Unaudited Interim Condensed Consolidated Financial Statements

For the three- and nine-month periods ended September 30, 2020

October 30, 2020

Unaudited interim condensed consolidated statement of income for the three- and nine-month periods ended September 30, 2020

in millions of U.S dollars except per share data	Notes	Nine months ended September 30, 2020	Nine months ended September 30, 2019 (i)	Three months ended September 30, 2020	Three months ended September 30, 2019 (i)
Continuing Operations					
Revenue	5	3,083	3,186	1,026	1,097
Cost of sales		(887)	(891)	(286)	(302)
Gross profit		**2,196**	**2,295**	**740**	**795**
Operating expenses		(1,101)	(1,189)	(369)	(392)
Depreciation	3	(660)	(612)	(217)	(203)
Amortization		(244)	(191)	(88)	(69)
Share of profit in the joint ventures in Guatemala and Honduras (ii)	15	101	137	22	46
Other operating income (expenses), net	14	31	7	9	(1)
Operating profit	5	**323**	**446**	**97**	**176**
Interest and other financial expenses	10	(457)	(407)	(141)	(135)
Interest and other financial income		8	15	1	7
Other non-operating (expenses) income, net	6	(147)	(82)	(10)	(127)
Profit (loss) from other joint ventures and associates, net		—	(31)	1	(17)
Profit (loss) before taxes from continuing operations		**(272)**	**(59)**	**(53)**	**(96)**
Tax (charge) credit, net		(48)	(89)	1	(47)
Profit (loss) from continuing operations		**(320)**	**(148)**	**(51)**	**(143)**
Profit (loss) from discontinued operations, net of tax	4	(9)	60	(8)	(4)
Net profit (loss) for the period		**(329)**	**(88)**	**(59)**	**(147)**
Attributable to:					
Owners of Millicom		(288)	(73)	(51)	(131)
Non-controlling interests		(40)	(15)	(9)	(16)
(Loss)/Earnings per common share for net profit/ (loss) attributable to the owners of the Company:					
Basic and Diluted ($ per share) (iii)	7	(2.85)	(0.73)	(0.50)	(1.30)

(i) Restated for finalization of purchase accounting for Cable Onda acquisition (see note 3).

(ii) Includes an $18 million charge related to early redemption of bonds (see Note 10)

(iii) 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, 2020

in millions of U.S dollars	Nine months ended September 30, 2020	Nine months ended September 30, 2019 (i)	Three months ended September 30, 2020	Three months ended September 30, 2019 (i)
Net profit (loss) for the period	(329)	(88)	(59)	(147)
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:				
Exchange differences on translating foreign operations	(82)	(37)	(8)	(51)
Change in value of cash flow hedges, net of tax effects	(4)	(18)	2	(7)
Other comprehensive income (not to be reclassified to statement of income in subsequent periods), net of tax:				
Total comprehensive income (loss) for the period	**(415)**	**(143)**	**(66)**	**(205)**
Attributable to				
Owners of the Company	(356)	(121)	(54)	(180)
Non-controlling interests	(59)	(23)	(11)	(26)

Total comprehensive income for the period arises from:				
Continuing operations	(407)	(203)	(57)	(201)
Discontinued operations	(8)	60	(8)	(4)

(i) Restated for finalization of purchase accounting for Cable Onda acquisition (see note 3).

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

Unaudited interim condensed consolidated statement of financial position as at September 30, 2020

in millions of U.S dollars	Notes	September 30, 2020	December 31, 2019(i)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	9	3,375	3,195
Property, plant and equipment, net	8	2,559	2,899
Right of use assets		874	1,012
Investments in joint ventures	15	2,649	2,797
Investments in associates		25	25
Contract costs, net		4	5
Deferred tax assets		227	200
Derivative financial instruments	13	13	—
Other non-current assets	12	104	104
TOTAL NON-CURRENT ASSETS		**9,829**	**10,238**
CURRENT ASSETS			
Inventories		47	32
Trade receivables, net	2	338	371
Contract assets, net		33	41
Amounts due from non-controlling interests, associates and joint ventures	12	23	29
Prepayments and accrued income		180	156
Current income tax assets		91	119
Supplier advances for capital expenditure		24	22
Equity investments	14	260	371
Other current assets		188	192
Restricted cash		170	155
Cash and cash equivalents		1,144	1,164
TOTAL CURRENT ASSETS		**2,498**	**2,652**
Assets held for sale	4	2	5
TOTAL ASSETS		**12,330**	**12,895**

(i) Restated for finalization of purchase accounting for Nicaragua and Panama acquisitions (see note 3).

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

Unaudited interim condensed consolidated statement of financial position as at September 30, 2020 (continued)

in millions of U.S dollars	Notes	September 30, 2020	December 31, 2019(i)
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium		630	633
Treasury shares		(30)	(51)
Other reserves		(617)	(544)
Retained profits		2,365	2,222
Profit (loss) for the period attributable to equity holders		(288)	149
Equity attributable to owners of the Company		**2,059**	**2,410**
Non-controlling interests		207	271
TOTAL EQUITY		**2,266**	**2,680**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	10	5,791	5,786
Lease liabilities	10	876	988
Derivative financial instruments	13	11	17
Amounts due to non-controlling interests, associates and joint ventures	12	219	337
Payables and accruals for capital expenditure	9	439	61
Provisions and other non-current liabilities		302	322
Deferred tax liabilities		223	285
TOTAL NON-CURRENT LIABILITIES		**7,863**	**7,797**
CURRENT LIABILITIES			
Debt and financing	10	114	186
Lease liabilities	10	116	107
Put option liability	13	268	264
Payables and accruals for capital expenditure		228	348
Other trade payables		267	289
Amounts due to non-controlling interests, associates and joint ventures	12	117	161
Accrued interest and other expenses		448	432
Current income tax liabilities		84	75
Contract liabilities		93	82
Provisions and other current liabilities		468	474
TOTAL CURRENT LIABILITIES		**2,200**	**2,417**
Liabilities directly associated with assets held for sale	4	—	—
TOTAL LIABILITIES		**10,063**	**10,215**
TOTAL EQUITY AND LIABILITIES		**12,330**	**12,895**

(i) Restated for the finalization of purchase accounting for Nicaragua and Panama acquisitions (see note 3).

