Committed to Connectivity

2021 Millicom Annual Report

MILLICOM
THE DIGITAL LIFESTYLE

tigo

MILLICOM INTERNATIONAL CELLULAR S.A.

The empowering effect of connectivity should never be underestimated.

Connectivity has the power to bring families together, educate children and inspire dreamers to reach their full potential. It can open limitless doors for businesses—to innovate more, grow faster or aim higher, whether you're a small business owner or a CEO.

We're committed to connectivity and all that it empowers. And we're proud to provide the broadband and mobile connections that make it possible.

Our purpose, to build the digital highways that connect people, improve lives and develop our communities, drives us in all we do. We fulfill our purpose with a shared passion for our customers and a tireless commitment to doing what's right—from narrowing the digital divide to reducing our greenhouse gas (GHG) emissions to catalyzing economic growth in developing markets.

Eventually, everything connects. We strive to make sure everyone connects, too.

Through our Tigo and Tigo Business brands, we provide a wide range of digital services, including high-speed data, cable TV, voice, Mobile Financial Services and business solutions. In 2021, we served customers in nine Latin American markets—Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay—as well as in Tanzania in Africa.

About This Report

Our sixth fully integrated annual report combines our financial[1] and Environmental, Social and Governance (ESG) performance to provide our stakeholders a comprehensive overview of our purpose, business strategies, performance, actions and impact. The report identifies and quantifies how we perform as a company to create business value, transform communities and protect our environment in alignment with the United Nations Sustainable Development Goals.

We conduct bi-yearly materiality assessments to identify the issues of greater importance to our stakeholders. Our latest assessment (link) was conducted in 2020 and helped us better understand the impact of COVID-19 on our stakeholders' perspectives. During 2020, we also conducted a gap analysis against investor-based frameworks, including the Task Force for Climate-related Financial Disclosures (TCFD), and investor rating agency questions, all of which continue to shape our disclosures.

The content is also mapped against Global Reporting Index (GRI) and Sustainable Accounting Standards Board (SASB) standards and is aligned with our 2021 TCFD reporting, published in our CDP[2] report. The GRI and SASB indexes can be found in: https://www.millicom.com/results/ar-2021/.

This year, we evolved how we communicate ESG to better align with leading ESG reporting frameworks and to help stakeholders better understand our issue-specific approaches. You'll see the results on our website and in this report.

We will continue to incorporate findings from these and other assessments and approaches in future reports and to seek feedback from investors, customers, employees and community leaders to inform our ESG efforts. Learn more about our ESG reporting approach here.

ERM Certification and Verification Services (ERM CVS) has conducted independent assurance of selected 2021 ESG data. To understand the scope, activities and conclusions of the assurance process, please see the ERM CVS Assurance Statement, on starting on pages 42.

[1] *Unless otherwise indicated, all references to "U.S. dollars," "dollars" or "$" are to the lawful currency of the United States of America*
[2] *Formerly Carbon Disclosure Project*

What's Inside this Report

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Note: Our Latin American (Latam) segment includes our Honduras joint venture as if it were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters. It also includes our Guatemala operation.See also note A.1.2. in the notes to our audited consolidated financial statements for information regarding the acquisition of the remaining 45 % equity interests in our Guatemala joint venture business on November 12, 2021.We also report in this way to provide increased transparency to investors in these operations.

Chairman's Message

As I reflect on the past year, I'm inspired by how much we accomplished—both in our financial performance and our steadfast commitment to the people, businesses and communities we serve. Our unwavering commitment to our business strategy paid off with significant growth in all of our markets, aided by strategic investments in our network and operations.

We attribute our exceptional achievements to the commitment of everyone at Millicom—from our CEO to our Senior Leadership Team to each and every employee—to fulfilling our purpose. We build the digital highways that connect people, improve lives and develop communities. It was true 30 years ago when we launched, and it's just as true today.

Throughout 2021, our company responded to Millicom's risks, challenges and opportunities with strong governance and oversight. The Board approved our divestment from our Africa business and the redeployment of capital into new growth opportunities in Latin America. Alongside the acquisition of the remaining 45% of our business in Guatemala, these moves strengthened Millicom's position as the region's leading telecom provider and put us on a path to strong, sustainable growth.

The Board also provided oversight of Millicom's ongoing response to COVID-19, including adjusting our financial structure and restarting shareholder remuneration in response to our improved financial performance. After putting select strategies and investments on hold in the early days of the pandemic, we were able to execute our business strategy in full force in 2021. More details about Millicom's approach to risk can be found starting on page 23 of this year's report.

The Board believes a strong compliance culture is vital to the success of our business—and we're proud to be a leader on ethics and compliance in our markets. Led by our Executive and Legal, Ethics and Compliance Teams, we continued developing and expanding our compliance program in 2021, embedding ethical behaviors into every one of our daily decisions and workflows.

We're equally proud of the increased diversity on our Board. With three new additions, we diversified by gender, age, identity and nationality in 2021, as well as introduced new experiences, backgrounds and business disciplines to our Board's mix. Diversity is one of the core pillars of our Sangre Tigo culture and is a key strength for Millicom. We continued fostering a DE&I mindset at all levels of Tigo this year, including providing exciting and interactive training courses to help us create an environment where every voice is heard and respected.

Finally, we reinforced our commitment to reducing the environmental impact of Millicom's operations, improving information security and protecting our customers' privacy.

These and many other accomplishments in 2021 connect directly to the passionate and talented employees who embody our Sangre Tigo corporate culture. We thank them for their deep commitment to our purpose and their ability to rise to every challenge and opportunity. They are the life force of Tigo and we're immensely proud of their dedication.

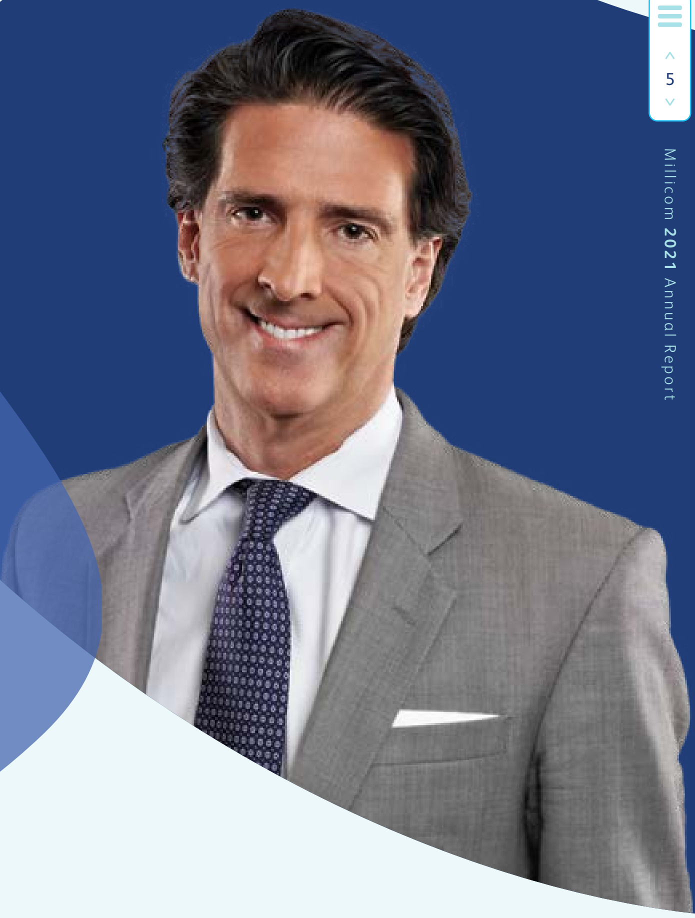
I also want to thank my fellow Board members for contributing their business expertise and industry knowledge. And I want to extend the entire Board's gratitude to departing members Tomas Eliasson and Lars-Åke Norling for their invaluable contributions over the past several years.

Lastly, we want to thank you for being part of Millicom's success story. We look forward to continuing this journey with you.

José Antonio Ríos García
Chairman of the Board of Directors

Chief Executive Officer's Message

If there's one message I hope our employees, investors and other stakeholders take away this year, it's this: We deserve to be proud. After a 2020 that tested our resilience in ways we never could have anticipated, Millicom performed exceptionally well in 2021.



Our customers' trust in Tigo is at an all-time high. We gained market share throughout the year, posting strong gains in every quarter. We affirmed our standing as Central America's leading telecommunications provider by inking deals to acquire full control of Tigo Guatemala and to divest in Africa. Our investments in modernizing and expanding our Central American networks have positioned us for sustained growth in markets with untapped digital potential.

Perhaps most importantly, we demonstrated we have the fortitude, capabilities, strategies, teams and culture to emerge from a crisis stronger than we've ever been. And we did it while remaining laser-focused on our purpose, which is to build the digital highways that connect people, improve lives and develop our communities.

I couldn't be prouder. And I encourage our employees and leaders to feel the same sense of pride when reflecting on our accomplishments together.

Every business line and every country in Latin America contributed to our outstanding performance. We added 3.1 million mobile customers and 415,000 HFC home customers this year, strengthening our position as the leading telecom provider in our markets. We also continued executing our 2021 investment plan, which included expanding our Colombia mobile network and modernizing our mobile networks in El Salvador, Honduras, Paraguay and Bolivia.

Our revenue for 2021 increased 10.7% to $4.6 billion[1]. After making some difficult but necessary financial decisions last year to maintain operating cash flow and reduce debt, our improved financial position this year enabled us to invest an additional 23%in capital expenditures, while also exceeding our operating cash flow target for the year. We were able to resume shareholder remuneration in Q3, repurchasing approximately 1% of our shares outstanding.

Beyond our strong operating and financial performance, I'm excited to introduce you to our new Environmental, Social and Governance (ESG) framework, which represents a new way of communicating our longstanding corporate responsibility commitments and accomplishments. Our reason for the transition is simple: we wanted to provide a more complete picture of how social and environmental criteria play an integral role in every part of our business.

Our new framework helps clarify our ESG commitments while illustrating the intertwined relationship between our purpose, business strategies and ESG principles. It's vital that we tell this story authentically.

In practice, this means measuring our success by financial results, yes, but also how we contribute to the lives of our employees and the people in the communities we serve, and how we reduce our impact on the environment.

We made dramatic progress across our ESG agenda in 2021, including committing to new Science-Based Targets to reduce our greenhouse gas ("GHG") emissions in the coming years and by joining Race to Zero, the UN-backed campaign aimed at promoting a healthy, resilient, zero carbon recovery. See our Environmental section on page 44 to read more about our commitment.

The digital divide and a lack of digital literacy continue to prevent as many as half the people in our markets from fully participating in society. We responded with initiatives like our partnership with Fundación Real Madrid, which will increase digital access and literacy among vulnerable children by bringing together the two things that children in Latin America love most: fútbol and the internet.

We also continued to provide digital literacy and entrepreneurship training to women and adolescent girls in Latin America through our Conectadas program. We're particularly excited about our progress in El Salvador, where more than 6,000 women received entrepreneurship training through Conectadas, helping them capitalize on new business opportunities. These and other efforts reinforce our ongoing support of the UN Global Compact and Sustainable Development Goals.

We want to do more than just connect our communities; we want to be a conduit of investment capital for developing economies. For example, we announced a plan to invest $250 million in Panama to boost local infrastructure and create a new fintech hub. The hub will boost the local economy, bring jobs to the country and serve our growing Tigo Money business in the region. Additionally, we secured full ownership of our Guatemala business in a transaction that is immediately accretive to our cash flow and net income and reflects our continued confidence in the thriving economy of Guatemala and our renewed commitment to the digital transformation of its society.

Internally, we remained focused on making Tigo a great place to work. We strengthened our already strong diversity, equity and inclusion (DE&I) programs this year, in our ongoing quest to make sure every Tigo employee feels empowered to contribute authentically. In that spirit, we established a new and ambitious target of reaching gender parity by 2030, including equal gender representation across the entire organization, as well as in its upper management positions globally.

Unfortunately, many of our markets are still burdened by COVID-19. Throughout the pandemic, we've teamed up with government and community leaders to keep connectivity flowing and support the critical health needs of our communities. We remain deeply committed to the health and well-being of our employees and customers, as well as their friends and families.

At Millicom, we believe doing good is good for our business, and that our business itself is good for our communities. Our Sangre Tigo culture is the beating heart of this belief. It's how we rose to the challenge in 2021, and how we'll make Tigo even better as we look to the future.

I'm thrilled to share this year's annual report with you. As you'll see on the pages that follow, our strategies are honed, our purpose is clear and our potential is far-reaching. Thank you to everyone—our employees, our customers, our Board, our community partners and our shareholders—for making it so.

Finally, a special thanks to Tim Pennington, who will retire from his role of Chief Financial Officer on April 1. Tim joined the company in 2014 and played a leading role in steering the company through a period of significant transformation. Tim's stewardship and contributions extended well beyond the finance function to touch every part of the business. He will be missed, and we wish him well in this next chapter of his life.

Mauricio Ramos
Executive Director and Chief Executive Officer

"A special thanks to Tim Pennington, who will retire from his role of Chief Financial Officer on April 1. He will be missed, and we wish him well in this next chapter of his life."

[1] Financial results are presented on an IFRS basis and therefore do not consolidate the results from our Honduras joint venture. The results for our Guatemala subsidiary, are consolidated as from November 12, 2021.

Our Year in Numbers

Financial, Operational and ESG Highlights

Financial Highlights ("IFRS")

Revenue ($m)

2019	$4,336
2020	$4,171
2021	**$4,617**

Gross Profit ($m)

2019	$3,135
2020	$3,000
2021	**$3,316**

Financial results are presented on an IFRS basis and therefore excludes the results from our Guatemala operations (until November 12, 2021 as explained in Note A.1.2 to the Financial Statements) and Honduras joint ventures.

The following Indicators reflect Latam segment (with Honduras and Guatemala).

- *4G Customers*
- *HFC Homes Passed*
- *HFC Customer Relationships*
- *Tigo Business Customers*

Employees, contractors and ESG highlights reflect Latam and Africa.

Operational Highlights ("Latam")

4G Mobile Data Users (m)

2019	15.4
2020	18.2
2021	**21.4**

HFC Homes Passed (m)

2019	11.5
2020	11.9
2021	**12.4**

HFC Customer Relationships (m)

2019	3.5
2020	3.7
2021	**4.1**

345,000
Tigo Business accounts

20,687
full-time employees and approximately 12,000 contractors

Environmental, Social & Governance ("ESG") Highlights ("Latam and Africa")

112,737
Teachers trained through Maestr@s Conectad@s

158,881
Women who participated in our digital inclusion and training programs ("Conectadas")

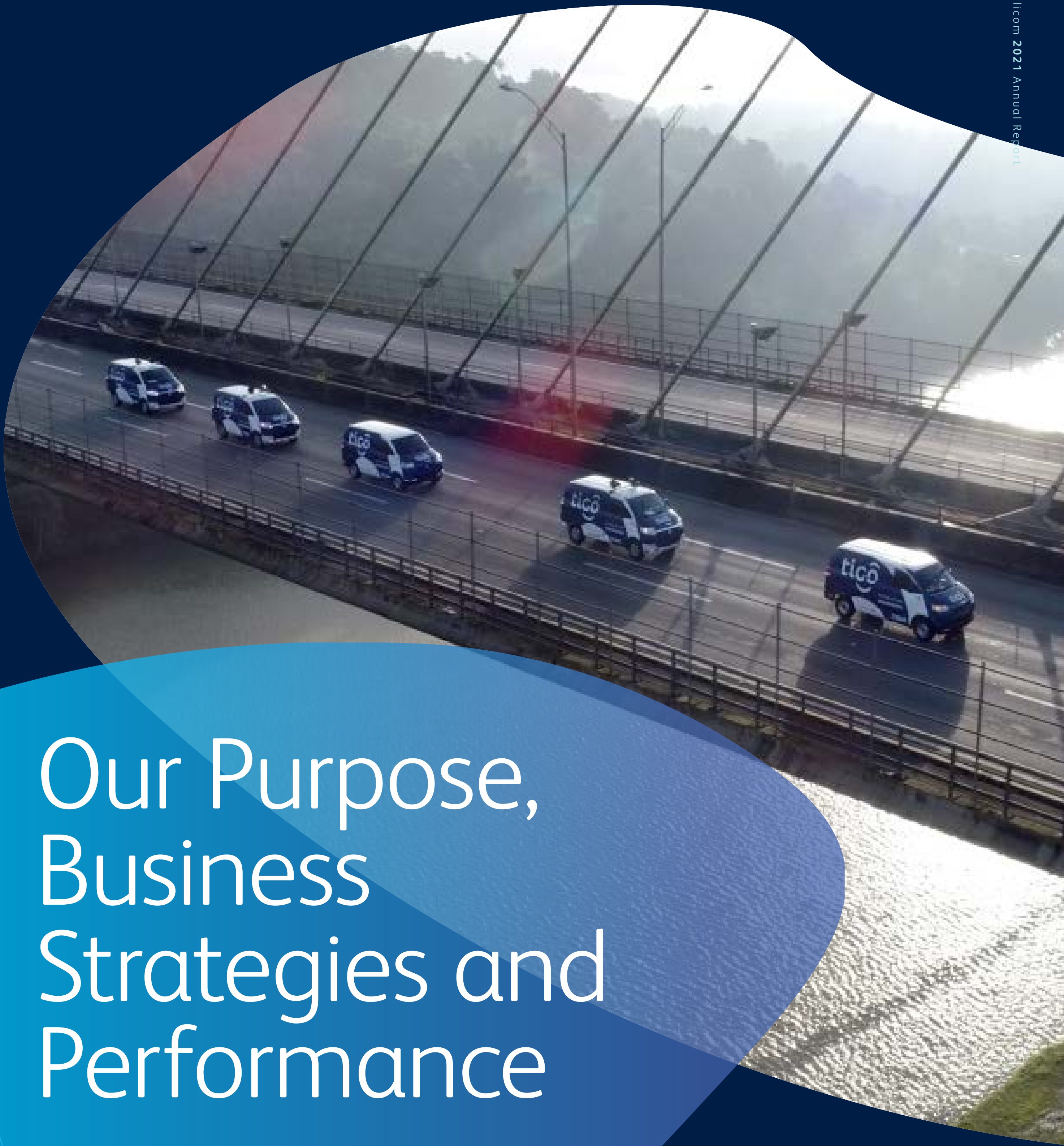
84%
Percentage of Consumer Premise Equipment (CPE) recovered upon service termination or upgrades

Market Leadership

Our long-term focus on converging Tigo's fixed and mobile services throughout Latin America continues to pay dividends. Millicom's gains in recent years stem from organic increases in our market share and investments in key acquisitions to further consolidate our regional footprint.

We have invested more than $4.7 billion in Central America in the past three years, starting with our acquisition of companies in Panama and Nicaragua and our investment to assume full control of Tigo Guatemala. These assets allowed us to expand our portfolio of countries served and accelerate our fixed-mobile convergence strategy in the region. We also continue to modernize and expand our network in Latin America, with major infrastructure investments in Colombia, El Salvador, Panama, Nicaragua, Paraguay, Bolivia and Honduras. We are now the #1 or #2 mobile and/or broadband provider in many of the markets we serve.

Modernization and expansion are key to making our network the most accessible and modern in the countries we serve, with the widest coverage area. Thanks to these and other investments, we're providing customers with the high-quality fixed and mobile services they expect. And we're meeting our own expectations to expand Latin America's digital highways and advance economic prosperity in the region for years to come.



Our Purpose, Business Strategies and Performance

Our Purpose

We build the digital highways that connect people, improve lives and develop communities.

We are what we believe.

We believe in connecting. In bridging distances. In strengthening the bonds that unite people across communities, cities and continents.

We believe in helping businesses thrive. Whether it's a clothing retailer, an app developer, a parts manufacturer or a micro business owner, we empower entrepreneurs and organizations to compete in the 21st-century economy.

Our purpose is to build the digital highways that power these connections. To inspire innovation and enable education. To promote equity and close the digital divide. To catalyze business growth. To create a better future for all.

Everything we do extends from this purpose.

Our business strategies focus on areas with the greatest economic potential, and areas where our investments can have a transformative impact. Our actions are a reflection of our values as people. From reducing GHG emissions, to increasing digital literacy among women and children, to expanding coverage in neglected communities, every one of our initiatives comes from a drive to always do better. To always be better. To provide value for our shareholders and all those who share our ideals.

This is our story. This is our purpose.

Our Key Stakeholders

We engage a diverse group of stakeholders to inform our purpose, strategies and actions—from the customers who use our services, to the communities we work in, to the employees and investors who make everything we do possible. Here's how we drive positive outcomes for these groups.

Investors
We believe Millicom can serve as an investment vehicle for development in Latin America, helping us tap into the region's tremendous potential and strengthen Millicom's business. As our fixed and mobile networks reach more communities, we aim to continually grow our revenue and cash flow to create sustainable value for shareholders.

Customers
Our digital highways supply the resources that empower individuals and organizations to aim higher and discover what the world has to offer. We strive to keep our products and services affordable so we can continue to open doors to learning, employment, commerce, entertainment, social interaction and civic involvement.

Communities
We depend on the communities in Latam as deeply as they depend on us. Through our strong governance and ESG initiatives in areas such as reducing our environmental footprint, safeguarding privacy, closing the digital divide, empowering women with technology skills and doing business the right way, we minimize risks, create new social and economic opportunities and reinforce Millicom's standing in the community.

Employees
We fulfill our purpose by sustaining an inclusive corporate culture that attracts talented people, values their diversity, inspires them to excel and rewards their accomplishments. Our culture is driven by what we call Sangre Tigo. It's a shared belief in the purpose behind our work, a collective passion for making our customers the center of everything we do, a tireless commitment to doing what's right and a deep sense of unity.

"We believe that building digital highways in Latin America will not only produce a great return for our investors, but also strong social contributions to those economies. That's why we believe in the region."

—Mauricio Ramos, *CEO*

Opportunities, Challenges and Uncertainties in Our Markets

Millicom's future is deeply rooted in Latin America. While many of our markets are still grappling with the pandemic, local economies are gradually recovering as businesses and governments learn to adapt to this new reality. The International Monetary Fund World Economic Outlook projects that our Latin American markets will grow by roughly 4.0% in 2022, above the regional average of 2.4%. But a lack of digital infrastructure threatens to hold these markets back. Accelerating the digital transition must be a priority for these countries' economies to take the next step—and we're laser focused on making it happen.

Opportunities

High-speed connectivity has become indispensable to our customers and communities. The need for faster speeds and always-on service will only grow as more businesses in our markets embrace e-commerce and automation and adopt hybrid work models for their employees. With our modern network, market penetration and strategic framework, we believe we help lead a digital transformation in our markets and create sustained value for our shareholders.

We have other reasons for optimism in the region. Remittances in countries like El Salvador, Guatemala and Nicaragua number in the billions of dollars per year, indicating a degree of economic stability that should bolster the region's recovery. While the pandemic blunted its momentum, the middle class in Latin America had been growing steadily prior to COVID-19 and will likely rebound, further stabilizing local economies.

In addition, the population in Latin America is likely to be more digitally savvy in the coming decades. Estimates say around 162 million of the region's 661 million citizens are between the ages of 15 and 29, representing a significant growth opportunity for digital providers. The numbers suggest the transition may already be underway. While digital adoption rates are low overall (see "Challenges" below), annual growth rates for broadband and mobile are among the highest in the world.

Challenges

Although Latin American economies are on the upswing, the pandemic took a devastating toll on communities and setbacks are possible. COVID-19 pushed millions into poverty and gutted local health systems. Unemployment skyrocketed and jobless rates remain high. Due to the fiscal restraints created by the pandemic, many governments are struggling to provide basic public services. We've grappled with this reality the past two years, but our business has grown regardless.

The digital divide remains an obstacle. Many citizens in our markets live below the poverty line and/or live in an area that lacks broadband or mobile coverage. According to the World Bank, fewer than 50% of Latin American households have broadband access. The urban-rural divide is particularly stark, with 67% of urban households connected vs. 23% of rural households. Without internet access, these households miss out on critical e-learning, telehealth and employment opportunities and risk falling further behind.

We're helping address this divide with initiatives across Tigo, most notably our investments in expanding rural coverage. Our partnership with Ericsson, for example, will extend network coverage to an additional 2.5 million people in Bolivia, Paraguay and Honduras.

Uncertainties

COVID-19 remains a source of uncertainty in our markets. Vaccination rates have been increasing in our markets and are above 50% in Colombia, Costa Rica, El Salvador and Panama, but remained below 30% in Guatemala. Government responses to outbreaks vary widely. That said, as vaccine access has been improving, most governments have stopped imposing strict lockdowns, reducing the potential for social unrest. We remain vigilant and ready to adapt should new strains of the virus emerge and governments change course.

Our long-term success also hinges on the governments and regulators that control the digital spectrum. The broadband connectivity that Millicom provides is essential to private sector investment and growth, as well as the delivery of healthcare, education and other government services.

We ask regulators to advance their digital economies with policies that prioritize affordable, long-term digital connectivity for users and businesses. In return for this stability, we will continue to invest hundreds of millions of dollars in the network infrastructure to serve individuals and businesses with robust speeds, expanded coverage areas and quality content. This issue is at the heart of digital development in these countries and is key to our strategic success.

Our Business Strategies and Performance

Our purpose inspires our business strategies and drives their success. By shifting our focus in 2020 to keeping customers and employees safe and connected, we created the conditions for a robust 2021.

2021 Highlights

Our revenue grew 10.7% year-over-year, aided by stronger commercial activity and consolidation of Guatemala *(see Spotlight on next page).*

78%

Network enhancements expanded our Latam mobile coverage area to 78% in our markets.

With 415,000 new fiber-cable subscribers in Latam

With 415,000 new fiber-cable subscribers in Latam, the Tigo networks kept pace with the surge in demand for high-quality broadband.

$922M

Our capital expenditures totaled $922 million, a 23% year-over-year increase that's fueling our customer growth.

SPOTLIGHT:

Millicom (Tigo) acquire full control of Tigo Guatemala

On November 12, 2021, Millicom acquired the remaining 45% equity interest in its prior joint venture businesses in Guatemala (collectively, "Tigo Guatemala") from our local partner for $2.2 billion in cash. As a result, Millicom owns a 100% equity interest in Tigo Guatemala. The transaction is expected to be significantly and immediately accretive to Millicom's cash flow and net income and to increase Millicom's equity free cash flow[1] by approximately $200 million before incremental financing costs.

With this transaction, Millicom consolidates its position as the leading telecommunication service provider in Central America.

"The transaction is right in line with our stated inorganic capital allocation strategy, which includes the acquisition of the remaining minority interests owned by third parties in our operations, when those transactions can be executed in an accretive manner.

For Millicom, this new investment reflects our continued confidence in the thriving economy of Guatemala and our renewed commitment to the digital transformation of its society. Hand in hand with the vision and strong commitment of our team of more than 3,100 employees in the country, we will continue to build the digital highways that connect people, improve lives, and develop communities all throughout Guatemala.

With this transaction, we will transform the financial profile of Millicom, significantly increase our cash flow and net income and greatly simplify our structure."

Mauricio Ramos
Millicom CEO

[1] *Non-IFRS measure. Please refer to millicom.com/investors/reporting-center for non-IFRS disclosures and reconciliations to the nearest equivalent IFRS measures.*

CFO's message

"2021 was a year marked by significant investment and growth and important strategic initiatives that will transform the financial profile of Millicom going forward."

Economic activity continued to recover gradually in our markets during 2021. Our countries continued to ease lockdowns implemented at the beginning of the pandemic, remittances from the U.S. to Central America sustained double-digit increases and vaccines rolled out through the region. Our commitment to delivering the best customer experience, including network quality and reliability, resulted in rapid customer and revenue expansion during the year. As a result, we returned to growth across the business, and accelerated investments that we expect will help drive faster growth in the future. We met or exceeded the vast majority of our operating and financial targets for the year, and our solid cash flow allowed us to successfully execute a $50 million share buyback program.

Strategically, 2021 was an important year as we continued to divest out of Africa and invest capital into Latin America. During 2021 we disposed of our stake in AirtelTigo, liquidated our entire position in Helios Towers and signed an agreement to dispose of our Tanzania operations. In addition, we continued to focus on Latin America. We acquired the remaining 45% equity interest in our joint venture business in Guatemala from our local partner for $2.2 billion in cash, which we expect to significantly increase our cash flow and net income, while simplifying our structure. The $2.2 billion bridge financing was provided by a group of international banks. Millicom intends to refinance the bridge with the planned issuance of approximately $1.5 billion of new long-term debt and approximately $750 million of new equity via a rights offering (with preferential rights for existing shareholders) expected for Q1 2022. Out of the planned issuance of approximately $1.5 billion mentioned above, on January 27, 2022, Comcel, our principal subsidiary in Guatemala, completed the issuance of a new 10-year $900 million bond with a coupon of 5.125%.

Looking ahead, the investments we have made in 2021 and in recent years have positioned Millicom to sustain solid customer and revenue growth in every business unit and every country. Meanwhile, as we near completion of major investment projects, we anticipate lower levels of capital investment of approximately $3 billion in total over the next three years, which we expect should generate growing levels of operating cash flow and equity free cash flow, that we intend to use toward reducing our leverage toward our long term target of 2.0x and to resume share buybacks, beginning in 2023.

Group highlights[1]

Revenue for the year ended December 31, 2021, increased 10.7% to $4,617 million due to strong operational results in all business lines and countries—compared to relatively weak performance in the year ended December 31, 2020, at the onset of the pandemic—as well as additional revenue from the consolidation of our Guatemala operations in November 2021.

Operating expenses increased 11.4% as a result of higher sales and marketing costs to support robust customer growth in 2021, as compared with 2020 when strict lockdowns significantly curtailed commercial activity.

Depreciation and amortization decreased 1.0%. Depreciation decreased due to network modernization activities, which accelerated the depreciation of older infrastructure in 2020. This was offset by an increase in amortization from our decision to transition the Cable Onda brand to Tigo in Panama, which took effect in April 2021.

Share of net profit in our joint ventures in Guatemala (until November 12, 2021) and Honduras increased by 22.6% due to strong operational performance and lower financing costs stemming from the reduction of debt in Guatemala.

As a result of these factors, operating income for the year increased 47.5% to $659 million.

Interest expense decreased 15.0% to $531 million because of lower debt levels, following repayment activities over the last year.

We prioritized net debt reduction in 2021, bringing proportionate leverage down to 2.81x in the third quarter of the year from 3.20x at the end of 2020. Our leverage ended 2021 at 3.36x also on a proportionate basis, impacted by the acquisition of our equity interest in Guatemala. We will continue to prioritize net debt reduction in 2022.[2]

Other non-operating expenses were $50 million in 2021, as compared to an expense of $106 million in 2020. The expense in 2021 reflected foreign exchange losses and the change in value of call option asset and put option liability in Panama while the expense in 2020 reflected foreign exchange losses and the mark to market of our equity investments in Jumia and Helios Towers. The revaluation of our previously held interest in Guatemala generated an income of $670 million in 2021.

Tax expense increased 85.7% to $189 million, mainly due to improved profitability in 2021 compared with 2020.

As a result of the above factors, net profit for the year was $590 million, or a gain per share of $5.84.

1 *Financial results are presented on an IFRS basis and therefore do not consolidate the results from our Honduras joint venture. The results for our Guatemala subsidiary, are consolidated as from November 12, 2021.*

2 *This paragraph includes Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and for a reconciliation of non-IFRS measures.*

Our 2021 Financial Performance in Latin America[3]

Financial performance key messages:

» Growth in all business lines and countries

» Acquisition of equity interest in cash generative business in Guatemala

» Continued divesting out of Africa and re-investing capital into Latin America

» Lowered average cost of debt and average age of maturities extended

In 2021, our business continued to show its resilience, ending the year with growth across our business lines and in every country where we operate. In addition, we continued to execute our capital allocation strategy of investing in Latin America.

Commercial activity rebounded in our markets in 2021 as mobility returned to the region. As a result, Latam service revenue increased 6.7% organically compared with 2020.

In Mobile, which generates 59% of Latin American service revenue (60% in 2020), service revenue increased 4.7% year-over-year (1.1% decline in 2020), reflecting robust commercial activity in prepaid and postpaid as mobility restrictions eased. Our prepaid business experienced solid growth, as we saw strong customer intake in markets where we have recently invested in spectrum and in improving the network, such as in Colombia and El Salvador. Our postpaid business returned to growth in the second quarter of the year, buoyed by an increase in customers migrating from prepaid to postpaid. As a result, we grew our customer base by 3.1 million to end the year with 44.9 million.

In our Cable and other fixed business, which generates 40% of Latin American service revenue (39% in 2020), service revenue increased 8.5% in 2021, an acceleration from the 4.5% decline in 2020. The increase mainly reflects increased customer intake driven by demand for broadband services in our markets, compared with 2020 when we saw a slowdown in the cable business reflecting the many effects of the pandemic, including our decision to implement basic lifeline services to our customers who could no longer pay.

We continued to increase our footprint in Latin America, passing an additional 524,000 homes on our HFC network, up from 428,000 in 2020, ending the year with 12.4 million HFC homes passed (11.9 million in 2020). Increased demand for broadband services bolstered our new customer relationships, and we added 415,000 net HFC customer relationships in 2021, up from 277,000 in 2020, ending the year with 4.1 million ($3.7 million in 2020). Strong customer growth resulted in an increase in the penetration of our HFC network from 31% in 2020 to 33% in 2021.

In 2021, economic activity recovered in our markets, while remittances from the U.S. to Central America sustained double-digit growth year-on-year. Vaccination rates improved to over 50% in Colombia, Panama, El Salvador and Costa Rica, but were still below 30% in Guatemala. In the first half of the year, we experienced spikes in the number of COVID cases in some of our markets. However, governments generally refrained from imposing strict lockdowns, choosing instead to use curfews or voluntary quarantine programs, which had a negligible effect on commercial activity.

All of our countries had positive service revenue growth during 2021, primarily driven by the return to commercial activity as mobility restrictions lessened. El Salvador saw the highest growth in the region, with service revenue up 14.4% in 2021, compared to flat growth in 2020, as our mobile business drove growth stemming from recent spectrum and network investments in that country. Panama also had outstanding performance propelled by the consumer mobile and home businesses, with service revenue growing 7.3% in 2021. Colombia also performed exceptionally well, with service revenue up 6.2% organically in 2021 (1.1% decline in 2020). We saw strong growth in all businesses lines in Colombia, including our mobile business, where we have been rolling out the 700 MHz spectrum acquired in 2019. Guatemala continued to deliver strong results, driven by a healthy mobile business and a growing home business; service revenue grew 7.2% (3.1% in 2020). Our other markets all grew in 2021 compared to 2020 as mobility and commercial activity improved.

EBITDA in Latam increased 6.7% organically, an improvement from a 3.7% decline in 2020, ending the year at $2,498 million. Positive EBITDA performance was primarily due to strong top-line performance across the business, and lower bad debt provisions compared with the previous year. EBITDA increased in local currency year-on-year in all countries except for Colombia and Paraguay. Colombia declined 2.4% as a result of a significant increase in sales and marketing expenses from strong mobile intake during the year. Paraguay declined 3.8%. reflecting investment in soccer content.

