

# Millicom International Cellular S.A.

**Half year report at June 30, 2024**

**August 2, 2024**

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# Interim Management Report

## Purpose

This Interim Management Report for the six-month period ended June 30, 2024 has been prepared in accordance with the requirements of Article 4 of the Luxembourg Transparency Law of 11 January 2008, and should be read in conjunction with the annual report of Millicom International Cellular S.A. ("Millicom" or "the Company") for the year ended December 31, 2023 (including the consolidated financial statements included therein) and the unaudited interim condensed consolidated financial statements included in this half-year report.

## Cautionary statement considering forward-looking statements

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

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

- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- cybersecurity threats, a security breach or other significant disruption of our IT systems or those of our business partners, suppliers or customers;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found in Millicom's Registration Statement on Form 20-F, including those risks outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at [www.sec.gov](http://www.sec.gov).

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

## **Group performance**

### **Revenue**

Group revenue increased 6.6% (\$183 million) year-on-year to \$2,945 million in H1 2024. The increase is largely due to the impact of better performance across the board as well as stronger currencies in some countries.

### **Equipment, programming and other direct costs**

Equipment, programming and other direct costs decreased at a rate of 2.3% (\$17 million) year-on-year to \$735 million, mainly due to lower handset sales and programming costs, and a \$10 million provision related to a legal ruling in Colombia recorded in the same period in 2023.

### **Operating expenses**

Operating expenses decreased 4.4% (\$43 million) year-on-year to \$945 million, mainly due to the pay-off the Group's cost reduction project ("Everest") implemented late 2022, partially offset by additional severance costs and tax claim provisions of \$52 million.

### **Depreciation and Amortization**

Depreciation decreased 1.5% (\$7 million) year-on-year to \$475 million, mostly due to the foreign exchange impact and revision of the estimated useful life of fiber optic and related assets (refer to note 2). Amortization expense decreased 7.7% (\$14 million) year-on-year to \$163 million mainly due to the mobile network sharing agreement in Colombia, as we stopped amortizing the related assets held for sale in accordance with IFRS 5 (refer to note 4).

### **Share of profit in Honduras joint venture**

Millicom's share of profit in joint ventures was \$25 million in H1 2024, an increase of 17.8% year-on-year reflecting the better performance of our joint venture in Honduras.

### **Other operating income (expenses), net**

Other operating income (expenses), net, increased by \$13 million year-on-year mainly due to gains on tower disposals in our operation in Colombia (refer to note 4).

### **Financial income/(expense), net**

Financial income (expenses), net increased by \$4 million year-on-year to \$344 million mainly due to commissions on dollar purchases in Bolivia, partially offset by financial income on debt repurchase activities on secondary markets in Guatemala, Panama and HQ.

### **Other non-operating (expenses) income, net**

Losses from other non-operating items was \$16 million in H1 2024 compared to a net gain of \$27 million in H1 2023 mainly driven by foreign exchange losses in Colombia and Paraguay.

### **Charges for taxes, net**

Tax expense was \$148 million in H1 2024, increasing from \$141 million in H1 2023 primarily due to a higher profitability across the board, partially offset by the impairment of some tax credits recorded in H1 2023.

### **Net profit for the period**

Net profit attributable to the owners of the Company was \$170 million or 0.99 per share for H1 2024 compared to a net loss of \$19 million or \$0.11 per share in H1 2023.

Non-controlling interests share of net loss was \$10 million in H1 2024 compared to a net loss of \$49 million in H1 2023, reflecting the share of losses of the Group's partners in Colombia.

### **Share Capital**

At June 30, 2024, Millicom had 172.1 million issued and paid up common shares of par value \$1.50 each (2023: 172.1 million). Out of the 172.1 million issued and paid up common shares, 840 thousand were held by the Company as treasury shares (2023: 757 thousand). During H1 2024, the Company repurchased 1,717 thousand shares on the market. It also issued around 1,623 thousand shares to management and directors under the share-based compensation schemes as part of their annual remuneration and withheld approximately 376 thousand shares for the settlement of tax obligations on behalf of the employees under the same schemes.

### **Risks and uncertainty factors**

The macroeconomic environment remained relatively stable during Q2. The Colombian peso was somewhat volatile, ending June approximately 7% lower than at the end of March, but it was down only 1% on average for the period, and it remains above levels seen in Q2 of 2023. In Bolivia, the central bank maintained the foreign exchange rate unchanged at 6.91, but our purchases of U.S. dollars at the official rate required the payment of commissions that averaged approximately 29% during Q2, reflecting an acute shortage of U.S. dollars available at the official rate. Meanwhile, political uncertainty in the country increased, as evidenced by a recent coup attempt. Bolivia's next Presidential election is planned for 2025.

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

### **Financial risk management objectives and policies**

Millicom's financial risk management policies and objectives remain unchanged compared to what the Group presented in Section D. Financial risk management of the 2023 consolidated financial statements (included in Group's 2023 Annual Report).

Internal controls and Governance in the preparation of the consolidated financial statements are set out in the Governance section from pages 105 to 142 in Group's 2023 Annual Report.

### **Related-Party transactions**

Millicom conducts transactions with certain related parties on normal commercial terms and conditions. Material related party transactions are subject to the review of the audit and compliance committee of the Company's board of directors. For further details on Millicom Group's material related parties please refer to note G.5. of the 2023 consolidated financial statements (included in Group's 2023 Annual Report).

### **Outlook<sup>1</sup>**

Millicom targets Equity free cash flow above \$600 million in 2024, excluding proceeds for the previously-announced tower sale in Colombia. Millicom also targets leverage to near 2.5x at year-end 2024. Excluded from both targets are cash proceeds and related taxes stemming from any potential future tower transaction.

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<sup>1</sup> Equity Free Cash Flow ("EFCF") is a non-IFRS measure. Please refer to our 2023 Annual Report for a list and description of non-IFRS measures.

## **Subsequent events**

### ***Public offer to purchase all of Millicom's outstanding common shares and SDRs from Atlas Luxco S.à r.l.***

On July 1, 2024, Atlas Luxco S.à r.l. ("Atlas"), a subsidiary of Atlas Investissement S.A.S., announced public offers in Sweden and the United States (the "Offers") to the shareholders in Millicom to tender all of their common shares and SDRs to Atlas, for USD 24.00 per common share and SDR (the "Offer Price"). The Offers will expire on August 16, 2024, unless the Offers are extended.

On July 15, 2024, Millicom announced that a committee of independent members of its Board of Directors unanimously recommends that shareholders reject the Offers and not tender their shares and SDRs pursuant to the Offers as the Offer Price significantly undervalues Millicom

### ***Bond Repurchases***

During July 2024, Millicom continued to repurchase bonds in the secondary markets. MIC S.A. and Telefónica Celular del Paraguay, S.A.E. continued to repurchase and cancel some of the 2029 USD 6.250%, 2028 USD 5.125% and 2027 USD 5.875% Senior Notes on the open market for a total nominal amount of approximately \$14 million, \$19 million and \$2 million, respectively.

### ***Tigo Plaza Guatemala***

On July 3, 2024, a Millicom subsidiary in Guatemala purchased a building called Plaza Tigo, which it used to lease so far, from the seller for approximately \$23 million, including taxes. It will pay for the building in 3 parts: \$6 million right away, \$8 million on July 1, 2025 and another \$8 million on July 1, 2026. Until they pay off the entire amount, Millicom's subsidiary will use the building as collateral to guarantee the outstanding payments to the seller.