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

Unaudited interim condensed consolidated statement of cash flows for the nine-month period ended September 30, 2020

in millions of U.S dollars	Notes	September 30, 2020	September 30, 2019 (i)
Cash flows from operating activities (including discontinued operations)			
Profit (loss) before taxes from continuing operations		(272)	(59)
Profit (loss) before taxes from discontinued operations	4	(9)	62
Profit (loss) before taxes		**(281)**	**2**
Adjustments to reconcile to net cash:			
Interest expense on leases		117	113
Interest expense on debt and other financing		340	295
Interest and other financial income		(8)	(15)
Adjustments for non-cash items:			
Depreciation and amortization	5	904	814
Share of net profit in Guatemala and Honduras joint ventures		(101)	(137)
(Gain) on disposal and impairment of assets, net	4, 14	(22)	(81)
Share based compensation		20	22
Loss from other joint ventures and associates, net		—	31
Other non-cash non-operating (income) expenses, net	6	147	82
Changes in working capital:			
Decrease (increase) in trade receivables, prepayments and other current assets, net		(90)	(143)
Increase (decrease) in inventories		(18)	(6)
Increase (decrease) in trade and other payables, net		35	(25)
Changes in contract assets, liabilities and costs, net		7	(1)
Total changes in working capital		**(66)**	**(175)**
Interest paid on leases		(111)	(103)
Interest paid on debt and other financing		(313)	(257)
Interest received		8	12
Taxes paid	5	(108)	(73)
Net cash provided by operating activities		**525**	**532**
Cash flows from (used in) investing activities (including discontinued operations):			
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	3	3	(1,013)
Proceeds from disposal of subsidiaries and associates, net of cash disposed	4	10	110
Purchase of intangible assets and licenses	9	(201)	(144)
Purchase of property, plant and equipment	8	(440)	(526)
Proceeds from sale of property, plant and equipment	8	6	21
Proceeds from disposal of equity investment, net of costs	14	91	—
Dividends and dividend advances received from joint ventures	15	67	181
Cash (used in) provided by other investing activities, net		19	14
Net cash used in investing activities		**(446)**	**(1,357)**

Unaudited interim condensed consolidated statement of cash flows for the nine-month period ended September 30, 2020 (continued)

Cash flows from financing activities (including discontinued operations):			
Proceeds from debt and other financing	10	810	2,106
Repayment of debt and other financing	10	(783)	(923)
Lease capital repayment		(83)	(82)
Advances and dividends paid to non-controlling interests		(5)	(12)
Share repurchase program		(10)	—
Dividends paid to owners of the Company		—	(133)
Net cash provided by (used in) financing activities		**(71)**	**955**
Exchange impact on cash and cash equivalents, net		(28)	(16)
Net (decrease) increase in cash and cash equivalents		**(20)**	**114**
Cash and cash equivalents at the beginning of the year		1,164	528
Effect of cash in disposal group held for sale	4	—	(9)
Cash and cash equivalents at the end of the period		**1,144**	**633**

(i) Restated for the finalization of purchase accounting for Cable Onda acquisition (see note 3).

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

Unaudited interim condensed consolidated statements of changes in equity for the nine-month period ended September 30, 2020 and the nine-month period ended September 30, 2019

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, 2018	**101,739**	**(914)**	**153**	**482**	**(81)**	**2,525**	**(538)**	**2,542**	**251**	**2,792**
Total comprehensive income for the period(i)	—	—	—	—	—	(73)	(47)	(121)	(23)	(143)
Dividends	—	—	—	—	—	(268)	—	(268)	—	(268)
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(1)	(1)
Purchase of treasury shares	—	(120)	—	—	(11)	3	—	(7)	—	(7)
Share based compensation	—	—	—	—	—	—	22	22	1	23
Issuance of shares under share-based payment schemes	—	437	—	(2)	39	(12)	(24)	1	—	1
Balance on September 30, 2019 (ii)	**101,739**	**(596)**	**153**	**480**	**(53)**	**2,176**	**(587)**	**2,168**	**228**	**2,396**
Balance on December 31, 2019 (ii)	**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	—	—	—	—	—	—	—	—	—	—
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(5)	(5)
Purchase of treasury shares (iii)	—	(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**

(i) Retained profits – includes profit for the period attributable to equity holders, of which at September 30, 2020, $305 million (2019: $306 million; 2018: $324 million) are not distributable to equity holders.

(ii) Restated for the finalization of purchase accounting for the latest acquisitions (see note 3).

(iii) During the nine-month period ended September 30, 2020, Millicom repurchased 350,000 shares for a total amount of $10 million and withheld approximately 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 29, 2020, 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 and as adopted by the European Union. In the opinion of management, these unaudited interim condensed consolidated financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. Millicom's operations are not affected by significant seasonal or cyclical patterns.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the period ended December 31, 2019. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the December 31, 2019 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*

On March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Most countries globally, including a majority of the countries where we operate, reacted by implementing severe restrictions on travel and public gatherings, including the closing of offices, businesses, schools, retail stores and other public venues, and by instituting curfews or quarantines. These restrictions, as well as the dangers posed by the virus, produced a significant reduction in mobility and a severe disruption in global economic activity, the effect of which was felt in our markets beginning in mid-March 2020.