Capex in Latin America totaled $1,111 million in 2021, 18.0% more than in 2020 as we accelerated investments in our network across the region.

In Mobile, we invested heavily in the Colombia mobile network expansion, as well as the modernization of our mobile networks in El Salvador, Honduras, Paraguay and Bolivia.

These investments had a meaningfully positive impact on our operational and financial performance for the year, especially in Colombia and El Salvador. Overall, our 4G network covered approximately 78% of the population of our markets at year-end, up from 74% at the end of 2020.

In Home, we continued to invest in expanding our HFC networks in Latam, where we passed 524,000 new homes during year, mainly in Bolivia, Colombia and Nicaragua. More importantly, we connected 415,000 new customers as broadband and Pay TV penetration continued to drive demand for our services during 2021.

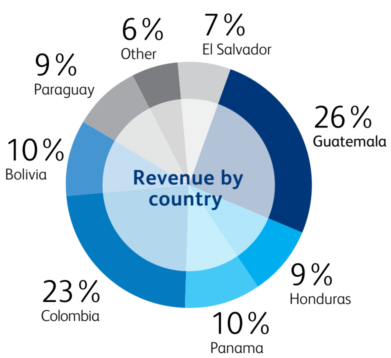
The success of our results in 2021 and the resiliency of the businesses has only made us more confident in the long-term opportunity that we are pursuing.

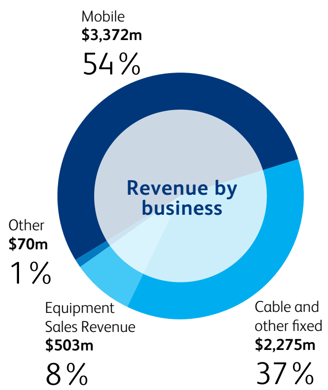
Tim Pennington
Chief Financial Officer

3 These key messages refer to Latam (with our Honduras joint venture and our Guatemala operations as if they were fully consolidated) and include Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and for a reconciliation of non-IFRS measures.

Our 2021 Financial Performance in Latin America

Latam
($m)





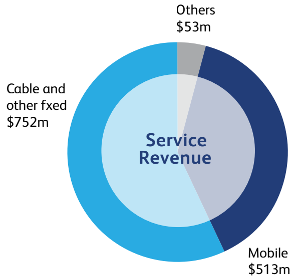
Service revenue
Organic decline +6.7%
$5,716m

EBITDA
Organic decline +6.7%
$2,498m

OCF
Organic decline +0.5%
$1,387m

Our Markets in Numbers

Colombia



CABLE and other fixed *('000)*
Home customer relationships [1]
1,615
As of year end 2021
+133
Net additions
+9.0 %
YOY growth

MOBILE *('000)*
4G smartphone data users
5,456
As of year end 2021
+1,488
Net additions
+37.5 %
YOY growth

Service revenue [2] *$m*
Organic decline –1.1 %

2021	$1,319
2020	$1,258

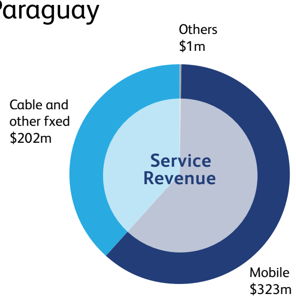
EBITDA *$m*
Organic decline –2.4 %

2021	$441
2020	$457

EBITDA margins *%*

2021	31.2 %
2020	34.0 %

Paraguay



CABLE and other fixed *('000)*
Home customer relationships [1]
495
As of year end 2021
+42
Net additions
+9.4 %
YOY growth

MOBILE *('000)*
4G smartphone data users
2,138
As of year end 2021
+311
Net additions
+17.0 %
YOY growth

Service revenue [2] *$m*
Organic growth 2.7 %

2021	$526
2019	$513

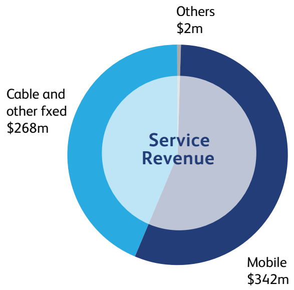
EBITDA *$m*
Organic decline –3.8 %

2021	$242
2020	$252

EBITDA margins *%*

2021	43.7 %
2020	46.4 %

Bolivia



CABLE and other fixed *('000)*
Home customer relationships [1]
676
As of year end 2021
+112
Net additions
+19.8 %
YOY growth

MOBILE *('000)*
4G smartphone data users
2,653
As of year end 2021
+244
Net additions
+10.1 %
YOY growth

Service revenue [2] *$m*
Organic growth +6.3 %

2021	$612
2020	$575

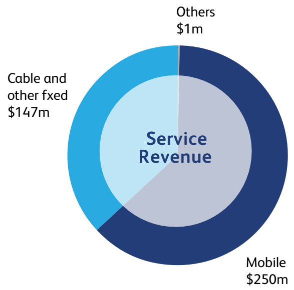
EBITDA *$m*
Organic growth +7.4 %

2020	$249
2020	$232

EBITDA margins *%*

2021	40.0 %
2020	39.7 %

El Salvador



CABLE and other fixed *('000)*
Home customer relationships [1]
288
As of year end 2021
+15
Net additions
+5.4 %
YOY growth

MOBILE *('000)*
4G smartphone data users
1,500
As of year end 2021
+240
Net additions
+19.0 %
YOY growth

Service revenue [2] *$m*
Organic growth +14.4 %

2021	$398
2020	$348

EBITDA *$m*
Organic growth +18.7 %

2021	$162
2020	$137

EBITDA margins *%*

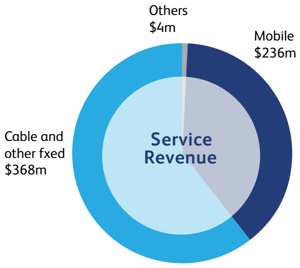
2021	36.3 %
2020	35.1 %

1 Includes HFC, DTH, Copper and other technologies with the exception of Colombia that refers to HFC only.

2 EBITDA and EBITDA Margin and after organic growth are Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a descriptionand for a reconciliation of non-IFRS measures.

Our Markets in Numbers

Panama



CABLE and other fixed *('000)*
Home customer relationships [1]
485
As of year end 2021
+22
Net additions
+4.7 %
YOY growth

MOBILE *('000)*
4G smartphone data users
1,252
As of year end 2021
+249
Net additions
+24.8 %
YOY growth

Service revenue [2] *$m*
Organic growth +7.3 %

2021	$608
2020	$567

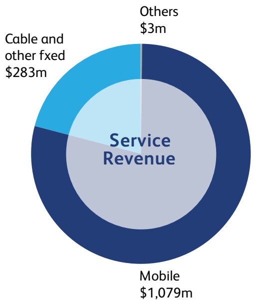
EBITDA *$m*
Organic growth +9.6 %

2021	$281
2020	$256

EBITDA margins *%*

2021	44.4 %
2020	43.8 %

Guatemala



CABLE and other fixed *('000)*
Home customer relationships [1]
675
As of year end 2021
+68
Net additions
+11.3 %
YOY growth

MOBILE *('000)*
4G smartphone data users
5,037
As of year end 2021
+425
Net additions
+9.2 %
YOY growth

Service revenue [2] *$m*
Organic growth +7.3 %

2021	$1,365
2020	$1,273

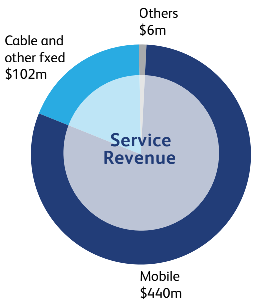
EBITDA *$m*
Organic growth +10.3 %

2021	$857
2020	$778

EBITDA margins *%*

2021	53.6 %
2020	51.8 %

Honduras



CABLE and other fixed *('000)*
Home customer relationships [1]
188
As of year end 2021
+13
Net additions
+7.1 %
YOY growth

MOBILE *('000)*
4G smartphone data users
2,401
As of year end 2021
+287
Net additions
+13.6 %
YOY growth

Service revenue [2] *$m*
Organic growth +3.8 %

2021	$548
2020	$516

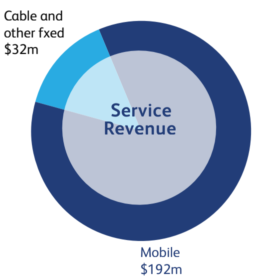
EBITDA *$m*
Organic growth +2.6 %

2021	$259
2020	$247

EBITDA margins *%*

2021	43.9 %
2020	44.7 %

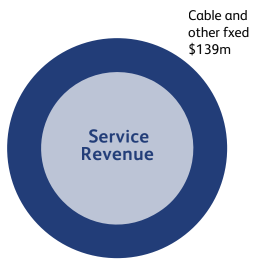
Nicaragua



CABLE and other fixed *('000)*
Home customer relationships [1]
41
As of year end 2021
+9
Net additions
+29.9 %
YOY growth

MOBILE *('000)*
4G smartphone data users
1,010
As of year end 2021
–41
Net loses
–3.9 %
YOY decline

Costa Rica



CABLE and other fixed *('000)*
Home customer relationships [1]
249
As of year end 2021
+10
Net additions
+4.2 %
YOY growth

1 Includes HFC, DTH, Copper and other technologies with the exception of Colombia that refers to HFC only.

2 EBITDA and EBITDA Margin and after organic growth are Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a descriptionand for a reconciliation of non-IFRS measures.

SPOTLIGHT: Bolivia, El Salvador, Guatemala, Honduras and Paraguay

Tigo Money paves the way for financial inclusion

In Latin America, roughly 70% of citizens are unbanked or underbanked, excluding them from traditional finance systems. Our Tigo Money digital wallet provides a much-needed alternative—one that's well suited to Latin America's young, increasingly digital population.

In 2021, Tigo Money made major strides in making financial products and services accessible to more customers.

In July, we announced a plan to invest $250 million in Panama to build a regional fintech center and expand local infrastructure. The hub will boost Panama's economy and bring jobs to the country, while allowing us to grow Tigo Money with in-house resources—a win-win for customers and investors.

We also began creating more opportunities for consumers to use Tigo Money. This includes making QR code payments available to customers and initiating partnerships with key players to improve our value proposition for our clients.

With Tigo Money, we're empowering people to participate in local economies while also strengthening our presence in Latin America. At Tigo, doing good is good for business.

Advancing Our Business Strategy

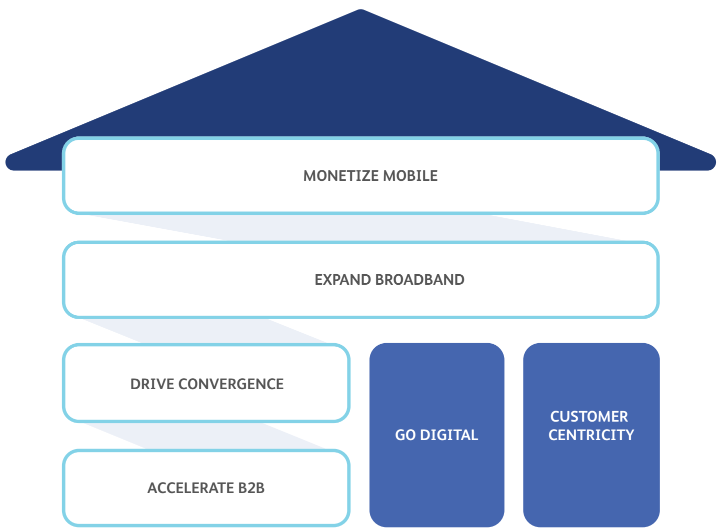
The decisions we made in 2020 when COVID-19 hit, paved the way for strong growth in 2021. Customer trust in the Tigo brand hit at an all-time high, leading to more customer acquisitions. Our focus on cash flow generation and debt reduction enabled us to invest an additional 18.0% in capital expenditures in Latam this year, giving us critical momentum as we expanded our market reach. These investments also positioned us to meet the needs of our markets long term, as our coverage areas grow and demand for home, business and mobile connectivity increases.

Millicom's business strategies are grounded in six interconnected areas. Here's how we performed in each.

Expand Broadband

Demand for high-quality broadband continued to surge in 2021 as remote and hybrid work models became the norm for many people and businesses. The Tigo cable network kept pace by adding 415,000 new HFC home customers in 2021 in Latam, giving us a total of 4.1 million by the end of Q4. Overall, we finished the year with 12.4 million HFC homes passed and provided high-speed services to 33% of the homes in our markets.

We also continue to modernize and expand our fiber-cable network in anticipation of future growth. 2021 investments like our new fiber infrastructure in Paraguay and Bolivia are bringing high-speed connectivity to more people, including remote communities traditionally cut off from the digital economy.



Go Digital

Our investments in digital infrastructure are transforming our business, giving Tigo customers more of what they want and improving our efficiency company-wide. Digital reloads of prepaid mobile services and digital payment collections increased by 35% in 2021. Apps like One App and Mi Tienda drove much of this increase by making it easier for customers to recharge their phones or purchase Tigo services from their mobile devices. Through e-care tools like our Tigo bot, we continued automating many of our service interactions, allowing us to shift the focus of our retail stores from customer service to mobile postpaid sales. Finally, Tigo Money continued its rapid ascent as a Tigo priority, ending the year with 5.6 million customers in five Latam countries—an increase of 13.5% compared with 2020 (see spotlight story below).

Internally, we made significant progress on upgrading our IT infrastructure and teams, increasing efficiency across our business at less cost. With a digital-first mindset enabled by a virtualized cloud architecture, we were able to eliminate unnecessary administrative work, decommission outdated IT, recruit more top talent and make more strategic use of our resources.

Drive Convergence

Our commitment to making Millicom the most modern and expansive telecom network in the Latam region requires infrastructure that can adapt seamlessly to the latest innovations and market trends. In 2021, we continued modernizing our Latam networks with projects to expand our 4G capacity in Paraguay and Honduras, in addition to completing upgrades to our El Salvador network. All told, we added more than 550 new 4G sites to these markets and added coverage to more than 500 towns.

We also announced a $135 million investment to further modernize our mobile networks in Honduras, Paraguay and Bolivia in partnership with Ericsson. As part of the project, Ericsson will replace Tigo's current 4G packet core with the company's dual-mode 5G core, paving the way for 5G deployment across the continent. In addition to boosting our network performance, we expect the investment to expand our network coverage to an additional 712 municipalities and 2.5 million people across the three countries.

SPOTLIGHT:

Bridging the Last Mile of Connectivity

Many people in our markets live in remote villages with minimal infrastructure. Bringing coverage to these areas often requires more than just commitment. It takes a healthy dose of Sangre Tigo.

In 2021, we traveled through forests, up mountains and over dangerous roads to install new cell towers and bring coverage to underserved communities across Latin America.

Thanks to our efforts:

More than 400,000 Panamanians received mobile and digital coverage through 179 new coverage points. Out of those, 150,000 received connectivity for the first time, including 70,000 people in the Guna Yala and Ngöbe-Buglé regions, which have a multidimensional poverty index of 91%.

2,205 sites were updated and 1,296 sites were deployed in Colombia, expanding our coverage area by 13,000 square kilometers—an area 36 times the size of Medellin.

Each project helped close the digital divide a little more for residents by giving them access to social, educational and economic opportunities previously out of reach.

Accelerate B2B

Our Tigo Business segment continued its strong growth trajectory in 2021. We added approximately 46 thousands of new accounts—a record 15% year-over-year increase—while investing more than $100 million connecting and providing digital solutions to new businesses, schools, hospitals and universities in our markets. We also partnered with Amazon Web Services to expand our portfolio of cloud solutions, encourage business innovation and improve cybersecurity. These solutions support our customers' ongoing shift to remote and hybrid work environments while preserving network speed, reliability and security.

Small and medium-size entrepreneurs are fundamental to the region's long-term growth potential, which is why we continue to offer services to help our SME customers cope with COVID. These include putting services on hold free of charge to certain businesses in Panama and providing minimal service at low costs to certain of our Paraguayan customers. We also extended our Ciclo de Conferencias Tigo Business program, a series of free webinars and other learning resources to help small business owners retool for success during and after the pandemic.

Monetize Mobile

We ended 2021 with 44.9 million mobile customers, an increase of 3.1 million compared with 2020. This includes 1.1 net additions in postpaid, with the vast majority of these coming from Colombia, where our investments in spectrum, network and distribution channels have extended our reach and improved the customer experience. Our prepaid subscriber base reached 38.9 million in 2021, a 5.6% year-over-year increase. We currently offer 78% 4G coverage for the 120 million people in the countries where we have a presence.

We continued expanding access to self-service content through our content supermarket and Tigo Sports, allowing customers to watch their favorite content wherever and whenever they want. This includes adding premium channels like HBOMax and Paramount+ in 2021 and exclusive fútbol programming using the Tigo Sports app. We also rolled out a mobile edition of Amazon Prime video to prepaid customers—the first mobile operator in Latin America. We ended 2021 with a total of 21.4 million 4G smartphone data users, that is, giving 48% of our mobile customer base the ability to stream content on the go.

400,000+

rural Panamanians received mobile and digital coverage for the first time in 2021.

Customer Centricity

We're on a mission to streamline the Tigo customer experience by empowering our customers to solve a wider range of needs on their own. Digital self-service and e-care tools like WhatsApp made it easier for customers to make payments, check their balance and usage, get refills, report outages and make service appointments without assistance. We managed more than 400,000 monthly transactions through WhatsApp in 2021. Customers performed more than 450,000 monthly transactions in the Tigo WiFi 360 app, which gives customers full control over their WiFi network—including parental approval over content streaming—on home set-top boxes, computers and mobile devices. Overall, more than 10 million active users relied on our self-service and e-care apps in 2021.

Tigo customers are enthusiastic about these and other service improvements. Our approach to measuring customer satisfaction evolved in 2021, as we moved from a transactional focus to a more relational approach, which we call our brand equity ecosystem. We believe this is a better way to measure our strategic intent of best customer experience. Our Net Promoter Score (NPS)—a measurement of customers' willingness to recommend Tigo products and services—increased across the board in 2021. We now have superior brand NPS scores in broadband in most of our countries.

The increase is likely due to a range of factors, including enhanced mapping of our customer journeys, our digital self-service and e-care tools; operational and network improvements; improved field, in-store and call center service; and increased customer loyalty from our 2020 Lifeline program, which preserved services for customers with unpaid balances in the early stages of the pandemic.

To ensure ongoing improvement, we continuously monitor five key customer satisfaction metrics in each of the nine countries we serve in Latin America. By analyzing country-by-country data rather than aggregate, we can better understand our strengths and weaknesses in each market and make targeted improvements. This information is shared with our board each month.

10 million+

active users relied on our self-service and e-care apps in 2021

Risk Management

COVID-19 continues to affect the global economy and our countries, communities, customers and employees—and much of our focus remains on tackling the consequences of this pandemic. However, the core elements of our strategy, and the fundamental risks and opportunities connected to the strategy, remain largely unchanged. The same holds true for the underlying characteristics of our risk landscape and our value proposition.

Our Risk Landscape

Our risk profile continues to evolve with our business strategy firmly centered on the developing Latin American markets and economies in which we operate. Our gradual shift of capital over recent years from Africa to Latin America, and to Guatemala in 2021, has significantly changed the risk profile of the Group.

Our prudent decisions on capital allocation and cash flow management in response to the COVID-19 pandemic, and adaptation of business models and ways of working protected our customers, communities and our business, resulting in a strong recovery in 2021, and positioned us well for further growth. The challenges of COVID-19 highlighted the importance of our businesses as a central component of digitalization and progress in our communities and countries. This, as well as our leading positions in our markets, increasingly subscription-based business, track record of customer growth, and opportunities for expansion, including in our MFS business, are all evidence of our sound business model.

Our infrastructure and information systems have remained resilient and coped well with an increase in demand, particularly related to data, as well as in detecting and defending against an increasing number of cybersecurity threats.

Our Risk Appetite

Millicom operates its business in emerging markets with potentially unpredictable political and economic environments and a higher inherent level of risk compared to mobile and cable businesses in more mature markets.

Our geographic portfolio, varied customer access points (at home, at work and on the move), and suite of products and services encompassing communication, information, education, entertainment, financial services and other areas, reduce our exposure to any individual country, product or service.

Our governance and oversight structure, internal control environment (including SOX compliance), risk-based decision-making and compliance culture, and assurance processes across our businesses enable us to reduce uncertainties and contain risks in ways that many of our peers may not be able to. Refer to the Governance Section of this report starting on page 63 for further information.

Consequently, while we have a higher inherent risk appetite than many of our peers in the telecommunications and cable industry, and a wider risk profile than many international businesses, we only accept risks in our businesses and markets to the extent that opportunities for sufficient returns exist, and where we can design, implement and operate appropriate systems and controls to manage those risks.

"Throughout 2021, our company responded to Millicom's risks, challenges and opportunities with strong governance and oversight."

José Antonio Rios Garcia
Chairman of the Board of Directors

Our Approach to Risk Management

Our enterprise-wide approach to risk has the following key characteristics:

» Risk is linked with opportunity and is closely aligned with strategic goals

» The Board of Directors sets Millicom's appetite for risk and monitors progress toward target risk levels

» Risks are actively managed to optimize the balance of risk and reward, enhance value and protect against threats

» Our focus is on reduction of uncertainty to enhance decision-making in strategy formulation and allocation of capital and resources

Our methodology includes:

» Alignment of risk ownership and responsibility with organizational goals and decision-making responsibility from the Board and Executive Team to country General Managers and heads of functions across the organization

» Alignment of risk appetite with strategic and operational goals

» A global framework and common methodology, tools and processes in every location and function managed by a central risk function

» Prioritizing risks based on likelihood of occurrence and importance to the business, as measured by identified and measured financial and non-financial criteria covering operational, financial, reputational and human impacts of the risk

» Quantifying, measuring and monitoring using risk indicators, with action plans to reduce gaps between current and target risk levels

» Automated alerts and escalation for any potential breach of appetite for key risks managed centrally and in each country

» Setting of clear, specific and owned actions that target the potential impact or likely occurrence of risks, and monitoring of effectiveness of those actions.

Evolution of Risk in 2021

2021 has seen many changes as our businesses adapted and grew out of the instability and uncertainty created by COVID-19. With the exit from Africa almost complete and with full ownership of our Guatemala business since November 2021, our geographical and geopolitical profile is now firmly centered in the Latin American markets in which we operate.

The mitigating actions and plans we put in place to protect and help customers and employees set the foundation for our rapid return to growth across all our markets in 2021, and positioned us well to continue this growth in 2022 and beyond.

The challenges we faced in 2020 tested the resilience and agility of our people and networks. Having successfully navigated these uncertain times, we continue to execute our operational strategy and investor proposition plan.

Macroeconomic conditions in most of our markets showed a significant improvement in 2021 compared with 2020 with notably less uncertainty and volatility. New ways of working and living and the global response to managing through the pandemic led to a resumption of economic activity. Many of the key actions we took in 2020, including protection of employees, continuation of service to our most affected customers, and reallocation of capital to growth opportunities strongly contributed to the recovery of our business in 2021. However, we remain cautious and continue to closely watch the projections for recovery and GDP growth forecasts in Latin America to shape our financial structure, capital expenditures and debt management approach in the coming year.

We continued to invest in protecting our information systems against potential cyberattacks as risks in this area continue to rise. We also continued to enhance our protocols and planned responses in the event that threats materialize. Cybersecurity will continue to be an area that we pay particular attention to as the frequency and type of threats continue to rise globally.

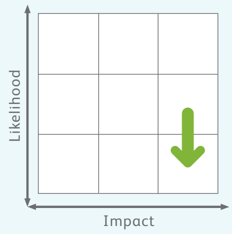
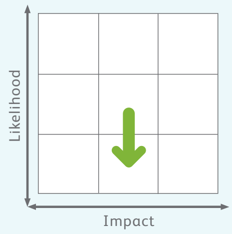
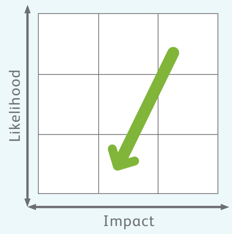
During 2021 we assessed the impact of climate change on our businesses, both in terms of operational resiliency and the extent to which our businesses contribute to climate change. Although overall exposures in this area for our businesses are relatively limited, adverse weather events continued to increase in likelihood in our countries (particularly in Central America) and we expect this will continue in the future. We continue to review our business practices to identify and implement change to reduce or minimize impact on climate change, including developing a path to committing to carbon reductions (as described in more detail in the section starting on page 30).

In addition to the above and elsewhere in this report, we have highlighted key areas of risk and our mitigating actions during 2021 in a table on the pages that follow. More details can also be found in our Governance section, starting on page 63, and in our most recent 20F filing with the SEC.

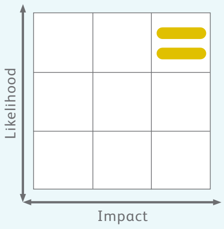
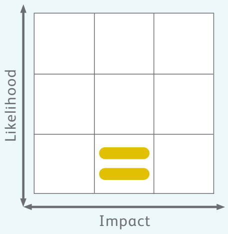
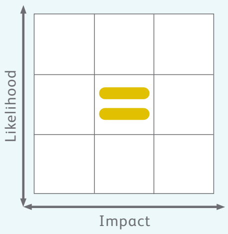
Our Executive Team remained unchanged in 2021, although our CFO has announced that he will retire in 2022, and his replacement has already joined the Company to allow an orderly transition. This helped us to continue on the path set during 2020's pandemic and to drive progress on both short- and longer-term initiatives, including execution of our strategy, building our culture and creating the future. With the three new additions to our Board in May, Millicom now has more experienced leadership in Latin America and in our fixed line and content businesses.

While we manage and monitor many more risks within the Millicom risk universe, we have highlighted the areas of risk below that remained of key focus in 2021.

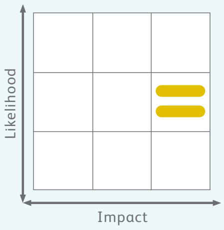
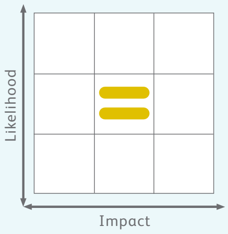
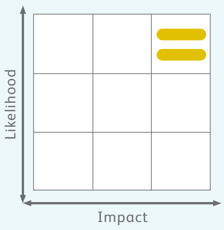
Risk Management Tables

Risk	Mitigation and actions	Evolution in 2021 (likelihood and impact of the risk materializing)	Board Perspective
1. Strategy and strategic direction: Uncertainty in the formulation and governance of an appropriate and executable strategy and strategic direction that supports the vision of the company. Inadequate processes for gathering and analyzing information in formulation of the strategy	*Our strategy is based on our vision of building digital highways that connect people and communities in our target markets. The events of 2020 and 2021 have reinforced our purpose. Our focus on the six key pillars of our strategy remains unrelenting, and we closely track performance in execution of our strategy with key financial and operational indicators and monitor external factors such as macro, political and key demographics in our markets.* *Our Board oversees and approves our strategy and any refinements that may be required.* *Our purpose and strategy is set out starting on page 19 .*		*In 2021 the Company started to see the benefits of staying on its strategic course and key decisions taken during 2020. Millicom's strategy and strategic direction remain firmly focused on serving customers and communities today and building for the future, with specific focus on its Latin American markets.* *The Company picked up its investment in 2021 and continued to deliver on its purpose and grow across all its markets and businesses during 2021, a testament to strong execution of a robust strategy.*
2. Portfolio management and capital allocation: Acquisition or retention of businesses that are poorly aligned to strategy, are overpriced, and/or that generate lower-than-required return on investment. Investment and capital management that enable the company to meet its strategic objectives within its financial and operational capabilities.	*We carefully consider opportunities to acquire, merge, or divest businesses based on market dynamics, portfolio balance and opportunities for long-term value creation, focused on Latin America where we see the best opportunities for future growth and value creation. During 2021 we successfully acquired the 45% interest in our Guatemalan business from our local partner and signed an agreement to sell our Tanzanian business (our last remaining African operation) .* *See page 8 for more on our market leadership.*		*The Board closely monitors capital allocation against the organizations' strategic and operational goals and financial capacity. Building convergent enabled businesses in growth economies in Latin America is our key strategic focus.* *Acquiring full ownership of our Guatemalan business and agreeing to sell our Tanzania business were two key moments, to both strengthen our portfolio and narrow our focus on our core Latin American region. as integration of the acquisitions made in Central America in the last two year years; and continuing roll-out, expansion and upgrade of mobile and fixed data networks.*
3. Macro-economic conditions: Volatility or uncertainty in macroeconomic conditions (e.g., but not limited to: currency, inflation, remittances); underlying drivers impacting our markets and the disposable income of consumers; and the currencies in which we generate and upstream cash.	*Uncertainty remains around the longer term macro situation in many of our markets and populations, and how this affects affordability of mobile and fixed services, as well as competition. However, demand for our services returned strongly in 2021 supporting our view of the necessity of effective communication and connectivity in modern day economies, and the digital agenda of governments. In 2021 the currencies of the countries in which we generate cash remained relatively stable against the US dollar, with the exception of the Colombian Peso which declined by 16% during the year.* *We consider currency volatility in our budgeting, forecasting, tax and treasury management processes.* *See page 12 for a review of the financial performance in 2021*		*Currency fluctuations are a key risk inherent to Millicom's business and, while impacting reporting and earnings in USD, do not impact competitiveness or strategic aspects of managing our local businesses. The Guatemala acquisition with relative stability of its currency against the US dollar has improved the Groups overall currency risk profile. The Group seeks to mitigate part of this risk by aiming to borrow up to 40% of total debt in local currency.* *All of the countries in which Millicom operates in Latin America experienced economic growth in 2021 and are on track for long-term GDP growth, rising disposable income and levels of prosperity.* *The Board oversees management's processes and controls governing financial and macroeconomic risk against pre-determined levels of risk appetite, and carefully considers currency exposure in portfolio and debt management.*

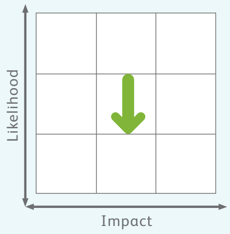
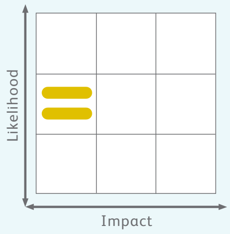
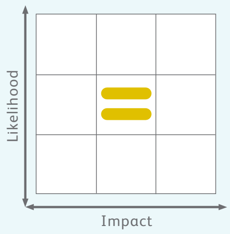
Risk Management Tables—*continued*

Risk	Mitigation and actions	Evolution in 2021 (likelihood and impact of the risk materializing)	Board Perspective
4. Political, civil and regulatory environments: Instability, unrest, or lack of predictability in regulation or rule of law in the countries in which we conduct business. Uncertainty in regulatory and tax rulings, including indirect taxation and regulatory pressure through tariffs, taxes and service penalties.	*We have both local and central teams monitoring the political situation in the countries where we operate, and considering and assessing the implications of evolving global political trends for potential impact on our businesses. We proactively engage with organizations whose policies and guidelines affect our businesses..* *We implement impact analysis and efficiency programs to offset the impact of newly introduced or expected changes in taxes and regulations. For example, in 2021 we increased our focus on reducing our carbon emissions and announced our commitment to science-based target setting related to climate change.* *We continue to watch the political developments and consequences for our Nicaraguan business, and implement controls to manage risks in that country.*		*Political and regulatory risks for Millicom's businesses remain relatively high in many of the countries in our footprint.* *We expect this trend to continue with governments seeking to increase sources and levels of income to stimulate economic activity in recovering from lower sources of income during the pandemic.* *The Board oversees Millicom's interaction with key governmental and regulatory agencies, and promotes transparency and predictability in regulation. The Board monitors climate related risks and impact and the Company's efforts in managing its business sustainably within its social responsibility programs.*
5. Technical transformation and convergence Failure to identify / anticipate drivers of technological change together with adaptability and resource to implement change. Threat of cross-industry convergence and further commoditization of existing products and services. Strategic risk of 'betting on the wrong technology' or 'missing the technology of the future'.	*With fixed and mobile businesses in each of our strategic markets, we have the necessary building blocks for fixed / mobile convergence, and in future 5G.* *In 2021 we deployed over $1 billion in expanding, developing and modernizing our networks and infrastructure, to enable customer growth and enhance customer experience.* *To learn more about our business strategy and convergence goals see section starting on page 19.*		*Advancements in technology, and increasing demand for more data and higher quality services, are trends that continue to define the telecommunications and media industries. In 2021 we continued to expand and modernize our networks to meet growing demand and prepare for the future. For instance in 2022 we plan that over half of our new homes cable build will be Fiber to the Home.* *Millicom's strategy seeks to balance its short-term operating and financial goals with key technological and transformational investments that will ensure the business remains strong and prepared for the medium and long term.*
6. Competition and customer experience: Market structure, market position, actions taken by competitors, and customer experience have a significant impact on attracting and retaining customers. Lack of attention to market and customer needs or poor customer experience negatively impact the subscriber base, and operator reputation. Competition for mobile and home subscribers continues to increase, while prepaid customers remain a large and important contributor to revenue. Quality of service, innovation and converged offerings as key differentiating factors	*With a focus on home penetration for cable and 4G subscriptions, Millicom also has partnerships with key content and service providers such as Netflix and Amazon, as well as exclusive broadcast rights including football in many of our markets.* *In 2021 we implemented relational net promoter scoring (NPS) complementing our existing transactional NPS to better track customer satisfaction across all our markets and services, and use this data to refine and enhance our customers' experiences. These operational KPIs now form a fundamental part of our performance management and employee reward programs. See section starting on page 88 on how NPS is included in short-term incentives.* *See section starting on page 19 to learn more about tools, partnerships and processes we have invested in to improve customer experience and gain insights. See page 8 for a summary of the competitive landscape in our markets and our position.*		*In a world where demand for content, access to information and communication services is increasingly critical in enhancing and improving lives, positive customer experience is a vital attribute. This has been further evidenced in 2020 with disruptions in physical movement and interactions.* *"Best Customer Experience" is one of the key pillars of Millicom's strategy and a key differentiator in customer choice of operator.* *Millicom's comprehensive customer satisfaction program in place facilitates a continuous cycle of improvement across all facets of customer experience in all operating markets.*