### ***New bond in Paraguay***

On July 11, 2024, Telefónica Celular del Paraguay, S.A.E. issued local bonds for a total amount of PYG 370,000 million (approximately \$49 million) with a maturity of 8 years and at an interest rate of 8.17%. This issuance is part of the local currency Debt Program registered in 2021 for a total amount equivalent to \$150 million.

### ***Colombia consolidation***

On July 31, 2024, Millicom announced that it has signed a non-binding memorandum of understanding with Telefonica for the potential acquisition of Telefonica's stake in Telefonica Colombia (Coltel), as part of a broader intended combination of Coltel and TigoOne, Millicom's 50%-owned operation in Colombia. Millicom intends to offer to purchase La Nación's and other minority interests in Coltel for cash at the same purchase price per share offered to Telefonica, as well as Empresas Públicas de Medellín's (EPM) 50% interest in TigoOne for cash at a valuation multiple comparable to the one implied by the Coltel acquisition. The total investment by Millicom would be approximately \$1 billion, and the transaction would be subject to negotiation of definitive agreements and receipt of regulatory approvals.

### ***Costa Rica merger***

On August 1, 2024, we signed a binding agreement with Liberty Latin America to combine our operations in Costa Rica in a cashless merger in which Millicom would retain a minority equity ownership of approximately 14%. The transaction is subject to regulatory approvals and is expected to close in H2 2025.

### ***/s/ Mauricio Ramos***

Chair of the Board of Directors

Luxembourg, August 2, 2024

## Responsibility Statement

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

In accordance with Article 4 of the law of January 11, 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Millicom declares that, to the best of our knowledge, the interim condensed consolidated financial statements for the six-month period ended June 30, 2024, prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and results of the interim period.

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

Dated on August 2, 2024,

On behalf of Millicom International Cellular S.A.:

***/s/ Marcelo Benitez***

Chief Executive Officer

***/s/ Bart Vanhaeren***

Chief Financial Officer

## **Report on review of interim condensed consolidated financial statements**

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Millicom International Cellular S.A. and its subsidiaries (the "Group") as of 30 June 2024, which comprise the condensed consolidated statement of financial position as at 30 June 2024 and the related condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flow for the six-month period then ended and notes to the interim condensed consolidated financial statements. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34, Interim Financial Reporting, ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 2 August 2024

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Thierry Ravasio



## Unaudited interim condensed consolidated statement of income for the three and six-month period ended June 30, 2024

in millions of U.S. dollars except per share data	Notes	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
<b>Continuing Operations</b>				<i>Not reviewed</i>	<i>Not reviewed</i>
Revenue .....	5	2,945	2,762	1,458	1,393
Equipment, programming and other direct costs .....		(735)	(752)	(353)	(380)
Operating expenses .....		(945)	(988)	(471)	(498)
Depreciation .....		(475)	(482)	(228)	(238)
Amortization .....		(163)	(177)	(77)	(90)
Share of profit in Honduras joint venture .....	8	25	21	12	11
Other operating income (expenses), net .....	4	16	4	4	1
<b>Operating profit</b> .....		<b>669</b>	<b>388</b>	<b>345</b>	<b>198</b>
Interest and other financial expenses .....	11	(375)	(348)	(192)	(178)
Interest and other financial income .....		31	9	12	4
Other non-operating (expenses) income, net .....	6	(16)	27	(9)	8
Profit (loss) from other joint ventures and associates, net .....		—	(3)	—	1
<b>Profit before taxes from continuing operations</b> .....		<b>309</b>	<b>73</b>	<b>156</b>	<b>33</b>
Tax expense .....	15	(148)	(141)	(78)	(81)
<b>Net profit (loss) for the period</b> .....		<b>160</b>	<b>(68)</b>	<b>78</b>	<b>(48)</b>
<b>Attributable to:</b>					
Owners of the Company .....		170	(19)	78	(22)
Non-controlling interests .....		(10)	(49)	—	(26)
<b>Earnings/(loss) per common share for net profit/ (loss) attributable to the owners of the Company:</b>					
Basic (\$ per share) .....	7	0.99	(0.11)	0.46	(0.13)
Diluted (\$ per share) .....	7	0.99	(0.11)	0.45	(0.13)

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

## Unaudited interim condensed consolidated statement of comprehensive income for the three-month period ended June 30, 2024

in millions of U.S. dollars	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
			<i>Not reviewed</i>	<i>Not reviewed</i>
Net profit (loss) for the period .....	160	(68)	78	(48)
<b>Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:</b> .....				
Exchange differences on translating foreign operations .....	8	20	—	9
Change in value of cash flow hedges, net of tax effects .....	(3)	(12)	—	(7)
<b>Total comprehensive income (loss) for the period .....</b>	<b>166</b>	<b>(60)</b>	<b>78</b>	<b>(46)</b>
<b>Attributable to:</b>				
Owners of the Company .....	167	(4)	69	(15)
Non-controlling interests .....	(1)	(56)	9	(31)

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

## Unaudited interim condensed consolidated statement of financial position as at June 30, 2024

in millions of U.S. dollars	Notes	June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets, net	4, 10	6,879	7,785
Property, plant and equipment, net	4, 9	2,752	3,107
Right of use assets, net		895	896
Investment in Honduras joint venture	8	599	576
Contract costs, net		12	12
Deferred tax assets		140	141
Other non-current assets		83	84
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,359</b>	<b>12,601</b>
<b>CURRENT ASSETS</b>			
Inventories		63	45
Trade receivables, net		418	443
Contract assets, net		78	82
Amounts due from non-controlling interests, associates and joint ventures		17	12
Derivative financial instruments	13	8	6
Prepayments and accrued income		240	168
Current income tax assets		86	118
Supplier advances for capital expenditure		16	21
Other current assets		165	190
Restricted cash		53	56
Cash and cash equivalents		792	775
<b>TOTAL CURRENT ASSETS</b>		<b>1,935</b>	<b>1,915</b>
Assets held for sale	4	895	—
<b>TOTAL ASSETS</b>		<b>14,190</b>	<b>14,516</b>

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

## Unaudited interim condensed consolidated statement of financial position as at June 30, 2024 (continued)

in millions of U.S. dollars	Notes	June 30, 2024	December 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital and premium .....		1,324	1,334
Treasury shares .....		(17)	(8)
Other reserves .....		(519)	(500)
Retained profits .....		2,719	2,785
Net profit/(loss) for the period/year attributable to owners of the Company .....		170	(82)
<b>Equity attributable to owners of the Company</b> .....		<b>3,677</b>	<b>3,529</b>
Non-controlling interests .....		(85)	(84)
<b>TOTAL EQUITY</b> .....		<b>3,592</b>	<b>3,445</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Debt and financing .....	11	6,176	6,476
Lease liabilities .....	4	890	854
Derivative financial instruments .....	13	53	46
Amounts due to non-controlling interests, associates and joint ventures .....		46	12
Payables and accruals for capital expenditure .....	10	79	885
Provisions and other non-current liabilities .....		298	330
Deferred tax liabilities .....		137	140
<b>TOTAL NON-CURRENT LIABILITIES</b> .....		<b>7,678</b>	<b>8,742</b>
<b>CURRENT LIABILITIES</b>			
Debt and financing .....	11	220	221
Lease liabilities .....		188	189
Put option liability .....		80	86
Payables and accruals for capital expenditure .....	10	187	314
Other trade payables .....		306	390
Amounts due to non-controlling interests, associates and joint ventures .....		91	62
Accrued interest and other expenses .....		476	444
Current income tax liabilities .....		89	93
Contract liabilities .....		126	156
Provisions and other current liabilities .....		335	374
<b>TOTAL CURRENT LIABILITIES</b> .....		<b>2,097</b>	<b>2,329</b>
Liabilities directly associated with assets held for sale .....	4	823	—
<b>TOTAL LIABILITIES</b> .....		<b>10,598</b>	<b>11,071</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....		<b>14,190</b>	<b>14,516</b>