Impact on our markets and business

Most governments in our markets implemented restrictions beginning in mid-March, and these were generally maintained throughout April, with some gradual relaxation of measures beginning in late May and June. According to data compiled by the University of Oxford, the lockdowns in the vast majority of our markets were among the most stringent in the world. As a result, many of our stores and distribution channels were forced to close temporarily and a majority of our markets experienced very sharp reductions in mobility during the second quarter. This produced an immediate and significant decline in our prepaid mobile business. Since then, most of the governments in the countries in which we operate have gradually eased these restrictions and we have seen a corresponding increase in the mobility of people. Our prepaid mobile business was affected much faster than postpaid, and recovery has also been significantly quicker.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

Impact of the crisis on accounting matters

As a consequence of this crisis, Millicom had identified potential significant accounting implications in the following areas:

- Impairment of non-financial assets/goodwill/investments in joint ventures

  As a result of this crisis, Millicom have noticed reduced economic activity across the countries where it operates, and its operations are suffering lower revenues, EBITDA and margins, which might indicate potential impairments.

  In the third quarter of the year, our operations have shown encouraging signs of recovery and are actually over performing the forecasts used by management to carry out the impairment test as of June 30, 2020. The discount rates have also significantly decreased since the declaration of the outbreak and they have gradually returned to pre-pandemic levels. There were therefore no such indicators requiring management to carry out another impairment test for Q3.

- Impairment of trade receivables

  During Q2 2020, and as a result of worsening collections, the Group had recognised additional bad debt provisions for an amount of $32 million compared to the level of provisions recorded during Q1 2020 (pre-pandemic level) and $33 million compared to Q2 2019. However, collections have significantly improved during Q3 2020 and bad debt levels have returned to their pre-pandemic level comparing to Q1 2020. As of September 30, 2020, the total bad debt provisions cover close to 100% of the receivables overdue by more than 90 days.

- Revenue recognition

  For countries previously restricted from disconnecting non paying customers, such as El Salvador and Bolivia, the Group established a policy whereby operations stopped recognizing revenue after a certain number of invoices remained unpaid (usually 3 invoices - as these customers would be disconnected after 3 unpaid invoices in normal circumstances). The Group believed it was unlikely that it would collect the overdue invoiced amounts from these subscribers i.e. the 'Covid subscribers'. From that moment onwards after consideration of the guidance under IFRS 15.13, for 'Covid subscribers' the Group had only recognized revenue up to an amount equal to the consideration (cash) as and when received. Noteworthy, all our operations were finally allowed to apply a Lifeline product for non-paying customers, with El Salvador and Bolivia being the latest to be able to apply it as from mid-2020.

  As mentioned above, our markets and operations showed encouraging signs of recovery, and therefore any unrecognized revenue during Q3 has been offset with the invoicing effect of prior unrecognized revenue. For the nine-month period ended September 30, 2020, the Group invoiced but unrecognized revenue amounts to $4.2 million,

III. New and amended IFRS standards

The following changes to standards effective for annual periods starting on January 1, 2020 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 the conceptual framework. The IASB has revised its conceptual framework.
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform.
- Amendments to IFRS 3 - definition of a business. This amendment revises the definition of a business.
- Amendment to IFRS 16, 'Leases' - COVID 19 Rent Concessions - effective for annual periods starting on June 1, 2020. This amendment provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

- IFRS 17, 'Insurance contracts' - effective for annual periods starting on January 1, 2023- IFRS 17 will not have an impact for the Group. IFRS 17 has not been yet endorsed by the EU.
- Amendments to IFRS 4 'Insurance contracts' (deferral of effective date of IFRS 9) - effective for annual periods starting on January 1, 2021- These amendments extend the effective date to apply IFRS 9 for insurance contracts to January 1, 2023 in order to align with the effective date of IFRS 7. These amendments have not been endorsed by the EU and will not have an impact for the Group.
- Amendments to IAS 1, 'Presentation of Financial Statements' - effective for annual periods starting on January 1, 2023- This amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. This amendment has not yet been endorsed by the EU.
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform - Phase 2 - effective for annual periods starting on January 1, 2021. The amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. The amendments are still subject to EU endorsement.
- Amendments to
    - 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

  All of these amendments are effective for annual periods starting on January 1, 2022. These amendments have not yet been endorsed by the EU.

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

Acquisitions 2020

There were no acquisitions in 2020.

Acquisitions 2019

On February 20, 2019, MIC S.A., Telefonica Centroamerica and Telefonica S.A. entered into 3 separate share purchase agreements (the "Telefonica CAM Acquisitions") pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefonica Moviles Panama, S.A., a company incorporated under the laws of Panama, from Telefonica Centroamerica (the "Panama Acquisition"), 100% of the shares of Telefonica de Costa Rica TC, S.A., a company incorporated under the laws of Costa Rica, from Telefonica (the "Costa Rica Acquisition") and 100% of the shares of Telefonia Celular de Nicaragua, S.A., a company incorporated under the laws of Nicaragua, from Telefonica Centroamerica (the "Nicaragua Acquisition"). The Telefonica CAM Acquisitions Share Purchase Agreements contain customary representations and warranties and termination provisions. While Millicom completed both acquisitions in Nicaragua and Panama, it announced on May 1, 2020 that it had terminated the Share Purchase Agreement in relation to the Costa Rica Acquisition (see note 11). The aggregate purchase price for the Telefonica Panama and Nicaragua Acquisitions was $1.08 billion, which have been subject to purchase price adjustments.

The finalization of the purchase accounting for the recent acquisitions had an effect on the following financial statements line items on the statement of financial position as of December 31, 2019:

(in millions of U.S dollars)	December 31, 2019 As reported	Impact of finalization/update of purchase accounting of Nicaragua	Panama	December 31, 2019 Restated	Reason for the change
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Intangible assets, net	3,219	(4)	(20)	3,195	(i)
Property, plant and equipment, net	2,883	—	17	2,899	(ii)
Right-of-use asset (non-current)	977	—	34	1,012	(ii)
Other current assets	181	4	7	192	(iii)
LIABILITIES					
Lease liabilities (non-current)	967	—	22	988	(ii)
Lease liabilities (current)	97	—	11	107	(ii)
Deferred tax liabilities	279	—	6	285	(iv)
EQUITY					
Retained profits	2,222			2,222	
Non-controlling interests	271			271	

(i) Impact on goodwill resulting from the adjustments explained below for Nicaragua and Panama.