Risk Management Tables—*continued*

Risk	Mitigation and actions	Evolution in 2021 (likelihood and impact of the risk materializing)	Board Perspective
7. Financial structure and capacity Millicom may be at a disadvantage compared to competitors in access to and cost of capital. Financial constraints including debt covenants, debt service requirements and credit ratings could negatively impact our ability to execute on our organic and inorganic growth strategies.	*We carefully manage our sources and uses of capital to enable us to responsibly meet the operating, investing and financing needs of the business.* *We manage our debt maturity and monitor opportunities for lowering our cost of debt and increasing our debt efficiency on an ongoing basis.* *We diligently monitor and manage headroom against our key covenants and key aspects related to our credit management program.* *In 2021 we successfully refinanced a number of our long-term bonds reducing our average cost of debt and extending maturities, returned around $50 million to shareholders in a share buyback program, and raised $2.15 billion of finance to enable us to complete the acquisition of our Guatemalan business.*		*Millicom's financial structure is both a key facilitator and inhibitor of its ability to grow its business and create value.* *The acquisition of our Guatemalan business in November 2021 increased our leverage and so the Board decided to seek shareholder funding for part of the acquisition cost. The Guatemalan business is the highest cash generating business in the Group and we expect it to accelerate the reduction of leverage toward longer-term target levels.* *The Board closely monitors balance sheet structure and the sources and uses of funds in the business. Operating and equity free cash flow, leverage, and shareholder remuneration are key areas of focus of the Board in approving the strategy, annual budgets and monitoring results.*
8. Networks and infrastructure resilience: Disruptions to service, or compromised ability to restore services to customers in acceptable time frames, can cause loss of revenue, increase expenses and have a negative impact on customer experience.	*Our network resilience controls and mitigating activities include ongoing vulnerability assessments, simulation exercises and business continuity management plans, which are tested on a regular basis. This includes physical risk resulting from the effects of climate change in the form of natural disasters, such as extreme weather events. Risk surveys are performed in each country every three- years on a rotational basis.* *We develop our investment programs with consideration of elements including outage risks, external dependencies, network redundancy, climate and sustainability risks.* *During 2021 our networks continued to prove their resiliency and capability to manage continuous increases in data consumption. Our IT networks and response systems identified and repelled a number of cybersecurity attacks during the year. See the following risk for further details.*		*Millicom's purpose to build the digital highways that connect people, improve lives and develop our communities, relies heavily on the coverage, quality and availability of its networks and infrastructure.* *Capital allocation in expanding, modernizing, maintaining and protecting networks and vital infrastructure are critical in the successful execution of Millicom's strategy.* *The Board endorses acceleration or increased investment in networks in pursuit of opportunities, balanced with investment in physical and digital controls to maintain service and strengthen resiliency.*
9. Cybersecurity and data protection: Intrusion into systems or networks and inappropriate access to sensitive data could have significant operational, regulatory, legal and reputational implications. Failure to implement systems and processes to prevent, detect, repel and respond to information security threats, and properly manage data requests (e.g., from governments and regulatory authorities.	*Our Global Information Security Office and Global Security Operations Center centrally manages and coordinates risk mitigation related to cybersecurity and data protection. We have implemented processes and tools to identify and respond to threats, test vulnerabilities, and deployed training programs to raise awareness and security consciousness of employees. We have engaged third parties to perform network penetration testing and audits to identify improvement opportunities and assist with enhancing network security and protection systems. Learn more on page 60 about the initiatives we implemented in 2021 to improve protection of critical systems, and ensure compliance with relevant data protection rules.*		*The threat and potential disruption from cybersecurity attacks have become a significant threat to the successful operation of any organization, particular those that rely on information systems to collect, process and manage data. These threats have only heightened in 2021 as business continues in its reliance on networks, communication systems, and the internet. We faced three major attacks in 2021 with no substantial impact on the business.* *Innovation, technological advancements and ever increasingly regulatory requirements to capture and process data, heighten risks in this area. In 2021 the Board further expanded its oversight in this area, reviewing Millicom's information security enhancement program in both its Compliance and Business Conduct, and Audit Committees and with active engagement in the Company's dedication of resources and allocation of capital to strengthen and continually improve its cyber control environment.*

Risk Management Tables—*continued*

Risk	Mitigation and actions	Evolution in 2021 (likelihood and impact of the risk materializing)	Board Perspective
10. Licenses and spectrum: The availability of licenses and spectrum is limited, closely regulated, and increasingly expensive. Inability to obtain the required quantity or band of spectrum from regulators or third parties at a price we deem to be commercially acceptable, could have significant negative consequences for the operation of our businesses.	*We have a carefully formulated spectrum and license strategy and management plan for each of our markets.* *We actively monitor and engage with government and regulatory bodies on spectrum and license related matters.* *We often negotiate renewals/retention in the initial allocation contracts and we carefully consider opportunities to acquire new spectrum based on spectrum quality, fit with network needs, and customer demand.* *In recent years have successfully obtained and renewed the spectrum we need to continue to operate and expand our businesses.*		*The landscape related to spectrum and licenses to operate is constantly changing, particularly in our markets as governments seek higher financial and consumer benefits from spectrum auctions, competition for lower spectrum bands, and industry consolidation. In particular, in Colombia there has been a high profile and public discussion over spectrum pricing.* *The Board oversees Millicom spectrum strategy and is responsible for review and approval of all significant spectrum and license purchases.* *Millicom actively engages with regulators and governments on spectrum matters, and promotes fair and transparent allocation and pricing of spectrum and licenses.*
11. People, workplace and well-being: The security environment within many of the countries within our geographical footprint sometimes exposes our employees and contractors to situations which may subject them to physical, psychological or emotional harm. COVID-19 has resulted in an elevated risk of illness for many members of our workforce (particularly our frontline employees).	*We manage the health, safety and well-being of staff based on international standards, industry best practices, and advice and support from local authorities. We have rolled out a comprehensive proactive diversity and inclusion program that promotes and celebrates Sangre Tigo culture.* *Since 2020 employee and customer health and well-being became, more than ever, a key element of our purpose and responsibility. We have now adapted working environments and 'gone' digital and virtual in many business areas to protect and support our people.* *More about our approach to employee health, safety, and security is set out on page 49.*		*It is the Sangre Tigo culture embodied in our people that bring our vision to life. Every day, thousands of Millicom employees and contractors diligently work on building the digital highways that provide services benefiting our customers and communities. In 2021 they have adapted and responded and continue to grow in these ongoing challenging times. The Board has monitored the Company's approach to navigating into, and continuing through uncertainties with its employees and customer safety-first approach.* *We are proud of the importance placed on ensuring that Millicom is a place where our people feel safe, protected, supported and accepted for who they are, in ways that enable them to do well, and that enhance their lives and the lives of those around them.*
12. Conduct: Actions and behaviors of our employees, business partners and other stakeholders impact the Company's reputation, compliance with rules and regulations and may impact our ability to operate our businesses.	*Through clear policies, training and monitoring activities, we ensure that all our staff remain aware of the risks to them as individuals and to the company and know how to act if faced with risk in these areas.* *In 2021, we continued to roll out and strengthen our compliance culture programs and initiatives, including in the areas of workplace behavior, our supplier networks, and in our MFS business.* *See page 86 for more business ethics action items in 2021.*		*Doing business the right way is a fundamental and reinforced message in the tone from the top in the organization.* *The Board's Compliance and Business Conduct Committee maintains oversight of Millicom's Compliance program, monitoring and endorsing initiatives that strengthen controls and enhance the culture of compliance in its business and with its business partners.*

Our ESG Approach and Impact

Millicom's purpose and business strategies are deeply intertwined. As our market leadership grows through the adoption of digital technologies, so does our ability to fuel even greater environmental, social, educational and economic opportunities.

Environmental, Social and Governance Framework

Over this past year, our purpose and commitment came together in a particularly powerful way, as COVID-19 disrupted our lives and highlighted the vital importance of internet connectivity. Looking back, it's clear the pandemic accelerated what had been a gradual but steady shift to a digital economy. In the process, it brought renewed attention to the millions of citizens who lack high-speed access to the internet.

To help address this digital divide, we're working with schools and community organizations on a number of fronts such as skills-building resources and opportunities for economic empowerment in underserved communities. We especially focused on closing the homework gap by offering connected learning solutions for remote classrooms and a range of innovative digital learning tools with some of our flagship initiatives Maestr@s Conectad@s and Conectadas.

Our Environmental, Social and Governance (ESG) framework articulates our renewed approach to improving lives, strengthening communities, reducing our environmental impact, managing climate risks and governing our business with integrity. Together, our ESG initiatives help us chart a path for sustainable growth and create long-term value for our stakeholders. Corporate Governance, Compliance and Cybersecurity are covered in detail in the Corporate Governance Report, starting on page 63.

In 2021, we evolved how we communicate ESG to better reflect the relationships between our initiatives and our business strategies. Aligned with leading ESG methodologies, this new framework provides a more complete picture of the work we do, helps our stakeholders better understand our issue-specific approaches, and gives us a platform to announce a bolder set of goals and commitments.

The framework mirrors the results of a follow up materiality assessment we conducted in 2020 to better understand the impact of COVID-19 on our stakeholders' perspectives. The assessment revealed that many areas are of increasing importance to our stakeholders, including climate change, the digital divide and employee and contractor health and wellness.

ESG at Millicom

Our purpose is to build the digital highways that connect people, improve lives and develop our communities

Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing- in global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

We've measured our progress against the SDGs since 2018. But in 2021, we stepped up our approach to assessing and tracking our achievements. We started by digging deep into the 169 targets set out by the SDGs, identifying where we made the biggest impacts and whether we could quantify our contributions with metrics.

We then went one step beyond by having Tigo operations in all nine of our LATAM markets do the same for their respective countries' SDGs and targets. As part of the analysis, we totaled up our impact in each market, giving us a sense for how much we're helping communities meet their individual goals.

In addition to measuring our impact, the results are already helping us focus our know-how and resources on the areas where our contributions are making the biggest difference. We believe this approach will move the needle for our communities and help our partners better understand our impact.

Visit https://www.millicom.com/what-we-stand-for/reporting/ to learn more about our approach.

At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries—developed and developing—in global partnership.

ESG Performance Tables

We report our progress against our renewed ESG Framework, which includes the public commitments established in the Five-Year CR plan built on our 2018 Materiality Assessment, and updated and adjusted as per our ongoing engagements with internal and external stakeholders. Performance Tables[1] have been redesigned to reflect the renewal of our ESG Framework.

Goals and targets that have been revised are flagged in the tables on the following pages.

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[1] This report includes our Honduras joint venture as if it were fully consolidated, as this reflects the way our management reviews and uses internally reported information to make decisions about operating matters. It also includes our Guatemala operation. Following our strategical decision to divest out of Africa, data for Tanzania is disclosed for a reduced subset of Environmental and Compliance metrics.

Our acquired Telefonica operations in Nicaragua and Panama are included in the CR performance Tables as from 2020. Exclusions, where applicable, are detailed in footnotes.

The majority of our performance data beginning on page 39 is for the period from October 1, 2020 to September 30, 2021, except where noted.

ESG public commitments overview

Environment

Topic	Our Goals	Target	Target Year	What we did in 2021	Our performance/status
Energy and Climate Change	Enhance data quality and standardization of calculation and reporting of baselines and targets to reduce carbon footprint and achieve costs savings and reduce carbon footprint.	2018 energy consumption, Scope 1 and Scope 2 baselines identified and published by 2019.	2019	Not Applicable.	Completed.
	Develop and implement a comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers.	Design one pilot project for emissions reduction and one for offsetting / carbon pricing by 2020.	2020	Not Applicable.	Completed.
		Fossil fuel consumption and energy consumption reduction targets set by 2021.	2021	We have set and submitted our first near-term Science-Based Targets (SBTs), pending validation for public announcement, and already guiding our energy and emissions reduction strategy. In addition, we have joined the Business Ambition for 1.5°C campaign - the world's largest and fastest-growing group of companies that are aligning with 1.5°C and helping to halve global emissions by 2030, committing no set net-zero targets according to the Science-Based Target initiative Standard by 2023.	Completed.
		Comprehensive strategy for climate change mitigation and resilience for Tigo operations and customers approved and announced by Q2 2022.	2022		Completed. Target active internally, pending validation for public announcement.
E-waste and circular economy	Manage and measure waste streams, and reuse and recycling of consumer devices.	Reach 76% of Consumer Premise Equipment ("CPE") end to end recovery by 2024 (72% by 2021) .	2024	We surpassed our goal for 2021 as we also processed the 2020 backlog.	We achieved 84% CPE end to end recovery in the Latam region. This is equivalent to over 3 million recovered devices.[1]
Reducing our footprint	Environmental impact assessments of all operations executed by 2021, including issue prioritization and remediation plans.	Conduct an inventory of all waste generated at operations and publish related targets by 2020.	2020	Data standardization and target-setting efforts were slowed down due to the urgency of the pandemic.	In process.
		Environmental impact assessments executed, reviewed, revised, standardized and with action plans consolidated for regional execution by January 2021.	2021	We have renewed ISO 14001 certification in all our operations. As part of the standard's requirements, environmental issues and aspects are identified on an ongoing basis, along with action plans to close identified gaps.	In the recertification processes conducted in 2021 no significant gaps were identified. Updated and standardized environmental policies, guidelines and processes are currently under final review for publication.

[1] *Excludes Guatemala*

Completed In Progress Refocused Delayed

ESG public commitments overview—*continued*

Society

Topic	Our Goals	Target	Target Year	What we did in 2021	Our performance/ Status
Digital Education	Implement regional strategy to advance digital literacy with educational programs on basic and advanced digital knowledge and entrepreneurial skills.	Reach 400,000 women trained through our digital inclusion program by 2023.	2023	Trained 158,881 women. We have developed a regional Conectadas App through which participants will be able to access trainings in all our markets. Initial roll out in pilot phase was done in December 2021.	Completed.
Digital Education	Conduct research programs in each market on the use of technology by children and adolescents to tailor content and adapt Child Online Protection training based on results and insights.	All countries complete research on use of technology by children and adolescents by Q4 2020.	2020	Refocused. Upon revision during the pandemic and in its aftermath, priorities were reassessed. In view of the emerging needs, efforts have been shifted towards the training of teachers, to provide them with digital skills for remote and hybrid learning.	Refocused.
		All countries implement action plans based on results of the research by 2020.	2020		Refocused.
Digital Education	Continue our efforts to prevent access to online Child Sexual Abuse Material ("CSAM") through our networks by continuously implementing blocking mechanisms region-wide and advancing industry initiatives.	All operations implement CSAM blocking mechanism by 2020.	2020	6 out of our 9 Latam operations currently have new system in place that incorporated the blocking of CSAM sites. Migration to new system is underway for all operations.	In progress
Digital Education	Continue our programs to reduce the gender gap in the use of mobile technology.	Close the digital gap in our Latam operations by 2020 in line with the acquired commitments through Global System for Mobile Communications Association's ("GSMA") connected Women initiative.	2020	GSMA extended the Connected Women initiative until 2023	In progress
Digital Education	Expand Child Online Protection ("COP") training program for our employee volunteer program by creating online training platform in all our operations.	Online training platform live in all our operations by 2020.	2020	This target was refocused in 2019, acknowledging the higher effectiveness and engagement of in-person training. Due to the ongoing mobility restrictions, in-person activities have not yet been resumed.	Refocused
		By 2023 reach 120,000 volunteering hours from COP-related programs.	2023	COP-related volunteering continues to be predominantly virtual due to the pandemic. This has resulted in a reduction of available volunteering opportunities. That said, our employees still provided 13,400 virtual volunteering hours for COP programs.	In progress
Digital Education	Continue our COP education program to reach more children, adolescents, parents, teachers and caregivers.	Reach, through our COP programs: 700,000 children and adolescents; 200,000 parents and caregivers; 70,000 teachers.	2023	2021 continued to be challenging for the roll out of our program as lockdowns remained in our countries. Our focus on maestr@s conectad@s program allowed us to support the training of teachers on the use of digital tools for online classes and helping children and adolescents to understand the opportunities and risks of being online. We have partnered with the Real Madrid Foundation to reach 11,200 children and adolescents in their schools with our Conectate Segur@ and Conectadas programs starting in late 2021. Despite the ongoing mobility restrictions regionwide, we provided Child Online Protection training to 22,891 children 112,737 teachers and 114,952 parents and caregivers. during 2021.	In progress
Digital Education	Conduct assessments in Latam markets on socio-economic conditions and technological capabilities of women and girls who are the beneficiaries of our programs to measure benefits achieved through trainings.	All operations conduct assessments focused on socioeconomic conditions and technological capabilities of women and girls by 2023.	2023	Efforts currently on hold due to the dynamic nature of the ongoing pandemic.	In progress
Digital Education	Measure impacts of connectivity in communities targeted by our programs to assess improvements in socioeconomic conditions of beneficiaries, and optimize program content and resource allocation.	Design and roll out to operations a regional impact measurement methodology by 2020.	2020	We have leveraged on previous research done in our markets and will revise targets considering the transition to post-covid contexts.	Refocused
		All countries implement an impact measurement methodology related to connectivity and digital inclusion by 2022.	2022	Due to the pandemic this goal has been delayed to better understand the impact and role of connectivity during this situation.	Refocused
Digital Inclusion	Continue bringing internet connections to schools and public institutions in vulnerable communities throughout Latin America through collaborative partnerships with local government and NGOs.	Provide internet to 1300 schools and public institutions by 2023 reaching our set commitment with the OAS ICT Alliance.	2023	2267 schools and 586 public institutions connected in our Latam operations.	Completed.

Completed — In Progress — Refocused — Delayed

ESG public commitments overview—*continued*

Society

Topic	Our Goals	Target	Target Year	What we did in 2021	Our performance/ Status
Diversity, Equity and Inclusion	Build an inclusive work environment that is representative of our workforce, the markets where we operate and the customers who we serve. Promote a culture of inclusion through policies, procedures, and regular training, and activities that foster employee collaboration. Enhance employee wellness and growth through policies, programs and practices designed to support their aspirations professional and personal development.		Annual	During 2021 we implemented several training to different audiences: Unconscious bias webinar for Senior Leaders, DE&I training and LGBQT panel for all employees. We established quantitative gender targets as a company. We created counsels to identify gaps operation by operation and established a plan in how to close the gaps globally. Targets will be announced during the following weeks. We reviewed wage gaps across the organization and took measures to correct where gaps were identified. In addition, we reviewed annual salary increases to ensure equity in pay increases.	82% employees received the training. Set public 2030 Diversity, Equity and Inclusion targets, announced in early 2022. GPTW 2021 survey shows that we have higher engagement in segments included in our DE&I strategy.
Supply Chain	Enhance due diligence processes by including sustainable procurement criteria for Global strategic suppliers.	Ensure that 100% of Global strategic suppliers obtain sustainability assessment scores of 45 or greater by 2023.	2023	We identified, among suppliers still below a score of 45, corrective action plans that can be implemented in order to close existing gaps and reach or surpass that target score.	27.5% of current strategic supplier base have scores 45 or higher on Ecovadis.
	Extend related training to procurement team.	Train 100% of procurement staff in responsible supply chain management issues related to our core risks.	2023	As during 2020, the responsible supply chain management training was delivered in the form of e-learning, being available both to corporate and local offices' Procurement employees.	92% of our Latam and HQ Procurement teams received Responsible Supply Chain training in 2021.
	Train all suppliers with Group spend >$1.0m by 2023, and measure their progress on corrective action plans through sustainable procurement platform and audits.	Train all suppliers with Group spend >$1.0m by 2023, and measure their progress on corrective action plans through sustainable procurement platform and audits.	2023	We created an online sustainability training through which we are increasing our scope of suppliers reached. For 2021 we set out to reach 75% of our strategic or critical suppliers. This online training will become the standard training that every new supplier must complete when working with Millicom.	We surpassed the 2021 target, reaching 76% of eligible suppliers.
	Enhance due diligence processes by including sustainable procurement criteria for Global strategic suppliers.	Vet all Global strategic suppliers through our sustainable procurement platform.	2023	We continued integrating our systems at regional levels, achieving higher efficiency and streamlining the Ecovadis vetting process.	44% of the strategic suppliers in our updated list have been vetted on our sustainable procurement platform.

Completed In Progress Refocused Delayed

ESG public commitments overview—*continued*

Society

Topic	Our Goals	Target	Target Year	What we did in 2021	Our performance/ Status
Fundamental Rights	Consolidate and enhance human rights policies and practices covering privacy, freedom of expression, supply chain and vulnerable groups to meet standards of United Nations Guiding Principles on Business and Human Rights.	Conduct Corporate and operations Gap Assessment by Q3 2019.	2019	Completed.	Completed
	Consolidate and enhance human rights policies and practices covering privacy, freedom of expression, supply chain and vulnerable groups to meet standards of United Nations Guiding Principles on Business and Human Rights.	Develop remediation plan to cover gaps by Q4 2020 for implementation under 5-year plan.	2020	The need for remediation plans undergoing continuous review where HRIAs have been conducted.	Our various human rights-related processes, particularly those related to Privacy, Freedom of Expression, Supply Chain and vulnerable groups have been implemented and expanded in accordance with gaps identified during Human Rights Impact Assessments. related to the implementation of Human Rights Impact Assessments established.
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Training on HRIA toolkit conducted in all operations by Q4 2019.	2019	Training completed in countries where HRIAs have been conducted. Remaining operations received awareness building training on topic and will receive the full training as HRIA roll-out continues into 2022.	
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Conduct HRIAs in all operations by Q4 2020.	2020	Completed HRIA in CO, PY, BO and NI. Deferred to2022 for GT, PA, CR and SV.	In Process
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Develop remediation plan to cover findings of HRIAs by Q2 2021.	2021	No material issues were raised in the CO, PY and BO or Ni HRIAs which required a remediation plan.	Delayed
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Training on HRIA toolkit conducted in all operations by Q4 2019.	2019	Training completed in countries where HRIAs have been conducted. Remaining operations received awareness building training on topic and will receive the full training as HRIA roll-out continues into 2022.	
	Consolidate and enhance human rights policies and practices covering privacy, freedom of expression, supply chain and vulnerable groups to meet standards of United Nations Guiding Principles on Business and Human Rights.	Develop remediation plan to cover gaps by Q4 2020 for implementation under 5-year plan.	2020	The need for remediation plans undergoing continuous review where HRIAs have been conducted.	Our various human rights-related processes, particularly those related to Privacy, Freedom of Expression, Supply Chain and vulnerable groups have been implemented and expanded in accordance with gaps identified during Human Rights Impact Assessments. related to the implementation of Human Rights Impact Assessments established.
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Conduct HRIAs in all operations by Q4 2020.	2020	Completed HRIA in CO, PY, BO and NI. Deferred to2022 for GT, PA, CR and SV.	Delayed
	Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in all Latam markets.	Develop remediation plan to cover findings of HRIAs by Q2 2021.	2020	No material issues were raised in the CO, PY and BO or Ni HRIAs which required a remediation plan.	Completed
	Roll out training on human rights in all Latam markets by 2020.	Human rights training to CR Team by Q4 2019 and extended to designated business teams by Q4 2020.	2020	Target met in 2021	Completed
	Protect customer rights to privacy and freedom of expression.	Develop Grievance Mechanisms for customer privacy or freedom of expression issues by Q4 2019.	2019	Framework for grievance mechanisms for HQ and Operations levels completed.	Completed
		Develop web-based, one-stop Privacy Center for customers on company policies, terms and conditions, and practices relative to privacy and freedom of expression by Q4 2019.	2019	Completed. please visit (add url)	Completed
		Develop Grievance Mechanisms for customer privacy or freedom of expression issues by Q4 2019.	2019	Framework for grievance mechanisms for HQ and Operations levels completed.	Completed

Completed In Progress Refocused Delayed

ESG public commitments overview—*continued*

Governance

Corporate Governance is covered in detail in the Corporate Governance Report, starting on page 63. More information on Compliance is included in the section for Compliance and Business Conduct Committee starting on page 86.

Topic	Our Goals	Target	Target Year	What we did in 2021	Our performance/ Status
Compliance	Build a strong corporate culture that seeks compliance excellence; build an ethical business culture in which employees at all levels are committed to doing what is right and upholding the Company's values and standards.	100% of GMs and executive teams with compliance KPI built into remuneration package by 2020.	2020	This is the fourth year we have tied the GM Compliance objectives with their bonuses. Heatmap and KPIs scorecards have been presented to the Board of Directors as a way to assess progress towards Compliance objectives.	91% of GMs have compliance KPIs built into remuneration package.[2]
		100% of the above group plus their direct reports with compliance KPI built into remuneration package by 2021.	2021		
		95% of Compliance & Ethics training for active employees yearly.	Annual	Deployed the annual mandatory training on Code of Conduct to all operations and HQ employees..	99% of employees completed the Code of Conduct training.
		Respond within 3 business days to each Ethics Line allegation submitted through hotline.	Annual	Responded within 3 business days to each Ethics Line allegations submitted through hotline.	An allegation is submitted to the Ethics Line and subsequently the date on which a response is provided is recorded. Our current average response time to Ethics Line allegations is within 3 business days of being submitted through the hotline.
		Provide corrective action recommendations for each Ethics Line case substantiated through the investigation process.	Annual	Provided corrective action recommendations for each substantiated Ethics Line case. The corrective action is tracked through completion.	Where a concern or allegation is substantiated, investigation findings and recommendations for corrective action are provided to the appropriate review committee.
	Have a Compliance & Ethics Program that is central to business strategy; effectively embedded in the business processes and procedures; and focused on the actual impact the company's program has in the countries where it operates as well as on our employees, customers, stakeholders and communities.	100% of operations with online platform deployed and functional for a high-quality program that integrates preventive measures, key controls, reporting mechanisms and due diligence processes capable of detecting and correcting misconduct and wrongdoing.	2023	This year we continued with the automation of the Sponsorships, Donations, and Government Official Interaction forms for HQ and Latam. We have a Third Party Due Diligence platform that serves both as a repository as well as a process management tool to vet vendors before being onboarded. This tool also runs background checks on existing vendors, based on automated watch list, adverse media, and law enforcement searches.	Both the forms and the Third Party Due Diligence tool are standardized and accessible for our Operations.

[2] *Following our acquisition dated November 12, 2021, Tigo Guatemala has adopted our GM remuneration package, aligning with our 100% target for 2022.*

Completed   In Progress   Refocused   Delayed

Our Performance

About our ESG metrics

2021 metrics have still been impacted by the ongoing COVID-19 pandemic (as 2020). Therefore some of the reported values may reflect atypical variations.

Environment

E-waste recycled through responsible waste management program (tonnes)

KPI	2018	2019	2020	2021 (Latam only)
Bolivia	8	5,586	—	24
Colombia	587	431	1,373	1,858
Costa Rica	310	118	—	—
El Salvador	147	123	118	71
Guatemala	400	1,303	181	365
Honduras	—	10	162	310
Nicaragua	Not included	Not included	—	—
Paraguay	105	—	75	1,858
Panama	Not included	138	527	168
Tanzania	400	8,800	—	Not included

Energy use[3]

Total Energy Consumption / Sources of energy by asset type	2018	2019	2020 (Restated to Latam only)	2021 (Latam only)
Base station and fixed network sites				
Fuel (000 l)	10,435	4,247	4,680	4,667
Energy from fuel (MWh)	104,456	42,685	46,721	46,590
Grid Electricity (MWh)	450,131	441,336	459,496	514,684
Our fleet				
Fuel (000 l)	4,064	3,257	5,696	5,558
Energy from fuel (MWh)	38,609	31,230	53,630	52,017
Data centers and offices				
Fuel (000 l)	450	293	323	228
Energy from fuel (MWh)	4,490	2,926	3,220	2,281
Grid Electricity (MWh)	89,688	74,598	124,808	118,679
Shops				
Fuel (000 l)	23	72	63	11
Energy from fuel (MWh)	234	717	626	105
Grid Electricity (MWh)	16,811	11,618	16,538	13,304
Total Energy Consumption (MWh)				
Grid Electricity (MWh)	556,630	527,552	600,842	646,667
Fuel (000 l)	14,972	7,869	10,762	10,464
Energy from fuel (MWh)	147,789	77,558	104,197	100,993
Energy from renewable sources (MWh)[4]	New KPI for 2021	New KPI for 2021	New KPI for 2021	18,772
Total Energy Consumption (MWh)	704,419	605,110	705,039	766,432
Emissions and e-waste overview				
Total weight of e-waste recycled through our responsible e-waste management program (tonnes)	1,957	16,371	2,436	4,654
Scope 1 emissions (Tonnes of CO2e)	39,181	20,553	33,629[5]	33,161
Scope 2 emissions (Tonnes of CO2e)[6]	140,605	137,754	152,060	146,525
Scope 3 emissions (Tonnes of CO2e)	N/A	3,994	1,585,057[7]	2,202,250
% of operations set up on global responsible e-waste recycling program	91	100	100	100

[3] Since Latam constitutes the baseline for our emissions reduction targets, 2020 figures have been restated accordingly, using updated emission factors for Scope 2 and including fugitive emissions for Scope 1 from 2020 onwards. 2019 and 2018 figures have not been restated and include also Africa.

[4] This metric refers to energy from renewable sources in addition to that inherent to each country's specific electricity grid- The different grid compositions are reflected in Scope 2 emissions through the different emission factors. used for calculation of GHG emissions due to grid electricity consumption.

[5] Starting in our restated Scope 1 emissions for 2020, we include fugitive emissions using emission factors from "Refrigerant & other" worksheet in the condensed set of the 2021 UK GHG Conversion factors set "Refrigerant & other" worksheet in the condensed set of the 2021 UK GHG Conversion factors set. Emissions from fuel (motor diesel and gasoline) are calculated using World Resources Institute (2015) GHG Protocol tool for stationary combustion, version 4.1 and Mobile Combustion GHG Emissions Calculation Tool Version 2.6.

[6] Emissions from electricity are calculated using Electricity Emission Factors from IEA, version 2020, except in the case of Colombia.

[7] Scope 3 emissions for 2020 and 2021 have been calculated by an expert third party. The GHG accounting and reporting was based on the 'The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition' (GHG Protocol) and the supplementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The calculations for the reporting years considered a diversity of data sources; for example: spend, model and number of devices purchased and sold, product's life-cycle assessments (LCA), LCA and environmentally-extended input-output (EEIO) databases, and the number of employees. Scope 3 emissions reported in the 2020 Annual Report were limited to air travel emissions and have been restated in this current report to reflect the current scope under analysis.

Our Performance—*continued*

Society

Diversity, equity and inclusion

KPI	Year ended December 31, 2018	2019	2020	2021
% of women in managerial positions	28	36	38	39
% of women across our employee base	41	37	38	41

Supply Chain

KPI	2018	2019	2020	2021 (Latam only)
% of strategic suppliers who signed the supplier code[8]	89	90	79	84
% of all suppliers who have signed the supplier code	65	68	46	70
% of procurement teams trained on responsible supply chain management	81	88	75	92
% of suppliers with Group spend >$1.0m trained on Millicom's ESG strategy and requirements[9]			New KPI for 2021	78

Health & Safety

KPI	2018	2019	2020	2021
% of operations certified against ISO 45001	New KPI for 2019	100	100	100
Number of employee fatalities	1	0	1	0
Number of contractor fatalities	2	6	2	2
Number of H&S incidents reported[10]	369	53	49	41
Lost-time injury rate per 1000 employees	0.5	1.97	1.35	0.83
Absentee rate (%)[11]	1.3	1.34	1.45	1.97

Digital Education

KPI	2018	2019	2020	2021
Women enrolled in digital inclusion programs ("Conectadas")	117,340	207,019	91,340	158,881[12]
Teachers who completed 100% of Maestr@s Conectad@s program	New KPI for 2020	New KPI for 2020	137,019	112,737[13]
Number of children reached by COP training (´000)	360	480	543	566
% of operations in Latam blocking child sexual abuse content	71	75	44	67

Digital Inclusion & Social Investment

KPI	2018	2019	2020	2021
Monetary value of employee volunteering ($)	235,000	405,503	346,863	138,174
Volunteering hours[14]	24,732	51,425	30,323	13,525
Total cash contributions ($'000)	3,776	2,686	1,754	915
In-kind giving (at cost) ($'000)	6,737	6,139	7,286	10,902
Schools and public institutions connected to the internet	1,361	1,416	2,745	2,849

[8] *A supplier is considered strategic if they follow one or more of the following: significant spend, multi-year relationship in place or expected, products and services in a strategic spend category, direct impact on delivery capability, potential impact on brand and reputation and difficulty of switching to alternative suppliers.*

[9] *Suppliers considered for this training are those with a 2020 spend over $1M,, excluding related parties, competitors, utilities, and government entities. Suppliers with an identified CSR robust program (Ecovadis score of 45 and above) are automatically considered trained.*

[10] *H&S incidents are defined as incidents in which Millicom/ Tigo employees take one or more days of lost time due to injury.. Values from 2019 forward have been corrected for comparability. 2019 incidents removed from the count include "near miss" and contractor incidents.*

[11] *The absentee rate is the number of unplanned absences versus the average number of workdays in in the reporting period, expressed as a percentage.*

[12] *As from 2021, this metric is reported on a calendar year basis as opposed to past reporting cycles, which went from October 1st to September 30 of the reporting year. An additional 39,934 women were enrolled in digital inclusion programs between October 1st and December 31st, 2020, which were not included in the 2020 annual report, nor in the above values.*

[13] *As from 2021, this metric is reported on a calendar year basis as opposed to past reporting cycles, which went from October 1st to September 30 of the reporting year. An additional 65,718 teachers completed the Maestr@s Conectad@s training between October 1st and December 31st, 2020, which were not included in the 2020 annual report, nor in the above values.*

[14] *As from 2019, it includes COP-related programs volunteering hours.*

Our Performance—*continued*

Fundamental Rights

KPI	2019	2020	2021
Law enforcement requests[15]			
Total number of law enforcement requests (Latam)	40,132	37,007	53,420
Law enforcement requests per type			
Interception	2,121	2,304	2,645
Customer metadata	37,497	34,203	50,176
Mobile Financial Services ("MFS")	514	500	599

Major Events

	Year ended December 31,		
KPI	2019	2020	2021
Number of major events	10	15	8
Major events per type			
Shutdown or restriction of services	8	8	2
Proposals for significant changes in local laws	1	2	3
Proposals for significant changes in technical or operational procedures	1	0	2
Disproportionate interception or customer data requests	0	3	0
Politically motivated messages	0	0	0
Other	0	2	1

GOVERNANCE

Ethics

	Year ended December 31,			
KPI	2018	2019	2020	2021
% of employees who acknowledged the Code of Conduct	91	96	99	99
% of employees who have completed the Code training	90	94	99	99
% of procurement staff trained on Anti-Corruption	97	94	93	100
% of senior managers trained on Anti-Corruption	99	93	99	99
% of revenue from MFS subject to AML controls	97	95	97	100
% of operations (where) we conducted a compliance risk assessment	30	90	100	100 (Latam only)

[15] *We classify law enforcement requests into three categories: interception, customer metadata, and customer financial data (related to the mobile money services or MFS services we provide). These three categories encompass the vast majority of requests we receive. We report all other requests outside of the definitions as major events.*

Independent Assurance Statement to Millicom International Cellular S.A

ERM Certification and Verification Services Inc. ('ERM CVS') was engaged by Millicom International Cellular S.A ('Millicom') to provide limited assurance in relation to specified information in Millicom's 2021 Annual Integrated Report (the 'Report') as set out below for the period of its fiscal year (October 1st 2020 to September 30th 2021) unless otherwise noted in the disclosure.