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 period ended June 30, 2024

in millions of U.S. dollars	Notes	June 30, 2024	June 30, 2023
<b>Cash flows from operating activities</b>			
Profit before taxes .....		308	73
<b>Adjustments to reconcile to net cash:</b>			
Interest expense on leases .....		62	58
Interest expense on debt and other financing .....		313	290
Interest and other financial income .....		(31)	(9)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization .....		638	659
Share of profit in Honduras joint venture .....	8	(25)	(21)
Gain on disposal and impairment of assets, net .....		(16)	(4)
Share-based compensation .....		20	26
Loss from other associates and joint ventures, net .....		—	3
Other non-cash non-operating (income) expenses, net .....	6	16	(27)
<b>Changes in working capital:</b>			
Decrease (increase) in trade receivables, prepayments and other current assets, net .....		(38)	(201)
Decrease (increase) in inventories .....		(19)	(15)
Increase (decrease) in trade and other payables, net .....		(64)	61
Changes in contract assets, liabilities and costs, net .....		(32)	(7)
<b>Total changes in working capital .....</b>		<b>(153)</b>	<b>(162)</b>
Interest paid on leases .....		(60)	(58)
Interest paid on debt and other financing .....		(267)	(240)
Interest received .....		30	10
Taxes paid .....		(120)	(120)
<b>Net cash provided by operating activities .....</b>		<b>716</b>	<b>479</b>
<b>Cash flows from investing activities:</b>			
Purchase of spectrum and licenses .....	10	(100)	(101)
Purchase of other intangible assets .....	10	(75)	(91)
Purchase of property, plant and equipment .....	9	(252)	(429)
Proceeds from sale of property, plant and equipment .....	9	40	7
Dividends and dividend advances received from joint ventures and associates .....		30	50
Settlement of derivative financial instruments .....	13	—	(23)
Transfer (to) / from pledge deposits, net .....		5	(5)
Loans granted within the Tigo Money lending activity, net .....		(1)	(4)
Cash (used in) provided by other investing activities, net .....		12	10
<b>Net cash used in investing activities .....</b>		<b>(342)</b>	<b>(586)</b>

## Unaudited interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2024 (continued)

in millions of U.S. dollars	Notes	June 30, 2024	June 30, 2023
<b>Cash flows from financing activities:</b>			
Proceeds from debt and other financing .....	11	483	75
Repayment of debt and other financing .....	11	(704)	(230)
Lease capital repayment .....		(101)	(84)
Share repurchase program .....		(32)	—
<b>Net cash from (used in) financing activities .....</b>		<b>(354)</b>	<b>(239)</b>
Exchange impact on cash and cash equivalents, net .....		(3)	3
<b>Net increase (decrease) in cash and cash equivalents .....</b>		<b>17</b>	<b>(342)</b>
Cash and cash equivalents at the beginning of the year .....		775	1,039
<b>Cash and cash equivalents at the end of the period .....</b>		<b>792</b>	<b>697</b>

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

## Unaudited interim condensed consolidated statements of changes in equity for the six-month period ended June 30, 2024

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
<b>Balance on December 31, 2022</b>	<b>172,096</b>	<b>(1,213)</b>	<b>258</b>	<b>1,085</b>	<b>(47)</b>	<b>2,868</b>	<b>(559)</b>	<b>3,605</b>	<b>29</b>	<b>3,634</b>
Total comprehensive income for the year .....	—	—	—	—	—	(19)	15	(4)	(56)	(60)
Purchase of treasury shares(ii) .....	—	(100)	—	—	(4)	2	—	(2)	—	(2)
Share based compensation .....	—	—	—	—	—	—	25	25	—	26
Issuance of shares under share-based payment schemes .....	—	556	—	(3)	22	(1)	(17)	—	—	—
Effect of the buy-out of non-controlling interests in Panama ..	—	—	—	—	—	(1)	—	(1)	—	—
<b>Balance on June 30, 2023</b>	<b>172,096</b>	<b>(757)</b>	<b>258</b>	<b>1,082</b>	<b>(30)</b>	<b>2,848</b>	<b>(534)</b>	<b>3,624</b>	<b>(27)</b>	<b>3,598</b>
<b>Balance on December 31, 2023</b> .....	<b>172,096</b>	<b>(370)</b>	<b>258</b>	<b>1,076</b>	<b>(8)</b>	<b>2,703</b>	<b>(500)</b>	<b>3,529</b>	<b>(84)</b>	<b>3,445</b>
Total comprehensive income/ (loss) for the period .....	—	—	—	—	—	170	(3)	167	(1)	166
Dividends to non-controlling interests .....	—	—	—	—	—	—	—	—	(1)	(1)
Transfer to legal reserve .....	—	—	—	—	—	(8)	8	—	—	—
Purchase of treasury shares(ii) .....	—	(2,093)	—	—	(40)	1	—	(39)	—	(39)
Share based compensation .....	—	—	—	—	—	—	20	20	—	20
Issuance of shares under share-based payment schemes .....	—	1,623	—	(10)	32	22	(44)	—	—	—
<b>Balance on June 30, 2024</b>	<b>172,096</b>	<b>(840)</b>	<b>258</b>	<b>1,066</b>	<b>(17)</b>	<b>2,889</b>	<b>(519)</b>	<b>3,677</b>	<b>(85)</b>	<b>3,592</b>

- (i) Retained profits – includes profit for the period attributable to equity holders, of which at June 30, 2024, \$530 million (2023: \$495 million) are not distributable to equity holders.
- (ii) During the six-month period ended June 30, 2024, Millicom repurchased 1,717,276 shares for a total amount of \$32 million and withheld approximately 376,344 shares for the settlement of tax obligations on behalf of employees under share-based compensation plans (2023: 99,902 shares withheld).

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

## Notes to the unaudited interim condensed consolidated financial statements

### 1. GENERAL INFORMATION

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

On August 1, 2024, 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 period ended December 31, 2023, 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, 2023 consolidated financial statements, except for the changes described in items III below.

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

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

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

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

The following changes to standards are effective for annual periods starting on January 1, 2025 and their potential impact on the Group consolidated financial statements is currently being assessed by management:

- Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability (not yet endorsed by the EU): These amendments help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.



## 2. SUMMARY OF ACCOUNTING POLICIES (continued)

The following standards and amendments are effective for annual periods starting on January 1, 2026 (Amendments to IFRS 9, IFRS 7 and Annual Improvements) or January 1, 2027 (IFRS 18) and their potential impact on the Group consolidated financial statements is currently being assessed by management:

- Amendments to IFRS 9 and IFRS 7 (not yet endorsed by the EU): Amendments to IFRS 9 are clarifications to the classification and measurement of financial instruments (such as clarifications on derecognition of financial liabilities, among others). Amendments to IFRS 7 include additional disclosures requirements (such as those for financial instruments with contingent features, among others).
- Annual Improvements to IFRS Standards, affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (not yet endorsed by the EU).
- IFRS 18, 'Presentation and Disclosure in Financial Statements' (not yet endorsed by the EU): IFRS 18 will replace IAS 1. Its aim is to improve the usefulness of information presented and disclosed in financial statements, giving investors more transparent and comparable information about companies' financial performance.