(ii) See Panama section below. Mainly relates to lease accounting policy alignment, final property, plant and equipment step-up and final purchase price adjustment.

(iii) See Nicaragua and Panama section below. Reflects the final price adjustment agreed for Nicaragua and Panama.

(iv) Deferred tax impact of these previously explained adjustments.

The impact of the finalization of Nicaragua and Panama's purchase accounting on the 2019 Group statement of income is immaterial. Therefore, no adjustments were made in that respect on comparative figures.

Further details of Nicaragua and Panama acquisitions are provided below.

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

Nicaragua Acquisition

This transaction closed on May 16, 2019 after receipt of the necessary approvals and, since that date, Millicom holds all voting rights in Telefonia Celular de Nicaragua ("Nicaragua") and controls it. On the same day, Millicom paid a cash consideration of $437 million, which was adjusted to $430 million as of December 31, 2019 and finally adjusted to $426 million. For the purchase accounting, Millicom determined the final fair values of Nicaragua's identifiable assets and liabilities based on transaction and relative fair values. The purchase accounting has been finalized by May 16, 2020 and has not materially changed since December 31, 2019, with the exception of the final price adjustment.

The final purchase accounting and differences compared to the provisional fair values reported as at December 31, 2019 are shown below:

(in millions of U.S dollars)	Provisional Fair values (100%)	Final Fair values (100%)	Differences
Intangible assets (excluding goodwill) (i)	131	131	—
Property, plant and equipment (ii)	149	149	—
Right of use assets (iii)	131	131	—
Other non-current assets	2	2	—
Current assets (excluding cash) (iv)	23	23	—
Trade receivables (v)	17	17	—
Cash and cash equivalents	7	7	—
Total assets acquired	**459**	**459**	**—**
Lease liabilities (iii)	131	131	—
Other liabilities (vi)	118	118	—
Total liabilities assumed	**249**	**249**	**—**
Fair value of assets acquired and liabilities assumed, net	**210**	**210**	**—**
Acquisition price	430	426	(4)
Goodwill	**220**	**216**	**(4)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of $81 million, with estimated useful lives ranging from 4 to 10 years. In addition, a fair value step-up of $39 million on the spectrum held by Nicaragua has been recognized, with a remaining useful life of 14 years.

(ii) A fair value step-up of $39 million has been recognized on property, plant and equipment, mainly on the core network ($25 million) and owned buildings ($8 million). The expected remaining useful lives were estimated at 6-7 years on average.

(iii) The Group measured the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date. The right-of-use assets have been adjusted by $7 million to be measured at the same amount as the lease liabilities.

(iv) Current assets include indemnification assets for tax contingencies at fair value for an amount of $11 million - see (vi) below.

(v) The fair value of trade receivables acquired was $17 million.

(vi) Other liabilities include the fair value of certain possible tax contingent liabilities for $1 million and a deferred tax liability of $50 million resulting from the above adjustments

Panama Acquisition

This transaction closed on August 29, 2019 after receipt of the necessary approvals and, since that date, Cable Onda, which is 80% owned by Millicom, holds all voting rights in Telefonica Moviles Panama, S.A. ("Panama") and controls it. On the same day, Cable Onda paid a cash consideration of $594 million to acquire 100% of the shares of Panama, finally adjusted to $587 million during Q3 2020. The purchase consideration also includes potential indemnifications from the sellers (including potential tax and litigation contingencies). No non-controlling interests are recognized at acquisition date as Cable Onda acquired 100% of the shares of Panama. However, non-controlling interests are recognized in Panama's results from the date of acquisition.

For the purchase accounting, Millicom determined the fair value of Panama's identifiable assets and liabilities based on transaction and relative fair values. During Q2 and Q3 2020, the Group completed the policy alignment and evaluation in respect of the right-of-use assets and lease liabilities, and the property plant and equipment, as well as their related effect on the final valuation of the fixed assets. The related effects of these adjustments are shown in the table below.

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

The updated provisional purchase accounting and differences compared to the provisional fair values reported as at December 31, 2019 are shown below:

(in millions of U.S dollars)	**Provisional Fair values (100%)**	**Final Fair values (100%)**	**Differences**
Intangible assets (excluding goodwill) (i)	178	182	4
Property, plant and equipment (ii)	110	127	17
Right of use assets (iii)	47	81	34
Other non-current assets	3	3	—
Current assets (excluding cash)	23	23	—
Trade receivables (iv)	21	21	—
Cash and cash equivalents	10	10	—
Total assets acquired	**391**	**446**	**55**
Lease liabilities	48	81	33
Other debt and financing	74	74	—
Other liabilities (v)	101	107	6
Total liabilities assumed	**224**	**262**	**39**
Fair value of assets acquired and liabilities assumed, net	167	184	16
Acquisition price	594	587	(7)
Goodwill	**426**	**403**	**(23)**

(i) Intangible assets not previously recognized at the date of acquisition, are mainly customer lists for an amount of $55 million, with estimated useful lives ranging from 3 to 17 years. In addition, a fair value step-up of $7 million on the spectrum held by Panama has been recognized, with a remaining useful life of 17 years. Finally, a fair value step-up of $3 million has been recognised on certain software.

(ii) A fair value step-up of $17 million has been recognized on property, plant and equipment, mainly on the core network ($11 million) and owned land and buildings ($4 million). The expected remaining useful lives were estimated at 3 to 8 years.

(iii) The accounting policy alignment resulted in an increase in the right-of-use assets and lease liabilities of approximately $30 million. Subsequently, the right-of-use assets have been adjusted by $4 million to be measured at the same amount as the lease liabilities.

(iv) The fair value of trade receivables acquired was $21 million.

(v) Other liabilities include a deferred tax liability of $21 million resulting from the above adjustments

Cable Onda acquisition

The Group finalized Cable Onda's purchase accounting in December 2019 by adjusting the provisional fair values mainly on tangible assets. The impact on the statement of income for the three- and nine-month periods ended September 30, 2019 was mainly on depreciation as an additional charge was recorded for $2 million and $6 million, respectively, compared to what the Group reported last year.