Engagement summary	
Scope of our assurance engagement	Whether the following 2021 disclosures are fairly presented in the Report in all material respects, with the reporting criteria: **Materiality and stakeholder engagement references in "Our ESG Approach and Impact", "About the report" and "ESG Performance Tables" Report Sections** **Fundamental Rights** • Number of law enforcement requests (Group) • Number of major events **Ethics** • % of employees who signed or acknowledged the Code of Conduct • % of employees who have completed the Code of Conduct training • % of procurement staff trained on Anti-bribery and anticorruption (ABAC) • % of employees who have signed the conflict of interest declaration form **Inclusion** • % of women in senior management positions **Environment** • Total grid electricity [MWh] • Total renewable energy [MWh] • Total fuel consumption [MWH] • Total energy consumption [MWh] • Scope 1 emissions [metric tonnes CO2e] • Scope 2 emissions [metric tonnes CO2e] **Supply Chain** • % of strategic suppliers who have signed the Supplier Code of Conduct • % of all suppliers who have signed the Supplier Code of Conduct • % of procurement teams trained on responsible supply chain management **Taking Care of Our People** • Number of H&S incidents reported for employees • Number of employee fatalities • Number of contractor fatalities • Lost-time injury rate per 1,000 employees • Absentee rate **ESG Targets** • Consumer Premise Equipment (CPE) end to end recovery for the Group [% recovered] • Suppliers with Group spend >$1.0m trained through Millicom's online sustainability training [% trained] • Women trained through the digital inclusion program [# women trained] • Teachers trained through Maestr@s Conectad@s program [# teachers trained]
Reporting criteria	Millicom's internal reporting criteria and definitions GRI 101: Principles for defining report content – Materiality and Stakeholder Engagement for report sections reviewed.
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	Millicom is responsible for preparing the data and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, nothing has come to our attention to indicate that Millicom's 2021 disclosures, as listed above, are not fairly presented in the Report, in all material respects, with the reporting criteria.

Emphasis of Matter

Without affecting our conclusion, which is not modified, we draw attention to the footnotes provided by Millicom relating to the data in the "Our Performance" section on pages 39-41 of the Report, in particular the footnotes related to the definitions used for Health & Safety related metrics and restatements made.

Our assurance activities

Our objective was to assess whether the selected data are reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

A multi-disciplinary team of EHS and assurance specialists performed the following activities:

- Virtual interviews with relevant global Corporate subject matter experts and global data owners to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data, as well as discussing criteria used to determine boundaries and definitions;
- A review of the emission factors, conversion factors;
- A review of the inputs of used to determine ESG-related report content and a sample of documentation for all ESG Targets in scope;
- A review of samples of documentary evidence, including internal and external documents, to support key assertions related to Materiality and stakeholder engagement references in "Our ESG Approach and Impact" and "ESG Performance Tables" Report Sections;
- Virtual visits to two markets (Nicaragua and Panama) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff regarding data capture and reporting methods, checked calculations, reviewed source data and assessed the local internal quality and assurance processes;
- An analytical review of the data from all markets and a check on the completeness and accuracy of the corporate data consolidation, including year-end assurance of corporate level results of internal review procedures, rate and percentage calculations and final consolidation;
- Review of methodology used for restatements of 2020 data for Number of H&S Incidents for Employees, Lost-time injury rate per 1,000 employees, and Scope 2 emissions; and
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our observations

We have provided Millicom with a separate management report with our detailed (non-material) findings and recommendations. Without affecting the conclusions presented above, we have the following observation:

- ·Millicom has agreed to update and expand the definition of H&S incidents included in its reporting guidelines in use since 2018, to align with widely accepted standards and with further granularity to allow for comparability to other organizations.

Force Majeure – COVID-19

Due to travel restrictions as a result of COVID-19, our assurance work for the 2021 reporting period was conducted using a combination of desk-based reviews of information and data, and virtual interviews and meetings with the Millicom corporate reporting team and the markets selected for virtual visits. We did not undertake any in-person visits to Millicom operations.

Beth C.B. Wyke

Beth Wyke
Partner, Head of Corporate Assurance
March 1, 2022

ERM Certification and Verification Services, Inc.
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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to Millicom in any respect.

Environment

Being good environmental stewards is a core element of fulfilling our purpose. This is why, rooted in deep knowledge of our business and our region, we deploy initiatives to make our digital highways as resilient as possible, to operate with world-class standards and to work with partners across our value chain to reduce our environmental footprint and help others reduce theirs.

2021 Highlights

We have set and submitted our first near-term Science-Based Targets to reduce our GHG emissions, and joined Business Ambition for 1.5°C, with the objective of reaching

net zero emissions by 2050.

By modernizing 1,100 sites in Nicaragua, we consumed 20% to 25% less electricity and saved more than 1.5 million KWh compared with last year.

84%

We recovered 84% of our CPE after people terminated or upgraded their services, 12% more than our target for the year.

Panama Colombia

In addition to the active Power Purchase Agreements in Panama, we have begun the roll out of an innovative energy sourcing model, with over a thousand new rural sites in Colombia, as well as certified over 13 million KWh of this operation's 2021 grid electricity consumption as renewable.

Smarter designs helped us close 232 sites in Colombia, reducing our electricity use and costs while increasing our coverage area.

Intergovernmental Panel on Climate Change (IPCC) Report projects an escalating climate crisis unless we limit the global temperature increase to 1.5°C compared with pre-industrial levels.

The consequences of inaction will be severe: More frequent and intense heat waves; more powerful hurricanes, flooding and wildfires; continued sea level rise in coastal communities; ocean warming that devastates marine ecosystems; and the prospect of climate refugees fleeing drought and other weather-related disasters.

Regionally, our Latin American markets are vulnerable to climate-related disasters such as floods and hurricanes, which are already taking a heavy toll on the region's health and infrastructure.

We spent much of 2021 assessing our business risk related to climate change and inventorying our GHG emissions, with the goal of developing a climate resilience strategy that can help our business and communities prosper in the face of these threats.

We've always worked collaboratively across our business to use resources more efficiently and minimize our operating waste. In early 2022, we amplified our commitment with the announcement of new GHG emissions targets. In accordance with the United Nations Sustainable Development Goals on climate action, the new targets represent our most ambitious commitment yet to reducing our environmental footprint. Reaching our targets won't be easy, but we're excited by the challenge and inspired by the progress we've already made.

Collectively, we believe these actions help us optimize our business performance, reduce business risk, deliver improved connectivity and service to our customers, and meet our stakeholder expectations for environmental stewardship—all core to how we fulfill our purpose each day.

Setting Science-Based Emissions Targets

We're constantly pursuing new strategies and technologies to reduce our carbon footprint, and this year we formalized our strategies into a single overarching commitment. In 2021, we took a more ambitious approach, recalculating our 2020 Scope 1 and 2 emissions and performing a comprehensive Scope 3 emissions inventory. This broader and fresh analysis was the basis to develop a comprehensive mitigation strategy, based on aggressive reduction targets.

Our Commitment

We have submitted our first near-term Science-Based Targets for validation. Our ambition is to establish targets in line with a maximum 1.5°C increase above pre-industrial levels for our Scope 1 and 2 GHG emissions and a 2°C increase for Scope 3, and to lay the groundwork for strong, coordinated action in the region. Because we plan to be active participants in Latin America's digital transformation to enable a thriving, resilient economy, we aspire to go beyond these targets in the next decade, joining the Business Ambition for 1.5°C campaign and committing to achieving net zero emissions by or before 2050 in alignment with the Science-Based Targets initiative.

With these targets, we are joining other leading private sector companies in pledging to slash our emissions within the next decade. We anticipate even more ambitious targets in the years to come, as we keep in mind the international coalition of countries and companies aiming for net zero emissions by 2050.

Our strategies will encompass emissions from sources that are under our control, emissions associated with our purchase of electricity (Scope 2), and emissions from upstream and downstream sources, including relevant suppliers and clients (Scope 3).

A science-based pathway to net zero emissions

Millicom has joined the "Business Ambition for 1.5˚C campaign", formally committing achieving net zero emissions per the Science-Based Targets initiative standard by or before 2050.

We use the strictest ambition levels available for our Scope 1 and 2 emissions inventories and goals, as these are the sources over which we have the most control. We set a more conservative target for our Scope 3 emissions, which are our most significant emissions drivers but where our control is most limited. This will allow us the time to form partnerships with authorities, competitors and suppliers on integrated strategies for reducing emissions.

In the short-term, our mitigation strategies will include a combination of energy efficiency, renewable energy and market instruments. Many of these strategies are already in operation, while others are in the planning stages. We will report on these in more detail in future disclosures.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Energy Efficiency

By modernizing our network infrastructure, we're delivering more and better services to our mobile and broadband customers while consuming less electricity.

Nicaragua

SPOTLIGHT

For example, we invested in modernization upgrades for more than 1,100 sites in Nicaragua in 2021. The new technology consumed between 20% and 25% less electricity than before the upgrades—higher than our initial projections—saving us more than 1.5 million KWh . The new sites also require fewer maintenance visits, saving substantial amounts of fuel and labor.

1.5 million KWh

Electricity saved by modernizing more than 1,100 sites in Nicaragua.

Likewise, we modernized more than 1,050 sites in Panama, with efficiency figures in line with the savings from our Nicaragua sites. Our Panama sites reduced our electricity consumption by 0.9 million KWh.

In Colombia, we continued rolling out our 700 MHz network. This smarter design expands our coverage area while reducing the number of sites we need to serve customers. To date, we have closed 232 sites, reducing our associated electricity use and network costs.

Looking forward, we're collaborating with local management teams to identify other areas where we can reduce our energy consumption and GHG emissions, as well as implement best practices to reduce our environmental footprint. Measures we're considering include updating the cooling systems in our data centers (e.g., using naturally cool air or water rather than mechanical chillers), replacing legacy equipment with new power-saving options, using hybrid fuel systems in off-grid sites, and replacing diesel and gasoline vehicles with more efficient options.

Renewable Energy

While renewable energy as a whole is on the upswing in Latin America, regulatory roadblocks hinder our ability to purchase renewable energy directly in many of our markets. That said, renewable energy is a key linchpin of our emissions reduction strategies. As governments begin to loosen restrictions on energy-related public-private partnerships, we expect to pursue renewable energy for our operations more aggressively.

In 2021, we entered year two of a Power Purchase Agreement (PPA) for our Panama operation. Through this contractual agreement between Millicom, third-party energy providers and local utilities, we're able to partially power our mobile and fixed networks with local renewable energy sources, avoiding up to 1,200 tonnes of CO2 emissions per year. We will continue to negotiate new PPAs as they become available in our regions. Furthermore, our Colombia operation has certified over 13,000 MWh of their 2021 grid electricity consumption through Renewable Energy Credits (RECs), a measure towards decarbonizing our electricity consumption.

We're also pursuing renewable energy installations at many of our operational sites. We maintain an onsite solar capacity of over 4,700 MWh for powering our base stations,

We're beginning to roll out innovative Energy as a Service (EaaS) sourcing models for our mobile sites. After a successful pilot in Honduras, we began the roll-out of four new EaaS sites supplied with solar energy in rural Colombia the first of over 1,200 sites to be deployed over the next 4 years. With this new model, in which over 70% of our sites are off grid, we're focusing on expanding our coverage while minimizing our reliance on fossil fuels. We believe this will have a minimal additional impact on our carbon footprint—a big step in the decarbonization of our services. The full benefits of this addition will build up as roll-out continues.

SPOTLIGHT

Costa Rica

As part of the Green Initiatives, mentioned above, Tigo Costa Rica adopted

1,000 trees with the "Asociación Amigos de Un Millón de Árboles".

Green Initiatives

We engage employees and customers in environmental initiatives across our markets, helping improve resource efficiency, protect and restore local ecosystems and reduce the impact of our operations. Examples include:

» Cell phone recycling initiatives in Colombia, Guatemala, Nicaragua and Panama

» Environmental volunteering program in Tigo Colombia

» Environmental literacy content in Tigo Bolivia's EducaTigo channel

» Environmental volunteering planting native species with the Million Trees Miami campaign.

E-Waste and the Circular Economy

As a broadband and mobile provider, e-waste from our CPE is one of our biggest challenges—and one of our biggest opportunities. Through our CPE Recovery Program, we aspire to recover most or all of the equipment our customers use for broadband or mobile connectivity should they terminate or upgrade their services. Once recovered, the equipment is either redeployed in the field or responsibly recycled.

Our results were hampered in 2020 by the COVID-19 pandemic, but we rebounded strongly in 2021, recovering 84% of our CPE—12% more than our target.

Our CPE Recovery Program is reducing our environmental impact across the board. By reusing and recycling old equipment rather than throwing it away, we accomplished the following in 2021:

» Reused 617 tonnes of plastic.

» Avoided more than 1,4M cubic meters of water consumption, the equivalent of 493 Olympic swimming pools.

» Avoided 2,158 tons of CO2 emissions

Society

We believe in the power of the internet and technology a essential tools for the development and growth of communities individuals. In conducting our business, we seek to maximize opportunities for creating positive societal impacts and minimize potential risks within our own activities and that of our value chain, respecting fundamental rights and creating positive ripple effects to further our purpose.

2021 Highlights

Nearly 3,000 Guatemalan citizens

received a COVID-19 vaccine at our Tigo Plaza vaccination center—designed, installed and launched by Tigo Guatemala volunteers over two days.

More than 500 Tigo leaders and 16,905 employees received Diversity, Equity & Inclusion training in 2021, putting us well on our way to our goal of 100% participation.

11,200

In September, we joined forces with Fundación Real Madrid to support 69 social sports projects, giving 11,200 boys, girls and family members access to new digital education opportunities.

6,000+ women entrepreneurs in El Salvador

Using digital skills learned in our Conectadas entrepreneurship program, we provided entrepreneurship training to 6,000+ women entrepreneurs in El Salvador.

Our People

Our purpose comes to life through the talent, energy and dedication of our 20,687 employees and roughly 12,000 contractors. We rely on our people to embody Sangre Tigo—the lifeblood that fuels our business success. Sangre Tigo is not just one thing; it's everything. It's the exemplary service an employee offers to a customer, making his or her day. It's the dedication shown by a technician installing a cell tower atop a rugged mountain, bringing mobile service to a rural village for the first time. It's the love we have for one another and our communities, which flashes each time a peer or customer reaches out for help.

In turn, we strive to build a culture inside our company that inspires our employees' creativity, celebrates their uniqueness, stokes their passions, and empowers them to make a difference in people's lives. We're also continuously working to improve our industry-leading diversity of talent across the company, because we recognize that there's always more work to be done. Our goal is to empower the workforce and storytellers of tomorrow by providing pathways to technology and media careers. We have zero tolerance for racism, xenophobia or any other form of discrimination and we strongly support local and global initiatives – including policy changes – that will advance equity, justice and equal protections for all.

We owe much of our success in 2021 to the spirit of Sangre Tigo, which inspired us to put the well-being of our employees and customers first throughout the pandemic. We're proud to say that in addition to going all out to protect our employees' health, we did not implement any restructuring programs related to the pandemic or redundancies. What's more, we retained more than 93% of our key talent over the same period. Our faith in our employees was rewarded this year with our highest-ever scores in our annual Great Place to Work survey.

It's this same spirit that drives us as we look to the future—from our commitment to making Tigo a more inclusive workplace to our transition to a hybrid work model, which we believe will encourage both the human interaction people need and the independence and flexibility modern employees crave.

Great Place To Work. Latin America's Best Workplaces 2021

Great Place to Work®

Employee Trust in Millicom at an All-Time High

Our Great Place to Work survey is our annual opportunity to take the pulse of our employees. We're proud to say the 2021 survey produced our best results ever. Our overall trust index reached 85, while all Tigo operations scored above 80 for the first time. More than 14,000 employees participated in the survey.

The Tigo trust index has increased four years straight.

We're committing to continue making Tigo one of the greatest places to work in Latin America.

SPOTLIGHT:

Sangre Tigo 2.0

PULSES

We are ONE TIGO

TIGO runs in our veins

We make it happen the right way

We give 1,000% for our customers

BEHAVIORS

We are ONE TIGO

- We have one purpose and we make an impact
- We are inclusive and united
- Together we win
- We value our differences
- We manage Tigo assets as if they were our own

TIGO runs in our veins

- We are proud of our company and our history
- We are innovators
- We are fast and we go the extra mile
- We are passionate
- We care for our communities

We make it happen the right way

- We lead by example and we do what we preach
- We never compromise our integrity
- We are transparent and accountable
- We find solutions and deliver results
- We see challenges as opportunities

We give 1,000% for our customers

- Our customers are at the center of everything we do
- We are direct, honest and open
- We always do it right, from the first time
- We make decisions based on data insights
- We think, act and live digital

Evolving Our Leadership Culture with Sangre Tigo 2.0

As our organization evolves, so does what we expect from our leaders.

In 2021, we sharpened our focus on leadership with the Tigo Leadership Model, which is intended to strengthen and further codify our Sangre Tigo culture.

More than 100 of our top senior leaders helped create the model at the Tigo Leadership Summit in February. During the session, leaders and managers from across Tigo's operations determined the most relevant leadership attributes for our leaders and defined the leadership behaviors required to fulfill our purpose.

In Q4, we introduced new Tigo leadership standards based on our model. In a session attended by 600 Tigo leaders, participants were introduced to this new leadership framework and learned how to embody Sangre Tigo in their every action. Each country is preparing to integrate these new standards within their operations in 2022.

We believe a culture is a living, breathing organism, and that it must be nurtured to thrive. With our new Tigo Leadership Model, we're continuing to advance our culture and empowering our leaders to steer the organization into the future.

We're often repaid for our belief in Sangre Tigo in surprising—and delightful—ways.

Check out this charismatic tune from Tigo Panama employee Edwin Cortes on how he defines Sangre Tigo.

Tigo Hybrid Work Model

Aided by advances in video conferencing and collaboration software, remote and hybrid work styles became more common at Tigo during the pandemic. Many of our employees basked in the freedom, becoming more creative and productive while achieving a better work-life balance.

We believe the future of work is flexible, adaptable and forward-looking. After many months of analyzing how remote work styles fit the type of work we do, we announced a new Tigo hybrid work model in 2021. This new model allows employees to switch fluidly between Tigo's premises and employees' homes depending on their roles and the day-to-day tasks required.

Employees and managers can decide when and where they're most productive, using the office as a destination to meet with coworkers, find inspiration and exchange ideas that promote collaboration and innovation. When working remotely, they'll have access to digital tools that are in step with how they prefer to communicate, share and collaborate.

Some roles are dependent on equipment, information or interactions only available at the workplace and thus will be required to be on site full time, as determined by managers and HR.

As one of the first telecom companies to move to a hybrid model in the countries where we operate, we believe the transformation will give us an edge in attracting talent, strengthen our DE&I commitment, accelerate our innovation and lead us to becoming a higher-performing organization.

Human Resources Transformation

Today's business environment isn't the same environment that existed ten years ago, five years ago or even one year ago. We are embarked on a journey to transform our HR department, creating a digitally optimized model that's agile, innovative and adaptable to an ever-changing business world. The transformation aims to improve the employee experience on all fronts, from streamlining manual tasks, to empowering leaders to build and develop teams, to freeing up time for employees to focus on high-reaching goals so that teams can focus their energy and efforts toward Tigo's business strategies and purpose: to build the digital highways that connect people, improve lives and develop communities.

In 2021, we started rolling out the first phase of our new Workday system, which encourages employees to be more productive and strategic instead of bogging down in repetitive tasks. We've since rolled out a number of additional modules on core HR functions, including Recruitment & Onboarding, Absence, Benefits, Core Compensation, Reporting and Interfaces with Payroll. Phase two will include Performance, Training, Succession Planning and Advance Compensation. We're also working toward giving our managers full visibility on our talent, with specific dashboards and reports.

Having this information at our fingertips makes our employees' and managers' decisions more accurate and efficient.

Diversity, Equity & Inclusion

Respect for all people is core to our Sangre Tigo culture. We recognize that the strength of our company flows from creating an inclusive environment that attracts talented professionals with a broad array of backgrounds, experiences and perspectives. When every employee feels empowered to contribute authentically, the resulting innovation helps ensure that our business, products and services reflect the full spectrum of interests in our markets. One of our Sangre Tigo pulses—We are one Tigo—embodies our commitment to inclusivity and togetherness.

In 2021, we continued executing the diversity, equity and inclusion (DE&I) strategy we've pursued the past several years and formalized in 2020. Our strategy focuses on building a more inclusive culture, with three specific pillars: Inclusive Leadership, Inclusion, and Opportunities for All. Internally, inclusion means "everybody has a voice."

Inclusive Leadership

Tigo leaders are committed to build a more diverse and inclusive culture. This year, we reinforced this leadership commitment in trainings, town halls, panels, and a series of local initiatives, helping ensure that our employees had a clear understanding of our evolving strategy and action plans moving forward.

In DE&I trainings attended by nearly 500 Tigo leaders in 2021, we reflected on the role of inclusion in driving our strategy and building our culture. We covered topics like recognizing and overcoming implicit bias in the workplace and developing the leadership skills to create more equitable outcomes for all employees.

Sixty-plus Tigo leaders also participated in "Unconscious Bias in Recruitment and Selection" training. This training complemented our company-wide effort to recognize and eliminate preconceived notions in the hiring process. Strategies to accomplish this include introducing gender neutral job descriptions, maintaining a diverse panel of interviewers and posting all positions internally and externally.

39%

Of women in senior management positions at Millicom as of December 31, 2021.

Awareness and training

In addition to leadership accountability, our 2021 DE&I approach centered on employee awareness and communication. In the spirit of Sangre Tigo, we launched our “We are one Tigo” campaign to raise awareness of diversity's central role in our culture. "We are one Tigo" is not a one-time initiative, but a genuine commitment to building a culture that includes everyone.

We bolstered the campaign through town halls, panels and conversations. Topics included what DE&I means at Tigo, the issues faced by employees in the workplace, and the responsibilities we have individually and as a group to create an welcoming, inclusive work environment.

We also designed and implemented a training for all Tigo employees that explored DE&I concepts and unconscious bias in the workplace. We set a goal of training 100% of our employees; as of December 2021, more than 16,905 employees had completed the training.

Giving employees a voice is critical to our DE&I efforts as we seek to provide more meaningful support in the workplace. In 2021, Tigo operations in multiple countries established DE&I councils made up of 70-plus employees from diverse backgrounds. These councils helped us identify specific gaps in our DE&I approach and make targeted improvements in each location. They also gave our employees the opportunity to participate in and lead diversity initiatives at Millicom and put our values into practice.

Initiatives pursued by various DE&I councils include addressing the gender pay gap, empowering women in technology fields, and advancing the rights of our LGBTQ+ employees by extending benefits to same-sex couples.

Opportunities for All

Our employees' differences are among our greatest sources of strength. We embrace these differences by striving to give everyone at Tigo the same opportunity for professional success regardless of race, gender, gender identity, sexual orientation, age, ethnicity, disability, appearance or beliefs.

In 2021, we continued to redesign and implement new practices in recruiting and selection to reduce potential bias in our hiring and talent development processes. This includes creating gender-neutral job descriptions, empowering a diverse panel of interviews to screen candidates and encouraging hiring managers to provide feedback to internal candidates that were not selected for new positions.

We also sought to level the playing field internally by conducting pay equity analyses and implementing and monitoring equal opportunity policies and practices.

In addition to reducing bias company-wide, we launched initiatives to empower specific groups within Tigo. In celebration of Women’s History Month, we hosted a Women’s Empowerment webinar in March 2021 with guidance on how women can close the gender gap in the tech field. The webinar highlighted key concepts on leadership and equality, and provided invaluable advice to young professionals navigating the tech industry in a digitally powered era.

Moderated by journalist Carolina Amoroso, the webinar featured our own Susy Bobenrieth, Millicom’s EVP Chief Human Resources Officer, and Doreen Bogdan-Martin, Director of the Telecommunication Development Bureau for the International Telecommunication Union. Approximately 2,400 people attended the webinar.

Our journey to build a place where all employees feel like they can be themselves continues. And we will continue to make sure each and every employee appreciates that we're all part of the journey.

SPOTLIGHT: LGBTQ+ awareness

LGBTQ+ employees make their voices heard

It’s easy for members of the LGBTQ+ community to feel isolated in Latin America’s culturally conservative social climate. But many of our perceived differences melt away when we simply listen.

During Pride month in June, we hosted a global webinar featuring a panel of five LGBTQ+ employees sharing their experiences and personal stories. Close to 2,000 people participated in the webinar, with the overarching message that you can be your authentic self at Tigo.

Our webinar coincided with an internal and external LGBTQ+ awareness campaign, which highlighted several employees sharing what inclusion and acceptance mean to them as Tigo employees:

"My greatest wish is that we can all achieve love without prejudice. Love is too great to be kept hidden in a closet.”

—Alexander Salazar Chaves,
Loyalty & Churn Analyst, Tigo Costa Rica

"I'm proud to be part of a company that's diverse and inclusive … and that always contributes to the world being a place where everyone feels and accepted."

—Natalia Cardona,
Consumer Insights Manager, Tigo Honduras

“Throughout my life I have discovered different ways to raise my voice with pride, and in Tigo I have found another place where I can be proud of who I am!”

—Mario Vásquez,
Communications Specialist & Human Rights and LGBTI Lifestyle Blogger, Tigo Nicaragua

Health & Safety

Our health and safety priority over the past two years has been to keep our employees safe at all costs from COVID-19. With the advent of vaccines, we were able to reopen our offices and adjust our protocols, but always with an eye to doing what's best for employees individually and as a group.

In each country, we correlated our responses with the advice of local health authorities and conditions on the ground. The 2021 edition of the pandemic saw fewer government lockdowns and more social mobility, but the number of cases continued to increase but stabilized in the latter half of 2021, as vaccination rates in the populations of our countries of operation rose. We monitored these situations closely and tailored our health and safety protocols to both our corporate guidelines and all applicable local guidelines for the workplace.

Our Health & Safety Teams maintained the enforcement of COVID-19 safety protocols for workspace cleaning, personal hygiene, issuance of personal protection equipment and social distancing guidelines, as recommended by the World Health Organization and U.S. Centers for Disease Control.

We also facilitated a number of programs in our markets to educate employees on COVID-19 prevention and treatment options, as well as emphasize the importance of vaccination for our employees and their families.

Beyond dealing with COVID-19, we were able to obtain recertification of ISO 45001 Health and Safety Standards and ISO 14001 Environmental Standards in all our operations.

We prevented employee fatalities and major losses to our workforce throughout 2021. Unfortunately, there were two fatalities in our contracted services.

1,911 and 1,872

Employees vaccinated in Honduras and Colombia respectively during Tigo vaccination campaigns.

Vaccination Campaigns

Vaccines gave us a new tool in the fight against COVID-19, and we took full advantage in 2021, gaining permission from several local governments to provide onsite vaccinations for our employees.

Tigo Honduras, for example, sought and received authorization from the country's Social Security system, trade unions, the Auditing Commission, and the private health system to perform vaccinations onsite. Within four hours of receiving the approvals, we had set up sites in our Tegucigalpa and San Pedro Sula offices.

All told, we vaccinated 1,911 of our Honduran employees. Nearly 80% of our Honduran employees are now fully vaccinated, compared with approximately 25% of Hondurans as a whole.

Tigo Colombia followed a similar path, receiving approval from both the government and the local businessman's union to offer onsite vaccinations.

Tigo Colombia vaccinated 1,872 employees during the campaign, along with 428 family members and 327 third parties.

We believe vaccines are one of the most effective ways to protect the health of our employees and their families, and we will continue to encourage their use.

SPOTLIGHT: Guatemala

Tigo volunteers help vaccinate nearly 3,000 Guatemalan citizens

Caring for our communities is fundamental to our Sangre Tigo culture. So when the COVID-19 vaccine became available in Guatemala, **local Tigo employees and leadership jumped at the chance to make it as easy as possible for the public to get vaccinated.**

In partnership with the Social Security Institute, employees from across the company designed, installed and launched a public-facing vaccination center within two days at the Tigo Plaza in Guatemala City.

Nearly every department had a hand in the effort, including Tigo People, Marketing, Administration, Supply Chain, IT, Operations and Physical Security. The center is conveniently located near several residential communities, giving local residents access to the vaccine without having to travel to a nearby medical center.

The campaign was an unqualified success.

With the help of more than 95 Tigo volunteers, 2,833 members of the public received their first and second doses of the Moderna vaccine.

Tigo Guatemala received more than 2,000 messages of gratitude from the public, with 99% of the vaccinated themselves giving the campaign high marks.

Digital Education

We witness the life-changing power of digital connectivity throughout all aspects of Millicom's business. Never was this more evident than during the COVID-19 pandemic, which laid bare the importance of connectivity to social, civic and economic participation.

However, such benefits remain frustratingly out of reach for millions of people who are on the wrong side of the digital divide because of disparities in education, income and access to in-home or mobile technology networks.

That's why in addition to expanding our networks to provide better connectivity to more people, we partner with organizations throughout Latin America to teach people of all ages how to use the internet and safely harness the social, educational and economic opportunities it provides.

By expanding affordable connectivity to more people on the one hand and educating people how to take advantage of that connectivity on the other, we're accomplishing several goals at once: Creating a more equitable landscape in which people have the tools to fully participate in society; providing the digital infrastructure for a sustainable economic recovery in our markets; and building the digital customers of the future that will sustain our growth.

Our Digital Education programs focus on three areas:

Digital ownership: We promote digital adoption in communities so people can take advantage of the opportunities the internet provides. This includes aiming to keep customers connected when times are difficult, as we did with our Lifeline program in the early days of the pandemic.

Online protection: We take action to protect children's rights and mediate children's exposure to inappropriate content, online predators, cyberbullying and online threats.

Empowering people to thrive in the digital economy: We offer digital literacy and technology training to children, adolescents, women and other groups, helping spark innovation in the classroom and prepare participants for future employment.

Conectadas

Launched in 2017, our Conectadas program provides digital literacy and entrepreneurship training to women and adolescent girls in Latin America, creating a springboard for social and economic opportunity. To date, more than 575 thousand women and girls have been trained through Conectadas.

In 2020, we deepened the program's focus on entrepreneurship by providing personalized technical assistance to female Tigo Money sales agents in El Salvador. Inspired by the success of the pilot, we took Conectadas to the next level in 2021, sowing the seeds for women's empowerment throughout the country.

Approximately 400 Salvadoran women from the Tigo value chain received entrepreneurship training this year, among them Tigo Money agents and owners of points of sale and activation from more than 60 municipalities. Roughly 700 Salvadoran microentrepreneurs and 5,000 Tigo clients also participated, along with many Tigo Money users.

New allies and partners helped drive the expansion, including the Economic Competitiveness Project of the United States Agency for Development (USAID), the Business Foundation for Social Action (FUNDEMAS), Banco Agrícola, Fedecrédito, La Constancia, Belcorp, Vogue, UN Women and local media.

"I learned how to use WhatsApp Business and other digital tools to contact our clients, send promotions, schedule meetings, make customer billboards and organize my digital inventory. I'm putting into practice everything I've learned and will continue to do so."

—Mayra Rivera, *Tigo point of sale, Santa Tecla, La Libertad, El Salvador*

Expanding Our Reach with the Conectadas App

Women with work or child care responsibilities or who live in remote locations often lack the time or means to attend our Conectadas workshops. That's why we began selectively testing a new Conectadas app in December 2021 that will be fully available next year. A digital version of our Conectadas training, the app trains users on topics like basic internet usage, personal finances and the effective use of digital tools for business. We expect the app to help us reach thousands of additional women in 2022 and beyond.

Maestr@s Conectad@s

Closing the digital skills gap is vital for children in Latin American countries, yet many classrooms lack the tools or resources to provide an effective digital education. We created our Maestr@s Conectad@s (Connected Teachers) program to help teachers develop and facilitate technology-based curricula, giving students in our markets access to the same educational opportunities as children in other parts of the world.

We have trained more than 112,737 teachers in partnership with the AHYU Foundation since 2019. The online workshops are led by instructors experienced in the effective use of technology in the classroom.

In November 2021, we organized the first regional Maestr@s Conectad@s Congress. Twelve experts facilitated virtual lectures on key topics such as Emotional Intelligence in the Classroom, Teaching and Coaching, and Video Games in Education. More than 33,000 teachers from all over Latin America joined these sessions, which awarded them a digital certification of participation.

SPOTLIGHT: Honduras

Creating Opportunity for Kids in High-Risk Communities

In Honduras's marginalized communities, gangs often feel like the only way out for children living in poverty.

The Genesis Project gives kids another option. Since arriving in Honduras in 2015, the project has focused on motivating young people to reject violence, develop tech skills, build life plans and participate in the development of their communities.

Tigo Honduras reaffirmed our commitment to the Genesis Project in 2021 through an agreement with the National Foundation for Development of Honduras (FUNADEH) to provide free connectivity and technological training to local youth.

Aligned with our purpose to connect people, improve lives and develop communities, **our aim is to further strengthen the education of Honduran boys and girls by providing internet access and digital education in high-risk communities.**

To date, we've created opportunities for more than 13,900 young Hondurans, including:

Providing free internet services to more than 20 Youth Outreach Centers located in socially vulnerable communities.

Providing technology training in partnership with local and national entities, giving participants the skills to pursue employment or self-employment opportunities in tech.

Volunteering in the Youth Outreach Centers to share knowledge on entrepreneurship, women's empowerment and the responsible use of information and communication technologies.

13,900

Honduran youth who have received free internet access and/or learned digital skills through our participation in Project Genesis.

SPOTLIGHT: Bolivia

24-Hour EducaTigo Channel Empowers Viewers with Digital Skills

Only about 40% of Bolivian households have internet access, preventing many Bolivian students, teachers and families from acquiring the digital skills to participate in modern society.

We addressed this digital literacy gap in 2021 with the launch of EducaTigo, the country's first TV channel with full-time educational content.

Launched in September 2021, EducaTigo airs curated content focused on digital skills building, responsible internet use, cybersecurity and other digital education topics. The channel airs 24 hours a day on the Tigo Home cable network.

Programs include Patchers, a miniseries that instructs students on the risks of digital technology; and Teaching in Digital Skills, which offers tips for teachers on preparing children and adolescents to succeed in the digital era.

Since its launch, EducaTigo has transmitted more than 30 educational programs and 16 educational capsules.

To expand EducaTigo's reach, Tigo Bolivia signed an agreement with the Bolivian Space Agency to broadcast the channel on the Bolivian satellite Tupac Katari. With the agreement, satellite viewers can watch the free signal from anywhere in the world.

Conéctate Segur@

Young people have an almost limitless universe of learning, entertainment and social opportunities available on the Internet. But venturing online without the tools or experience to recognize and avoid potential dangers can expose children to considerable harm.

Tigo's flagship program Conéctate Segur@ educates children, parents, teachers and caregivers on the risks and opportunities of digital technology, giving children a safe way to learn, explore and grow using digital tools. More than half a million children have been reached by the program from its inception in 2016 through 2021, with most online and in-person workshops facilitated by volunteers from our Acción Tigo program.

