES		**2,299**	**2,608**
TOTAL LIABILITIES		**9,255**	**10,148**
TOTAL EQUITY AND LIABILITIES		**11,400**	**12,422**

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 nine-month period ended September 30, 2021

in millions of U.S. dollars	Notes	September 30, 2021	September 30, 2020
Cash flows from operating activities (including discontinued operations)			
Profit (loss) before taxes from continuing operations		4	(272)
Profit (loss) before taxes from discontinued operations	4	—	(9)
Profit (loss) before taxes		**3**	**(281)**
Adjustments to reconcile to net cash:			
Interest expense on leases		94	117
Interest expense on debt and other financing		295	340
Interest and other financial income		(22)	(8)
Adjustments for non-cash items:			
Depreciation and amortization	4	879	904
Share of net profit in Guatemala and Honduras joint ventures		(185)	(101)
(Gain) on disposal and impairment of assets, net		8	(22)
Share based compensation		10	20
Loss from other joint ventures and associates, net	12	38	—
Other non-cash non-operating (income) expenses, net	5	37	147
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets, net		(128)	(90)
Decrease (increase) in inventories		(20)	(18)
Increase (decrease) in trade and other payables, net		(37)	35
Increase (decrease) in contract assets, liabilities and costs, net		(2)	7
Total changes in working capital		**(187)**	**(66)**
Interest paid on leases		(109)	(111)
Interest paid on debt and other financing		(269)	(313)
Interest received		2	8
Taxes paid		(79)	(108)
Net cash provided by operating activities		**516**	**525**
Cash flows from (used in) investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired		—	3
Proceeds from disposal of subsidiaries and associates, net of cash disposed		18	10
Purchase of intangible assets and licenses	9	(132)	(201)
Purchase of property, plant and equipment	8	(479)	(440)
Proceeds from sale of property, plant and equipment	8	6	6
Proceeds from disposal of equity investments, net of costs	14	163	91
Dividends and dividend advances received from joint ventures	7	13	67
Cash (used in) provided by other investing activities, net		17	19
Net cash used in investing activities		**(395)**	**(446)**

Unaudited interim condensed consolidated statement of cash flows for the nine-month period ended September 30, 2021 (continued)

Cash flows from financing activities (including discontinued operations):			
Proceeds from debt and other financing	10	247	810
Repayment of debt and other financing	10	(580)	(783)
Loan repayment from (advance to) joint venture	12	193	—
Lease capital repayment		(90)	(83)
Advances and dividends paid to non-controlling interests		(6)	(5)
Share repurchase program		(28)	(10)
Net cash provided by (used in) financing activities		**(265)**	**(71)**
Exchange impact on cash and cash equivalents, net		(9)	(28)
Net (decrease) increase in cash and cash equivalents		**(152)**	**(20)**
Cash and cash equivalents at the beginning of the year		875	1,164
Cash and cash equivalents at the end of the period/year		**723**	**1,144**

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 nine-month periods ended September 30, 2021 and September 30, 2020

in millions of U.S. dollars	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital	Share premium	Treasury shares	Retained profits (i)	Other reserves	Total	Non-controlling interests	Total equity
Balance on December 31, 2019	**101,739**	**(581)**	**153**	**480**	**(51)**	**2,372**	**(544)**	**2,410**	**271**	**2,680**
Total comprehensive income for the period	—	—	—	—	—	(288)	(66)	(355)	(59)	(414)
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(5)	(5)
Purchase of treasury shares (ii)	—	(467)	—	—	(19)	3	—	(16)	—	(16)
Share based compensation	—	—	—	—	—	—	19	19	1	20
Issuance of shares under share-based payment schemes	—	521	—	(2)	40	(11)	(26)	1	—	1
Balance on September 30, 2020	**101,739**	**(526)**	**153**	**478**	**(30)**	**2,076**	**(617)**	**2,059**	**207**	**2,266**
Balance on December 31, 2020	**101,739**	**(526)**	**153**	**478**	**(30)**	**2,020**	**(562)**	**2,059**	**215**	**2,274**
Total comprehensive income for the period	—	—	—	—	—	(53)	(19)	(71)	(34)	(105)
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(3)	(3)
Purchase of treasury shares (ii)	—	(842)	—	—	(34)	2	—	(32)	—	(32)
Share based compensation	—	—	—	—	—	—	9	9	1	10
Issuance of shares under share-based payment schemes	—	453	—	(2)	26	2	(25)	1	—	1
Balance on September 30, 2021	**101,739**	**(915)**	**153**	**476**	**(38)**	**1,971**	**(595)**	**1,966**	**179**	**2,145**