### III. Change in accounting estimates

Effective in 2024, we revised the estimated useful lives of our fiber optic network assets and related equipment/software. This is considered a change in accounting estimate under IAS 8.

- Fiber Optic Network: Useful life increased from 15 years to 25 years.
- Related Equipment/Software: Useful life range increased to 5-10 years (previously 5-7 years for equipment and 5 years for software).

This change is applied prospectively, meaning there is no impact on financial statements for prior periods. Fully depreciated assets remain fully depreciated; their cost will not be reset.

For the full year 2024, this change is expected to decrease depreciation expense by approximately \$48 million compared to what the depreciation charge would have been using previous estimated useful lives. Estimating the impact on future years is impractical.

While the change also affects lease right-of-use assets and asset retirement obligation provisions, the impact on these areas is considered immaterial.

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

### Acquisitions or disposals for the six-month period ended June 30, 2024

There were no material acquisitions or disposals during the six-month period ended June 30, 2024.

### Acquisitions or disposal in 2023

There were no material acquisitions or disposals during the year ended December 31, 2023.

## 4. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

### Assets held for sale - Summary

Assets and liabilities reclassified as held for sale (\$ millions)	June 30, 2024	December 31, 2023
Towers sale in Colombia related to the second batch .....	13	—
Mobile network sharing agreement in Colombia .....	882	—
<b>Total assets of held for sale .....</b>	<b>895</b>	<b>—</b>
Towers sale in Colombia related to the second batch .....	2	—
Mobile network sharing agreement in Colombia .....	821	—
<b>Total liabilities directly associated with assets held for sale .....</b>	<b>823</b>	<b>—</b>
<b>Net assets held for sale / book value .....</b>	<b>73</b>	<b>—</b>

#### 4. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

##### **Assets held for sale - Towers sale in Colombia**

On January 24, 2024, Colombia Movil S.A. ESP ("Tigo Colombia") signed an agreement to sell and lease back, under a long-term lease agreement, 1,132 telecommunication towers to Towernex Colombia S.A.S. ("Tovernex"), a KKR company. The total sale consideration amounts to \$77 million, out of which \$19 million will be received in subsequent years. Under IFRS 16, this transaction is considered a sale and leaseback.

The transfer of the towers to Towernex is intended to happen in two batches as follows:

- First batch (occurred on March 14, 2024): 759 towers were sold, generating proceeds of \$38 million, net of transaction costs, for Tigo Colombia. The company also recorded lease obligations and a financing component totaling \$48 million related to the towers sold and leased back.
- Second batch (expected in second half of the financial year 2024): The remaining 373 towers are intended to be sold. In accordance with IFRS 5 the remaining towers have been reclassified as assets held for sale and their depreciation has stopped.

##### **Assets held for sale - Mobile Network sharing agreement in Colombia**

On February 26, 2024, Tigo Colombia and Telecomunicaciones S.A. ESP BIC ("ColTel") signed an agreement to share their mobile networks. This collaboration is subject to certain third party approvals which are still in progress and will involve two new joint arrangements:

- A 'NetCo': This company will hold and manage the radio access network (RAN) infrastructure as well as the site lease agreements. Each operator will own 50% of NetCo.
- A 'Unión Temporal': This temporary joint arrangement will manage the spectrum licenses and related liabilities. Similarly, ownership will be split 50/50 between the two operators.

In accordance with IFRS 5, certain assets and related liabilities have been reclassified as "held for sale" and depreciation has been stopped for the following assets and liabilities

- RAN assets (equipment used by NetCo);
- Spectrum licenses and related liabilities (managed by the Union Temporal)

The agreement between Tigo Colombia and ColTel does not currently include how they will handle site lease agreements. Because of this, the assets and liabilities related to these leases have not been classified as "held for sale" yet.

##### **Discontinued operations - Tanzania**

As per the sale agreement, the initial sale price (which is still subject to final price adjustment) was adjusted to consider some outstanding tax and legal contingencies which management believes is sufficient to cover any future claims on pre-closing matters. Should the price adjustments not be sufficient, Millicom might be liable and need to make additional provisions that are not covered by the latter. In addition, the agreement also provided an IPO adjustment clause which expired on April 5, 2024.

As of June 30, 2024, no additional provisions have been made by management in respect of the aforementioned items.

#### 5. SEGMENT INFORMATION

As further detailed in note 1, Millicom operates in a single region (Latin America), and more specifically in the following countries: Guatemala, Colombia, Panama, Honduras, Bolivia, Paraguay, El Salvador, Nicaragua and Costa Rica.

The General Managers of the operations report to the Group President and COO in the case of Guatemala and Colombia and to the Group Chief Commercial and Technology Officer in the case of the rest of the operations, who, together with the Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) form the 'Chief Operating Decision Maker' ("CODM").

Millicom's CODM assesses performance and allocates resources based on individual countries, which are its operating segments. The Honduras joint venture is reviewed by the CODM in a similar manner as for the Group's controlled operations and is therefore also shown as a separate operating segment at 100%. However, these amounts are subsequently eliminated in order to reconcile with the Group consolidated numbers, as shown in the reconciliations below.

## 5. SEGMENT INFORMATION (continued)

Management evaluates performance and makes decisions about allocating resources to the Group's operating segments based on financial measures, such as revenue, including service revenue, and EBITDA. Capital expenditures are also a significant aspect for management and in the telecommunication industry as a whole. Management believes that service revenue and EBITDA are essential financial indicators for the CODM and investors. These measures are particularly valuable for evaluating performance over time. Management utilizes service revenue and EBITDA when making operational decisions, allocating resources, and conducting internal comparisons against historical performance and competitor benchmarks. Additionally, these metrics provide deeper insights into the Group's operating performance. Millicom's Remuneration Committee also employs service revenue and EBITDA when assessing employees' performance and compensation, including that of the Group's executives. A reconciliation of service revenue to revenue and EBITDA to profit before taxes is provided below.

Before the organizational changes which took place in the second half of 2023 (as further explained in the 2023 Group's Annual Report), the Group reported a single segment, the Group Segment. As aforementioned, and since 2023 year-end, the Group considers the individual countries it operates in as its operating and reportable segments, and the below comparative information has been re-presented accordingly.

Revenue, Service revenue, EBITDA, capital expenditures and other segment information for the six-month periods ended June 30, 2024, and 2023 are shown on the below:

Six months ended June 30, 2024 (in millions of U.S. dollars)	Guatemala	Colombia	Panama	Bolivia	Honduras	Paraguay	Other reportable segments (v)	Total for reportable segments	Inter-segment and other eliminations (iv)	Total Group
<b>Service revenue(i)</b> .....	<b>689</b>	<b>693</b>	<b>358</b>	<b>300</b>	<b>289</b>	<b>272</b>	<b>436</b>	<b>3,037</b>	<b>(299)</b>	<b>2,738</b>
Telephone and equipment revenue .....	109	19	39	2	18	9	28	225	(18)	207
<b>Revenue</b> .....	<b>798</b>	<b>712</b>	<b>397</b>	<b>303</b>	<b>306</b>	<b>281</b>	<b>464</b>	<b>3,262</b>	<b>(317)</b>	<b>2,945</b>
Inter-segment revenue .....	4	1	1	—	2	2	4	14	n/a	n/a
Revenue from external customers .....	794	711	396	303	304	279	460	3,248	n/a	n/a
<b>EBITDA(ii)</b> .....	<b>432</b>	<b>271</b>	<b>179</b>	<b>129</b>	<b>146</b>	<b>136</b>	<b>198</b>	<b>1,491</b>	<b>(225)</b>	<b>1,266</b>
<b>Capital expenditures(iii)</b> .....	<b>83</b>	<b>44</b>	<b>33</b>	<b>20</b>	<b>28</b>	<b>25</b>	<b>52</b>	<b>286</b>	<b>(38)</b>	<b>247</b>

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

(ii) EBITDA is operating profit excluding impairment losses, depreciation and amortization, share of profit in Honduras joint venture and gains/losses on the disposal of fixed assets.