SPOTLIGHT:
Fundación Real Madrid

Connectivity and Fútbol Come Together with Real Madrid Partnership

Fútbol is life for many Latin American children. But can a telecom company leverage children's love of fútbol to promote online safety and digital literacy?

It turns out Millicom can through a new partnership with Fundación Real Madrid, the social work branch of one of the world's most celebrated fútbol teams.

In September 2021, Millicom and Fundación Real Madrid joined forces to support 69 social sports projects in our nine Latin America markets and the United States.

With this collaboration, more than 11,200 boys, girls and family members served by the Fundación will have access to new digital education opportunities over the five years of the partnership.

Kids will be trained on the responsible and productive use of the internet; learn how to use digital tools and prevent cyberbullying; and gain access to activities designed to empower women and young people to succeed in the digital economy.

The 69 projects are just a starting point. Thanks to the combined reach of the Fundación Real Madrid and Millicom, the number of children served by the partnership is expected to grow substantially, as Millicom's social impact programs have reached more than 200,000 children and teenagers since 2019.

11,200

Boys, girls and family members with access to new digital education opportunities thanks to our partnership with Fundación Real Madrid.

"It is greatly satisfying for the Real Madrid Foundation to count on the collaboration of Millicom-Tigo in the Americas to improve the lives of children in need, through education in values, sports and the use of technological tools."

—Emilio Butragueño, *Director of Institutional Relations, Real Madrid F.C.*

Data Privacy

Privacy and Freedom of Expression

As one of the largest providers of digital services and content in our markets, we take seriously our responsibility to respect people's dignity and safeguard their rights, including freedom of expression (FoE) and privacy. This extends from how we handle personal and confidential data for millions of customers to the workplace standards we uphold with our personnel and business partners.

To help us follow through on these commitments and identify areas to improve, we regularly seek input from and share best practices with experts, investors, NGOs, other companies and the academic community.

Our Privacy Statement

Millicom's global and country-specific websites provide users with detailed information regarding our privacy practices. Visitors can readily learn how we use, process and protect personal data. We also provide transparent access to channels and contact points for users to raise privacy concerns. Furthermore, we trained approximately 18,000 individuals, including direct and indirect personnel of Millicom and the Tigo operations, on privacy and data protection basics in 2021.

Throughout the coronavirus pandemic, some governments have requested customer data from us to help in their efforts with contact tracing and other follow-up actions. We adhered to our Privacy Statement and the terms of our Law Enforcement Assistance and Major Events Guidelines in handling all such inquiries. Learn more in the 2021 Millicom Law Enforcement Disclosure Report.

Information Security

Our ongoing goal is to be #1 in data protection for our industry. Our Global Chief Information Security Officer oversees regional information security teams to ensure the confidentiality, integrity and availability of all business-critical systems and assets. The teams also identify potentially detrimental threats and risks and are responsible for safeguarding proprietary and personal customer information.

Additionally, the regional teams work closely with Millicom business and technology leaders to ensure compliance with corporate policies and regional regulatory requirements within our various markets.

Processes are in place to regularly identify and assess threats, and test vulnerabilities to our network and systems to minimize the risk of security breaches. Our offices also conduct annual training for employees on information security. In 2021, more than 80% of our employees participated in security awareness training covering key threats, prevention and company procedures. As phishing remains a major threat, simulations are performed regularly to test employee behavior, and improve our protection solution and response process.

In 2021, we launched a new Asset Protection Initiative to give us increased control of our sites and protect our fixed assets. Our Security Team implemented new asset protection protocols to protect network batteries, copper cabling and other components used at our mobile and cable network locations. In close coordination with Operations, local security teams are able to monitor access to our sites by technicians, as well as oversee equipment installations and repairs.

Security personnel from in-country Security Operations Centers are able to track individuals who access our sites in real time, as well as monitor the installation of specific assets via serial numbers that have historically been susceptible to loss.

In 2022, we plan to expand our asset protection protocols to cover certain physical assets in our supply chain, prior to installation at our network sites. We're currently conducting a pilot program in Paraguay to monitor network batteries.

Supply Chain

In a globalized, complex and interconnected world, the importance of looking beyond our direct impacts and into those of our supply chain cannot be understated. We do business with over 7,500 suppliers of all sizes across all markets where we operate in Latin America and, through them, we have an indirect, yet far-reaching, societal impact, which we seek to consciously address to create positive ripple effects that impact our communities as a whole, through better services, fair labor practices and robust environmental stewardship. We aim to build long-term partnerships that are mutually beneficial at Group and local level, and in accordance with all our legal and compliance obligations, to do business the right way.

We seek to work with businesses that understand and share our values and standards to promote our business purpose in every link of our supply chain. Our Supplier Code of Conduct sets core expectations in the areas of health and safety, environment, fair labor, ethics and compliance. As such, it is regularly revised to ensure its relevance.

Since 2018, we've provided training to more than 500 suppliers on key ESG topics material to our business. In 2021, we transitioned to an online training module for suppliers considered as strategic, helping us reach a greater percentage of suppliers. Through 2022 and 2023, we aim for all our strategic suppliers to take part in the training as a prerequisite for doing business with our company.

Using the platform and methodology of EcoVadis, a third-party ratings provider, we evaluate suppliers in key ESG areas such as environmental stewardship, labor and human rights, ethics and sustainable procurement. The results enable us to monitor supplier performance in these areas and how suppliers are progressing over time. Please refer to the "Performance Tables" section starting on page 33 for further results from these evaluations.

"With the measures we adopted after the training, our Ecovadis score went from 33 to 73 and the benefits for us were multiple: we attracted customers that valued our strong CR approach supported by a third party, and our staff's engagement increased. We took it as an opportunity; this is a client that not only brings us business but also cares about our company's growth. I recommend my fellow suppliers to take advantage of this space"

—José Chaves Barboza, *Go Consultores*

Supplier of software services. Took the training in Honduras in 2019.

Corporate Governance

Corporate Governance, Compliance and Cybersecurity are covered in detail in this Corporate Governance Report

Strong Governance: Independence and Integrity

Chairman's Report

Millicom's Board of Directors ("the Board") and its committees dealt with many significant strategic, operational, regulatory and compliance-related matters in 2021. These included:

- Reviewing and confirming strategic direction, along with related risks and opportunities
- Continuing the program to exit the African business and redeploy capital into growth opportunities in Latin America
- Acquiring the remaining 45% equity interest in the joint venture businesses in Guatemala
- Analyzing and overseeing the ongoing response to COVID-19, including financial structure, shareholder remuneration and cash flow management
- Overseeing the management of cybersecurity threats and control environment improvements
- Considering sustainability issues and responses

Introduction

The Board is responsible for setting the Company's strategy, risk appetite and operating goals, and for monitoring the implementation of satisfactory controls in all relevant areas, such as accounting, financial, legal, regulatory and compliance. The Board also supervises management in fulfilling its obligations and responsibilities, and continually assesses the company's economic situation.

I would like to thank all of our Board members and Senior Management for their commitment, dedication and significant contributions in serving Millicom in 2021.

Board Changes

In May, following elections at the Company's annual general meeting, we welcomed Mr. Bruce Churchill, Ms. Sonia Dulá and Mr. Lars-Johan Jarnheimer to the Board as Non-Executive Directors. The appointments bring Millicom a wealth of operational and strategy experience in Latin America and the telecommunication industry across the globe.

I would like to extend our gratitude to both Tomas Eliasson and Lars-Åke Norling for their significant contributions to the Board. Tomas Eliasson joined the Board in 2014 and served as Chairman of the Audit Committee during his tenure, overseeing the development of Millicom's internal control environment and its U.S. listing. Upon joining in 2018, Lars-Åke Norling served as an invaluable member of the Board and its Compensation Committee and Compliance and Business Conduct Committee.

Enhancing Corporate Governance

The Company continues to enhance its management and oversight of its operating businesses, with many key functions and activities—including strategy, budgeting, allocation of capital, and key decisions on operating activities and significant issues—managed centrally, with direct reporting to the Board and its committees. In addition, the Company's central Legal, Ethics and Compliance, Internal Control, Risk Management, IT Security, Health & Safety, and Corporate Responsibility functions oversee activities in local operations, providing policies and procedures and enhancing methodologies, processes and reporting systems. Governance has also been incorporated into the ESG ecosystem, bringing an integrated approach that further strengthens our corporate culture.

Diversity, Equity & Inclusion (DE&I)

DE&I is one of the core pillars of our Sangre Tigo culture. Millicom relishes the increased diversity on the Board with respect to gender, age, identity and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The diverse people in our operating countries, offices and headquarters comprise a key strength for Millicom. As we continue to work on fostering the most diverse, equitable and inclusive environment at all levels of TIGO, we have provided exciting and interactive training courses that further this mission. We're committed to making TIGO an environment where all voices are heard and respected.

Compliance and Business Ethics

During 2021, we continued developing and expanding our compliance program. Led by our Executive and our Legal, Ethics and Compliance teams—and our culture of doing things the right way—compliance was embedded in our daily decisions and actions. Our Board believes this culture is a vital strength that contributes to the success of our business and meets the expectations of all our key stakeholder groups. We are proud to be a leader in ethics and compliance in our markets.

In our 31st year, we thank you for being part of Millicom's success story and look forward to continuing this journey with you.

José Antonio Ríos García
Chairman of the Board of Directors

Corporate Governance Framework

Background

Millicom International Cellular S.A. (“Millicom” or the “Company”) is a public limited liability company (société anonyme) governed by the Luxembourg Law of August 10, 1915, on Commercial Companies (as amended). The Company was incorporated on June 16, 1992, and registered with the Luxembourg Trade and Companies' Register (Registre du Commerce et des Sociétés de Luxembourg) under number B 40 630. The Millicom Group comprises Millicom and its subsidiaries, joint ventures and associates.

Millicom's shares are listed on Nasdaq Stockholm, in the form of Swedish Depository Receipts; and on the Nasdaq Stock Market in the U.S. since January 9, 2019, where Millicom is registered as a foreign private issuer.

Millicom's Corporate Governance Framework is primarily based on the following legislation, principles and regulations:

Publication	Authority	Philosophy
Swedish Code of Corporate Governance	Guiding Principles	Comply or Explain
Luxembourg Law	Legislation	Comply
EU Directives and Regulations	Legislation	Comply
Nasdaq Stockholm Issuer Rule Book	Regulation	Comply
Nasdaq Stock Market Rules	Regulation	Comply
U.S. Securities Laws	Regulation	Comply
Good Stock Market Practice	Guiding Principles	Corporate Citizenship

Within these frameworks, Millicom's Board develops and monitors internal guidelines and practices, as further described below, to ensure the quality and transparency of Millicom's corporate governance.

Swedish Corporate Governance Code

The Swedish Corporate Governance Code (“Swedish Code”) promotes good corporate governance to ensure companies are run sustainably, responsibly and efficiently. The Code complements mandatory laws and regulations and sets best practices that go beyond regulatory requirements. The Swedish Corporate Governance Board opted for self-regulation, and adopted a “comply or explain” philosophy. Therefore, companies may deviate from specific provisions, as long as they disclose the deviation and explain why they chose a different solution that is more suitable for their size and specific circumstances.

Compliance with Applicable Stock Exchange Rules

Neither Nasdaq Stockholm's Disciplinary Committee, the Swedish Securities Council, nor the Nasdaq Stock Market reported any infringement of applicable stock exchange rules or breach of good practice on the securities market by Millicom in 2021.

1. Shareholders and Shareholders' Meeting

The shareholders' meeting is Millicom's highest decision-making body and a forum for shareholders to voice their opinions. Each shareholder has the right to participate in the shareholders' meeting and to cast one vote for every share. Shareholders unable to attend in person may exercise their rights by proxy or vote in writing (by way of proxies).

Millicom's Articles of Association (available on our website www.millicom.com/our-company/governance/) set the Annual General Meeting of Shareholders (“AGM”) to be held in Luxembourg within six months of the close of the financial year.

Unless otherwise required under Luxembourg Law, an extraordinary general meeting (EGM) must be convened to amend the Articles of Association.

At the 2021 AGM, held virtually on May 4, 2021, shareholders approved all the resolutions proposed by the Board, including the following key items:

- the annual accounts and the consolidated accounts for the year ended December 31, 2020;
- the allocation of the profit of US $56,066,101 to the profit or loss-brought-forward account of Millicom;
- the discharge of all the current and former Millicom Directors who served at any point in time during the financial year ended December 31, 2020, for the performance of their mandates;
- the re-election of Ernst & Young S.A., Luxembourg as Millicom's external auditor;
- the remuneration to the Board and external auditor;
- the instruction to the Nomination Committee;
- the share repurchase plan;
- the 2020 Remuneration Report;
- the senior management remuneration policy; and
- the share-based incentive plans for Millicom employees.

Further details can be found in the convening notice for the AGM (available in the Governance section of the Millicom website: Shareholder meetings).

On January 24, 2022, an Extraordinary General Meeting (EGM) was convened to increase the authorized share capital and amend the articles of association in preparation for the Rights Offering described in the CFO message on page 14. As the quorum required by Luxembourg Law and the Company's Articles of Association was not reached (44.48% of the Company's share capital was represented whereas 50% was required), the EGM was reconvened and held on February 28, 2022 . The EGM held on this date resolved to increase the Authorized Share Capital of the Company from 133.3 million to 200 million ordinary shares with par value of. $1.50 each.

Millicom governance deviated in 2021 in relation to the Swedish Code in the following areas:

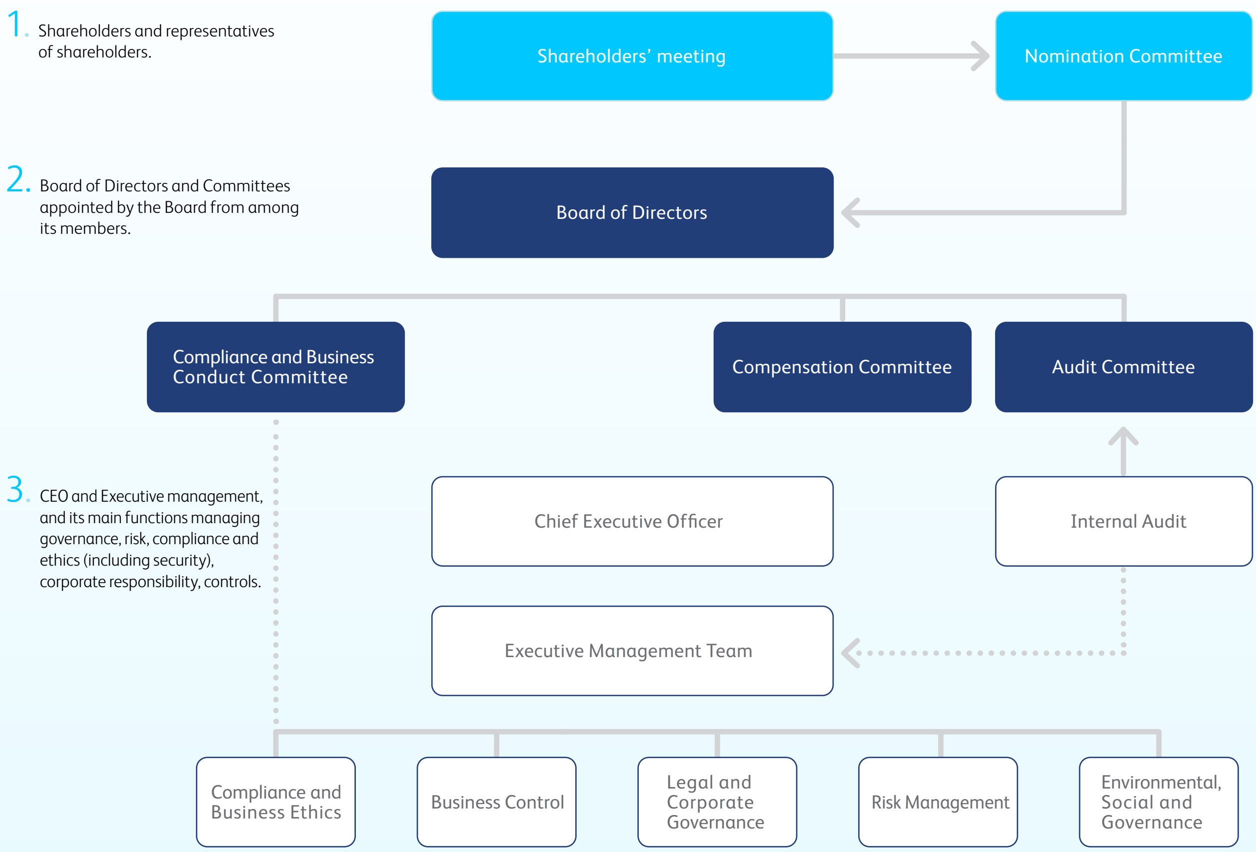
Code requirement	Millicom practice	Explanation
1.4–A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify and sign the minutes of the shareholders' meeting.	Minutes are signed by the Chairman of the shareholders' meeting (who is not a member of the Board or an employee of the Company), the meeting secretary and an appointed scrutineer.	Millicom is a legal entity incorporated in Luxembourg and. as such, it follows Luxembourg Law in connection with procedures and rules for its shareholders' meetings.

Share Repurchase Plans

During the period from August 2, 2021, to November 2, 2021, Millicom repurchased an aggregate amount of 1,369,284 shares (in the form of Swedish Depository receipts) under the repurchase program announced on July 29, 2021, and in accordance with the share repurchase plan approved at the 2021 AGM. No shares were repurchased under the share repurchase plan approved at the 2020 AGM that was valid until May 4, 2021.

Corporate Governance Structure

Millicom's Corporate Governance structure comprises the following three levels:



Nomination Committee

Millicom's Nomination Committee elected in October 2020 was reappointed in November 2021 and is comprised of:

Member	On behalf of:	Position
Mr. John Hernander	Nordea Investment Funds	Chairman
Mr. Jan Andersson	Swedbank Robur	Member
Mr. Staley Cates	Southeastern Asset Management	Member
Mr. Peter Guve	AMF Pensionsförsäkring AB	Member
Mr. José Antonio Ríos García	Appointed by shareholders at the 2021 AGM	Member

The Nomination Committee is appointed by the largest shareholders of Millicom. It is not a Board committee. Its role is to propose resolutions regarding electoral and remuneration issues to the shareholders' meeting in a manner that promotes the common interest of all shareholders, regardless of how they are appointed. Nomination Committee members' terms of office typically begin at the time of the announcement of the interim report (covering the period from January to September of each year) and end when a new Nomination Committee is formed.

Under the terms of the Nomination Committee procedure, the committee consists of at least three members appointed by the larger shareholders of the Company who choose to appoint a member and the Company's Chairman of the Board.

The Company's Articles of Association stipulate that the Nomination Committee rules and procedures of the Swedish Code of Corporate Governance shall be applied for the election of Directors to the Company's Board of Directors, as long as such compliance does not conflict with applicable mandatory law, applicable regulation or the mandatory rules of any stock exchange on which the Company's shares are listed.

Nomination Committee proposals to the AGM include, among others:

- Election and remuneration of Directors of the Board and the Chairman of the Board
- Appointment and remuneration of the external auditor
- Proposal of the Chairman of the AGM

Additional information on the procedure for appointment and role of the Nomination Committee is available on Millicom's website at **https://www.millicom.com/our-company/governance/nomination-committee/**.

The table below sets out beneficial ownership of Millicom common shares, par value $1.50 each, by each person who beneficially owns more than 5% of Millicom common shares at December 31, 2021.

Shareholder	Number of shares	% Shareholding
Swedbank Robur Fonder AB	7,157,892	7.0
Dodge & Cox	5,177,873	5.1

Footnote: Except as otherwise indicated, the holders listed above ("holders") have sole voting and investment power with respect to all shares beneficially owned by them. The holders have the same voting rights as all other holders of Millicom common stock. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares, as of a given date, which such person or group of persons has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by the holders on a given date, any security which such holder has the right to acquire within 60 days after such date (including shares which may be acquired upon exercise of vested portions of share options) is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

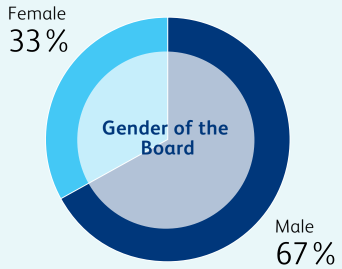
Promoting Board Diversity

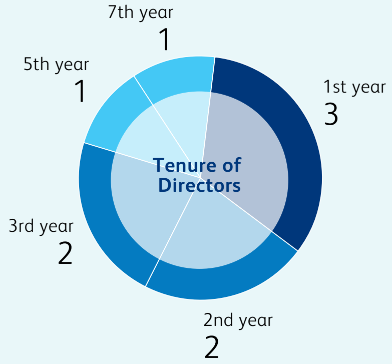
Millicom's Nomination Committee recognizes the importance of diversity for promoting strong corporate governance, competitive advantage and effective decision-making. The Nomination Committee is responsible for periodically determining the appropriate skills, perspectives and experiences required of Board candidates based on the Company's needs and the current Board composition. This determination will include knowledge, experience and skills in areas that are critical to understanding the Company and its business; richness of views brought by different personal attributes such as gender, race, age and nationality; other personal characteristics, such as integrity and judgment; and candidates' commitment to the boards of other publicly held companies.

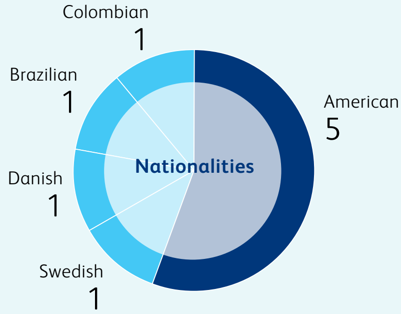
In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy.

Board Diversity Matrix (As of December 31, 2021)	
Country of Principal Executive Offices "Home Country":	Luxembourg
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	9

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	3	6	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction			6	
LGBTQ+			0	
Did Not Disclose Demographic Background			0	







2. Board of Directors and Board Committees

The Chairman convenes the Board and leads its work. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the CEO. Meeting agendas are set with the CEO, and the Chairman communicates Board decisions where appropriate.

Role of the Board

The Board is responsible for approving Millicom's strategy, financial objectives and operating plans, and for oversight of governance. The Board also plans for succession of the CEO and reviews other senior management positions.

As set forth in the Company's Articles of Association, the Board must be composed of at least six members. The 2021 AGM set the number of Directors at nine, comprising a Chairman, a Deputy Chairman and seven members. The Board is composed of eight Non-Executive Directors and one Executive Director (who is also CEO of Millicom).

The Board selects the CEO, who is charged with daily management of the Company and its business. The CEO is responsible for recruiting the senior management of the Company. The Board reviews plans for key senior management positions; supervises, supports and empowers the senior management team; and monitors senior managers' performance. In accordance with the Swedish Code, the division of work between the Board and the CEO is set out in "The Rules of Procedure, Instructions to the CEO and Reporting Instructions" that was updated and approved by the Board on May 4, 2021.

Further details on the roles and activities of the various committees, as well as their responsibilities and activities, appear later in this section.

Powers and Limitations of the Board

Borrowing powers: The Board has unrestricted borrowing powers on behalf of, and for the benefit of, Millicom.

Time and age limit: No age limit exists for being a Director of Millicom. Directors mandates can be for a maximum of six years before either being re-elected or ending their service. There are no restrictions on the maximum continuous period that a Director can serve. The current Directors have been elected for a term starting on the date of the 2021 AGM and ending on the date of the 2022 AGM (i.e., for approximately one year).

Restrictions on voting: No contract or other transaction between the Company and any other person shall be affected or invalidated by the fact that any Director, officer or employee of the Company has a personal interest in—or is a Director, officer or employee of—such other person. However, the following conditions apply:

- The contract or transaction must be negotiated on an arm's-length basis on terms no less favorable to the Company than could have been obtained from an unrelated third party; and, in the case of a Director, he or she shall inform the Chairman of his or her conflict of interest and abstain from deliberating and voting on any matters that pertain to such contract or transaction at any meeting of the Board.
- Any such personal interest shall be fully disclosed to the Company by the relevant Director, officer or employee and, to the extent a Director is involved, to the next general meeting of shareholders.

Share Ownership Requirements

Non-Executive Directors are not required to be shareholders of the Company. Share ownership of Directors is included in the Director biographies set out on the following pages.

Roles

Chairman of the Board
The Chairman is elected by the AGM. If the Chairman relinquishes the position during the mandate period, the Board elects a new Chairman from among its members to serve until the end of the next AGM.

Deputy Chairman of the Board
If elected by the Board, the Deputy Chairman acts as a sounding board and provides support for the Chairman. The Deputy Chairman convenes Board meetings in accordance with the Company's Articles of Association and leads the Board's work in the event the Chairman is unavailable or is excused from a Board meeting. The Deputy Chairman may act as an intermediary in any conflicts among Board members or between the Chairman and the CEO. The Board can designate additional roles and responsibilities of the Deputy Chairman.

Corporate Secretary
The Corporate Secretary is appointed by the Board to ensure that Board members have the proper advice and resources for performing their duties. The Corporate Secretary is also responsible for organizing and coordinating Board and committee meetings and ensuring that the minutes of those meetings reflect the proper exercising of Board duties.

The Corporate Secretary is also a confidante and resource to the Board and senior management, providing advice and counsel on Board responsibilities and logistics.

Chief Executive Officer (CEO)
Together with the management team, the CEO leads the development and execution of the Company's strategy, with a view to creating shareholder value and enacting the Company's purpose. The CEO is responsible for day-to-day activities and management decisions, both operating and financial. The CEO is a liaison between the Board and management and communicates to the Board on behalf of management.

The CEO also leads Millicom's communications with shareholders, employees, government authorities, other stakeholders and the public.

Board Membership, Balance and Independence
The Nomination Committee and the Board periodically review the size and balance of the Board to determine whether any changes are appropriate.

At the AGM, held annually within six months of the end of the financial year, or at any other general meeting, shareholders may vote for or against the Directors proposed by the Nomination Committee. Shareholders also may elect different Directors.

The Board has adopted the qualification guidelines of an "independent director" as defined by the Swedish Code, and with consideration of the specific independence requirements within the Nasdaq Stock Market rules. A Director's independence is determined by a general assessment of the Company or its executive management based on the Board's independence criteria.

Independence of the Board

Board comprising nine members	Chairman, Deputy Chair and seven members
Non-Executive Directors Independent from the Company and its Executive Management	89% José Antonio Ríos García Pernille Erenbjerg Odilon Almeida Bruce Churchill Sonia Dulá Lars-Johan Jarnheimer Mercedes Johnson James Thompson
Executive Director	11% Mauricio Ramos

Factors considered to determine the Directors’ independence (i) from the Company, executive management and (ii) the major shareholders

Category	Test
Managerial duties	Is or has been the CEO of the Company or a closely related company within the past five years
Employment	Is or has been employed by the Company or a closely related company within the past three years
Other services	Receives a not-insignificant remuneration for advice or other services (beyond the remit of the Board position) from the Company, a closely related company or a person in the executive management of the Company
Business relationship	Has been in a significant business relationship or had other significant financial dealings with the Company or a closely related company within the past year—as a client, supplier or partner; either individually or as a member of the executive management team; or as a member of the Board or a major shareholder in a company with such a business relationship with the Company
Audit function	Is or has within the last three years been a partner at, or has, as an employee, participated in an audit of the Company conducted by the Company’s or a closely related company’s current or then auditor
Cross directorships	Is a member of the executive management of another company, if a member of the board of that company is a member of the executive management of the Company
Family relationship	Has a close family relationship with a person in the executive management of the Company, or with another person named in the points above, if that person’s direct or indirect business with the Company is of such magnitude or significance as to justify the opinion that the Board member should not be considered independent
Assessment	YES to any of the above in relation to the Company or the management of the Company: => Typically not independent from the Company or its executive management
	YES to any of the above in relation to a major shareholder: => Typically not independent from a major shareholder

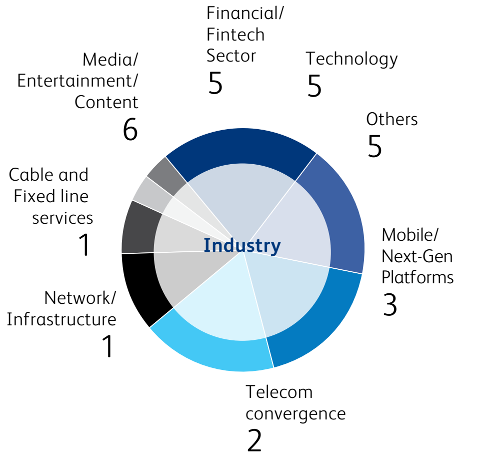
Swedish Code’s independence provisions

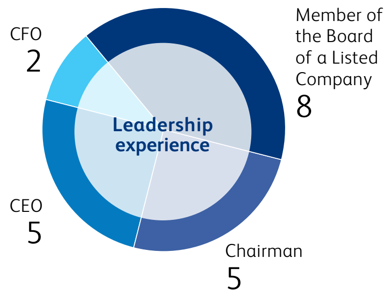
Requirement	Compliant
The majority of Millicom’s Board must be independent from the Company and its executive management team.	8 out of 9 Millicom Directors meet this criterion (89%)
At least two of those independent Directors must also be independent from the Company’s major shareholders.	All of Millicom’s Directors meet this criterion (100%)
The majority of the members of the Audit Committee are to be independent in relation to the Company and its executive management. At least one of the members who is independent in relation to the Company and its executive management is also to be independent in relation to the Company’s major shareholders.	All of Millicom's Audit Committee members meet this criterion (100%)
The Chairman of the Board may chair the Compensation Committee. The other members of the committee are to be independent of the Company and its executive management	All of Millicom's Compensation Committee members meet this criterion (100%)

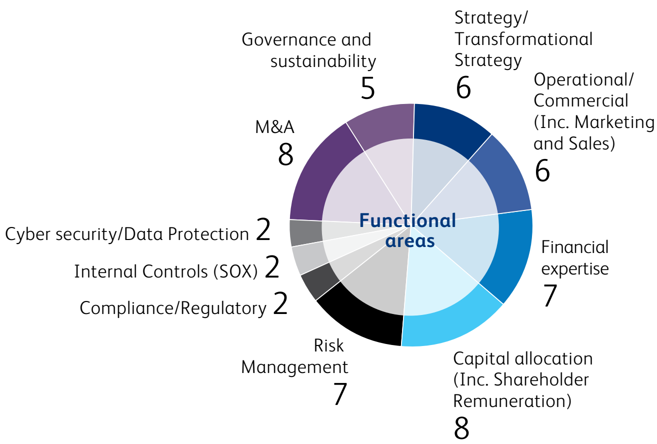
Nasdaq Stock Market rules

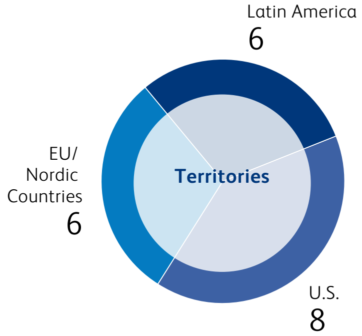
Requirement	Compliant
The Audit Committee must have at least three members, all of whom meet Nasdaq Stock Market and U.S. Securities and Exchange Commission definitions of independence.	The four members of Millicom's Audit Committee all meet this criterion (100%)

Combined experience, leadership and skillsets of the Board









Board Profile: Skills and Experience

Mr. José Antonio Ríos García

Chairman, Non-Executive Director

Role: Re-elected as a Non-Executive Director and Chairman of the Board in May 2021; first appointed in May 2017

Nationality: U.S., Spanish and Venezuelan citizen

Age: Born in 1945

Skills: Mr. Ríos brings significant experience and reputation at the forefront of the telecommunications and electronics industries, including media, content and leading consumer technology businesses. Mr. Ríos is a proven global business executive with over 30 years of leadership at multinational companies.

Experience: Currently, Mr. Ríos also serves as (i) Senior External Advisor to President and Board of Directors of Celistics Holdings, a leading mobile payment platform and cellular top-up distribution business providing intelligent solutions for the consumer technology industry across Latin America, where he served as Chairman and CEO until September 2020, (ii) Board member (volunteer) of Up with People (Charity), and (iii) Honorary Business Representative (Latin America) of International Enterprise Singapore, among others. Previous senior management positions held by Mr. Ríos included: (i) International President and Corporate VP of Global Crossing (entity later acquired by Level 3 Communications and then merged with Lumen Technologies), (ii) member of the Global Management Committee of Telefónica, (iii) President and CEO of Telefónica Media, (iv) Vice President of Hughes Electronics Corporation, (v) founding President and CEO of Galaxy Latin America (DirecTV Latin America), and (vi) Chief Operating Officer and Corporate Vice President at the Cisneros Group of Companies for 14 years, among others.

Education: Industrial Engineer, Andres Bello Catholic University

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 18,634 shares

Ms. Pernille Erenbjerg

Deputy Chair, Non-Executive Director

Role: Re-elected as a Non-Executive Director and Deputy Chair of the Board in May 2021; first appointed in January 2019

Nationality: Danish citizen

Age: Born in 1967

Skills: Ms. Erenbjerg brings years of experience operating a converged provider of communication and entertainment services and driving transformational processes in complex organizations, both organically and through M&A.

Experience: Currently, Ms. Erenbjerg also serves as Chair of the Board of Nordic Entertainment Group; Deputy Chair of Genmab, a Danish international biotechnology company; and a Non-Executive Board member of RTL Group, Europe's largest broadcaster. Previous roles include: (i) member of the Board and member of the Audit Committee of Nordea, the largest financial services group in the Nordic region, (ii) President and Group Chief Executive Officer of TDC, the leading provider of integrated communications and entertainment solutions in Denmark and Norway, and (iii) Chief Financial Officer and Executive Vice President of Corporate Finance at TDC, among others.

Education: MSc in Business Economics and Auditing, Copenhagen Business School

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 12,936 shares

Board Profile: Skills and Experience—*continued*

Mr. Odilon Almeida
Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2021; first appointed in May 2015

Nationality: U.S. and Brazilian citizen

Age: Born in 1961

Skills: Mr. Almeida strengthens the Millicom Board with decades of experience in the financial services, fintech and consumer goods sectors. His leadership style is anchored in value creation and business turnarounds involving retail and digital transformation, organic growth and successful M&A in the U.S., Europe, Middle East, Africa, Latin America and the Caribbean.

Experience: Mr. Almeida is the President and Chief Executive Officer of ACI Worldwide Inc., a global leader in electronic payment systems. Previous roles include: (i) President of Western Union Global Money Transfer, where he led Western Union's global consumer omni-channel business across more than 200 countries and territories, (ii) Operating Partner at Advent International, one of the world's largest private equity funds, (iii) Chief Marketing Officer and Vice President of Digital Ventures at BankBoston (now Bank of America), (iv) Chief of Staff at Coca-Cola Company, and (v) Personal Care Director and Marketing Manager at Colgate-Palmolive, among others.