(i) *Retained profits – includes profit for the period attributable to equity holders, of which at September 30, 2021, $333 million (2020: $305 million) are not distributable to equity holders.*

(ii) *During the nine-month period ended September 30, 2021, in connection with the Group's share repurchase program, Millicom repurchased 739,438 shares (2020:350,000 shares) for a total amount of $28 million (2020: $10 million) and withheld approximately 102,000 shares (2020: 117,000 shares) for settlement of tax obligations on behalf of employees under share-based compensation plans.*

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

Notes to the unaudited interim condensed consolidated statements

1. GENERAL

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

On October 27, 2021, the Board of Directors authorized these unaudited interim condensed consolidated financial statements for issuance.

2. SUMMARY OF ACCOUNTING POLICIES

I. Basis of presentation

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

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and in conformity with IFRS as adopted by the EU. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the December 31, 2020 consolidated financial statements, except for the changes described below.

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

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

Impact on Millicom's markets and business

During the first nine months of 2021, economic activity continued to recover in our markets, as most countries continued to ease lockdowns implemented at the beginning of the pandemic, and remittances from the U.S. to Central America sustained double-digit growth year-on-year. Meanwhile, vaccination rates improved to above 50% in Panama, El Salvador and Costa Rica but remained below 20% in Nicaragua. Some countries experienced spikes in the number of COVID cases during the quarter, but governments generally refrained from imposing strict lockdowns, choosing instead to use curfews or voluntary quarantine programs, which had a negligible effect on commercial activity.

As of September 30, 2021, and for the nine-month period ended September 30, 2021, management did not identify any significant adverse accounting effects as a result of the pandemic.

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:

- Amendment to IFRS 16, 'Leases' - COVID 19 Rent Concessions - effective for annual periods starting on June 1, 2020. While the Group has implemented this amendment already in 2020, the IASB (in March 2021) extended its initial application beyond June 30, 2021, by one additional year.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 - effective for annual periods starting on January 1, 2021. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate.

  Main reliefs provided by the Phase 2 amendments relate to:

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

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

- Amendments effective for annual periods starting on January 1, 2022:
  - IFRS 3 'Business Combinations' - Reference to Conceptual Framework.
  - IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
  - IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Cost of fulfilling a contract.
  - Annual improvements to IFRS Standards 2018-2020, affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41.
- Amendments effective for annual periods starting on January 1, 2023 (not yet endorsed by the EU):
  - Amendments to IAS 1, 'Presentation of Financial Statements' : These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The IASB also issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
  - IFRS 17, 'Insurance contracts', including amendments.
  - IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

The following changes to standards are effective for annual periods starting on January 1, 2023 (not yet endorsed by the EU) and their potential impact on the Group consolidated financial statements is currently being assessed by Management:

  - Amendments to IAS 12, 'Income Taxes: Deferred tax related to Assets and liabilities arising from a Single Transaction' - These amendments clarify that the initial recognition exception does not apply to the initial recognition of leases and decommissioning obligations. These amendments apply prospectively to transitions that occur on or after the beginning of the earliest comparative period presented. In addition, an entity should apply the amendments for the first time by recognising deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented.

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

There were no material acquisitions or disposals during the nine-month periods ended September 30, 2021 and 2020. Refer to note 16 for details related to the Ghana disposal.

4. SEGMENT INFORMATION

Management determines operating and reportable segments based on information used by the chief operating decision maker (CODM) to make strategic and operational decisions from both a business and geographic perspective. The Group's risks and rates of return are predominantly affected by operating in different geographical regions. The Group has businesses in two main regions: Latin America ("Latam") and Africa. Millicom is allocating corporate costs to each segment based on their contribution to underlying revenue, and only non-recurring costs - such as M&A related costs-, remain as unallocated. The Latam figures below include Honduras and Guatemala as if they are fully consolidated by the Group, as this reflects the way management reviews and uses internally reported information to make decisions. The joint venture in Ghana is not reported as if fully consolidated. Refer to note 16 for details related to the Ghana disposal.