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Summary

Financial information relating to discontinued operations for the three- and nine-month periods ended September 30, 2019 are set out below. The figures shown below are after inter-company eliminations. 2019 figures include Chad only (9 months). There have been no significant movements in 2020 except for those events disclosed at the bottom of the following tables.

Results from Discontinued Operations ($ millions)	**Nine months ended September 30, 2019**	**Three months ended September 30, 2019**
Revenue	50	—
Cost of sales	(14)	—
Operating expenses	(29)	—
Depreciation and amortization	(11)	—
Other operating income (expenses), net	—	—
Gain/(loss) on disposal of discontinued operations	74	—
Other expenses linked to the disposal of discontinued operations	(8)	(4)
Operating profit (loss)	**64**	**(4)**
Interest income (expense), net	(2)	—
Other non-operating (expenses) income, net	—	—
Profit (loss) before taxes	**62**	**(4)**
Credit (charge) for taxes, net	(2)	—
Net profit/(loss) from discontinuing operations	**60**	**(4)**

Cash flows from discontinued operations ($ millions)	**Nine months ended September 30, 2019**
Cash from (used in) operating activities, net	(8)
Cash from (used in) investing activities, net	5
Cash from (used in) financing activities, net	7
Net cash inflows/(outflows)	**5**

Rwanda

On January 31, 2018, Millicom completed the sale of its Rwanda operations to subsidiaries of Bharti Airtel Limited for cash consideration of $51 million. The consideration included a deferred cash payment of $17 million, which was received in Q1 2020.

Chad

In August 2020, the Group and the buyer of our operations in Chad agreed on a final price adjustment of $8 million. This price adjustment was disbursed in September 2020 and recorded under the results from discontinued operations in the Group's statement of income.

5. 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. 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. Honduras and Guatemala are shown under the Latam segment. The joint venture in Ghana is not reported as if fully consolidated.

As from January 1, 2020, Millicom is allocating corporate costs to each segment based on their contribution to underlying revenue, and only non-recurring costs, such as the M&A-related fees incurred in 2019, will remain unallocated going forward. This change in presentation has no impact on Group EBITDA.

In order to facilitate comparisons of September 30, 2020 figures with prior periods, comparative figures have been re-presented to conform with this new segment EBITDA reporting.

Revenue, operating profit (loss), EBITDA and other segment information for the three- and nine-month periods ended September 30, 2020 and 2019, are as follows:

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 and other 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)	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**

5. SEGMENT INFORMATION (Continued)

Nine months ended September 30, 2019 (in millions of U.S dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	2,398	277	—	(1,104)	—	1,571
Cable and other fixed services revenue	1,637	7	—	(206)	—	1,438
Other revenue	37	—	—	(5)	—	32
Service revenue (i)	**4,072**	**284**	**—**	**(1,315)**	**—**	**3,041**
Telephone and equipment revenue (i)	315	—	—	(170)	—	145
Revenue	**4,387**	**284**	**—**	**(1,485)**	**—**	**3,186**
Operating profit (loss)	**734**	**13**	**(31)**	**(408)**	**137**	**446**
Add back:						
Depreciation and amortization	1,057	72	6	(331)	—	803
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(137)	(137)
Other operating income (expenses), net	(9)	(1)	9	(6)	—	(7)
EBITDA (ii)	**1,782**	**84**	**(15)**	**(744)**	**—**	**1,106**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**1,782**	**84**	**(15)**	**(744)**	**—**	**1,106**
Capital expenditure (iii)	(776)	(37)	(4)	189	—	(628)
Changes in working capital and others (iv)	(67)	19	(89)	(15)	—	(153)
Taxes paid	(147)	(8)	(7)	89	—	(73)
Operating free cash flow (v)	**792**	**58**	**(115)**	**(482)**	**—**	**252**
Total Assets (vi)	**13,740**	**953**	**3,606**	**(5,668)**	**(694)**	**11,937**
Total Liabilities	**8,119**	**904**	**4,239**	**(2,090)**	**(1,632)**	**9,541**

5. 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)	(391)	1	451	(19)	—	42
Taxes paid	(100)	(3)	—	39	—	(65)
Operating free cash flow (v)	**(134)**	**17**	**448**	**(149)**	**—**	**183**

5. SEGMENT INFORMATION (Continued)

Three months ended September 30, 2019 (in millions of U.S dollars)	Latin America	Africa	Unallocated	Guatemala and Honduras (vii)	Eliminations and transfers	Total
Mobile revenue	819	96	—	(364)	—	551
Cable and other fixed services revenue	553	2	—	(70)	—	485
Other revenue	12	—	—	(2)	—	10
Service revenue (i)	**1,383**	**98**	**—**	**(436)**	**—**	**1,046**
Telephone and equipment revenue (i)	117	—	—	(65)	—	51
Revenue	**1,500**	**98**	**—**	**(501)**	**—**	**1,097**
Operating profit (loss)	**267**	**16**	**(17)**	**(136)**	**46**	**176**
Add back:						
Depreciation and amortization	358	23	2	(111)	—	272
Share of profit in joint ventures in Guatemala and Honduras	—	—	—	—	(46)	(46)
Other operating income (expenses), net	(6)	(1)	9	(1)	—	1
EBITDA (ii)	**619**	**39**	**(5)**	**(249)**	**—**	**404**
EBITDA from discontinued operations	—	(4)	—	—	—	(4)
EBITDA incl discontinued operations	**619**	**34**	**(5)**	**(249)**	**—**	**399**
Capital expenditure (iii)	(228)	(9)	—	53	—	(186)
Changes in working capital and others (iv)	(5)	4	(23)	(15)	—	(40)
Taxes paid	(51)	(2)	(1)	30	—	(24)
Operating free cash flow (v)	**333**	**26**	**(29)**	**(180)**	**—**	**150**

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

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

(iii) *Excluding spectrum and licenses of $95 million (2019: $43 million) and cash received on tower deals of nil (2019: $21 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 and non-cash bonuses.*