Education: Bachelor of Civil Engineering, Maua Engineering School in São Paulo, Brazil; Bachelor of Business Administration, University of São Paulo; MBA with specialization in Marketing, Getulio Vargas Foundation in São Paulo. Mr. Almeida further advanced his education at IMD Lausanne, the Wharton School and Harvard Business School

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 11,497 shares

Mr. Bruce Churchill
Non-Executive Director

Role: Elected as a Non-Executive Director in May 2021

Nationalities: U.S. citizen

Age: Born in 1957

Skills: Mr. Churchill brings over 30 years of operational and strategy experience in the media industry, including senior management roles in Latin America.

Experience: Currently, Mr. Churchill serves on the Board of Wyndham Hotels and Resorts, one of the largest hotel franchises in the world, where he also chairs the Compensation Committee. Previously, he was the President of DIRECTV Latin America, LLC, from 2004 to 2015 and served as Chief Financial Officer of DIRECTV from January 2004 to March 2005. Prior to joining DIRECTV, he served as President and Chief Operating Officer of STAR TV. He also served as a Non-Executive Director on the Board of Computer Sciences Corp from 2014 to 2017.

Education: MBA, Harvard Business School; Bachelor of Arts in American Studies, Stanford University

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 2,604 shares.

Board Profile: Skills and Experience—*continued*

Ms. Sonia Dulá

Non-Executive Director

Role: Elected as a Non-Executive Director in May 2021

Nationalities: U.S. and Mexican citizen

Age: Born in 1961

Skills: Ms. Dulá brings a wealth of experience from the investment banking, technology and media industries, plus deep Latin America expertise.

Experience: Currently, Ms. Dulá serves as an Independent Director on the Boards of (i) Hemisphere Media Group Inc., a publicly traded media company targeting the Spanish-language television and cable network business in the U.S., (ii) Acciona, S.A., a global renewable energy company, where she also serves on the Audit Committee, and (iii) Huntsman Corporation, a publicly traded global manufacturer and marketer of chemicals. Previously, she served as (i) Vice Chairman, Latin America at Bank of America Merrill Lynch, (ii) an Independent Director of Prisa, S.A., a leading education, media and communications company in Spain and Latin America, (iii) CEO of Grupo Latino de Radio (Grupo Prisa), (iv) Founder and CEO of Internet Group of Brasil, (v) Director General at Telemundo Studios Mexico, and (vi) Goldman Sachs, where she began her career as an investment banker.

Education: MBA, Stanford Graduate School of Business; Bachelor of Arts in Economics, Magna Cum Laude, Harvard University

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 2,604 shares

Mr. Lars-Johan Jarnheimer

Non-Executive Director

Role: Elected as a Non-Executive Director in May 2021

Nationalities: Swedish citizen

Age: Born in 1960

Skills: Mr. Jarnheimer has a track record of successfully developing and delivering strategies for promoting and selling products and services to consumers in highly competitive environments of complex and regulated businesses, including in the telecommunications and media industries.

Experience: Currently, Mr. Jarnheimer serves as (i) Chairman of the Board of Telia Company, a telecommunications group with presence in Nordic and eastern European countries, (ii) Chairman of the Board of INGKA Holding B.V. (Ikea), (iii) Chairman of Egmont, a leading Nordic media company, and (iv) Deputy Chairman of the Board of SAS AB, a Swedish-listed aviation company, among others. He has also held various executive positions, including (i) President and CEO of Tele 2 and (ii) CEO of Comviq GSM, among others.

Education: Bachelor of Science in Business Administration and Economics, Lund and Växjö University

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 7,656 shares

Board Profile: Skills and Experience—*continued*

Ms. Mercedes Johnson

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2021; first appointed in May 2019

Nationalities: U.S. and Argentinean citizen

Age: Born in 1954

Skills: Ms. Johnson brings years of experience at technology-oriented multinational and U.S.-listed companies in various leadership roles.

Experience: Currently, Ms. Johnson serves on the Boards of three other Nasdaq or NYSE-listed technology companies: (i) Synopsys, a provider of solutions for designing and verifying advanced silicon chips, where she also chairs the Audit Committee; (ii) Teradyne, a developer and supplier of automated semiconductor test equipment; and (iii) Analog Devices, a multinational semiconductor company specializing in data conversion, signal processing and power management technology. Previously, she served as (i) Chief Financial Officer of Avago Technologies (now Broadcom) and (ii) Chief Financial Officer at LAM Research Corporation, among others.

Education: Degree in Accounting, University of Buenos Aires

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 8,159 shares

Mr. James Thompson

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2021; first appointed: in January 2019

Nationalities: U.S. citizen

Age: Born in 1961

Skills: Mr. Thompson brings extensive experience in investment management, contributing to the Board's discussions on Millicom's long-term strategy and capital allocation.

Experience: Currently, Mr. Thompson is a private investor at Kingfisher Family Office, where he manages a portfolio focused on value-oriented investments. He is also a Non-Executive Director of C&C Group plc, serving on the Audit Committee and as Chair of its ESG Committee. Previously, he was a Managing Principal at Southeastern Asset Management, where he was responsible for the firm's operations. Between 2001 and 2006, Mr. Thompson opened and managed Southeastern Asset Management's London research office.

Education: MBA, Darden School, University of Virginia; Bachelor in Business Administration, University of North Carolina

Independence: Independent from the Company, its executive management and its major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 15,566 shares

Board Profile: Skills and Experience—*continued*

Mr. Mauricio Ramos
Executive Director

Role: Re-elected as Executive Director in May 2021; first appointed in June 2020

Nationalities: U.S. and Colombian citizen

Age: Born in 1968

Skills: Mr. Ramos brings his experience as CEO of Millicom, a position he has held since April 2015. During his tenure, he has designed, proposed and implemented the present strategy of the Millicom group, transforming the Company into a fixed internet and mobile business with a focus on Latin America. Under Mr. Ramos' leadership, Millicom solidified its company purpose "to build the digital highways that connect people, improve lives and develop communities" and built a strong corporate culture described as Sangre Tigo.

Experience: Mr. Ramos is also (i) a member of the Board of Directors of Charter Communications (U.S.), (ii) Chair of the Digital Communications Industry Community (World Economic Forum), (iii) Chair of the U.S. Chamber's U.S.-Colombia Business Council (USCBC), and (iv) Commissioner at the Broadband Commission for Sustainable Development. Previously, he was President of Liberty Global's Latin American division, a position he held from 2006 until February 2015. During his career at Liberty Global, Mr. Ramos held several leadership roles, including positions as Chairman and CEO of VTR in Chile, Chief Financial Officer of Liberty's Latin American division, and President of Liberty Puerto Rico.

Education: Lawyer and Economist, Los Andes University

Independence: Not independent from the Company and its executive management, independent of the Company's major shareholders

Millicom shareholding at January 31, 2022 (including holdings by closely related persons): 232,562 shares

The Board's annual program includes:

1. Company strategy and strategic direction
2. Operating and financial performance review; budget
3. Governance, legal and compliance matters
4. External affairs; sustainability and other ESG-related matters
5. Organizational structure and corporate culture
6. External financial reporting
7. Risk management
8. Capital structure and shareholder remuneration policy
9. Merger, acquisitions and divestments; joint ventures
10. Board performance self-evaluation
11. Human resource matters
12. Reports from committees

Summary of Board Activities in 2021

Immediately after the AGM, the Board of Directors held a meeting and agreed on key governance matters, the calendar and an annual program consisting of specific areas of focus on which the Board has a role to oversee and advise the Company.

Specific projects and topics arise in the normal course of business and are added to the program of the Board; some of these are handled by specific Board committees.

Board Program and Areas of Focus in 2021

Board annual program	Focused actions
1. Strategic review	• Discussed, reviewed and approved the strategy • Discussed with the Executive Team industry and geographic trends and the operational and financial strategy for each region, including the portfolio strategy
2. Operating and financial performance review	• Discussed priorities and challenges for each of the operations, including development of MFS, cable and mobile data businesses, efficiency measures and capital expenditure allocation • Monitored challenges, threats, opportunities and other consequences of the coronavirus pandemic on the business and strategy • Reviewed and approved spectrum acquisition, updated 2021 budget, and discussed and approved the 2022 budget
3. Corporate governance, legal and compliance matters	• Made revisions and updates to governance documents (Board and committee charters, procedural rules and instructions to the CEO as well as the authority matrix) • Elected the Deputy Chair and Committee Chairs and members
4. ESG; sustainability and other external affairs related matters	• Oversaw the development of the ESG strategy • Reviewed the external affairs strategic framework and implementation activities • Periodically reviewed the political situation by market, with a specific focus on election periods, international relations and advice on related risk management requirements • Reviewed regulatory and engagement challenges • Reviewed climate-related risks and impact of the business on climate change
5. Organizational structure and corporate culture	• Participated in performance reviews of the Executive Team and of the management, organizational and reporting structures • Oversaw succession planning for the Executive Team • Reviewed cultural initiatives, including Sangre Tigo, and DE&I developments
6. External financial reporting and non-financial performance	• Held regular meetings with external auditors to review financial health of the Company • Reviewed 2020 Annual Report and 20-F, including the 2020 Consolidated Financial Statements of the Group and standalone 2019 financial statements of Millicom International Cellular S.A. • Reviewed quarterly earnings releases and 2021 interim consolidated financial statements • Approved corporate finance strategy, including refinancing of Group and local bonds to extend maturity and lower average cost of debt
7. Risk management	• Participated in the annual risk reassessment and reviewed the key risks facing the Group and its approach to managing risks • Set the risk appetite of the Group
8. Capital structure and shareholder remuneration policy	• Approved refinancing of Group and local bonds to extend maturity and lower average cost of debt • Recommended changes to the shareholder remuneration policy and approved share repurchase plan
9. Mergers, acquisitions, disposals and joint ventures	• Discussed acquisition and disposal developments across the Group, including approval of transactions such as the acquisition of the minority stake in the Guatemalan business, sale of the African businesses and sale of non-core investments
10. Board performance self-evaluation	• Completed an annual self-evaluation of combined Board performance and individual performances and reported to the Nomination Committee
11. HR matters	• Evaluated the performance and approved the compensation of the CEO • Oversaw succession planning for the Executive Team, including recruitment of and selection of the incoming CFO
12. Reports from committees	• Regularly reviewed reports from Audit Committee, Compliance and Business Conduct Committee, and Compensation Committee on recent activities • Discussed Nomination Committee Director appointment proposals

Induction and Training

Millicom provides incoming Board members with information on their roles and responsibilities, the Board's operating procedures and Millicom's business and industry. We provide access to governance documents, policies and procedures; meeting materials; and Company information through a secure online tool, in meetings set with the Executive Team, and through ongoing dissemination of information.

Millicom provides training on topics such as anti-bribery and corruption, ethics, independence and insider trading. In addition, new Board members received an introductory ethics and compliance training in 2021. The Board regularly receives detailed reports on specific areas that support Directors' understanding of Millicom's business and operating environment.

Directors typically participate in at least one annual visit to Millicom's operations to learn about the characteristics of the local market, see aspects of the business in operation, participate in social and corporate responsibility projects, and interact with local management. Due to the coronavirus pandemic, market visits planned in 2020 and 2021 have been postponed to 2022.

Board Effectiveness

The Board conducts an annual performance review process, wherein each Board member's personal performance is also reviewed. This involves assessing Board and committee actions and activities against the Board's mandate, as determined in the Board Charter, and the mandates of its various committees.

In 2021, the Board used a questionnaire to assess its performance against the Board's key duties, its composition and processes, and the performance of individual Board members. The results of the evaluation were presented to the Nomination Committee. In addition, the Nomination Committee continued the engagement with an international consultancy firm to assist in an assessment of the composition of the Board, now and for the future.

Board Meetings/Attendance at Regularly Scheduled Meetings of the Board in the 2021 Financial Year

Director	Meeting Attendance	%
Mr. José Antonio Ríos García	9 of 9	100
Ms. Pernille Erenbjerg	9 of 9	100
Mr. Odilon Almeida	9 of 9	100
Mr. Bruce Churchill	7 of 7	100
Ms. Sonia Dulá	6 of 7	86
Mr. Lars-Johan Jarnheimer	7 of 7	100
Ms. Mercedes Johnson	9 of 9	100
Mr. Mauricio Ramos	9 of 9	100
Mr. James Thompson	9 of 9	100
Attendance	74/75	99
Former Directors (until May 2021)		
Mr. Tomas Eliasson	1 of 2	50
Mr. Lars-Åke Norling	2 of 2	100
Overall attendance	77/79	97

Board Committees

Written charters set out the objectives, limits of authority, organization and roles and responsibilities of the Board and each of its committees. The charters are available at www.millicom.com/our-company/governance/board-committees/. Details of Board roles and responsibilities, activities in 2021 and Directors' emoluments are set out on the following pages.

I. Audit Committee

I am pleased to present the Audit Committee's report for 2021. As directed by our Charter, we convened five formal meetings during the financial year to satisfy our established set of responsibilities.

As economic conditions improved in our markets, our business saw a gradual recovery in 2021. These trends—as well as other drivers of risk like technological advancements, new legal requirements and environmental changes—were key areas of focus and shaped the Audit Committee's agenda for the year. Once again, we directed our attention to the impact of M&A on our financial statements with the acquisition of the minority stake in Guatemala and the disposals in Africa.

Supported by the guiding principles established by management in response to the pandemic and periodic updates on the strength of the business, the Audit Committee honed in on risk oversight in the areas of internal controls, cyber-security, supply chain disruptions and other external threats, some of which are exacerbated by the work-from-home environment.

Our Internal Audit Team assisted the committee by adjusting their assurance activities to the new risk profile and re-prioritizing programs to provide consulting services where appropriate. Heightened attention was given to assessing the Company's cyber defenses in light of the growing risks in this area.

In addition to tracking important regulatory developments in financial reporting, the committee monitored tax obligations, new debt issuance and refinancing activities, as well as the evolution of the Company's risk management programs.

The committee also increased its emphasis on the evolving need for disclosures of ESG performance metrics and targets. The committee focused its efforts on overseeing the design and testing of controls used to verify the accuracy of these reports.

I wish to extend special thanks to my colleagues for their support of and commitment to the activities of the committee. I look forward to continuing our mandate through the 2022 AGM. In addition, our deep appreciation goes to both Tomas Eliasson and Pernille Erenbjerg for their significant contributions to the fulfillment of our duties in recent years.

Ms. Mercedes Johnson
Chair of the Audit Committee

Audit Committee Membership and Attendance at Regularly Scheduled Meetings in 2021

Audit Committee	Position	First appointment	Meetings/ attendance	%
Ms. Mercedes Johnson	Chair*	May 2019	5 of 5	100
Mr. Bruce Churchill	Member	May 2021	3 of 3	100
Ms. Sonia Dulá	Member	May 2021	2 of 3	67
Mr. James Thompson	Member	January 2019	5 of 5	100
Attendance			14 of 15	93
Mr. Tomas Eliasson	Former Chair	May 2014	2 of 2	100
Ms. Pernille Erenbjerg	Former Member	January 2019	1 of 2	50
Overall attendance			**18 of 20**	**90**

**Designated as having specific accounting competence as per the EU Directive.*

In addition, the Chairman of the Board, Mr. José Antonio Ríos García, attended all Audit Committee meetings.

Appointment and Role of the Audit Committee

The Audit Committee is composed solely of Non-Executive Directors, all of whom were independent Directors in 2021. Members are appointed to ensure there is a mixture of relevant experience in both finance and broader commercial matters. The Board is confident that the collective experience of the members enables them to act as an effective Audit Committee. The Audit Committee is also satisfied that it has the expertise and resources available to fulfill its responsibilities.

The Board has delegated responsibility to the Audit Committee for overseeing the robustness, integrity and effectiveness of financial reporting, risk management, fraud reporting, SOX, internal controls, internal audit and external audit processes, and pre-approval of certain audit and non-audit services provided by the external auditor. The Audit Committee also oversees the establishment of accounting-related policies and procedures, the procedure for dealing with certain other types of complaints or concerns, and compliance with related laws and regulations.

The Audit Committee focuses on compliance with financial requirements, accounting standards and judgments; appointment, oversight and independence of the external auditors and appointment and oversight of certain other accounting firms that may be retained from time to time; transactions with related parties (including major shareholders); the effectiveness of the Internal Audit function; the Group's approach to risk management; and ensuring an efficient and effective system of internal controls.

Ultimate responsibility for reviewing and approving Millicom's Annual Report and accounts remains with the Board.

The Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Head of Internal Audit, Head of Business Controls, Head of Risk Management, and representatives from the Company's external auditor EY are invited to attend committee meetings. The Secretary of the committee is the Group Company Secretary.

The Audit Committee Chairman prepares the meeting agenda in conjunction with the Chief Financial Officer. Regular private sessions are held, attended only by Audit Committee members and the external auditor, to provide an opportunity for open dialogue without management present.

At each regularly scheduled meeting, the Audit Committee receives reports from the Chief Financial Officer, the external auditor, and the heads of Internal Audit, Business Controls and Risk Management. Additional reports are submitted by other officers of the Company as required. The Audit Committee received the required information from the external auditor in accordance with Luxembourg regulations.

Summary of Areas of Focus and Actions in 2021

Governance	• Reviewed and amended the Audit Committee Charter, Internal Audit Charter and Risk Management Charter
Financial reporting	• Reviewed key accounting and reporting issues at each meeting, including those related to the COVID-19 pandemic • Reviewed and approved each quarter's earnings release; the 2020 annual earnings release; the Annual Report and 20-F together with the consolidated financial statements; the 2021 half-year earnings release; and each quarter's interim financial statements • Reviewed the latest accounting developments and their effect on the financial statements, including the impact by acquisition of the remaining 45% of our business in Guatemala • Reviewed the alternative performance measures policy
External auditor	• Received reports from the external auditor at each meeting in compliance with EU regulations covering important financial reporting, accounting and audit issues; this includes receiving updates on SEC guidelines regarding COVID-19 • Reviewed and approved all non-audit services rendered by the external auditors • Approved the 2021 external audit strategy and fees and the proposed approach to address the challenges posed by the pandemic • Considered the results of control testing performed by the external auditor in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 • Reviewed the performance of the external auditor and its independence, including monitoring the nature and approving the fees of non-audit services • Held regular meetings with the external auditor without the Chief Executive Officer or any other member of the executive management present
Internal audit activities	• Approved the 2021 Internal Audit plan and the reprioritization of work to address new and emerging risks such as cybersecurity, ESG matters or impacts by the COVID-19 pandemic • Reviewed internal audit findings arising from the delivery of the 2021 audit plan
Financing, treasury and tax	• Reviewed the Group's tax strategy and structure and approved the tax policy • Approved the updated Group treasury and related policies, including policies on hedging and financial risk management
Risk management	• Provided guidance and oversight over risk management processes • Reviewed alignment of top risks with strategy and recommended risk appetite • Reviewed regular risk reports and risk management remediation plans
Business controls and SOX	• Reviewed the results of the Group's first year Sarbanes-Oxley attestation and discussed proposals for improvement; in particular, the committee considered the Sarbanes-Oxley implementation plan for businesses in Panama and Nicaragua • Considered the impact of working from home and other changes brought about by the pandemic on the robustness of the internal control environment; reviewed the actions of the Group's Information Security Team to the changing cyber risk landscape • Received and reviewed findings and recommendations regarding the design and operating effectiveness of internal controls over financial reporting based on the cycle of management testing of internal controls
Fraud management	• Reviewed fraud policies and quarterly fraud reports, as well as proposed actions to remediate identified cases
Revenue assurance	• Received regular updates on revenue assurance activities • Reviewed trends and actions taken to minimize loss and revenue leakage
Related party transactions	• Reviewed related party transactions

2021 Meetings

The Audit Committee held five regular meetings, mainly coinciding with key dates in Millicom's external reporting.

Financial reporting

The Audit Committee reviewed earnings releases and financial statements for each quarter. Comprehensive reports from management and the external auditors highlighted the significant judgmental accounting issues for the attention of the committee. Important reporting and disclosure topics under both EU and U.S. listing requirements were addressed.

Significant issues considered by the Audit Committee in relation to the financial statements for the year ended December 31, 2021 included:

1. Acquisition of full control in Guatemala – refer to note A.1.2. of the consolidated financial statements

On November 12, 2021, Millicom closed the agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala") from the local partner for $2.2 billion in cash, assuming full control of the business.

The investment in Tigo Guatemala changed from equity accounting to full consolidation from the November 12, 2021, acquisition date.

The purchase accounting is still provisional at December 31, 2021, particularly in respect to the evaluation of certain tangible assets.

The committee reviewed and agreed with the accounting treatment proposed.

2. Africa divestiture –

A. Ghana disposal – refer to note A.2 of the consolidated financial statements

On April 19, 2021, the Group announced that it had signed a definitive agreement to sell its ownership in AirtelTigo to the government of Ghana. The sale was subsequently completed on October 13, 2021.

As part of the closing conditions, the partners agreed to contribute, each, up to $37.5 million for the reimbursement of certain local bank facilities. Millicom recorded a charge for such contribution in the statement of income under "Profit (loss) from other joint ventures and associates, net."

The committee concurred with the decision to fully impair the above mentioned contribution totaling $37.5 million. The carrying value of the Ghana JV was already nil.

B. Tanzania disposal – refer to note H of the consolidated financial statements

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

The Audit Committee concurred with the above decision, until all regulatory approvals are obtained.

C. Equity investments in Helios Towers – refer to note C.7.3. of the consolidated financial statements

As part of the Company's divestiture strategy in Africa, in 2020 and 2021 Millicom has been selling its remaining shareholding in the tower infrastructure company Helios Towers.' Millicom sold its final stake of 7.6% (representing 76 million shares) in June 2021 for $163 million, triggering a net loss on disposal of $15 million recorded under 'other operating income (expenses), net,' as the sale price was below the market value price as of March 31, 2021.

The Committee agreed with the accounting treatment and presentation of the transactions.

3. Debt exchange – refer to note C.3.1. of the consolidated financial statements

In September 2021, Millicom exchanged $302.1 million of the 6.625% Notes due 2026 for $307.5 million of the 4.5% Notes due 2031 (at a 101.812% exchange ratio).

Millicom has recognised a gain from this exchange, derived from applying the "modification accounting" under IFRS 9 to this exchange for approximately $15 million (recorded in the line "Interest and other financial income"). Transaction costs attributable to this exchange amount to approximately $4 million, and are amortized over the remaining life of the Notes due 2031.

4. Impairment testing – refer to note E.1.6. of the consolidated financial statements

The Audit Committee received detailed impairment analysis from management, including sensitivities. The committee also considered additional sensitivity analysis presented by the external auditor.

The results of impairment testing continue to support the existing carrying value of goodwill and other long life assets and no impairment was necessary. The Audit Committee agreed with the conclusions.

5. Tax provisions and contingencies – refer to note G.3.2. of the consolidated financial statements

The Group operates in many countries where the tax and legal system is less mature and may be less predictable. Therefore, a number of matters relating to tax contingencies require judgment as to the likely probability of cash outflow or the potential amount of any outflow. The Audit Committee received regular reports from the Group Tax Director as to the status of each of these matters, the likely outcome, the provision required, if any, and proposed disclosure in the financial statements. The external auditor also presented an analysis of judgmental tax matters.

Management Disclosure Committee

To assist with all matters related to earnings releases, financial statements and other market disclosures, Millicom has a Management Disclosure Committee comprising senior management from Finance, Legal, Compliance, Communications, Investor Relations and other functions as and when required. The Disclosure Committee identifies and considers disclosure matters in market releases, including releases that may contain material financial information.

Risk Management

The Audit Committee received regular reports on the Group's risk management framework and process from the Management Risk Committee, as well as reports on changes to significant risks at the operational and Group levels and how these risks are managed. Further information is set out in the Risk Management section of this Annual Report.

In addition, the Audit Committee reviewed financial risk, tax risks, policy and strategy, treasury policy and risks, and Group insurance coverage.

Internal Controls

The committee received the results of management's testing of key controls and testing by the external auditors. Management concluded that the Group had maintained effective internal controls over financial reporting.

A debrief of the Sarbanes-Oxley implementation program was held. The committee also reviewed and approved the planned scope of the 2021 program and approach to testing of key controls.

The Audit Committee discussed the impact on internal controls of the COVID pandemic and home working protocols that extended throughout 2021. Decisive management actions and prior investments in technology to better facilitate the operation of internal controls meant that we were able to maintain a strong control environment.

The committee reviewed regular reports on the results of management testing of key controls and the progress made to address any control gaps.

Internal Audit

Execution of the 2021 Internal Audit Plan provided the Executive Management Team and the Audit Committee with an independent view of the effectiveness of Millicom's internal control environment and governance processes. The plan was developed to ensure alignment with the strategic risks of the Millicom Group as well as consideration of the overall Group strategy, input from senior management, external audit findings and Internal Audit's knowledge of the business.

The Audit Committee approved the 2021 Internal Audit Plan, which was composed of assurance and advisory projects. The plan was primarily executed by the in-house Internal Audit Team, with support from specialists at one of the "Big 4" accounting firms. At each meeting, the Audit Committee received a report on internal audit activities, progress against the plan, updates to the plan and results of the audits completed in the period, including associated recommendations and management action plans where findings had been identified.

Information Security

The Audit Committee received analysis from the Group Chief Information Security Officer on the impact on cyber risk and the plans enacted to protect employees as they transition to a remote working model.

Fraud Risk

The Audit Committee received and reviewed quarterly fraud reports in accordance with the Group's fraud policy.

External Audit Effectiveness

The quality and effectiveness of the external audit matter greatly to the Audit Committee. A detailed audit plan outlining the key risks and proposed geographical coverage is prepared and discussed with the Audit Committee at the start of each annual audit cycle. This year the plan also addressed questions from the committee regarding the external auditor's reassessment of risks in light of the pandemic and actions taken to maintain audit quality during home working.

The committee assessed audit quality by referring to the standard of the reports received, the caliber of senior members of the audit team and the level of challenge provided to executive management, in addition to management feedback provided to the Audit Committee. This feedback allows the committee to monitor and assess the performance of the external auditor as part of a recommendation to the Board regarding the auditor's appointment. This was particularly important in 2020 given the launch of the external audit tender.

Auditor Independence

The Audit Committee has policies to maintain the independence of the external auditor and to govern the provision of audit and non-audit services. The policies and approval process of non-audit services and audit-related services comply with SEC independence rules and with the latest EU and local regulations. Under these rules, the Audit Committee pre-approves a list of services that can be rendered by the audit firm. If services to be rendered are pre-approved in nature, management can approve them when requested (following an established authority matrix) and present them to the Audit Committee on a quarterly basis for formal approval. If services to be rendered are not pre-approved, they should be pre-approved by the Chairman of the Audit Committee when requested and then submitted to the next full Audit Committee for formal approval. A schedule of all non-audit services with the external auditor is reviewed at each meeting.

For the year ended December 31, 2021, the Audit Committee approved fees for audit and audit-related services of $6.6 million, together with fees for non-audit work of $0.5 million.

In compliance with independence rules, the previous audit partner rotated off the audit in 2019 and the current audit partner will rotate off the audit of the consolidated financial statements as of December 31, 2025, at the latest.

Audit tendering

Millicom first appointed EY as external auditor of the Company for the year ended December 31, 2012, following a competitive tender. Based on the most restrictive EU audit regulations and applicable Luxembourg Law, EY would have to rotate off the audit by 2032 (20 years after initial appointment) at the latest with a mandatory tender for the audit by 2022 (10 years after initial appointment). In that respect, during the fourth quarter of 2020, the Audit Committee led the mandatory tendering process for the selection of the external audit firm for the integrated audit of the Group's consolidated financial statements for the year ending December 31, 2022, and made a recommendation for consideration by the Nomination Committee in early 2021 on the date EY was reappointed.

II. Compliance and Business Conduct Committee

We started 2021 with purpose and an eye toward progressing the development of the ethics and compliance program, including continuing to enhance its reach to better help our employees do the right thing in the right way. As such, we continued enhancing our three strategic focus points: Embed & Entrench; Communication; and Data Analytics. By immersing the Compliance function in the Company's business processes, the team is better suited to detect and advise on potential risks in real time. The Compliance function also disseminated its messages in conjunction with other departments in a clear and understandable manner, so that the organization, at all levels, was apprised of both risks and controls that are in place. Similarly, we used data collected in our platforms to develop action plans and attack potential root causes.

As we focused on the most pressing risks in 2021, we did not neglect the main elements of our compliance program, including, for example, our annual training for the entire company that covered, among other topics, our Code of Conduct, our Speak Up campaign, our anti-corruption policies and our anti-money laundering (AML) program.

And despite the pandemic, we continued to build and refine our ethics and compliance program in 2021. For instance, we revised our Code of Conduct, as well as our AML, Speak Up and anti-corruption policies in order to adapt to the current risk landscape and adopt best practices. We also completed a robust risk assessment exercise.

Our Company leadership continued its relentless commitment to maintaining our Sangre Tigo culture, with the application of ethics and compliance in our everyday interactions. Sangre Tigo signifies high integrity, zero tolerance for any form of corruption and a commitment to doing business the right way.

On behalf of the Board, I would like to reconfirm our commitment to a culture of ethics and strong compliance that leads to success for the business and pride for our company.

We are proud to be a compliance leader in our markets and look forward to engaging our customers and stakeholders by making it happen the right way.

Mr. Odilon Almeida
Chairman of the Compliance and Business Conduct Committee

Compliance and Business Conduct Committee Membership and Attendance 2021

Committee	Position	First appointment	Meeting Attendance	%
Mr. Odilon Almeida	Chairman	November 2015	4 of 4	100
Ms. Sonia Dulá	Member	May 2021	3 of 3	100
Ms. Mercedes Johnson	Member	June 2020	4 of 4	100
Attendance			11 of 11	100
Mr. Lars-Åke Norling	Former Member	May 2018	1 of 1	100
Overall attendance			**12 of 12**	**100**

In addition, the Chairman of the Board, Mr. José Antonio Rios Garcia, attended all of the meetings of the Compliance and Business Conduct Committee.

Appointment and Role of the Compliance and Business Conduct Committee

Millicom's Compliance and Business Conduct Committee oversees the Group's ethics and compliance program, and reports on and makes recommendations to the full Board regarding the Group's compliance programs and standards of business conduct. More specifically, the Compliance and Business Conduct Committee:

- Monitors the Group's ethics and compliance program, including the activities performed by the Ethics & Compliance Team and its interaction with the rest of the organization
- Monitors the investigations resulting from cases brought through the Group's ethics line or otherwise
- Oversees allocation of resources and personnel to the compliance area
- Assesses the Group's performance in the compliance area
- Ensures that the Group maintains proper standards of business conduct
- Oversees the cyber security risks.

Management representatives invited to attend the Compliance and Business Conduct Committee include the Chief Executive Officer, Chief Legal and Compliance Officer, Chief Financial Officer, Chief Technical Innovation Officer, Chief External Affairs Officer, VP Ethics & Compliance, VP Internal Audit, Chief Information Security Officer, and Head of Risk Management.

Summary of Committee Activities in 2021

The committee Chairman prepares the agenda in conjunction with the Chief Legal and Compliance Officer. During meetings, the committee reviews the status of the ethics and compliance program, compliance-related issues, strategic responses (such as investigations) to any alleged violations of law or policy, AML initiatives, and any internal audit reports and remediation plans that concern the ethics and compliance program.

The CEO and Executive Team are committed to our Sangre Tigo and are actively involved in fostering a culture of ethics and compliance from the top across all our lines of business.

Summary of Areas of Focus and Action Items in 2021

Compliance program elements reviewed	• Refined third-party management through a centralized due diligence program • Reviewed anti-corruption program policies and automated procedures, including those covering new and emerging areas of risk and strengthening of the overall program • Revised compliance policies and procedures and communication to the whole organization • Reviewed training completion rates on Company compliance policies as part of select managers' KPIs • Continued reviewing results of the compliance framework by Internal Audit as well as remediation actions and status • Improved communication campaigns on various compliance subjects • Hired head of Compliance Strategic Response and one new compliance officer • Integrated compliance program within the recently acquired entities in Central America. • Incorporated compliance factors into executives' incentive programs for the fourth consecutive year; bonus awards are tied to achievement of compliance KPIs
Reporting and investigations	• Supported Speak Up campaign by continuing to encourage employees through communication and training campaigns to use the system to report issues of perceived non-compliance with our policies and values • Strengthened investigations team: further developed central investigations resources and enhanced regional investigation tools • Implemented corrective action framework for all operations • Continued to align investigation procedures across the countries • Continued effective case management, including by taking reasonable steps after detection of misconduct
Global anti-money laundering (AML) program	• Implemented a new transaction monitoring tool in Paraguay and Bolivia. • Continued global AML training and communications efforts, including the monthly AML Bulletin and specialized, targeted training for local AML teams and operations' upper management • Continued to perform and enhance quarterly rounds of the AML risk assessments in all operations, including LATAM and Africa • Implemented new AML Risk Control Self-Assessment in all MFS LATAM operations to help us develop additional risk mitigation processes; this process is conducted quarterly • Analyzed and enhanced the transaction monitoring process, resulting in the improvement of several key metrics for risk mitigation
Information Security and Cybersecurity	• Review of the Information Security Framework and Governance structures • Review of the Information Security Program including identity and access management, vulnerability management, patch management and multi-factor authentication • Review of results and improvement plans related to the NIST cybersecurity audit • Received reports on cybersecurity incidences and responses

III. Compensation Committee

I am pleased to present the 2021 Remuneration Report.

The key remuneration outcomes for the year and plans for the coming year are summarized below. Further detail is provided in the Annual Remuneration Report.

The Compensation Committee meets regularly to review executive compensation and other HR-related matters to ensure competitiveness across our markets. We have a 'pay for performance' compensation philosophy. This encompasses both short-term and long-term incentives. The plans maintain a strong link to Millicom's performance and are fully aligned with Millicom's culture.

Remuneration consists of a base salary and various benefits and pension arrangements. The policy also provides for a high variable element through an annual short-term incentive (STI) bonus plan paid in cash and deferred shares (DSP) and a long-term incentive plan (LTI). The variable elements of remuneration are subject to stretching performance measures (financial and operational). For the Chief Executive Officer (CEO) and Executive Vice Presidents (EVPs), the majority of total compensation is variable, with a high proportion paid in shares.

The Compensation Committee believes the structure of our incentives reinforces the alignment of management and shareholder interests through performance linkage, payment in shares and extended time horizons for vesting.

Any annual bonus for the CEO and EVPs are paid at least 50% in shares that vest over three years. Awards under the Performance Share Plan are fully paid in shares and cliff vest after three years.

For the whole Millicom Group, 60% of the annual bonus is based on three financial measures: service revenue, EBITDA and operating cash flow after leases (OCFaL).

Of the remaining 40%, 10% is allocated to customer satisfaction—measured using Net Promoter Score (NPS)—and 30% is based on individual strategic objectives.