Revenue, operating profit (loss), EBITDA and other segment information for the nine-month periods ended September 30, 2021 and 2020, are as follows:

Nine months ended September 30, 2021 (in millions of U.S. dollars)	**Latin America**	**Africa**	**Unallocated**	**Guatemala and Honduras(vii)**	**Eliminations and Transfers**	**Total**
Mobile revenue	2,509	257	—	(1,136)	—	1,630
Cable and other fixed services revenue	1,697	7	—	(270)	(1)	1,432
Other revenue	52	—	—	(7)	(1)	44
Service revenue (i)	**4,258**	**264**	**—**	**(1,413)**	**(3)**	**3,107**
Telephone and equipment and other revenue (i)	365	—	—	(201)	—	164
Revenue	**4,623**	**264**	**—**	**(1,614)**	**(3)**	**3,270**
Operating profit (loss)	**740**	**24**	**(20)**	**(482)**	**185**	**447**
Add back:						
Depreciation and amortization	1,145	63	9	(338)	—	879
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(185)	(185)
Other operating income (expenses), net	(4)	—	12	—	—	8
EBITDA (ii)	**1,881**	**87**	**2**	**(820)**	**—**	**1,149**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**1,881**	**87**	**2**	**(820)**	**—**	**1,149**
Capital expenditure (iii)	(737)	(30)	(9)	196	—	(580)
Changes in working capital and others (iv)	(164)	13	(4)	(22)	—	(177)
Taxes paid	(178)	(16)	(5)	119	—	(80)
Operating free cash flow (v)	**802**	**54**	**(16)**	**(527)**	**—**	**313**
Total Assets (vi)	**12,301**	**868**	**3,651**	**(4,659)**	**(762)**	**11,400**
Total Liabilities	**7,898**	**917**	**2,890**	**(1,666)**	**(784)**	**9,255**

4. SEGMENT INFORMATION (Continued)

Nine months ended September 30, 2020 (in millions of U.S. dollars)	**Latin America**	**Africa**	**Unallocated**	**Guatemala and Honduras (vii)**	**Eliminations and transfers**	**Total**
Mobile revenue	2,383	263	—	(1,078)	—	1,568
Cable and other fixed services revenue	1,558	6	(1)	(222)	—	1,341
Other revenue	43	1	(1)	(5)	—	38
Service revenue (i)	**3,984**	**269**	**(2)**	**(1,304)**	**—**	**2,947**
Telephone and equipment revenue (i)	326	—	—	(190)	—	136
Revenue	**4,309**	**269**	**(2)**	**(1,494)**	**—**	**3,083**
Operating profit (loss)	**565**	**23**	**11**	**(377)**	**101**	**323**
Add back:						
Depreciation and amortization	1,170	67	8	(341)	—	904
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(101)	(101)
Other operating income (expenses), net	(10)	—	(21)	(1)	—	(31)
EBITDA (ii)	**1,725**	**91**	**(2)**	**(719)**	**—**	**1,096**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**1,725**	**90**	**(2)**	**(719)**	**—**	**1,095**
Capital expenditure (iii)	(692)	(32)	(7)	191	—	(541)
Changes in working capital and others (iv) (viii)	14	2	(24)	(38)	—	(46)
Taxes paid	(196)	(8)	(1)	97	—	(108)
Operating free cash flow (v)	**852**	**52**	**(33)**	**(470)**	**—**	**400**
Total Assets (vi)	**13,185**	**915**	**4,338**	**(5,241)**	**(868)**	**12,330**
Total Liabilities	**8,680**	**945**	**3,598**	**(2,155)**	**(1,004)**	**10,063**

4. SEGMENT INFORMATION (Continued)

Three months ended September 30, 2021 (in millions of U.S. dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	840	84	—	(378)	—	546
Cable and other fixed services revenue	568	2	—	(94)	—	477
Other revenue	18	—	—	(3)	—	15
Service revenue (i)	**1,427**	**87**	**—**	**(475)**	**(1)**	**1,038**
Telephone and equipment revenue (i)	121	—	—	(66)	—	55
Revenue	**1,548**	**87**	**—**	**(541)**	**(1)**	**1,093**
Operating profit (loss)	**269**	**5**	**24**	**(158)**	**57**	**197**
Add back:						
Depreciation and amortization	357	21	3	(112)	—	269
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(56)	(56)
Other operating income (expenses), net	(3)	—	(25)	—	—	(29)
EBITDA (ii)	**622**	**26**	**2**	**(270)**	**—**	**380**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**622**	**26**	**2**	**(270)**	**—**	**380**
Capital expenditure (iii)	(237)	(8)	(4)	77	—	(173)
Changes in working capital and others (iv)	40	1	(6)	(22)	—	12
Taxes paid	(54)	(9)	(1)	35	—	(30)
Operating free cash flow (v)	**371**	**10**	**(10)**	**(181)**	**—**	**189**