(iii) Capital expenditures correspond to additions of property, plant and equipment, as well as operating intangible assets, excluding spectrum and licenses. The Group capital expenditure additions for the six-month periods ended June 30, 2024 and 2023 can be reconciled with notes 9 and 10 for amounts of \$202 million and \$45 million respectively (2023: \$315 million and \$52 million, respectively).

(iv) Includes intercompany eliminations, unallocated items and Honduras as a joint venture.

(v) Includes our operations in El Salvador, Nicaragua and Costa Rica

## 5. SEGMENT INFORMATION (continued)

Six months ended June 30, 2023 (in millions of U.S. dollars)	Guatemala	Colombia	Panama	Bolivia	Honduras	Paraguay	Other reportable segments (v)	Total for reportable segments	Inter-segment and other eliminations (iv)	Total Group
<b>Service revenue(i)</b> .....	669	587	320	300	283	269	420	2,847	(292)	2,555
Telephone and equipment revenue .....	119	25	17	6	20	13	27	226	(20)	207
<b>Revenue</b> .....	<b>789</b>	<b>612</b>	<b>337</b>	<b>306</b>	<b>302</b>	<b>281</b>	<b>447</b>	<b>3,074</b>	<b>(312)</b>	<b>2,762</b>
Inter-segment revenue .....	4	2	1	—	2	1	3	14	n/a	n/a
Revenue from external customers .....	784	610	336	306	300	280	443	3,060	n/a	n/a
<b>EBITDA(ii)</b> .....	<b>398</b>	<b>178</b>	<b>144</b>	<b>116</b>	<b>134</b>	<b>123</b>	<b>171</b>	<b>1,263</b>	<b>(241)</b>	<b>1,022</b>
<b>Capital expenditures(iii)</b> ..	<b>119</b>	<b>83</b>	<b>37</b>	<b>23</b>	<b>44</b>	<b>42</b>	<b>58</b>	<b>407</b>	<b>(40)</b>	<b>367</b>

Three months ended June 30, 2024 (in millions of U.S. dollars)	Guatemala	Colombia	Panama	Bolivia	Honduras	Paraguay	Other reportable segments (v)	Total for reportable segments	Inter-segment and other eliminations (iv)	Total Group
<b>Service revenue(i)</b> .....	348	347	171	150	144	134	217	1,511	(149)	1,362
Telephone and equipment revenue .....	52	10	17	—	10	5	12	105	(10)	96
<b>Revenue</b> .....	<b>399</b>	<b>357</b>	<b>188</b>	<b>151</b>	<b>154</b>	<b>139</b>	<b>229</b>	<b>1,617</b>	<b>(159)</b>	<b>1,458</b>
Inter-segment revenue .....	2	—	1	—	1	1	2	7	n/a	n/a
Revenue from external customers .....	397	357	187	151	153	138	227	1,610	n/a	n/a
<b>EBITDA(ii)</b> .....	<b>217</b>	<b>141</b>	<b>90</b>	<b>64</b>	<b>73</b>	<b>67</b>	<b>97</b>	<b>749</b>	<b>(115)</b>	<b>634</b>
<b>Capital expenditures(iii)</b> ..	<b>40</b>	<b>27</b>	<b>18</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>29</b>	<b>161</b>	<b>(27)</b>	<b>134</b>

Three months ended June 30, 2023 (in millions of U.S. dollars)	Guatemala	Colombia	Panama	Bolivia	Honduras	Paraguay	Other reportable segments (v)	Total for reportable segments	Inter-segment and other eliminations (iv)	Total Group
<b>Service revenue(i)</b> .....	335	302	161	150	141	137	212	1,438	(146)	1,291
Telephone and equipment revenue .....	57	12	9	3	11	6	14	112	(11)	101
<b>Revenue</b> .....	<b>393</b>	<b>314</b>	<b>170</b>	<b>153</b>	<b>152</b>	<b>143</b>	<b>226</b>	<b>1,549</b>	<b>(157)</b>	<b>1,393</b>
Inter-segment revenue .....	2	1	1	—	1	1	2	7	n/a	n/a
Revenue from external customers .....	391	313	169	153	151	142	224	1,543	n/a	n/a
<b>EBITDA(ii)</b> .....	<b>199</b>	<b>91</b>	<b>73</b>	<b>59</b>	<b>68</b>	<b>62</b>	<b>85</b>	<b>637</b>	<b>(122)</b>	<b>515</b>
<b>Capital expenditures(iii)</b> ..	<b>47</b>	<b>45</b>	<b>20</b>	<b>13</b>	<b>15</b>	<b>23</b>	<b>29</b>	<b>194</b>	<b>(12)</b>	<b>182</b>

## 5. SEGMENT INFORMATION (continued)

Reconciliation of EBITDA for reportable segments to the Group's profit before taxes from continuing operations:

(US\$ millions)	Notes	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
<b>EBITDA for reportable segments</b> .....		<b>1,491</b>	<b>1,263</b>	<b>749</b>	<b>637</b>
Depreciation .....		(475)	(482)	(228)	(238)
Amortization .....		(163)	(177)	(77)	(90)
Share of profit in Honduras joint venture .....	8	25	21	12	11
Other operating income (expenses), net .....	4	16	4	4	1
Interest and other financial expenses .....	11	(375)	(348)	(192)	(178)
Interest and other financial income .....		31	9	12	4
Other non-operating (expenses) income, net .....	6	(16)	27	(9)	8
Profit (loss) from other joint ventures and associates, net .....		—	(3)	—	1
Honduras as joint venture .....		(146)	(134)	(73)	(68)
Unallocated expenses and other reconciling items (i) .....		(79)	(107)	(42)	(55)
<b>Profit before taxes from continuing operations</b> .....		<b>309</b>	<b>73</b>	<b>156</b>	<b>33</b>

(i) The unallocated expenses are primarily related to centrally managed costs.

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

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

in millions of U.S. dollars	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
Change in fair value of derivatives (Note 13) .....	1	3	1	4
Change in value of call option and put option liability .....	—	—	—	(2)
Exchange gains (losses), net .....	(18)	23	(10)	6
Other non-operating income (expenses), net .....	1	2	1	1
<b>Total</b> .....	<b>(16)</b>	<b>27</b>	<b>(9)</b>	<b>8</b>

## 7. EARNINGS PER COMMON SHARE

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

in millions of U.S. dollars	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
<b>Basic and Diluted</b>				
Net profit (loss) attributable to equity holders to determine the profit (loss) per share .....	170	(19)	78	(22)
<b>in thousands</b>				
Weighted average number of ordinary shares for basic and diluted earnings per share .....	171,326	171,096	171,302	171,287
Effect of dilutive share-based compensation plans .....	1,040	1,432	1,601	2,254
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution (i) .....	172,366	172,529	172,903	173,541
<b>in U.S. dollars</b>				
<b>Basic</b>				
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company .....	0.99	(0.11)	0.46	(0.13)
<b>Diluted</b>				
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company .....	0.99	(0.11)	0.45	(0.13)

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

## 8. INVESTMENTS IN JOINT VENTURES

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

At June 30, 2024, the equity accounted net assets of our joint venture in Honduras totaled \$417 million (December 31, 2023: \$382 million). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and identified assets and assumed liabilities recognized as part of the purchase accounting). Out of these net assets, \$3 million (December 31, 2023: \$3 million) represent statutory reserves that are unavailable to be distributed to the Group. During the six-month period ended June 30, 2024, Millicom's joint venture in Honduras repatriated cash of \$42 million under different forms (June 30, 2023: 62 million).