Incentives are subject to performance measures and are regularly reviewed to ensure they remain aligned with the Group's strategy and are stretching appropriately.

In addition, the CEO and EVPs are required to comply with minimum shareholding requirements. The CEO is required to build and maintain a shareholding with a value of at least 400% of base salary, a level he maintained in 2021. This encourages our top leaders to take a longer-term view on positive business performance in alignment with Company and shareholder interests.

The Group delivered a strong set of results in challenging and uncertain circumstances. The Group exceeded the performance target for each of the financial targets in 2021, reflecting a strong operational performance driven by exceptional customer additions and strong cost control. Millicom accomplished his while continuing to invest in further growth.

The Compensation Committee believes that in 2021, the CEO showed exceptional leadership of the business and our people, particularly during the extraordinary times that we have faced over the last 18 months. The CEO's contribution exceeded the expectations of the Board and reflect a step change in our progress towards being the leading provider of digital highways in Latin America. Based on the overall performance against the financial measures and individual strategic objectives, the CEO received a cash bonus of $2,164,230 for 2021 and shares of $2,164,230 deferred over three years (DSP).

The Compensation Committee reviewed the outcomes in the context of underlying performance—notwithstanding that the financial targets were set at a time of significant uncertainty—and the Board is satisfied that the outcomes for Group financial performance and individual strategic objectives are warranted. As a result, the Compensation Committee determined that no exercise of discretion was required to adjust the targets or outcomes.

By contrast, awards under the FY 2019 Performance Share Plan, which are subject to a three-year performance period ending December 31, 2021, were disappointing. The committee used adjusted service revenue growth, adjusted cash flow (OCFaL) growth and Relative TSR as its performance measures. The Group partially met the service revenue growth target only, resulting in an award of 7.6%. No discretion was exercised in this case either.

During the year, the Compensation Committee reviewed the base salaries and incentive opportunities for the CEO, who received a 1.5% increase to $1,185,140 as of April 1, 2021. There was no increase in 2020. We have reduced the LTI opportunity for 2022 and made a corresponding increase in the share component of the STI. The CEO's total combined incentive opportunity remains unchanged.

However, this year the Board introduced a one-time Market Stock Unit (MSU) award linked entirely to the share price performance. As a result, a material amount of the total reward is linked to share price performance—either relative to peers (TSR for the LTI) or absolute levels of stock price (MSU).

Under the MSU plan, the CEO's target award is $8 million spread over two years, subject to a share price of $43.09 for the 2022 Tranche and $47.00 for the 2023 Tranche. The maximum award will only be made if the share price reaches $52.77 in 2022 and $57.57 in 2023. The cash award will not be made until 2023 and 2024 respectively. Based on the 2021 closing share price, the total award would be approximately $2.72 million.

The Annual Remuneration Report, together with this letter, is subject to an advisory vote at the 2022 Annual General Meeting (AGM). At the 2021 AGM, 78.79% of shareholders voted in favor of the Remuneration Policy. We have engaged extensively with shareholders in the light of this vote and to reflect shareholder concerns, primarily over the introduction of the time-vested Restricted Share Units (RSUs) in the 2021 PSP. In response to this feedback, we have removed the RSU for 2022 and reverted to full performance-based LTI awards. This differs from U.S. practice but reflects concerns expressed to me and my colleagues by shareholders. We have also reduced the LTI opportunity for 2022 and made a corresponding increase in the share component of the STI.

There were no other changes to the remuneration policy and the Board is confident that the policy has operated as intended over the year. A summary of the elements of executive pay for 2021 is set out on page 92.

The proposed revisions to the 2022 compensation plan include:

We have changed the NPS measure for the annual bonus from transactional to relational to better reflect our performance compared to our peers in the market.

We removed RSUs from the Performance Share Plan, as mentioned on page 99.

With the forthcoming rights issue we will need to make adjustments to the existing unvested share plans, including the DSP, PSP and MSU.

The Compensation Committee is committed to ongoing consultation with shareholders and their advisory groups.

On behalf of the Board, I hope you find the FY 2021 Remuneration Report informative.

Ms. Pernille Erenbjerg
Chair of the Compensation Committee

2. Compensation Committee's Report

This report describes the remuneration philosophy—and related policy and guidelines—as well as the governance structures and processes in place. It also sets out the remuneration of Directors, as well as compensation of global senior management for the current and prior financial reporting years.

2.1 Role of the Compensation Committee

The Compensation Committee monitors and evaluates (i) programs for variable remuneration to senior management, including both ongoing programs and those that have ended during the year; (ii) the application of the guidelines for remuneration to the Board and senior management established at the shareholders' meeting; and (iii) the current remuneration structures and levels in the Company. The Compensation Committee makes recommendations to the Board regarding the compensation of the CEO and his direct reports; approves all equity plans and grants; and manages Executive Team succession planning. Final approval of the CEO remuneration requires Board approval.

The evaluation of the CEO is conducted by the Compensation Committee. The evaluation criteria and the results of the evaluation are then discussed by the Chairman with the entire Board. In 2021, the Board concluded that the CEO provided exceptional leadership in helping the Company take advantage of the recovery market opportunity and exceeding all financial and operational targets for the year. In evaluating his performance, the Board took into account the manner in which he rapidly refocused the business from revenue growth to protecting customers, employees and cash flow. Together with meeting the financial targets discussed below, the CEO received $2,164,230 in cash and $2,164,230 granted in deferred shares that vest over three years for the Company's 2021 performance. The Chairman of the Board conveyed the results of the review and evaluation to the CEO. The senior management remuneration policy was approved by the shareholders at the AGM in May 2021, and will be presented for approval at the AGM to be held in May 2022.

2.2 Compensation Committee Charter

The Group's Compensation Committee Charter can be found on our website under the Board Committees section and covers overall purpose/objectives, committee membership, committee authority and responsibility, and the committee's performance evaluation.

2.3 Compensation Committee Membership and Attendance 2021

Committee	Position	First Appointment	Meeting Attendance	%
Ms. Pernille Erenbjerg	Chairman	January-19	5 of 5	100
Mr. Lars-Johan Jarnheimer	Member	May-21	3 of 3	100
Mr. James Thompson	Member	January-19	5 of 5	100
Attendance			13 of 13	100
Mr. Lars-Åke Norling	Former Member	May-19	2 of 2	100
Overall Attendance			15 of 15	100

In addition, the Chairman of the Board, Mr. José Antonio Rios Garcia, attended all of the regularly scheduled meetings of the Compensation Committee.

2.4 Areas Covered in 2021

The Compensation Committee met five times in 2021 and was primarily focused on reward and management motivation and retention in the face of the unprecedented operating environment.

Topic	Commentary
Bonus (STI) and performance reports	• Reviewed and approved the Global Senior Management Team's 2020 performance reports and individual Executive Team payouts for STI/LTI (cash/equity) • Reviewed and approved 2021 short-term variable compensation targets
Compensation review	• Approved all payments for Executive Team members • Reviewed executive remuneration and governance trends and developments • Reviewed and approved the peer group for the Executive Team benchmarking • Approved changes to CEO and Executive Team compensation elements based on market competitiveness
Share-based incentive plans	• Approved the 2018 LTI (PSP) vesting • Reviewed and approved all equity grants • Reviewed and approved the 2021 share units plan (DSP and PSP) rules • Reviewed and approved the 2021 long-term variable compensation targets • Approved the one-off Market Stock Units (MSU) long-term incentive plan for a selected group of employees • Reviewed the replenishment of the treasury share balance reserved for share-based incentive plans • Reviewed share ownership guidelines and the compliance of each covered employee • Reviewed performance and projections of outstanding LTI plans (2019, 2020 and 2021) • Reviewed equity plans participant turnover
Global reward strategy and executive remuneration review	• Reviewed remuneration/C&B philosophy and strategy
Variable pay design	• Discussed and approved STI and LTI design for 2022 • Reviewed and approved STI and LTI performance measures for 2022
Other	• Reviewed and approved exceptional items, new hire equity grants, etc. • Reviewed Executive Team's severance payouts in a change of control • Reviewed and discussed results of 2022 "Say on Pay" • Reviewed changes to the Swedish Corporate Governance Code
Compensation Committee governance	• Reviewed and approved the Compensation Committee annual meeting cycle and calendar • Reviewed the Compensation Committee Charter • Updated Executive Compensation dashboard • Reviewed and approved the use of an external compensation consultant

3. Our Compensation Philosophy and Core Principles

The philosophy, guidelines, objectives and policy applicable to remuneration of the Global Senior Management Team were approved by the shareholders (item 22) of the AGM held on May 4, 2021.

3.1 Core Principles

The Compensation Committee worked using the following objectives for the Global Senior Management Team's compensation.

What we strive for	What it means
Competitive and fair	Levels of pay and benefits to attract and retain the right people
Drive the right behaviors	Reward policy and practices that drive behaviors supporting our Company strategy and business objectives
Shareholder alignment	Variable compensation plans that support a culture of entrepreneurship and performance, and incorporate both short-term and longer-term financial and operational metrics strongly correlated to the creation of shareholder wealth. Long-term incentives are designed to maintain sustained commitment and ensure the interests of our Global Senior Management Team are aligned with those of our shareholders.
Pay for performance	Total reward structured around pay in line with performance, providing the opportunity to reward strong corporate and individual performance. A significant proportion of top management's compensation is variable (at risk) and based on measures of personal and Company performance directly attributable to short-term and longer-term value creation.
Transparency	Millicom is committed to expanding external transparency, including disclosure around pay for performance, links to value creation, etc. We are also investing in HR information systems to facilitate measurement and internal communications related to incentive composition, including performance metrics, pay equity, goal setting and pay-for-performance relationships.
Market competitive and representative remuneration	Compensation is designed to be market competitive and representative of the seniority and importance of roles, responsibilities and geographical locations of individuals (with the majority of the Global Senior Management Team roles located in the U.S.)
Retention of key talent	Variable compensation plans include a significant portion of share-based compensation, the payout of which is conditional on future employment with the Company for three-year rolling periods, starting on the grant date
Executive management to be "invested"	The Global Senior Management Team, through Millicom's share ownership guidelines, is required to reach and maintain a significant level of personal ownership of Millicom shares

To drive the right behaviors and ensure expectations are aligned, we communicate clearly to our employees what we do and do not do when it comes to compensation. A summary is set out in the table below:

What we do	What we don't do
Align pay and performance	Create special executive prerequisites
Designate a substantial majority of executive pay as at risk, based on a mix of absolute and relative financial and share price performance metrics	Hedge Company stock by executives
Impose limits on maximum incentive payouts	Provide dividends or dividend equivalents on unearned PSUs or RSUs
Engage in a rigorous target-setting process for incentive metrics	Offer tax gross-ups related to change in control
Set our STI threshold to pay only at 95% and higher levels of performance	
Maintain robust share ownership guidelines for our top 50 executives	
Provide "double-trigger" change-in-control provisions in equity awards	
Maintain clawback policies that apply to our performance-based incentive plans	
Retain an independent compensation consultant	

3.2 Elements of Executive Pay

Compensation for the Global Senior Management Team in 2021 comprised a base salary, a short-term incentive (STI) plan and a long-term incentive (LTI) plan, together with pension contributions and other benefits (e.g., healthcare).

Salary

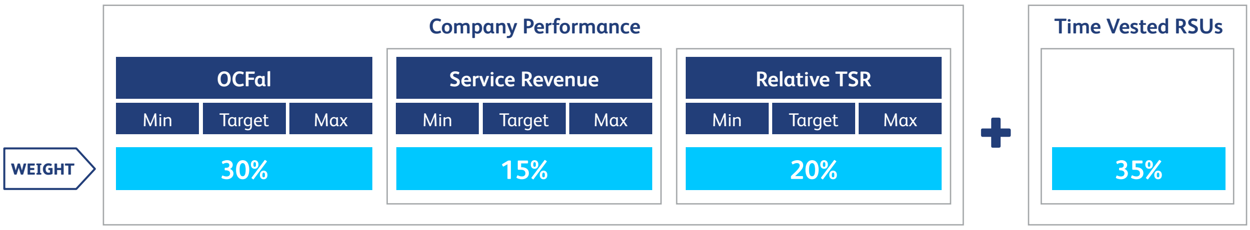
Pay element	Purpose	Maximum opportunity
Purpose and link to strategy	Designed to be market competitive to attract and retain talent	No absolute maximum has been set for Executive Team salaries. The committee considers increases on a case-by-case basis based on peer comparison. Pay increases usually reflect a combination of roles and responsibilities, local market conditions and individual performance.
Operational execution	Paid monthly in cash in U.S. dollars or the home currency of the executive	The Compensation Committee aims to set salaries for the Executive Team at the median of the peer group.
	Reviewed by the Compensation Committee every March	

STI

Pay element	Purpose	Payout opportunity
Purpose and link to strategy	The STI links reward to key business targets (70%) and individual contribution (30%).	With less than 95% achievement of business targets, the award falls to 0%. The threshold achievement is 95% of the target, resulting in a payout of 80%. The opportunity is 200% for the achievement of 104% for service revenue, 106% for EBITDA and 107% for OFCFaL.
	The STI aligns with shareholders' interests through the provision of 50% of the payment delivered in share units deferred over three years (DSP) for the senior leadership team. The DSP is awarded upon achieving the performance targets, with 30% paid after one year, 30% after the second year and 40% after the third year of the grant date.	The target achievement for: CEO – 200% CFO – 150%
	These plans help incentivize and motivate leadership to execute strategic plans in operational decision-making and achieve short-term performance goals, impacting Company performance and enhancing its value.	Maximum achievement: CEO – 400% CFO – 300%
	The financial and operational targets are;	
	• Service revenue	20%
	• EBITDA	20%
	• Operating free cash flow after leases (OFCFaL)	20%
	• Transactional Net Promoter Score (tNPS) *2021 GATEWAY: All Operations to have implemented a robust and stable Relational NPS measurement platform by year end (in addition to the achievement of tNPS targets). At individual level (Operations), if gateway is not reached there will be no payout on the NPS component, regardless of tNPS achievement. For Corporate, if any one of the Operations fails to meet the gateway, there will be no payout on the NPS component*	10%
	• Personal performance	30%
Benchmarking	Our STI is a key component of the Millicom Group culture. We benchmark to peer companies within the U.S. and Latin America.	Each year the Compensation Committee determines the annual STI opportunity for the Executive Team.

LTI

Pay element	Purpose	Payout opportunity
Purpose and link to strategy	The LTI links an important part of overall Global Senior Management Team compensation with the interests of our shareholders.	For financial metrics, achieving less than 80% of the target results in a payout of 0%. In the event the Company achieves between 80% and 120% of the target, the corresponding portion of the grant will be adjusted in linear pro rata of the achievement, starting at a payout of 0% at an achievement of 80% up to a maximum value of 200% if the target achievement is 120% or higher. For TSR, no award is granted for performance below the peer group median. If the Company achieves a TSR performance at the median or above of a pre-determined peer, the grant will be adjusted in linear pro rata of the achievement starting at a payout of 100% up to a maximum value of 200% for a target achievement of 120% or higher. For the 2021 LTI, we granted 35% of the respective amount for each eligible employee as time-vested RSUs. Because of their lower volatility, RSUs help strengthen the retention component in the LTI plan and cushion exogenous impacts, such as the COVID pandemic.
	This plan aligns the Global Senior Management Team's longer-term incentives with the longer-term interests of shareholders, encouraging long-term value creation and retention.	
	Millicom emphasizes the One Team mentality by maintaining unified goals and objectives in the long-term incentive program for the Global Senior Management Team, with the purpose of driving the successful achievement of three-year performance goals designed to enhance long-term value of the Company.	
Operational execution	The LTI is a performance-based share units plan (PSP) whereby awarded share units fully vest at the end of a three-year period, subject to achievement against performance measures and fulfillment of conditions.	The target achievement (including the RSU element) for: CEO – 480% CFO – 175%
	LTI payouts are typically in share units and based on company three-year cash flow and revenue targets approved by the Compensation Committee and the Board, in addition to shareholder return.	
	Performance share units plan (PSP) and RSU component	The maximum achievement (including the RSU element) for: CEO – 792% CFO – 288%
	The weights for the PSP component are: • Service revenue: 15% • OFCFaL (operating free cash flow): 30%* • Relative TSR: 20% • Time Vested RSUs: 35% The PSP and RSU component pays out/is settled in shares at the end of three years.	
	*Since the 2021 LTI, we use OCFaL (operating cash flow after leases) in lieu of OFCFaL (operating free cash flow after leases) and include a portion of the grant as RSUs following U.S. market practice. These will also vest at the end of the corresponding three-year period.	
	Market Stock Units (MSU) is a special one time stock-based performance plan to be settled in cash. The plan offers pro-rata vesting in two tranches (50% in June 2022 and 50% in June 2023), payable one year after vesting subject to continuous employment. The number of MSUs is determined on the basis of a share price at inception of $43.09 for Tranche 2022 (10%) and $47.00 for Tranche 2023 (20%). The awards are payable only after an additional 12-month employment period post vesting.	At the vesting date, the value of the MSU is determined by the 30-trading day average share price ending on June 30, 2022 for Tranche 2022, and the 30-trading day average share price ending on June 30, 2023, for Tranche 2023. For each tranche, the payment is made in cash 12 months after the respective dates, subject to continuous employment. For every participant, payment is capped at 150% of their Target MSU Award Value set up for each tranche. Participants of the MSU plan were required to forfeit their awards under LTI 2019 and LTI 2020 in respect of the financial targets (service revenue growth and operating cash flow), provided that the TSR component continues to be active for these schemes.
Benchmarking	Our LTI is a key component of the Millicom Group culture.	Each year the Compensation Committee determines the annual LTI opportunity for the Executive Team.
	For executives, we benchmark to peer companies within the U.S.	



In addition, the Board uses retention schemes to ensure continued retention of key individuals during periods of uncertainty.

3.3 Other Employment Terms and Conditions

Notice of termination: If the employment of a member of Millicom's Executive Team is terminated, a notice period of up to 12 months potentially applies. The Board regularly reviews best practices in executive compensation and governance and revises policies and practices when appropriate. Millicom's change-in-control agreements for eligible executives include "double-trigger" provisions, which require an involuntary termination (in addition to change in control) for accelerated vesting of awards.

Deviations from the policy and guidelines: In special circumstances, the Board may deviate from the above policy and guidelines; for example, providing additional variable remuneration in the case of exceptional performance.

3.4 Other Executive Compensation Policies

Millicom's clawback policy requires its Board of Directors' Compensation Committee to seek recovery of incentive compensation awarded or paid to those officers covered under the policy, in the event the committee finds the restatement of Millicom's audited and published financial statements results in compensation in excess of what would have been paid based on the restated operating and financial performance.

In addition, the Company's insider trading policy prohibits any hedging or speculative transactions in the Company's shares, including the use of options and other derivatives. It also prohibits directors and employees from selling the Company's stock short.

4. Key Developments for 2021

During 2021, we were attentive to the ongoing impact of the COVID-19 pandemic and continued focusing on protecting the health of employees, customers and partners. We worked on several health and safety initiatives, including providing vaccinations to our employees; structuring return-to-office schemes that prioritize health and safety (such as hybrid approaches); delaying office re-openings where vaccines were not widely available; and other cautionary measures.

As mentioned in the previous Annual Report, the committee did not change any of the performance measures or targets for any of the "in-flight" incentive plans, STI or LTI.

For the 2021 STI/LTI plans, we established targets from the beginning of the year—although forecasting due to the pandemic was still challenging—and did not make any adjustments during the year.

The committee geared the design of those plans to motivate our management teams in the hardest-hit countries to seize such opportunities and "kick back" into growth by incentivizing our employees to strive for excellence. This design has been quite successful, as it has helped substantially improve our financial KPIs.

Since the start of the COVID-19 pandemic, we have not implemented any restructuring programs, and we chose not to furlough or implement redundancies, helping us retain approximately 93% of key talent during this period.

4.1 Key Elements of 2021 CEO and CFO Pay

In 2021, the key elements of the CEO and CFO compensation, in line with the remuneration policy, were as follows;

	Salary (USD) *	Short-Term Incentive		Long-Term Incentive	Pension	Benefits	MSU Plan
Mauricio Ramos (CEO)	$1,189,187	200% of Base Salary delivered:	50% in Cash Bonus	PSP award of 480% of salary with 3-year cliff vesting (35% delivered in time vested shares and the remaining portion based on performance shares)	15% of salary	Private healthcare	Each of the two tranches have a target payment opportunity of USD 4 Million
			50% in Share Units over 3 years vesting 30%/30%/40%			Life insurance	
		Performance Measures:	60% Financial			Car Allowance	
			10% Customer				
			30% Personal				
Tim Pennington (CFO)**	$709,949	150% of Base Salary delivered:	50% in Cash Bonus	PSP award of 175% of salary with 3-year cliff vesting (35% delivered in time vested shares and the remaining portion based on performance shares)	15% of salary	Private healthcare	Each of the two trances have a target payment opportunity of USD 800K
			50% in Share Units over 3 years vesting 30%/30%/40%			Life insurance	
		Performance Measures:	60% Financial			Car Allowance	
			10% Customer				
			30% Personal				

**CEO / CFO Salary as of December 2021.*

***CFO Compensation paid in Pounds GBP and for purposes of this report converted to USD using December Closing Forex (0.7392 GBP/USD).*

4.2 Summary of Total CEO/CFO Compensation

The compensation for the CEO and CFO is summarized in the table below:

	Mauricio Ramos (CEO)		Tim Pennington (CFO)*	
In USD	**2021**	**2020**	**2021**	**2020**
Base Salary	1,185,140	1,173,000	707,532	669,757
Fringe Benefits**	87,551	82,225	46,362	37,600
Pension Expense	284,243	284,520	106,130	100,464
Total Fixed	1,556,934	1,539,745	860,024	807,821
Annual Bonus***	2,164,320	1,301,131	969,079	508,896
Deferred Share Units***	2,164,320	1,301,131	969,079	508,896
LTIP****	5,630,400	5,630,400	1,237,889	1,200,964
Total Annual Variable	9,959,040	8,232,662	3,176,047	2,218,756
Annual Compensation	11,515,974	9,772,407	4,036,071	3,026,577
MSU Plan*****	8,000,000	—	1,600,000	—
Total 2021 Compensation	19,515,974	9,772,407	5,636,071	3,026,577
% Annual Fixed	13.52%	15.76%	21.31%	26.69%
% Annual Variable	86.48%	84.24%	78.69%	73.31%

**CFO compensation is paid in GBP and, for the purposes of this report, converted to USD using December Closing Forex for each period.*

***Fringe benefits include car allowance, life and disability insurance, and medical and dental insurance.*

****The sum of the annual bonus and deferred share units is the total for the short-term incentive award for the performance period. 2021 STI is to be paid and granted in Q1 2022.*

*****LTIP is performance share units granted in 2021.Calculated based on the average Millicom closing share price on the Nasdaq in the US for the three-month period ending December 31, 2021.*

******MSU plan: Our stock-based MSU performance plan is settled in cash. Pro-rata vesting occurs in two tranches (50% in June 2022 and 50% in June 2023), payable one year after vesting subject to continuous employment. The number of MSUs is determined on the basis of a share price at inception of $43.09 for Tranche 2022 (10%) and $47.00 for Tranche 2023 (20%). The awards are payable only after an additional 12-month employment period post vesting.*

Excluding the MSU, the CEO's reported pay increased from $9.8 million to $11.5 million, a 17.3% increase that reflected the significantly improved financial performance compared to the more-depressed 2020 outturn. The MSU was added as an additional incentive to improve the share prices over two years. At target, the scheme could pay the CEO $8 million for achieving a share price of $43.09 by July 2022 and $47.00 by July 2023. The mark-to-market total value of the MSU for the CEO is approximately $3 million based on 2021 closing share price. The MSU is settled in cash.

Realized Pay Supplemental Table

	Mauricio Ramos (CEO)	
In USD	**2021**	**2020**
Base Salary	1,185,140	1,173,000
Car Allowance	15,000	15,000
Pension Expense	284,243	284,520
Total Fixed	1,484,383	1,472,520
Annual Bonus Paid*	1,301,131	1,427,497
Deferred Share Units Vested**	930,836	932,141
LTIP Vested***	1,457,988	1,553,984
Total Variable Paid	3,689,955	3,913,622
Total Realized Paid	5,174,339	5,386,143
% Fixed	28.69%	27.33%
% Variable	71.31%	72.66%

**Annual bonus paid is the cash portion for the short-term incentive award for the performance period in that calendar year (i.e., the 2021 column displays the amount paid in Q1 2021 from 2020 performance).*

***Deferred share units vested are the shares vested from the pro-rata vesting of the three years prior (i.e., the 2021 column displays the amount vested in Q1 2021: 30% from 2020 grant, 30% from 2019 grant and 40% from 2018 grant.*

****LTIP vested are the shares vested from the cliff vesting of the LTI granted three years prior (i.e., the 2021 column displays the amount vested in Q1 2021 from 2018 grant.*

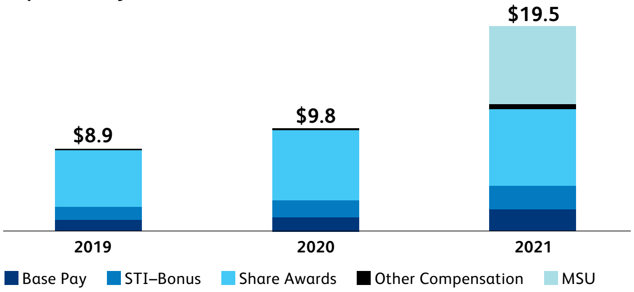
The total short-term award for the CEO, CFO and other senior leadership team is split 50% in cash and 50% in share units deferred over a three-year period (DSP). The compensation for the CEO and CFO is heavily weighted to variable compensation in the form of share units vesting over a three-year period. As a result, total compensation as shown in the previous table may differ significantly relative to the actual realized compensation in any given year. The table below compares CEO total compensation to his actual realized compensation in the last three years.

2021 CEO Compensation

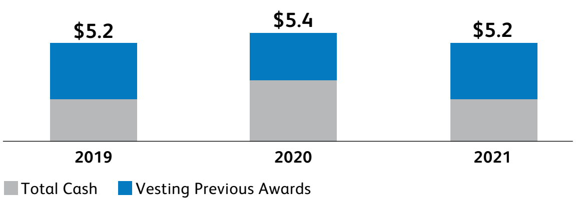
4.3 Performance on STI 2021

As in previous years, the annual bonus is determined by a mixture of business performance and individual performance factors. The business performance factors included measures of service revenue, earnings before interest, tax, depreciation and amortization (EBITDA), operating free cash flow after leases (OFCFaL), and a customer satisfaction metric based on Net Promoter Score achievement. For this year's plan, we started to migrate from a transactional NPS to a relational NPS metric. Thus, we included a gateway decision to ensure that payment on the transactional NPS component only takes place if the preparedness for the relational NPS was reached before year's end. The use and relative weighting of financial performance target measures under the variable compensation rules are equal for all employees regardless of seniority or area of operation. This includes the CEO and the senior leadership team.

Reported Pay *(millions)*



Realized Pay *(millions)*



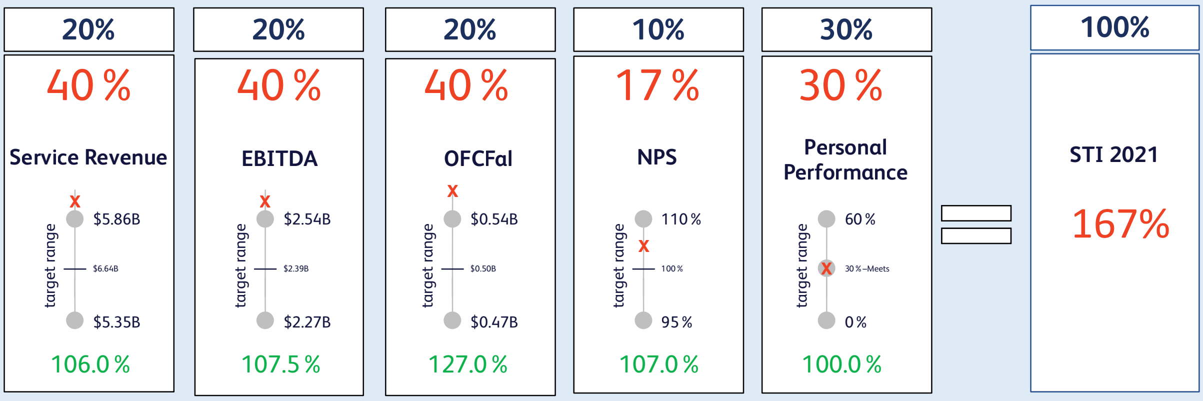
Notes
-In average approximately 73% of CEO compensation is delivered in form of share
-In average realized pay has been 47% of Reported Pay

Base Salary	x	Target Percentage	x	Business Performance Factors	+	Individual Performance Amounts	=	Annual Incentive Amount

For the CEO and senior leadership team, a portion of the STI is paid in the form of deferred share units with a three-year pro-rated vesting, strengthening our pay-for-performance and retention incentives.

For 2021, the achievement of performance targets is set out in the table below;

2021 STI—Group Results for a Meets Personal Performance



Service Revenue: Is revenue related to the provision of ongoing services, excluding telephone and equipment sales.

EBITDA: Is operating profit excluding impairment losses, depreciation & amortization, and gain/losses on fixed asset disposals.

OFCFal: Operational Free Cash Flow after Leases = EBITDA—Lease payments Cash Out—CapEx =/– Operating Working Capital—Tax paid (excl deferred tax).

NPS: (Net Promoter Score) measures the willingness of customers to recommend a company's products or services to others.

Performance ratings:
- Exceptionally Exceeds
- Exceeds
- Meets
- Partially Meets
- Doesn't Meet

For the CEO and other eligible DSP participants, the issuance of share units under the DSP is subject to shareholder approval at Millicom's AGM of shareholders. For employees not participating in the DSP, or to the extent that the DSP is not approved by the AGM, the STI will be implemented as a cash-only bonus program.

Under the 2021 STI, 2022 DSP share units are granted in Q1 2022 and will vest (generally subject to the participant still being employed by the Millicom group) 30% in Q1 2023, 30% in Q1 2024 and 40% in Q1 2025. The vesting schedule is unchanged from the 2021 DSP.

4.4 LTI (PSP)

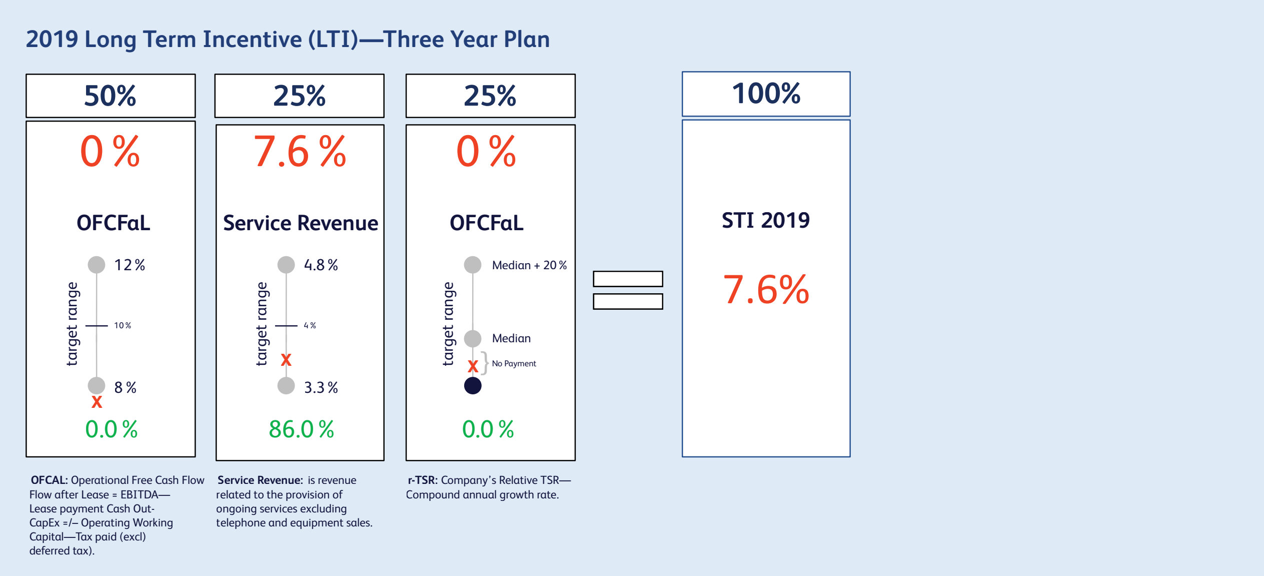
This section reviews the LTI 2019 performance, which vested in January 2022 and paid out in Q1 2022 to one non- executive participant. It also reviews the LTI 2021 plan granted in 2021 to 41 participants, including the CEO and CFO.

Base Salary	x	Target Percentage	x	Performance Performance (75%) + rTSR (25%)	=	LTI Payout
Target Opportunity				Company Performance		

4.4.1 LTI (PSP) 2019 Performance

The LTI 2019 plan vested in January 2022 with an award of 7.6%. The outturn of LTI 2019 has been audited by Ernst & Young in respect of the financial performance measures and by Towers Watson for the TSR.

For LTI 2019, the achievement of performance targets is set out in the table below:



Notes: Relative TSR considered the following peers: America Movil, Telefonica, TIM Brazil, TEF Brazil, Entel Chile, Lilac

The PSP 2019 did not meet the criteria for vesting for the CEO and CFO awards:

Name	Type of award	Basis of award	Face value of award	Number of share units granted	End of performance period	Achievement	Number of shares vested
Mauricio Ramos (CEO)	LTI19	400% of salary	$4,600,000	77,111	Dec-21	—%	—
Tim Pennington(CFO)	LTI19	175% of salary	$1,132,957	18,992	Dec-21	—%	—

Deviations from the guidelines: In special circumstances, the Board may deviate from the above guidelines, such as providing additional variable remuneration in the case of exceptional performance. In these instances, the Board will explain the reason for the deviation at the following AGM. For the LTI in this review—PSP 2019, PSP 2020 and PSP 2021—no discretion has been exercised and none of the performance or other conditions have been changed.

4.4.2 Award LTI 2021

A new plan was issued in 2021 in accordance with the remuneration policy guidelines, designed to drive shareholder value through a focus on service revenue growth, cash flow generation and relative total shareholder return against a relevant peer group. The PSP 2021 plan was approved by shareholders at the 2021 AGM:

Metric	Weighting	Performance target	Performance measure
Service revenue	15%	Target growth	A specific 3-year Cumulative Growth target
OFCF	30%	Target growth	A specific 3-year Cumulative Growth target
TSR	20%	The Company TSR relative to a peer group between 2021 and 2023	At median - target payout; below median - nil; 20% above median - max
Time Vested RSUs	35%		

The peer group for the PSP 2021 is: America Movil, TIM Brazil, TEF Brazil, Entel Chile, Lilac, Telecom Argentina, Grupo Televisa, Megacable.