4. SEGMENT INFORMATION (Continued)

Three months ended September 30, 2020 (in millions of U.S. dollars)	**Latin America**	**Africa**	**Unallocated**	**Guatemala and Honduras (vii)**	**Eliminations and transfers**	**Total**
Mobile revenue	790	92	—	(360)	—	522
Cable and other fixed services revenue	513	2	—	(76)	—	439
Other revenue	15	—	—	(2)	—	13
Service revenue (i)	**1,318**	**94**	**—**	**(438)**	**—**	**974**
Telephone and equipment revenue (i)	126	—	—	(75)	—	52
Revenue	**1,445**	**94**	**—**	**(512)**	**—**	**1,026**
Operating profit (loss)	**194**	**9**	**(1)**	**(128)**	**22**	**97**
Add back:						
Depreciation and amortization	394	22	2	(114)	—	305
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(22)	(22)
Other operating income (expenses), net	(7)	1	(1)	—	—	(9)
EBITDA (ii)	**581**	**32**	**(1)**	**(242)**	**—**	**371**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**581**	**32**	**(1)**	**(242)**	**—**	**370**
Capital expenditure (iii)	(223)	(13)	(2)	73	—	(165)
Changes in working capital and others (iv) (viii)	(19)	1	79	(19)	—	42
Taxes paid	(100)	(3)	—	39	—	(65)
Operating free cash flow (v)	**238**	**17**	**76**	**(149)**	**—**	**183**

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

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

(iii) *Excluding spectrum and licenses of $25 million (2020: $95 million).*

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

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

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

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

(viii) *Represented for an intercompany transaction between Latin America and HQ*

4. SEGMENT INFORMATION (Continued)

Revenue from contracts with customers from continuing operations

in millions of U.S. dollars	Timing of revenue recognition	Nine months ended September 30, 2021			Nine months ended September 30, 2020			Three months ended September 30, 2021			Three months ended September 30, 2020		
		Latin America	Africa	Total Group	Latin America	Africa	Total Group	Latin America	Africa	Total Group	Latin America	Africa	Total Group
Mobile	Over time	1,346	170	1,516	1,282	177	1,459	453	59	511	421	60	481
Mobile Financial Services	Point in time	27	87	114	22	86	108	9	26	35	8	32	40
Cable and other fixed services	Over time	1,425	7	1,432	1,336	6	1,342	474	2	477	438	2	439
Other	Over time	44	—	44	37	1	38	15	—	15	13	—	14
Service Revenue		**2,842**	**264**	**3,107**	**2,678**	**269**	**2,947**	**951**	**87**	**1,038**	**881**	**94**	**974**
Telephone and equipment	Point in time	164	—	164	136	—	136	55	—	55	51	—	51
Revenue from contracts with customers		**3,006**	**264**	**3,270**	**2,814**	**269**	**3,083**	**1,006**	**87**	**1,093**	**932**	**94**	**1,026**

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

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

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Change in fair value of derivatives (Note 13)	2	(5)	—	1
Change in fair value in investment in Jumia (Note 14)	—	(18)	—	—
Change in fair value in investment in Helios Towers (Note 14)	18	(22)	—	23
Change in value of call option and put option liability (Note 13)	(26)	8	—	—
Exchange gains (losses), net	(35)	(113)	(21)	(34)
Other non-operating income (expenses), net	2	2	1	—
Total	**(37)**	**(147)**	**(20)**	**(10)**

6. EARNINGS PER COMMON SHARE

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

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Basic and Diluted				
Net profit (loss) attributable to equity holders from continuing operations	(52)	(279)	5	(43)
Net profit (loss) attributable to equity holders from discontinued operations	—	(9)	—	(8)
Net profit/(loss) attributable to all equity holders to determine the basic earnings (loss) per share	(53)	(288)	5	(51)
in thousands				
Weighted average number of ordinary shares for basic and diluted earnings per share	101,408	101,158	101,348	101,201
in U.S. dollars				
Basic and diluted				
EPS from continuing operations attributable to owners of the Company	(0.52)	(2.76)	0.05	(0.42)
EPS from discontinued operations attributable to owners of the Company	—	(0.09)	—	(0.08)
EPS for the period attributable to owners of the Company	(0.52)	(2.85)	0.05	(0.50)