At June 30, 2024, Millicom had \$132 million payable to the Honduras joint venture which were mainly comprised of advances and cash pool balances (December 31, 2023: \$68 million). In addition, as of June 30, 2024, Millicom had a total receivable from the Honduras joint venture of \$14 million, (December 31, 2023: \$9 million) mainly corresponding to other operating receivables.

The table below summarizes the movements for the period in respect of the Honduras joint venture's carrying value:

	2024
in millions of U.S. dollars	Honduras (i)
<b>Opening Balance at January 1, 2024</b> .....	<b>576</b>
Millicom's share of the results for the period .....	25
Currency exchange differences .....	(3)
<b>Closing Balance at June 30, 2024</b> .....	<b>599</b>

(i) Share of profit is recognized under 'Share of profit in Honduras joint ventures' in the statement of income for the period ended June 30, 2024.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended June 30, 2024, Millicom added property, plant and equipment for \$202 million (June 30, 2023: \$315 million) and received \$40 million from disposal of property, plant and equipment (June 30, 2023: \$7 million), including \$38 million, net of transaction costs, proceeds from the sale and lease back transaction between Tigo Colombia and Towernex (see note 4).

## 10. INTANGIBLE ASSETS

During the six-month period ended June 30, 2024, Millicom added intangible assets for \$138 million of which \$93 million related to spectrum and licenses, and \$45 million to additions of other intangible assets (June 30, 2023: \$368 million of which \$317 million related to spectrum and licenses and \$52 million to additions of other intangible assets) and did not receive any proceeds from disposal of intangible assets (June 30, 2023: nil).

### Summary of the main spectrum and licenses acquisitions

On February 23, 2024, the Colombia's "Ministerio de Tecnologías de la Información y las Comunicaciones" ('MINTIC') granted the right to use a total of 80 MHz in the 3.5 GHz band to the Unión Temporal formed between Colombia Móvil S.A. E.S.P. - Colombia Telecomunicaciones S.A. E.S.P. BIC (see note 4). The 50/50 Unión Temporal agreed a total notional consideration of COP 318 billion (equivalent to approximately US\$81 million at initial date's exchange rate). This includes coverage and social obligations to provide internet to schools and delivery of satellite earth station filters. The license is valid for 20 years, expiring in 2044. The payment will be spread out in annual installments over the entire term and bear interest at a 24-month consumer price index (CPI) rate.

On February 28, 2024, the local regulator in Paraguay, Conatel, granted the renewal of spectrum in the 700 Mhz band operated by Tigo Paraguay, for a total cash consideration of \$8 million and subject to certain social obligations. The license is valid for a period of 5 years, expiring in 2029.

During May 2024, Panama acquired 10 MHz (5Mz x 2) spectrum in the 700 MHz band for approximately \$9 million. This spectrum does not have coverage or social obligations attached to it.

## 11. FINANCIAL OBLIGATIONS

### A. Debt and financing

The most material movements in debt and financing for the six-month period ended June 30, 2024 were as follows. When applicable, local currency amounts are translated in USD using the exchange rate at the time of occurrence.

#### Luxembourg

On April 2, 2024, MIC SA completed the issuance of its 7.375% \$450 million Senior Notes due 2032 (the "Notes"). Millicom used a portion of the net proceeds from the issuance of the Notes to repay in full certain bank loans with DNB for \$200 million, and use the remaining net proceeds for the repayment, redemption, retirement or repurchase of existing indebtedness of Millicom and its subsidiaries and for other general corporate purposes.

During the six-month period ended June 30, 2024, Millicom repurchased and cancelled some of the 2031 USD 4.5%, the 2029 USD 6.250% and the 2028 USD 5.125% Senior Notes on the open market for a total nominal amount of approximately \$17 million, \$71 million and \$45 million, respectively. The repurchase price discount of approximately \$7 million towards the carrying values has been recognized as financial income.

#### Colombia

On February 20, 2024, UNE EPM Telecomunicaciones S.A. ("UNE") executed a COP 85 billion (approximately \$21 million) working capital loan with Banco Colombia. The loan has a maturity of 1 year.

On April 25, 2024, UNE issued a COP 160 billion (approximately \$40 million) bond consisting of one tranche with a three year maturity. Interest rate is fixed at 17% and payable in Colombian peso. This bond refinanced the Tranche A (for COP 160 billion) of the bond issued in May 2016, repaid in May 2024.

#### Guatemala

During the six-month period ended June 30, 2024, Comcel repurchased and cancelled some of the 2032 USD 5.125% Comcel Senior Notes on the open market for a total nominal amount of approximately \$88 million. The repurchase price discount of approximately \$9 million towards the carrying value has been recognized as financial income.

During the months of April, May and June 2024, Comcel repaid up to \$100 million equivalent in local currency from different bank facilities to address maturities and interest charges.

#### Bolivia

In February 2024, Telefónica Celular de Bolivia S.A. ("Tigo Bolivia") early repaid two local bank loans of BOB 17 million and BOB 23 million (approximately \$2 million and \$3 million, respectively). In addition, in March 2024, Tigo Bolivia repaid a local bank loan of BOB 136 million (approximately \$20 million).

In June 2024, Tigo Bolivia repaid the outstanding 2024 BOB 3.950% Notes (approximately \$9 million equivalent in local currency).

#### Panama

During the six-month period ended June 30, 2024, "Telecomunicaciones Digitales, S.A." repurchased and cancelled some of the 2030 USD 4.500% Senior Notes on the open market for a total amount of approximately \$27 million. The repurchase price discount of approximately \$3 million with the carrying value has been recognized as a financial income.

#### Paraguay

During the six-month period ended June 30, 2024, Telefónica Celular del Paraguay, S.A.E. repurchased and cancelled some of its 2027 USD 5.875% Senior Notes for a total nominal amount of approximately \$61 million. The repurchase price discount of approximately \$1 million with the carrying value has been recognized as a financial income.

In June 2024, Telefónica Celular del Paraguay, S.A.E. repaid the outstanding 2024 PYG 8.750% Notes (tranche A) (approximately \$15 million equivalent in local currency).



## 11. FINANCIAL OBLIGATIONS (continued)

### B. Analysis of debt and financing by maturity

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

in millions of U.S. dollars	As at June 30, 2024 (i)	As at December 31, 2023 (i)
Due within:		
One year	215	202
One-two years	383	445
Two-three years	1,192	836
Three-four years	679	1,002
Four-five years	1,133	1,002
After five years	2,790	3,191
<b>Total debt and financing</b>	<b>6,391</b>	<b>6,678</b>

(i) Excluding vendor financing of \$6 million, due within one year (December 31, 2023: \$18 million).