(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 non-cash bonuses) 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.*

5. SEGMENT INFORMATION (Continued)

Revenue from contracts with customers from continuing operations

		Nine months ended September 30, 2020			Nine months ended September 30, 2019			Three months ended September 30, 2020			Three months ended September 30, 2019		
in millions of U.S dollars	**Timing of revenue recognition**	**Latin America**	**Africa**	**Total Group**	**Latin America**	**Africa**	**Total Group**	**Latin America**	**Africa**	**Total Group**	**Latin America**	**Africa**	**Total Group**
Mobile	Over time	1,282	177	1,459	1,270	194	1,465	421	60	482	447	68	515
Mobile Financial Services	Point in time	22	86	108	23	83	105	8	32	40	8	28	36
Cable and other fixed services	Over time	1,336	6	1,342	1,432	7	1,438	438	2	439	483	2	485
Other	Over time	37	1	38	33	—	33	13	—	14	10	—	10
Service Revenue		**2,678**	**269**	**2,947**	**2,757**	**284**	**3,041**	**881**	**94**	**975**	**948**	**98**	**1,046**
Telephone and equipment	Point in time	136	—	136	145	—	145	51	—	51	51	—	51
Revenue from contracts with customers		**2,814**	**269**	**3,083**	**2,902**	**284**	**3,186**	**932**	**94**	**1,026**	**999**	**98**	**1,097**

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	**Nine months ended September 30, 2020**	**Nine months ended September 30, 2019**	**Three months ended September 30, 2020**	**Three months ended September 30, 2019**
Change in fair value of derivatives (Note 13)	(5)	—	1	—
Change in fair value in investment in Jumia (Note 14)	(18)	(32)	—	(89)
Change in fair value in investment in HT (Note 14)	(22)	—	23	—
Change in value of call option and put option liability (Note 13)	8	(18)	—	(4)
Exchange gains (losses), net (i)	(113)	(40)	(34)	(40)
Other non-operating income (expenses), net	2	8	—	6
Total	**(147)**	**(82)**	**(10)**	**(127)**

(i) Exchange losses in 2020 are mainly due to the devaluation of the Colombia peso against US dollar.

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	Nine months ended September 30, 2020	Nine months ended September 30, 2019(i)	Three months ended September 30, 2020	Three months ended September 30, 2019(i)
Basic and Diluted				
Net profit (loss) attributable to equity holders from continuing operations	(279)	(133)	(43)	(127)
Net profit (loss) attributable to equity holders from discontinued operations	(9)	60	(8)	(4)
Net profit/(loss) attributable to all equity holders to determine the basic earnings (loss) per share	(288)	(73)	(51)	(131)
in thousands				
Weighted average number of ordinary shares for basic and diluted earnings per share	101,158	101,125	101,201	101,151
in U.S dollars				
Basic and diluted				
EPS from continuing operations attributable to owners of the Company	(2.76)	(1.32)	(0.42)	(1.25)
EPS from discontinued operations attributable to owners of the Company	(0.09)	0.59	(0.08)	(0.04)
EPS for the period attributable to owners of the Company	(2.85)	(0.73)	(0.50)	(1.30)

(i) Restated as a result of the finalization of the purchase accounting of Cable Onda(see note 3).

8. PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended September 30, 2020, Millicom added property, plant and equipment for $388 million (September 30, 2019: $459 million) and received $6 million from disposal of property, plant and equipment (September 30, 2019: $21 million).

9. INTANGIBLE ASSETS

During the nine-month period ended September 30, 2020, Millicom added intangible assets for $497 million of which $427 million related to acquisition of spectrum and licenses, and $70 million to additions of other intangible assets (September 30, 2019: $65 million and $63 million, respectively) and did not receive any proceeds from disposal of intangible assets (September 30, 2019: nil).

In December 2019, Telemovil El Salvador S.A. de C.V. ('Telemovil') acquired spectrum in 50Mhz AWS band and paid an advance of $14 million. On January 8, 2020, Telemovil made a final payment of $20 million and started using the spectrum.

In December 2019, Tigo Colombia participated in an auction launched by the Ministerio de Tecnologias de la Informacion y las Comunicaciones (MINTIC), and acquired licenses granting the right to use a total of 40 MHz in the 700 MHz band. The 20-year license will expire in 2040. As a result of this auction,Tigo Colombia has strengthened its spectrum position, which also includes 55 MHz in the 1900 band and 30 MHz of AWS. Tigo Colombia agreed to a total notional consideration of COP$2.45 billion (equivalent to approximately US$650 million using the September 30, 2020 exchange rate), of which approximately 55% will be payable in cash and 45% in coverage obligations to be met by 2025.

An initial payment of approximately $33 million was made in Q2 2020, with the remainder payable in 12 annual installments beginning in 2026 and ending in 2037. The 55% cash portion bears interest at the Colombia-10 years Treasury Bond rate. In April and May 2020, local management received permission to operate 40 Mhz in the 700 MHz band and accounted for the spectrum at an amount of $388 million corresponding to the net present value of the future payments, plus other costs directly attributable to this acquisition. The related future interest commitments will be recognized as interest expense over the next 17 years. The remaining 45% consideration due as coverage obligations are currently being estimated and will be recognized in the statement of financial position as incurred.

10. FINANCIAL OBLIGATIONS

A. Debt and financing

The most significant movements in debt and financing for the nine month period ended September 30, 2020 were as follows:

El Salvador

On June 29, 2020, Telemovil El Salvador, S.A de C.V. repaid in its entirety $150 million of the principal under a credit agreement dated as of January 12, 2018 entered into with the Bank of Nova Scotia, as lender, and the Company as guarantor.

Honduras

On June 1, 2020, the Honduras Cellular executed a $32 million bank loan agreement in equivalent amount in local currency for a10 year term.

Costa Rica

On June 29, 2020 Millicom Cable Costa Rica S.A. partially repaid an amount of $30 million towards its $150 million syndicated credit agreement dated as of April 13, 2018, and guaranteed by the Company.