7. INVESTMENTS IN JOINT VENTURES

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

At September 30, 2021, the carrying value of the Group's investment in AirtelTigo Ghana joint venture is zero and is therefore not shown in the table below (see note 15 for further details on the disposal of our stake in the AirtelTigo joint venture in Ghana).

At September 30, 2021, the equity accounted net assets of Millicom's joint ventures in Guatemala and Honduras totaled $2,992 million (December 31, 2020: $3,072 million). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and previously unrecognized assets and assumed liabilities recognized as part of the purchase accounting). Out of a total reserve of $297 million (December 31, 2020: $278 million), $164 million (December 31, 2020: $153 million) represent statutory reserves that are unavailable to be distributed to the Group. During the nine-month period ended September 30, 2021, Millicom's joint ventures paid $13 million (December 31, 2020: $71 million) as dividends or dividend advances to the Company.

	2021	
in millions of U.S. dollars	**Guatemala(i)**	**Honduras (i)**
Opening Balance at January 1, 2020	**2,031**	**610**
Results for the period	164	21
Dividends declared during the period	(201)	(34)
Currency exchange differences	3	1
Closing Balance at September 30, 2021	**1,998**	**598**

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

8. PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended September 30, 2021, Millicom added property, plant and equipment for $450 million (September 30, 2020: $388 million) and received $6 million from disposal of property, plant and equipment (September 30, 2020: $6 million).

9. INTANGIBLE ASSETS

During the nine-month period ended September 30, 2021, Millicom added intangible assets for $98 million of which $10 million related to spectrum and licenses, and $89 million to additions of other intangible assets (September 30, 2020: $497 million out of which $427 million related to spectrum and licenses and $70 million to additions of intangible assets) and did not receive any proceeds from disposal of intangible assets (September 30, 2020: nil).

10. FINANCIAL OBLIGATIONS

A. Debt and financing

The most significant movements in debt and financing for the nine-month period ended September 30, 2021 were as follows:

Luxembourg

On September 22, 2021, Millicom announced the early participation exchange results from its offer dated September 8, 2021; $302.1 million of the 6.625% Notes due 2026 were exchanged for $307.5 million of the 4.5% Notes due 2031 (at 101.812% exchange ratio). The gain of $15 million, derived from applying the "modification accounting" under IFRS 9 to this exchange, has been recorded under "Interest and other financial income" in the statement of income during the nine-month period ended September 30, 2021. Transaction costs attributable to this exchange amount to approximately $4 million.

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. This redemption followed Millicom's announcement dated February 11, 2021. Total consideration of approximately $180 million was funded from cash, consistent with the Company's decision to prioritize debt reduction. The redemption premium of $5 million and the accelerated amortization of the upfront costs of $3 million, have been recorded in the line "Interest and other financial expenses" in the statement of income during the nine-month period ended September 30, 2021.

Colombia

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

Panama

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

On August 31, 2021, Cable Onda executed an agreement with Bank of Scotia for $75 million at 3.5% fixed rate. The facility was used to repay Cable Onda's remaining $75 million under the 5.75% local bond, which was initially due on September 3, 2025.

El Salvador

On July 1, 2021 Telemovil El Salvador S.A. repaid the remaining outstanding balance of $18 million of principal under a credit facility dated June 3, 2016 entered into with Citibank, as lender, and the Company as guarantor.

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 September 30, 2021**	**December 31, 2020**
Due within:		
One year	95	113
One-two years	377	107
Two-three years	505	439
Three-four years	445	811
Four-five years	310	467
After five years	3,534	3,755
Total debt and financing	**5,267**	**5,691**

As at September 30, 2021, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit or guarantees was $299 million (December 31, 2020: $287 million).