The table below describes the outstanding and maximum exposure under guarantees and the remaining terms of the guarantees as at June 30, 2024 and December 31, 2023.

in millions of U.S. dollars	Bank and financing guarantees (i)		Supplier guarantees	
	As at June 30, 2024	As at December 31, 2023	As at June 30, 2024	As at December 31, 2023
	Outstanding and Maximum exposure		Outstanding and Maximum exposure	
Terms				
0-1 year	27	15	—	1
1-3 years	197	322	—	—
3-5 years	158	169	—	—
<b>Total</b>	<b>381</b>	<b>505</b>	<b>—</b>	<b>1</b>

(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	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023
Interest expense on bonds and bank financing	(236)	(235)	(117)	(119)
Interest expense on leases	(62)	(58)	(31)	(30)
Early redemption charges	—	(1)	—	(1)
Others	(78)	(53)	(44)	(28)
<b>Total interest and other financial expenses</b>	<b>(375)</b>	<b>(348)</b>	<b>(192)</b>	<b>(178)</b>

## 12. COMMITMENTS AND CONTINGENCIES

### Litigation & claims

The Company and its operations are contingently liable with respect to lawsuits, legal, regulatory, commercial and other legal risks that arise in the normal course of business. As of June 30, 2024, the total amount of claims brought against MIC SA and its subsidiaries is \$329 million (December 31, 2023: \$328 million). The Group's share of the comparable exposure for its joint venture in Honduras is \$8 million (December 31, 2023: \$9 million).

As at June 30, 2024, \$17 million has been provisioned by its subsidiaries for these risks in the unaudited interim condensed consolidated statement of financial position (December 31, 2023: \$14 million). The Group's share of provisions made by the joint venture was \$1 million (December 31, 2023: \$1 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and results of operations.

On February 13, 2024, the New York Supreme Court granted summary judgment in favor of a breach of contract claim filed by Telefónica after Millicom terminated the acquisition of Telefónica's Costa Rican business in 2020. The Court also ruled in favor of Telefónica's methodology for calculating prejudgment interest. As of the time of the issuance of this report, the Court has not yet determined the exact amount of damages, and a final judgment has not yet been entered. Millicom disagrees with the decision and continues to believe that it has strong arguments in its favor. Millicom plans to file an appeal of the ruling.

### Taxation

At June 30, 2024, the tax risks exposure of the Group's subsidiaries is estimated at \$273 million, for which provisions of \$50 million have been recorded in tax liabilities; representing management's assessment of the probable cash outflow of eventual claims and required payments related to those risks (December 31, 2023: \$279 million of which provisions of \$52 million were recorded). The Group's share of comparable tax exposure and provisions in its joint venture amounts to \$127 million (December 31, 2023: \$118 million) and \$8 million (December 31, 2023: \$7 million), respectively.

### Capital commitments

At June 30, 2024, the Company and its subsidiaries had fixed commitments to purchase network equipment, other fixed assets and intangible assets of \$347 million of which \$301 million are due within one year (December 31, 2023: \$350 million of which \$254 million are due within one year). The Group's share of commitments in the Honduras joint venture is \$23 million of which \$23 million are due within one year. (December 31, 2023: \$18 million and \$18 million respectively).

## 13. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at June 30, 2024 and December 31, 2023:

in millions of U.S. dollars	Carrying value		Fair value (i)	
	As at June 30, 2024	As at December 31, 2023	As at June 30, 2024	As at December 31, 2023
Financial liabilities				
Debt and financing (ii)	6,391	6,678	5,899	6,086

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

(ii) Excluding vendor financing of \$6 million (December 31, 2023: \$18 million).

### Derivative financial instruments

#### Currency and interest rate swap contracts

MIC SA entered into swap contracts in order to hedge the foreign currency and interest rate risks in relation to the 2024 SEK 2 billion bond and the foreign currency risk in relation to the 2027 SEK 2.2 billion bond (approximately \$208 million and \$252 million, respectively, using the exchange rate at the time of the issuance of each bond) issued in May 2019 and January 2022 with maturity dates May 2024 and January 2027, respectively. All swap contracts attached to the 2024 SEK 2 billion bond were terminated on May 10, 2023, after the early redemption of the bond and were settled against a cash payment of \$26 million.

In January 2023, MIC SA also entered into two currency swap agreements to hedge an intercompany receivable of COP 206 billion (approximately \$41 million) owed by Tigo-UNE with maturity date January 2026. These swaps are accounted for as cash flow hedges as hedging relationships are highly effective.

### 13. FINANCIAL INSTRUMENTS (Continued)

The fair value of the aforementioned swaps amounts to a liability of \$53 million as of June 30, 2024 (December 31, 2023: a liability of \$46 million).

The Group's operations in Colombia 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. The fair value of Colombia swaps amounted to an asset of \$8 million as of June 30, 2024 (December 31, 2023: an asset of \$6 million).

As a result, the net fair value of the derivative financial instruments for the Group, as of June 30, 2024 amounted to a liability of \$46 million (December 31, 2023: a liability of \$40 million)

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

There are no other derivative financial instruments with a material fair value at June 30, 2024.

### 14. TAX

The Millicom Group is within the scope of the OECD Pillar Two Model Rules (also referred to as the "Global Anti-Base Erosion" or "Globe" Rules). The Pillar Two Model Rules were released by the Organization for Economic Co-operation and Development ('OECD') in response to agreement reached in October 2021 by more than 130 countries to implement a minimum tax regime for multinationals. Pillar Two legislation was enacted in Luxembourg and has come into effect from January 1, 2024.

Being MICSA resident in Luxembourg and the Ultimate Parent Entity of the Group, the latter is subject to the Pillar Two Model Rules. Besides Luxembourg, the Pillar Two Model Rules have been enacted since January 2024 in the following countries within the scope of Millicom Group: The Netherlands, United Kingdom and Sweden.

The Group has run testing under the OECD Transitional Safe Harbour rules, which are transitional rules mainly based on the Country by Country Report of the Group. As of June 30, 2024, it results that all jurisdictions within Millicom Group meet at least one of the transitional safe harbour rules, hence are not expected to be subject to top-up taxes.

MICSA is the head of a fiscal unity in Luxembourg, which has tax losses of an amount of approximately \$4.6 billion as of December 31, 2023, per the Annual Report. Per Luxembourg tax law, approximately \$1.2 billion expire 17 years after generation, approximately \$3.4 billion do not expire.

### 15. SUBSEQUENT EVENTS

#### **Public offer to purchase all of Millicom's outstanding common shares and SDRs from Atlas Luxco S.à r.l.**

On July 1, 2024, Atlas Luxco S.à r.l. ("Atlas"), a subsidiary of Atlas Investissement S.A.S., announced public offers in Sweden and the United States (the "Offers") to the shareholders in Millicom to tender all of their common shares and SDRs to Atlas, for USD 24.00 per common share and SDR (the "Offer Price"). The Offers will expire on August 16, 2024, unless the Offers are extended.

On July 15, 2024, Millicom announced that a committee of independent members of its Board of Directors unanimously recommends that shareholders reject the Offers and not tender their shares and SDRs pursuant to the Offers as the Offer Price significantly undervalues Millicom

#### **Bond Repurchases**

During July 2024, Millicom continued to repurchase bonds in the secondary markets. MIC S.A. and Telefónica Celular del Paraguay, S.A.E. continued to repurchase and cancel some of the 2029 USD 6.250%, 2028 USD 5.125% and 2027 USD 5.875% Senior Notes on the open market for a total nominal amount of approximately \$14 million, \$19 million and \$2 million, respectively.

#### **Tigo Plaza Guatemala**

On July 3, 2024, a Millicom subsidiary in Guatemala purchased a building called Plaza Tigo, which it used to lease so far, from the seller for approximately \$23 million, including taxes. It will pay for the building in 3 parts: \$6 million right away, \$8 million on July 1, 2025 and another \$8 million on July 1, 2026. Until they pay off the entire amount, Millicom's subsidiary will use the building as collateral to guarantee the outstanding payments to the seller.