Paraguay

On May 4, 2020, Telefónica Celular de Paraguay, S.A.E., completed the acquisition of another Millicom subsidiary in Paraguay - Mobile Cash Paraguay S.A , and further on June 30, 2020, the acquisition of Servicios y Productos Multimedia S.A.. Effective as of those dates, these new entities now form part of the borrower's group for purposes of the $550 million 5.875% Senior Notes due 2027 issued by Telefónica Celular de Paraguay, S.A.E.. Also, as of July 7, 2020 Servicios y Productos Multimedia S.A. became guarantor of the 5.875% Notes due 2027.

Guatemala

On June 19, 2020, the Guatemala operation entered into a credit agreement with Banco Industrial for GTQ 500 million (approximately $64 million using the exchange rate as of September 30, 2020) for a 5 year term.

During Q3 2020, Comcel's board of directors decided to early redeem the $800 million aggregate principal amount of its outstanding 6.875% Senior Notes due 2024 on November 18, 2020. The redemption was officially announced on October 1, 2020 at a redemption price equal to 102.292% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest of $16 million, resulting in an aggregate amount of $834 million payable on November 18, 2020. This redemption is conditional on Comcel obtaining approximately $300 million of local currency (GTQ) financing. The redemption premium ($18 million) and additional interest ($7 million), as well as the remaining unamortized deferred costs amounting to $8 million, have been accrued in Comcel's statement of income for the nine-months ended September 30, 2020. The impact on the Group's statement of income is therefore a $18 million expense (at 55% ownership) recorded on the line "Share of profit in the joint ventures in Guatemala and Honduras". As of October 28, 2020, Comcel already obtained the full $300 million of local currency (GTQ) financing.

10. FINANCIAL OBLIGATIONS (Continued)

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, 2020	December 31, 2019
Due within:		
One year	114	186
One-two years	102	155
Two-three years	393	145
Three-four years	828	517
Four-five years	1,258	1,085
After five years	3,210	3,884
Total debt and financing	**5,905**	**5,972**

As at September 30, 2020, 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 $293 million (December 31, 2019: $464 million).

In addition to the above, in 2019, MIC Tanzania Public Limited Company entered into a loan facility agreement, with the Standard Bank of South Africa acting as an agent and a consortium of banks acting as the original lenders. The facility agreement, maturing in 2025, has an all asset debenture securing the whole amount, as well as a pledge over the shares of the immediate holding company of the borrower.

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at September 30, 2020 and December 31, 2019.

	Bank and financing guarantees (i)			
in millions of U.S dollars	As at September 30, 2020		As at December 31, 2019	
Terms	Outstanding exposure	Maximum exposure	Outstanding exposure	Maximum exposure
0-1 year	63	63	29	29
1-3 years	230	230	134	134
3-5 years	—	—	300	300
More than 5 years	—	—	—	—
Total	**293**	**293**	**464**	**464**

(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, 2020	Nine months ended September 30, 2019	Three months ended September 30, 2020	Three months ended September 30, 2019
Interest expense on bonds and bank financing	(288)	(255)	(93)	(86)
Interest expense on leases	(117)	(113)	(39)	(39)
Early redemption charges	—	(10)	—	—
Others	(52)	(28)	(9)	(11)
Total interest and other financial expenses	**(457)**	**(407)**	**(141)**	**(135)**

10. FINANCIAL OBLIGATIONS (Continued)

B. Lease liabilities

In early 2020, and following a change in regulation in Colombia, lease payments for the use of certain public assets have been significantly decreased. This triggered a lease modification and a decrease of the related lease liabilities (and right-of-use assets) of approximately $45 million.

Except for the change above, there have been no other significant events affecting lease liabilities (and right-of-use assets) during the nine-month period ended September 30, 2020.

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, 2020, the total amount of claims brought against Millicom and its subsidiaries is $284 million (December 31, 2019: $204 million). The Group's share of the comparable exposure for joint ventures is $7 million (December 31, 2019: $4 million).

As at September 30, 2020, $43 million has been provisioned by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2019: $30 million). The Group's share of provisions made by the joint ventures was $3 million (December 31, 2019: $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.

On May 25, 2020, as a result of the termination of the Costa Rica acquisition (see Note 3), Telefonica filed a complaint, followed by an amended complaint on August 3, 2020, against us in the Supreme Court of New York. The amended complaint asserts claims for breach of contract and alleges, among other things, that we were required to close because the closing conditions specified in the sale and purchase agreement for the acquisition had been satisfied. The complaint seeks, among other relief, a declaration of Telefonica’s rights, and unspecified damages, costs, and fees. We believe the complaint is without merit and on September 2, 2020, filed a motion to dismiss the amended complaint. The motion to dismiss is still pending.

Taxation

At September 30, 2020, the tax risks exposure of the Group's subsidiaries is estimated at $310 million, for which provisions of $68 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (December 31, 2019: $300 million of which provisions of $50 million were recorded). The Group's share of comparable tax exposure and provisions in its joint ventures amounts to $65 million (December 31, 2019: $49 million) and $7 million (December 31, 2019: $4 million), respectively.

Capital commitments

At September 30, 2020, the Company and its subsidiaries had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $289 million of which $259 million are due within one year (December 31, 2019: $122 million of which $102 million are due within one year). The Group’s share of commitments in the joint ventures is $74 million and $71 million. (December 31, 2019: $52 million and $51 million).