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at September 30, 2021 and December 31, 2020.

in millions of U.S. dollars	Bank and financing guarantees (i) As at September 30, 2021	Bank and financing guarantees (i) As at December 31, 2020	Supplier's guarantees As at September 30, 2021	Supplier's guarantees As at December 31, 2020
Terms	**Outstanding and Maximum exposure**		**Outstanding and Maximum exposure**	
0-1 year	74	59	51	—
1-3 years	225	227	—	—
3-5 years	—	—	—	—
More than 5 years	—	—	—	—
Total	**299**	**287**	**51**	**—**

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

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

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Interest expense on bonds and bank financing	(247)	(288)	(80)	(93)
Interest expense on leases	(94)	(117)	(19)	(39)
Early redemption charges	(5)	—	—	—
Others	(42)	(52)	(13)	(9)
Total interest and other financial expenses	**(389)**	**(457)**	**(112)**	**(141)**

11. COMMITMENTS AND CONTINGENCIES

Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits, legal, regulatory, commercial and other legal risks that arise in the normal course of business. As of September 30, 2021, the total amount of claims brought against Millicom and its subsidiaries is $244 million (December 31, 2020: $288 million). The Group's share of the comparable exposure for joint ventures is $8 million (December 31, 2020: $14 million).

As at September 30, 2021, $42 million has been provisioned by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2020: $45 million). The Group's share of provisions made by the joint ventures was $1 million (December 31, 2020: $3 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

Taxation

At September 30, 2021, the tax risks exposure of the Group's subsidiaries is estimated at $274 million, for which provisions of $47 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (December 31, 2020: $339 million of which provisions of $77 million were recorded). The Group's share of comparable tax exposure and provisions in its joint ventures amounts to $83 million (December 31, 2020: $69 million) and $7 million (December 31, 2020: $7 million), respectively. During the third quarter of 2021, due to tax audit closure in Tanzania, the Group has released tax risk contingencies amounting to $26 million which were considered as 'possible' and has also recorded the reversal of a $30 million provision for claims no longer deemed as 'probable'.

Capital commitments

At September 30, 2021, the Company and its subsidiaries had fixed commitments to purchase network equipment, other fixed assets and intangible assets of $747 million of which $528 million are due within one year (December 31, 2020: $564 million of which $400 million are due within one year). The Group's share of commitments in the joint ventures is $92 million and $85 million. (December 31, 2020: $69 million and $52 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties:

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Expenses				
Purchases of goods and services from Miffin	(150)	(157)	(50)	(53)
Purchases of goods and services from EPM	(29)	(27)	(10)	(8)
Other expenses	(15)	(11)	(5)	(5)
Total	**(194)**	**(194)**	**(65)**	**(66)**

in millions of U.S. dollars	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Income / gains				
Sale of goods and services to Miffin	268	237	90	82
Sale of goods and services to EPM	11	11	3	4
Other income / gains	2	2	1	1
Total	**280**	**249**	**95**	**86**

The Group had the following balances with related parties:

in millions of U.S. dollars	As at September 30, 2021	As at December 31, 2020
Liabilities		
Payables to Guatemala joint venture(i)	46	231
Payables to Honduras joint venture(ii)	70	103
Payables to AirtelTigo Ghana(iii)	33	—
Payables to EPM	14	20
Payables to Panama non-controlling interests	1	1
Other accounts payable	1	1
Total	**164**	**356**

(i) *Interest bearing shareholder loans of which $1 million are due after more than one year.*

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

(iii) *As of September 30, 2021, $32.5 million, out of a total commitment of $37.5 million, remain outstanding as a result of the transfer of shares of AirtelTigo Ghana to the Government of Ghana (see note 16). The total commitment has been provided for in the statement of income under "Profit (loss) from other joint ventures and associates, net".*

12. RELATED PARTY TRANSACTIONS (Continued)

in millions of U.S. dollars	As at September 30, 2021	As at December 31, 2020
Assets		
Receivables from Guatemala joint venture (i)	13	206
Receivables from Honduras joint venture	63	84
Receivables from EPM	3	3
Receivables from Panama non-controlling interests	2	1
Other accounts receivable	5	5
Total	**85**	**299**

(i) As of September 30, 2021, the Guatemala joint venture has prepaid the entire $193 million Millicom's shareholder loan granted in October 2020 and originally repayable by January 13, 2022, at the latest.