***New bond in Paraguay***

On July 11, 2024, Telefónica Celular del Paraguay, S.A.E. issued local bonds for a total amount of PYG 370,000 million (approximately \$49 million) with a maturity of 8 years and at an interest rate of 8.17%. This issuance is part of the local currency Debt Program registered in 2021 for a total amount equivalent to \$150 million.

***Colombia consolidation***

On July 31, 2024, Millicom announced that it has signed a non-binding memorandum of understanding with Telefonica for the potential acquisition of Telefonica's stake in Telefonica Colombia (Coltel), as part of a broader intended combination of Coltel and TigoOne, Millicom's 50%-owned operation in Colombia. Millicom intends to offer to purchase La Nación's and other minority interests in Coltel for cash at the same purchase price per share offered to Telefonica, as well as Empresas Públicas de Medellín's (EPM) 50% interest in TigoOne for cash at a valuation multiple comparable to the one implied by the Coltel acquisition. The total investment by Millicom would be approximately \$1 billion, and the transaction would be subject to negotiation of definitive agreements and receipt of regulatory approvals.

***Costa Rica merger***

On August 1, 2024, we signed a binding agreement with Liberty Latin America to combine our operations in Costa Rica in a cashless merger in which Millicom would retain a minority equity ownership of approximately 14%. The transaction is subject to regulatory approvals and is expected to close in H2 2025.

## Appendix

On August 28, 2023, Millicom designated Tigo-UNE, Colombia Móvil S.A. E.S.P., Edatel S.A. E.S.P., Orbitel Servicios Internacionales S.A.S., Cinco Telecom Corp., Inversiones Telco S.A.S. and Emtelco S.A.S. (collectively, the “Colombia Unrestricted Subsidiaries”), which are the entities constituting its Colombian operations as “Unrestricted Subsidiaries” under the 4.500% Notes, the 6.625% Notes, the 5.125% Notes, the 6.250% Notes, the SEK Bond, COP Bond and several of its financing agreements.

The following supplemental consolidating financial information presents selected statement of income and statement of financial position information of Millicom and its Restricted Subsidiaries (as defined under its outstanding credit instruments) separately from such information for Millicom’s Unrestricted Subsidiaries. This information is not reviewed by KPMG.

Statement of income \$ millions	Millicom Group (A)	Colombia Unrestricted Subsidiaries (B)	Intercompany Eliminations (C)	Millicom Restricted Group (A)-(B) net of (C)
<b>Six months ended June 30, 2024</b>				
Revenue .....	2,945	712	—	2,233
Equipment, programming and other direct costs .....	(735)	(184)	(1)	(552)
Operating expenses .....	(945)	(258)	2	(685)
Depreciation .....	(475)	(127)	—	(347)
Amortization .....	(163)	(39)	—	(125)
Share of profit in Honduras joint venture .....	25	—	—	25
Other operating income (expenses), net .....	16	12	—	4
<b>Operating profit</b> .....	<b>669</b>	<b>117</b>	<b>2</b>	<b>553</b>
Net financial expenses .....	(344)	(126)	5	(213)
Other non-operating (expenses) income, net .....	(16)	(7)	—	(10)
Profit (loss) from other joint ventures and associates, net .....	—	—	—	—
<b>Profit (loss) before taxes from continuing operations</b> .....	<b>309</b>	<b>(15)</b>	<b>7</b>	<b>330</b>
Tax expense .....	(148)	(5)	—	(144)
<b>Net profit (loss) for the period</b> .....	<b>160</b>	<b>(19)</b>	<b>7</b>	<b>186</b>

## Appendix (Continued)

Statement of financial position \$ millions	Millicom Group (A)	Colombia Unrestricted Subsidiaries (B)	Intercompany Eliminations (C)	Millicom Restricted Group (A)-(B) net of (C)
<b>June 30, 2024</b>				
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets, net .....	6,879	307	—	6,572
Property, plant and equipment, net .....	2,752	654	—	2,098
Right of use assets, net .....	895	213	—	682
Investment in Honduras joint venture .....	599	—	—	599
Contract costs, net .....	12	—	—	12
Deferred tax assets .....	140	1	—	139
Other non-current assets .....	83	31	75	127
<b>TOTAL NON-CURRENT ASSETS .....</b>	<b>11,359</b>	<b>1,206</b>	<b>75</b>	<b>10,228</b>
<b>CURRENT ASSETS</b>				
Inventories .....	63	9	—	55
Trade receivables, net .....	418	117	—	301
Contract assets, net .....	78	6	—	73
Amounts due from non-controlling interests, associates and joint ventures .....	17	5	—	12
Prepayments and accrued income .....	240	40	—	200
Current income tax assets .....	86	50	—	35
Supplier advances for capital expenditure .....	16	1	—	15
Other current assets .....	173	46	54	181
Restricted cash .....	53	2	—	51
Cash and cash equivalents .....	792	49	—	744
<b>TOTAL CURRENT ASSETS .....</b>	<b>1,935</b>	<b>325</b>	<b>54</b>	<b>1,665</b>
Assets held for sale .....	895	895	—	—
<b>TOTAL ASSETS .....</b>	<b>14,190</b>	<b>2,426</b>	<b>129</b>	<b>11,893</b>

## Appendix (Continued)

Statement of financial position \$ millions	Millicom Group (A)	Colombia Unrestricted Subsidiaries (B)	Intercompany Eliminations (C)	Millicom Restricted Group (A)-(B) net of (C)
<b>EQUITY</b>				
Share capital and premium	1,324	—	—	1,324
Treasury shares	(17)	—	—	(17)
Other reserves	(519)	(384)	—	(135)
Retained profits	2,719	477	127	2,368
Net profit/ (loss) for the period/year attributable to owners of the Company	170	(10)	—	180
<b>Equity attributable to owners of the Company</b>	<b>3,677</b>	<b>83</b>	<b>127</b>	<b>3,720</b>
Non-controlling interests	(85)	(86)	—	1
<b>TOTAL EQUITY</b>	<b>3,592</b>	<b>(2)</b>	<b>127</b>	<b>3,721</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Debt and financing	6,176	567	—	5,610
Lease liabilities	890	248	—	642
Derivative financial instruments	53	—	—	53
Amounts due to non-controlling interests, associates and joint ventures	46	75	—	(29)
Payables and accruals for capital expenditure	79	40	—	39
Other non-current liabilities - Total	298	133	—	165
Deferred tax liabilities	137	—	—	137
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,678</b>	<b>1,062</b>	<b>—</b>	<b>6,616</b>
Debt and financing	220	77	—	143
Lease liabilities	188	62	—	127
Put option liability	80	—	—	80
Payables and accruals for capital expenditure	187	41	—	146
Other trade payables	306	78	—	228
Amounts due to non-controlling interests, associates and joint ventures	91	58	—	33
Accrued interest and other expenses	476	98	—	378
Current income tax liabilities	89	3	—	86
Contract liabilities	126	4	—	122
Provisions and other current liabilities	335	123	2	215
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,097</b>	<b>543</b>	<b>2</b>	<b>1,556</b>
Liabilities directly associated with assets held for sale	823	823	—	—
<b>TOTAL LIABILITIES</b>	<b>10,598</b>	<b>2,428</b>	<b>2</b>	<b>8,172</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,190</b>	<b>2,426</b>	<b>129</b>	<b>11,893</b>