12. RELATED PARTY TRANSACTIONS

The following transactions were conducted with related parties during the three- and nine-month periods ended September 30, 2020 and September 30, 2019:

in millions of U.S dollars	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Three months ended September 30, 2020	Three months ended September 30, 2019
Expenses				
Purchases of goods and services from Miffin	(157)	(156)	(53)	(63)
Purchases of goods and services from EPM	(27)	(28)	(8)	(8)
Lease of towers and related services from HTA (i)	—	(20)	—	(7)
Other expenses	(11)	(4)	(4)	(1)
Total	**(194)**	**(208)**	**(66)**	**(79)**

(i) HTA ceased to be a related party on October 15, 2019 (note 14).

in millions of U.S dollars	Nine months ended September 30,	Nine months ended September 30,	Three months ended September 30,	Three months ended September 30,
Income / gains				
Sale of goods and services to Miffin	237	222	82	75
Sale of goods and services to EPM	11	10	4	4
Other income / gains	2	1	1	—
Total	**249**	**233**	**86**	**78**

As at September 30, 2020 and December 31, 2019, the Group had the following balances with related parties:

in millions of U.S dollars	As at September 30, 2020	As at December 31, 2019
Liabilities		
Payables to Guatemala joint venture(i)	229	361
Payables to Honduras joint venture(ii)	105	133
Payables to EPM	14	37
Payables to Panama non-controlling interests	1	—
Total	**350**	**531**

(i) Interest bearing shareholder loans of which $219 million are due after more than one year.

(ii) Mainly advances for dividends expected to be declared in 2020 and shareholder loans.

12. RELATED PARTY TRANSACTIONS (Continued)

in millions of U.S dollars	As at September 30, 2020	As at December 31, 2019
Assets		
Receivables from Guatemala and Honduras joint ventures	18	23
Receivables from EPM	3	3
Receivables from Cable Onda	1	—
Receivable from AirtelTigo Ghana (i)	45	43
Other accounts receivable	5	4
Total	**72**	**73**

(i) Disclosed under Other non-current assets in the statement of financial position.

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, 2020 and December 31, 2019:

in millions of U.S dollars	Carrying value		Fair value(i)	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Financial liabilities				
Debt and financing	5,905	5,972	5,999	6,229

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

Derivative financial instruments

Currency and interest rate swap contracts

MIC S.A. entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the SEK 2 billion (approximately $211 million) senior unsecured sustainability bond issued in May 2019. These swaps are accounted for as cash flow hedges as the timing and amounts of the cash flows under the swap agreements match the cash flows under the SEK bond. Their maturity date is May 2024. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At September 30, 2020, the fair values of the swaps amount to an asset of $0.5 million (December 31, 2019: a liability of $0.2 million).

Colombia, Bolivia, 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, 2020, the fair values of El Salvador and Costa Rica swaps amount to liabilities of $11 million (December 31, 2019: liabilities of $17 million) and the fair values of Colombia and Bolivia swaps amount to an asset of $1 million (December 31, 2019: nil).

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 September 30, 2020.

Call and put options - Panama

As of September 30, 2020, the put option liability is valued at $268 million (December 31, 2019: $264 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 2019 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 6).

As of September 30, 2020, call options have a fair value of $12 million (December 31, 2019: nil).

14. EQUITY INVESTMENTS

As at September 30, 2020 and December 31, 2019, Millicom has the following investments in equity instruments measured at fair value through profit and loss under IFRS 9:

in millions of U.S dollars	September 30, 2020	December 31, 2019
Investment in Jumia	—	32
Investment in HT	260	338
Equity investment - total	**260**	**371**

Jumia Technologies AG ("Jumia")

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'. The changes in fair value prior to the disposal were shown under "Other non-operating (expenses) income, net" (note 6).

Helios Towers plc ("HT")

In June 2020, Millicom disposed of 33 million shares that it owned in HT for a total net consideration of GBP 49 million ($62 million), triggering a net gain on disposal of $5 million recorded in the statement of income for the nine-month period ended September 30, 2020 under 'other operating income (expenses), net'. Following these disposals, Millicom owns a remaining shareholding of 12.8% in HT, valued at $260 million (level 1) at the September 30, 2020 share price (GBP 1.57). The changes in fair value are shown under 'Other non-operating (expenses) income, net' (see note 6).

15. 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, 2020, the equity accounted net assets of Millicom's joint ventures in Guatemala, Honduras and Ghana totaled $3,085 million (December 31, 2019: $3,346 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 these reserves, $153 million (December 31, 2019: $142 million) represent statutory reserves that are unavailable to be distributed to the Group. During the nine-month period ended September 30, 2020, Millicom's joint ventures paid $67 million (December 31, 2019: $237 million) as dividends or dividend advances to the Company.

	2020	
in millions of U.S dollars	Guatemala(i)	Honduras (i)
Opening Balance at January 1, 2020	**2,089**	**708**
Capital increase	—	—
Results for the period	91	10
Dividends declared during the period	(199)	(50)
Currency exchange differences	(3)	3
Closing Balance at September 30, 2020	**1,978**	**671**

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

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA

In June 2016, an amendment to the Electronic and Postal Communications Act ("EPOCA") in the Finance Act 2016 required all Tanzanian licensed telecom operators to sell 25% of the authorized share capital in a public offering on the Dar Es Salaam Stock Exchange. In December 2019, the Group filed the draft prospectus with the Tanzania Capital Market and Securities Authority with the view to initiate the listing process in H2 2020.

16. IPO – MILLICOM'S OPERATIONS IN TANZANIA (Continued)

The Regulator has since requested that local Tanzanian operation retains an underwriter to ensure the success of the IPO. Together with its investment bank advisers, the local Tanzanian operation has been seeking an underwriter active in the Tanzanian and Eastern African markets, a process currently underway.

17. SUBSEQUENT EVENTS

Revolving Credit Facility

On October 15, 2020 Millicom entered into a 5 year, $600 million ESG-linked revolving credit facility (the "Facility") with a syndicate of 11 commercial banks. This facility will be used to refinance Millicom's existing multi-currency revolving credit facility which was due to expire in 2022 and for general corporate purposes.

2031 Senior Notes

On October 27, 2020 Millicom completed the issuance of its 4.5% $500 million senior notes due on 2031 in a private offering, following its proposed offering announcement dated October 19, 2020. The proceeds will be used to redeem Millicom's 6.0% senior notes due 2025 (the "2025 Notes") at a redemption price equal to 103% of the principal amount, plus accrued and unpaid interest. Pursuant to the notice of redemption delivered on October 19, 2020, the 2025 Notes will be redeemed on October 29, 2020.