13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at September 30, 2021 and December 31, 2020:

in millions of U.S. dollars	Carrying value		Fair value	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Financial liabilities				
Debt and financing	5,267	5,691	5,457	5,572

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

Derivative financial instruments

Currency and interest rate swap contracts

MIC S.A. entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the SEK 2 billion (approximately $228 million) senior unsecured sustainability bond issued in May 2019. These swaps are accounted for as cash flow hedges as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is May 2024. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At September 30, 2021, the fair values of the swaps amount to an asset of $10 million (December 31, 2020: an asset of $23 million).

Colombia, El Salvador and Costa Rica operations have also entered into several swap agreements in order to hedge foreign currency and interest rate risks on certain long term debts. These swaps are accounted for as cash flow hedges and related fair value changes are recorded through other comprehensive income. At September 30, 2021, the fair value of El Salvador amount to a liability of $2 million (December 31, 2020: a liability of $3 million), Costa Rica swaps amount to a liability of $1 million and an asset of $1 million (December 31, 2020: liability of $5 million and an asset of $1 million) and the fair value of Colombia swap amount to an asset of $10 million (December 31, 2020: a liability of $7 million).

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

Call and put options - Panama

As of September 30, 2021, the put option liability is valued at $285 million (December 31, 2020: $262 million) (being the higher of the value of the 'Transaction Price' put option and fair market value - for further details refer to the Group's 2020 consolidated financial statements). Changes in the value of the put option liability are recorded in the Group's statement of income under 'other non-operating (expenses) income, net' (see note 5).

The call option, having a strike price at initial Transaction price +10% interest p.a (exercisable from June 14, 2022 to July 14, 2022), has been valued at $0.2 million

There are no other derivative financial instruments with a significant fair value at September 30, 2021.

14. EQUITY INVESTMENTS

As at December 31, 2020, Millicom held an investment in equity instruments of Helios Towers ("HT") amounting to $160 million. The investment was measured at fair value through profit and loss under IFRS 9 and changes were shown under 'Other non-operating (expenses) income, net' (see note 5).

In June 2021, Millicom disposed of its remaining 76 million shares it owned in HT for a total net consideration of GBP 115 million ($163 million), triggering a net loss on disposal of $15 million, recorded under 'other operating income (expenses), net'. In total, starting June 2020, Millicom sold 162 million shares it held in HT, yielding total proceeds of GBP 244 million ($383 million). Following these disposals, Millicom has no remaining ownership in HT.

In the course of June 2020, Millicom disposed of its entire stake in Jumia (approximately 6%) for a total net consideration of $29 million, triggering a net gain on disposal of $15 million recorded in the statement of income for the nine-month period ended September 30, 2020 under 'other operating income (expenses), net'.

15. MILLICOM'S OPERATIONS IN TANZANIA

Tanzania divestiture

On April 19, 2021, Millicom agreed to sell its entire operations in Tanzania to a consortium led by Axian, a pan-African group that was part of the consortium that acquired Millicom's operations in Senegal in 2018. The Group is still awaiting the necessary regulatory approvals in order to complete the disposal.

IPO – Tanzania

The Tanzanian government has implemented legislation requiring telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25% of their shares in a Tanzanian public offering. The Group is currently seeking to reach an agreement with the Tanzanian government regarding the conditions of the IPO, taking into account the proposed sale of Millicom's Tanzanian operation.

16. SUBSEQUENT EVENTS

Ghana's divestiture

On October 13, 2021, Millicom, along with its joint venture partner Bharti Airtel Limited, closed the disposal of AirtelTigo Ghana to the Government of Ghana. As part of the closing conditions, each partner committed up to $37.5 million for the reimbursement of certain local bank facilities. As of September 30, 2021, $32.5 million remain unpaid (see note 12).

Financing

On October 1, 2021, Telecel issued a PYG400,000 million bond (approximately $58 million using September 30, 2021 exchange rate) in three series with fixed interest rates between 6% to 7.5% and a repayment period from 5 to 10 years.

On October 25, 2021, Millicom Cable Costa Rica S.A. repaid a $120 million syndicated loan which was initially due on 2023 with the proceeds of a new loan, executed on October 22, 2021 which was disbursed on October 25, 2021 for an amount of $125 million. The latter has 2 tranches, a USD $33 million tranche and a local currency tranche for an amount equivalent to US$92 million. Cross currency swaps used to hedge the previous interest and principal on the previous loan were terminated.

Finally, in October 2021, Tigo Bolivia signed additional credit facilities for a total amount of approximately $26 million with a repayment period between 2.5 and 5 years.