For the CEO and CFO, the award of LTI 2021 is summarized below:

Name	Type of award	Basis of award	Face value of award	Number of share units granted	End of performance period
Mauricio Ramos (CEO)	PSU - 3 years	480% of salary (35% in time vested shares)	$5,630,400	159,941	December 2023
	Cliff Vesting				
Tim Pennington (CFO)	PSU - 3 years	175% of salary (35% in time vested shares)	$1,237,889	35,164	December 2023
	Cliff Vesting				

4.4.3 MSU Grant 2021

For the CEO and CFO, the 2021 MSU award is summarized below:

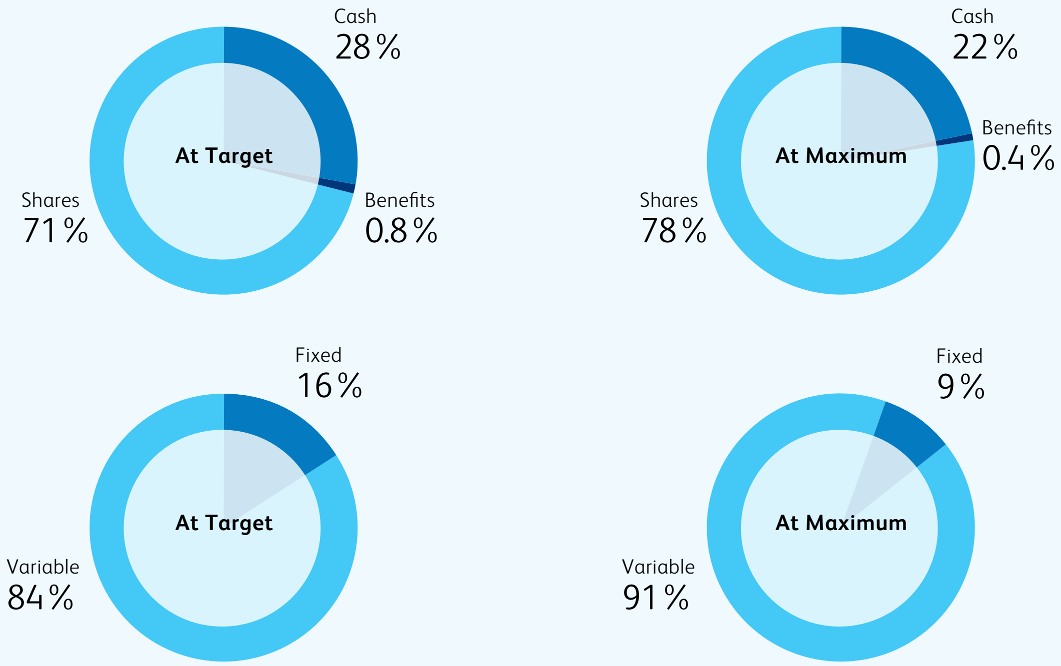
Name	Type of award	Basis of award	Face value of award (USD)	End of performance period	Payout date
Mauricio Ramos (CEO)	MSU – Tranche 1 payout June 2023	Target payout if share price reaches $43.09 by July 2022	$ 4,000,000	July 2022	July 2023
	MSU – Tranche 2 payout June 2024	Target payout if share price reaches $47.00 by July 2023	$ 4,000,000	July 2023	July 2024
Tim Pennington (CFO)	MSU – Tranche 1 payout June 2023	Target payout if share price reaches $43.09 by July 2022	$ 800,000	July 2022	July 2023
	MSU – Tranche 2 payout June 2024	Target payout if share price reaches $47.00 by July 2023	$ 800,000	July 2023	July 2024

As noted above, the Board believed it was necessary to introduce an additional one-off performance vested equity plan to incentivize senior management to improve the share price. The retention plan has been awarded to a selected group of executives, including the CEO and CFO. The plan is based on MSU and is a performance-based scheme where the outcome is dependent on the share price at the time of vesting. The MSU is settled in cash. We have retained 97% of all executives made eligible under this plan.

5. Remuneration Approach for 2022

For 2022, the Board has proposed continuing with a consistent framework of STI and LTI, with a few changes explained below. We have removed the RSU component from the LTI, thus reducing the LTI opportunity for 2022, and made a corresponding increase in the share component of the STI, where the grant amounts are driven by annual performance but still provide a retention element through three-year pro-rata vesting (30%, 30%, 40%).

For the CEO, the at-target and maximum remuneration for 2022 is set out below*:



CEO earnings opportunity 2022 target analysis (excludes MSU).

At target, CEO compensation is paid 71% in share units and 84% in variable compensation.

At maximum, CEO compensation is paid 78% in share units and 91% in variable compensation.

5.1 Summary of Key Changes for 2022

We made two small changes to the 2022 remuneration plans, with a continued focus on pay for performance and incentivizing the retention of key talent.

For the 2022 STI, we will fully transition our NPS metric from a transactional focus to a relational approach. We believe this will be a more stringent way to measure our strategic intent to deliver the best customer experience.

For the LTI 2022, the structure of the award remains consistent with 2021, with only one change. As the business context is stabilizing and per feedback from our key shareholders, we reverted to 100% performance shares for our LTI plan. We made a corresponding increase in the share component of the STI, where the grant amounts are driven by annual performance but still provide a retention element through three-year pro-rata vesting (30%, 30%, 40%).

Base Salary x Target Percentage x Performance Performance (70%) + rTSR (30%) = LTI Payout

Target Opportunity | Company Performance

6. Sundry

6.1 Summary of Outstanding Awards

							Opening Balance	During the Year			Closing Balance
Name	**Plan Type**	**Award Details - Plan Name**	**Performance Period**	**Award Grant Date**	**Vesting Date**	**Award Share Price in USD**	**Outstanding Balance as of Dec. 2020**	**Share Units Granted in 2021**	**Shares Vested in 2021**	**Forfeited in 2021**	**Outstanding Balance as of Dec. 2021**
Mauricio Ramos (CEO)	Deferred Share Plan	2018 DSP	2017	1/1/2018	1/1/2021	$66.11	7,161	—	7,161	—	—
		2019 DSP	2018	1/1/2019	1/1/2022	$59.65	17,508	—	7,504	—	10,004
		2020 DSP	2019	1/1/2020	1/1/2023	$45.86	31,126	—	9,338	—	21,788
		2021 DSP	2020	1/1/2021	1/1/2024	$35.20	—	36,963	—	—	36,963
	Performance Share Plan	2018 PSP	2018-2021	3/1/2018	3/1/2021	$66.11	69,576	—	38,942	30,634	—
		2019 PSP	2019-2022	3/1/2019	1/1/2022	$59.65	77,111	—	—	57,833	19,278
		2020 PSP	2020-2023	3/1/2020	1/1/2023	$45.86	122,768	—	—	92,076	30,692
		2021 PSP	2021-2024	1/1/2021	1/1/2024	$35.20	—	159,941	—	—	159,941
TOTAL Mauricio Ramos (CEO)							**325,250**	**196,904**	**62,945**	**180,543**	**278,666**
Tim Pennington (CFO)	Deferred Share Plan	2018 DSP	2017	1/1/2018	1/1/2021	$66.11	4,711	—	4,711	—	—
		2019 DSP	2018	1/1/2019	1/1/2022	$59.65	6,537	—	2,801	—	3,736
		2020 DSP	2019	1/1/2020	1/1/2023	$45.86	13,657	—	4,097	—	9,560
		2021 DSP	2020	1/1/2021	1/1/2024	$35.20	—	14,457	—	—	14,457
	Performance Share Plan	2018 PSP	2018-2021	3/1/2018	3/1/2021	$66.11	17,890	—	10,013	7,877	—
		2019 PSP	2019-2022	3/1/2019	1/1/2022	$59.65	18,992	—	—	14,244	4,748
		2020 PSP	2020-2023	3/1/2020	1/1/2023	$45.86	26,186	—	—	19,640	6,546
		2021 PSP	2021-2024	1/1/2021	1/1/2024	$35.20	—	35,164	—	—	35,164
TOTAL Tim Pennington (CFO)							**87,973**	**49,621**	**21,622**	**41,761**	**74,211**

6.2 Summary of Shares Owned vs. Target

Millicom's share ownership policy sets out the Compensation Committee's requirements for the Global Senior Management Team to retain and hold a personal holding of common shares in the Company to align their interests with those of our shareholders. All share plan participants in the Global Senior Management Team are required to own Millicom shares to a value of a percentage of their respective base salary as of January 1 of each calendar year.

For that purpose, we continue to uphold our share ownership requirements for our top 50 roles:

Global Senior Management Level	% of Annual Base Pay
CEO	400
CFO	200
EVPs	100
General Managers and VPs	50

For the CEO and CFO:

	Awarded unvested subject to performance conditions	Awarded unvested not subject to performance conditions	Shares required to be held as % salary	Number of shares required to be held	Number of beneficially owned shares	Shareholding requirement met
Mauricio Ramos (CEO)	209,911	68,755	400%	133,285	232,562	Yes
Tim Pennington (CFO)	46,458	27,753	200%	40,188	70,095	Yes

Unless this requirement is met each year, no vested Millicom shares can be sold by the individual.

6.3 Details of Share Purchase and Sale Activity

During 2021, neither the CEO nor the CFO purchased nor sold any Millicom shares.

6.4 Historic CEO and CFO Pay

	2020 vs. 2019	2021 vs. 2020	Information Regarding 2021 (USD)
CEO Remuneration*	9.2%	17.8%	USD$M19.5
CFO Remuneration*	(4.2)%	33.4%	USD$M4.0
Group EBITDA	(1.4)%	5.9%	USD$B2.5
Average remuneration on FTE basis of employees of parent company**	0.5%	3.6%	USD$25,280

**Year-over-year remuneration comparison compares total compensation column in 4.2 summary of total CEO/CFO compensation of this report (excludes MSU).*

***Average remuneration on a full-time equivalent basis of employees of the Millicom Group other than the CEO, reported by each individual operation as of Dec 31, 2021.*

6.5. Board Compensation

Governance of Director Remuneration

Decisions on annual remuneration of Directors ("tantièmes") are reserved by the Articles of Association to the general meeting of shareholders. Directors are prevented from voting on their own compensation. Resolution 17 of the AGM on May 4, 2021, approved the Director remuneration from the date of the 2021 AGM to the date of the AGM in 2022.

2021 Director Remuneration

During early 2021, in proposing Director remuneration, the Nomination Committee received input from an external compensation advisor—including market and peer benchmarking—and considered the frequency of meetings and complexity of Millicom's business and governance structures. After considering these and other relevant aspects, the Nomination Committee proposed keeping the structure and amount of remuneration for each role for the Non-Executive Directors the same as the prior year.

a) Non-Executive Director Remuneration

Remuneration of the Non-Executive Directors comprises an annual fee and shares denominated in U.S. dollars. The remuneration is 100% fixed. Non-Executive Directors do not receive any fringe benefits, pensions or any form of variable remuneration. No remuneration was paid to any of the Non-Executive Directors in 2021 or 2020 from any other undertakings within the Millicom Group.

b) Executive Director Remuneration

Executive Directors do not receive any remuneration in their capacity as Directors.

Approval of 2021 Director Remuneration

The Nomination Committee's proposal for Director remuneration was approved at the AGM on May 4, 2021.

Name of Director	Year (i)	Cash-based fee ($000's)	Share-based fee (ii) ($000's)	Total ($000's)
Mr. José Antonío Rios García	2021	100	200	300
Chair of the Board	2020	100	200	300
Ms. Pernille Erenbjerg	2021	100	150	250
Deputy Chair of the Board Chair of the Compensation Committee	2020	122.5	150	272.5
Mr. Odilon Almeida	2021	75	100	175
Chair of the Compliance and Business Conduct	2020	75	100	175
Mr. Bruce Churchill A,	2021	72.5	100	172.5
Ms. Sonia Dulá A, CBE	2021	85	100	185
Ms. Mercedes Johnson A, CBE	2021	107.5	100	207.5
Chair of the Audit Committee	2020	85	100	185
Mr. Lars-Johan Jarnheimer C	2021	62.5	100	162.5
Mr. James Thompson A, C	2021	85	100	185
	2020	85	100	185
Former Directors				
Mr. Tomas Eliasson (until May 2021)	2020	95	100	195
Mr. Lars-Åke Norling C, CBE (until May 2021)	2020	75	100	175
Total	**2021 (iii)**	**687.5**	**950**	**1,637.50**
	2020	**637.5**	**850**	**1,487.00**

(i) Remuneration covers the period from May 4, 2021, to the date of the AGM in May 2022 as resolved at the shareholder meeting on May 4, 2021 (2020: for the period from June 25, 2020, to May 4, 2021).

(ii) Share-based compensation for the period from May 4, 2021, to May 2022 was based on the average closing price of Millicom shares for the three-month period ended April 30, 2021, and represented a total of 24,737 shares (2020: 32,358 shares).

A Member of Audit Committee

C Member of Compensation Committee

CBE Member of Compliance and Business Ethics Committee

(iii) Total remuneration for the period from May 4, 2021, to May 2022 after deduction of applicable withholding tax at source comprising 73% in shares and 27% in cash (2020: 71% in shares and 29% in cash).

6.6 2021 AGM Vote

	Votes For	%	Votes Against	%	Abstentions	%
Director Remuneration	47,398,168	97.05%	55,994	0.11%	1,384,841	2.84%
Senior Management Remuneration Guidelines and Policy	38,482,068	78.79%	8,894,385	18.21%	1,462,550	2.99%

Millicom CEO and Executive Team

CEO	Position	Role and responsibilities
Mr. Mauricio Ramos	CEO	• Leading the development and execution of the Company's strategy
		• Overseeing day-to-day activities and management decisions, both operating and financial • Acting as liaison between the Board and management of the Company • Leading the Executive Team

Mr. Mauricio Ramos
Chief Executive Officer and Executive Director

Mauricio joined Millicom in April 2015 as CEO and was elected as an Executive Director in June 2020.

Previously, he was President of Liberty Global's Latin American division from 2006 until February 2015. Mauricio held several leadership roles at Liberty Global, including Chairman and CEO of VTR in Chile, Chief Financial Officer of Liberty's Latin American division and President of Liberty Puerto Rico.

Currently, Mauricio is (i) a member of the Board of Directors of Charter Communications (U.S.), (ii) the Chair of the U.S. Chamber's U.S.-Colombia Business Council (USCBC), (iii) a commissioner of the Broadband Commission for Sustainable Development and (iv) a member of the Presidential Advisory Council of the INCAE business school.

He is a dual Colombian and U.S. citizen who received Economics and Law degrees and a postgraduate degree in Financial Law from Universidad de Los Andes in Bogota.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 232,562 shares

Millicom's Executive Team members support the CEO in the day-to-day operation and management of the Group, within their specific areas of expertise. The team meets at least once a month and more frequently when required. Millicom's Executive Team is as follows:

Executive	Team	Role responsibilities
Mr. Tim Pennington	Chief Financial Officer	Finance and financial planning; financial performance reporting, including external financial reporting; budgeting, forecasting and monitoring expenditures and costs; implementation and enhancement of related controls; risk management; oversight of the African business.
Mr. Sheldon Bruha	Incoming Chief Financial Officer	As described above upon retirement of Mr. Pennington on April 1, 2022
Mr. Esteban Iriarte	Chief Operating Officer–Latam	Operations and development of the Latin American businesses
Mr. Xavier Rocoplan	Chief Technology and Information Officer	Networks, information technology, procurement and cybersecurity within the Group
Mr. Karim Lesina	Chief External Affairs Officer	Government relations, regulatory affairs, corporate communications, corporate responsibility and corporate security
Mr. Salvador Escalón	Chief Legal and Compliance Officer	Legal and corporate governance matters, including oversight, identification and management of legal issues, risks and claims of the Group; legal aspects of mergers and acquisitions and other corporate and commercial transactions; data privacy; compliance matters such as ethics, anti-bribery, anti-corruption, anti-money laundering and related compliance programs
Ms. Susy Bobenrieth	Chief Human Resources Officer	Human resources matters, including talent acquisition and management, compensation, and diversity, equity and inclusion

The profiles of the CFO and Executive Team members are provided below:

Mr. Tim Pennington
Senior Executive Vice President, Chief Financial Officer

Tim joined Millicom in June 2014 as Senior Executive Vice President and Chief Financial Officer.

Previously, he was the Chief Financial Officer at Cable and Wireless Communications plc, Group Finance Director for Cable and Wireless plc and CFO of Hutchison Telecommunications International Ltd, based in Hong Kong. Tim served as Finance Director of Hutchison 3G (UK), Hutchison Whampoa's British mobile business. He also has corporate finance experience as a Director at Samuel Montagu & Co. Limited and as Managing Director of HSBC Investment Bank within its Corporate Finance and Advisory Department.

Tim is a currently a member of the Board of Directors of Euromoney Institutional Investor plc.

He is a British national and holds a Bachelor of Arts (Honors) degree in Economics and Social Studies from the University of Manchester.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 70,095 shares

Mr. Sheldon Bruha
Executive Vice President, Incoming Chief Financial Officer

Sheldon joined Millicom in January 2022 and will take over as Chief Financial Officer when Tim Pennington retires on April 1, 2022.

Prior to joining Millicom, he was the Chief Financial Officer at Frontier Communications, one of the largest fixed-line communication providers in the U.S., where he successfully helped navigate the business through its financial restructuring. Prior to joining Frontier, he held several senior financial leadership roles at Cable & Wireless, including Head of Corporate Development, where he led the strategic transformation and reshaping of the company prior to its sale to Liberty Latin America. He also held senior financial leadership roles at CDI Corp. Sheldon started his career at Lehman Brothers, holding senior investment banking positions in its New York and London offices focusing on the telecommunications industry.

He is an American national and holds a a Bachelor of Science (Honors) degree in Business Administration from Washington University.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: no shares

Mr. Esteban Iriarte

Executive Vice President, Chief Operating Officer, Latin America

Esteban was appointed as Executive Vice President and Chief Operating Officer (COO), Latin America in August 2016.

Previously, Esteban was General Manager of Millicom's Colombian businesses where, in 2014, he led the merger and integration of Tigo and the fixed-line company UNE. Prior to leading Tigo Colombia, Esteban was head of Millicom's regional Home and B2B divisions. From 2009 to 2011, he was CEO of Amnet, a leading service provider in Central America for broadband, cable TV, fixed-line and data services, which Millicom acquired in 2008.

Currently, Esteban is a member of the Board of Directors of Sura Asset Management, one of Latin America's leading financial groups.

Esteban is from Argentina. He received a degree in Business Administration from the Pontificia Universidad Catolica Argentina (Santa Maria de los Buenos Aires) and an MBA from the Universidad Austral in Buenos Aires.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 45,679 shares

Mr. Xavier Rocoplan

Executive Vice President, Chief Technology and Information Officer

Xavier joined the Executive Team as Chief Technology and Information Technology Officer in December 2012.

Xavier started at Millicom in 2000 and initially served as CTO in Vietnam and subsequently Southeast Asia. In 2004, he became CEO of Paktel, Millicom's subsidiary in Pakistan, where he launched Paktel's GSM operation and led the process that concluded with the disposal of the business in 2007. Xavier then served as head of Corporate Business Development, where he managed the disposal of various Millicom operations in Asia, the monetization of Millicom infrastructure assets (towers), and numerous spectrum acquisitions and license renewal processes in Africa and in Latin America.

Xavier is a French national. He holds a Master's in Engineering from Ecole Nationale Supérieure des Télécommunications de Paris and a Master's in Economics from Université Paris IX Dauphine.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 51,506 shares

Mr. Karim Lesina

Executive Vice President, Chief External Affairs Officer

Karim joined the Executive Team as Executive Vice President, Chief External Affairs Officer in November 2020.

Previously, he held the position of Senior Vice President, International External and Regulatory Affairs at AT&T, directing the internal international and regulatory affairs teams, as well as the external and regulatory affairs teams across four international affiliates: Turner, Warner Media, AT&T Latin America and Direct TV. Prior to AT&T, Karim led the corporate affairs team at Intel as the Government Affairs Manager for Europe, Africa and the Middle East. Rounding out a strong portfolio, he acquired extensive agency experience through his work with multinational public relations and communications firms at the commencement of his career.

Born in Dakar (Senegal), Karim is an Italian-Tunisian national and has a Master's in Economics of Development at the Catholic University of Louvain-la-Neuve.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: no shares

Mr. Salvador Escalón

Executive Vice President, Chief Legal and Compliance Officer

Salvador became General Counsel in 2013, Executive Vice President in July 2015 and Chief Legal and Compliance Officer in 2020.

Salvador joined Millicom as Associate General Counsel Latin America in April 2010. From 2006 to 2010, Salvador was Senior Counsel at Chevron Corporation, with responsibility for legal matters related to Chevron's downstream operations in Latin America. Previously, he practiced at the law firms Skadden, Morgan Lewis and Akerman Senterfitt.

Salvador is an American national. He holds a J.D. from Columbia Law School and a B.B.A. in Finance and International Business from Florida International University.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 49,591 shares

Ms. Susy Bobenrieth

Executive Vice President, Chief Human Resources Officer

Susy joined the Executive Team as Executive Vice President Chief Human Resources Officer in 2017.

Susy is a global human resource professional with over 25 years of experience in major multinational companies, including Nike, American President Lines and IBM. As an ex-Nike executive, she has extensive international knowledge and proven results in leading large-scale organizational transformations, driving talent-management agendas and leading teams. She possesses deep international experience, having lived and worked in Mexico, the U.S., Brazil, the Netherlands and Spain.

Susy is an American national with Chilean heritage. She earned a degree from the University of Maryland, University College in 1989.

MILLICOM SHAREHOLDING AT JANUARY 31, 2022: 4,536 shares

Management Governance

The Group seeks to embed governance activities in the daily operations of all businesses and in its corporate functions. The role of the Group's Governance functions is to set policies and procedures in accordance with our obligations and international best practices. These functions then ensure policies and procedures are embedded in our businesses and serve to monitor compliance.

Each function has clear reporting lines through to the Executive Team and the CEO. Functions report to the Board committees, as previously described, based on the responsibilities of each committee.

Internal Audit

Group has a dedicated Internal Audit function to provide independent assurance over all businesses and corporate functions through a program of risk-based internal audits.

Internal Audit reports to the Audit Committee of the Board with a dotted line to executive management. This function identifies areas for improvement, assigns management actions and monitors implementation progress.

In Colombia, where Millicom has a non-controlling local partner, there is a local internal audit team whose head is appointed by Millicom's business partner. Millicom's Head of Internal Audit provides input into the local internal audit plan to ensure appropriate risk coverage and participates in the local Audit Committee meetings.

Prior to the full acquisition of Guatemala, Internal Audit coordinated with the local partner to define the scope for the annual internal audit plan, which was executed by a Big 4 accounting firm. Internal Audit oversaw the execution of such projects, and reported on results, as well as participated in local Audit Committee meetings.

Business Control

The Board is responsible for the Group's system of internal control, which is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. This system can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognizes that the cost of control procedures should not exceed the expected benefits.

Responsibility for maintaining effective internal controls is delegated to the CEO and the Executive Team with oversight provided by the Audit Committee. The Executive Team is supported by a dedicated Business Control team responsible for the Internal Control framework. Each country also has its own dedicated local Business Control team responsible for monitoring and development of the local internal control environment.

Following the completion of the second-year controls attestation under the Sarbanes-Oxley Act for the 2020 financial year, we focused in 2021 on efficiencies in internal controls over financial reporting through simplification and centralization. We also worked on ensuring the controls we rolled out in the Telefonica-acquired operations in Nicaragua and Panama in 2020 are efficient and sustainable.

In order to support our Sarbanes-Oxley program, we run a Group Steering Committee comprising members of the Executive Team and other senior management. The committee oversees the program, evaluates the findings of management testing and ensures the availability of appropriate resources.

Business Control teams continue to place themselves at the heart of Group efficiency and transformation programs to ensure that robust internal controls are an integral consideration in each program.

Monitoring Systems

Aligned with our Sarbanes-Oxley program, we operate a program of management testing of key financial controls. Monthly management testing covering both business processes and IT general controls was administered through three main phases—walk through, interim and roll-forward—which allowed greater alignment with our external auditor Ernst & Young (EY). In fact, 2021 was the first year that EY placed reliance on management testing (25%). The testing results, including remediation actions where required, were reported and discussed with the Executive Team, the Sarbanes-Oxley Steering Committee and the Audit Committee. During 2021, we completed the development of our internal Center of Excellence for control testing based in El Salvador.

We have enhanced the use of our Governance, Risk and Compliance tool and started migrating non-key control activities to the platform. This central tool, which is used by control owners in all operations in the Group, has improved the efficiency and quality of our internal controls and proved invaluable as teams moved to work remotely during the COVID-19 pandemic.

Fraud Management and Reporting

Business Control is responsible for fraud risk management. We continued our education activities, including an awareness campaign aligned with International Fraud Awareness Week in November 2021.

Each operation prepares a quarterly fraud report and presents a summary to the Audit Committee, along with a description of the key actions taken. Quantitative and qualitative thresholds govern the reporting of individual fraud incidents to the Group CFO, CEO and Audit Committee.

Internal Control over Financial Reporting

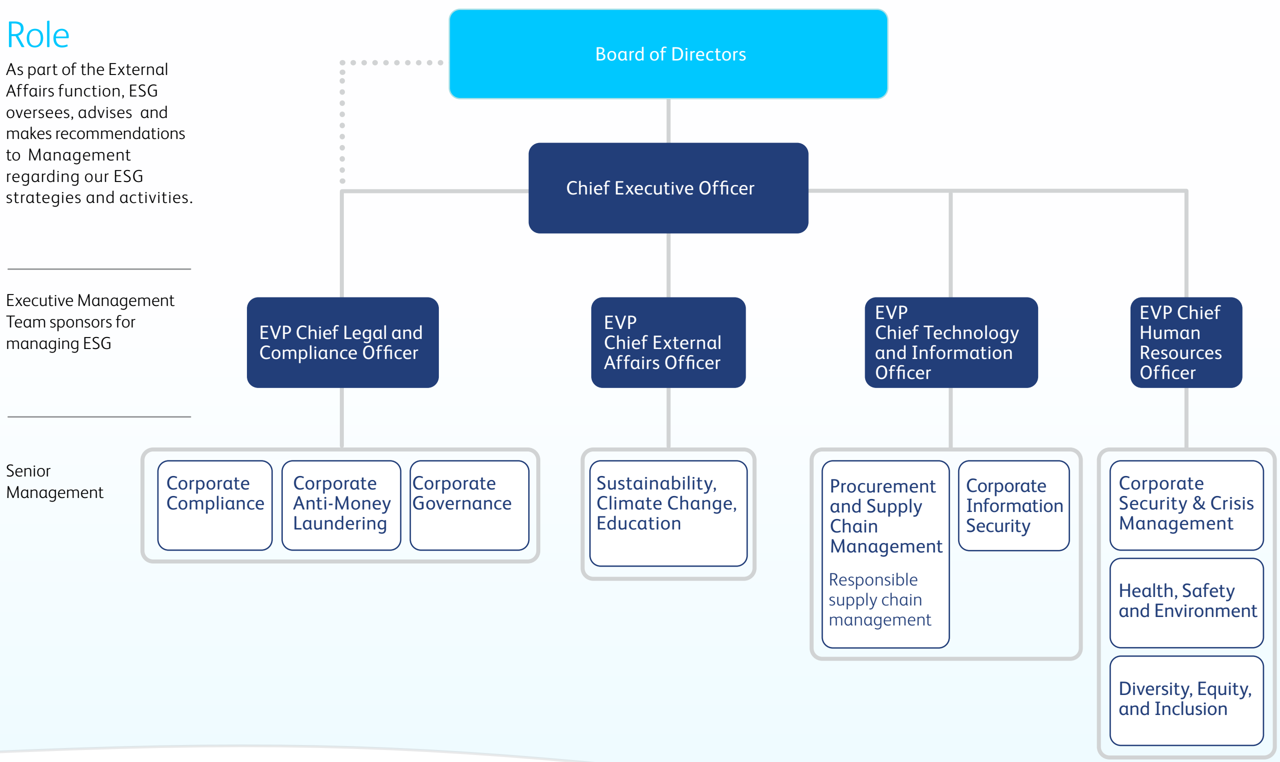
The management of Millicom is responsible for establishing and maintaining adequate internal control over financial reporting. This process is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in conformity with International Financial Reporting Standards. Due to their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of internal control over financial reporting as of December 31, 2021, and concluded that it was effective. The foregoing assessment does not constitute and is not meant to be an assessment of Millicom's internal control over financial reporting for purposes of the U.S. Securities Exchange Act of 1934, as amended.

How ESG is governed

Role

As part of the External Affairs function, ESG oversees, advises and makes recommendations to Management regarding our ESG strategies and activities.



Risk Management

The Risk Management function identifies, analyzes, measures and monitors Millicom's risks. The Chief Risk Officer is responsible for providing risk owners at the central functional and country levels with a methodology and the tools needed to balance risk with return. A Management Risk Committee, comprising members of the Executive Team and functions responsible for key risk, meets on a regular basis to provide oversight on the evolution of risk and the approach taken to manage risk. The Chief Risk Officer also reports to the Executive Team and the Audit Committee. The Audit Committee, on behalf of the Board, oversees risk management activities.

Our risk assessment processes and the principal risks managed by the Group are set out in the Risk Management section of this annual report.

Ethics and Compliance

Our corporate ethics and compliance program is central to our business strategy and is effectively embedded in the business processes and procedures. Our program integrates preventive measures, key controls, reporting mechanisms and due diligence processes with the aim of preventing, detecting, as well as correcting misconduct and wrongdoing. We measure the actual impact of this program on our employees, customers, stakeholders, and communities in the countries where we operate.

Our Ethics & Compliance function consists of global and local resources responsible for the Group's corporate compliance, anti-money laundering and compliance strategic response programs. We also have a Compliance Officer in each market.

Management and Governance of Compliance Activities

Millicom strives to build a strong corporate culture that seeks compliance excellence, and in which employees at all levels are committed to doing what is right and upholding the Company's values and standards. As we continue to evolve, in 2021 we revised our Code of Conduct, as well as our AML, anti-corruption and Speak Up policies. In the same vein, we continued to evaluate our progress in 2021 by including compliance questions in our Great Place to Work survey. We also evaluated our own compliance risks by conducting a robust risk assessment in the organization.

We enhanced ethics and compliance knowledge through consolidated digital training provided in English and Spanish. Employees received mandatory training on the Code of Conduct, anti-corruption and anti-bribery and AML policies in order to reinforce the most important compliance concepts, influence employee behavior, and prevent misconduct through practical examples. We also provided targeted face-to-face training in addition to the digital training program.

Our Compliance Communication Plan for 2021 included weekly newsletters that highlighted the latest corporate enforcement actions, lessons learned, monthly campaigns on various compliance policies, and the celebration of the annual Corporate & Ethics Compliance Week in November 2021.

Aligned with our Sangre Tigo motto, and for the fourth year in a row, executive financial incentives and rewards included compliance goals, and clear KPIs were built into the remuneration package of our General Managers.

We continued monitoring enhanced risks during the pandemic, namely fraud by third parties, requests for donations and more frequent government touchpoints as they reached out to private industry to request aid.

Speak Up Policy and Issue Management

Continuing our compliance enhancements and evolution, we updated our Speak Up policy, included Speak Up in our training program and included a Speak Up campaign in our communications program. We have a team dedicated to following up on concerns that arise through Speak Up and are committed to addressing any such concerns in a fair, impartial and efficient manner.

The Executive Team and the Compliance and Business Conduct Committee of the Board received regular updates on cases raised through the Ethics Line or other channels, and the Audit Committee is updated on matters that may impact financial reporting or the internal control environment.

ESG

For the fifth consecutive year, we included extensive data on our ESG activities in our Annual Report. The integral approach and impact to ESG is explained in the Our ESG Approach and Impact section starting on page 30. As we navigate the second year of a global pandemic, we reaffirm the synergy between digital highways and sustainability as enabling a business model that positively impacts society and the environment and promotes responsibility.

Millicom's ESG strategy leads the company to further integrate sustainability within Millicom's business operations. It does so by implementing best-in-class policies and processes for ESG governance; coordinating ESG activities and performance across business functions as well as with HQs; and publishing ESG-related performance metrics, data and information in our Annual Report. Our Annual Report continues to promote transparency toward investors and other key stakeholders on ESG risks and opportunities.

The ESG team constantly engages with internal and external stakeholders to ensure Millicom understands and addresses core ESG issues and objectives, bringing tangible benefit to communities in the delivery of its services.

Stakeholder engagement occurs through a biennial materiality assessment and through ongoing interaction with our key stakeholders.

ESG Governance

The Board oversees the Government Relations, Regulatory Affairs and ESG functions, which fall under the umbrella of External Affairs. This structure embodies the depth and materiality of these topics and the importance of monitoring their interconnected risks and opportunities. ESG portfolio management is managed by the Executive Vice President (EVP) Chief External Affairs Officer and his team. The EVP Chief External Affairs Officer reports directly to the CEO and is accountable for delivering updates on the ESG strategy to the Board. ESG progress and implementation reports and issue management updates to the Executive Team take place monthly, either through the EVP Chief External Affairs Officer or directly in specific cases.

Health, Safety, Environment and Security Services

With the continuation of the COVID-19 global pandemic in 2021, our Health & Safety teams' primary objective remains to protect our employees and support our global operations. Our Health & Safety teams maintain the enforcement of COVID-19 safety-related protocols for our workforce, including workspace cleaning, personal hygiene, issuance of personal protection equipment and social distancing guidelines as recommended by the World Health Organization and U.S. Centers for Disease Control (CDC). Additionally, the Health & Safety teams have worked on numerous projects in our countries of operation to promote and educate employees on COVID-19 prevention and treatment options, as well as the importance of vaccination for our employees and their families. We have sponsored vaccination drives in our countries, ensuring our employees and their family members have access to vaccines.

Apart from dealing with the COVID-19 pandemic, the Health & Safety and Environment teams were able to obtain recertification of ISO 45001 Health and Safety Standards and ISO 14001 Environmental Standards in all our operations. In addition, we have expanded implementation of our energy efficiency programs to administrative and retail facilities in all of our operations.

The Health & Safety teams oversee the implementation of policy and Group standards in health, safety and environment, as well as facilities management, fleet management and fuel and energy resources. The Health & Safety teams also provide effective and efficient solutions to support our CDP (formerly Carbon Disclosure Project) and environmental energy efficiency plans.

Throughout 2021, we prevented employee fatalities and major losses to the Group. Unfortunately, there were two fatalities in our contracted services.

Our Security teams are responsible for the safety and protection of our people, facilities and assets. During this period, we continued the implementation of initiatives focused on protecting assets and mitigating losses of material and equipment at our network locations. Implementation of these initiatives has resulted in yearly loss reductions of assets in El Salvador, Costa Rica, Colombia and Paraguay. The Security teams will continue to promote asset protection and collaborate with our Operations teams on this initiative.

The Executive Vice President of Human Resources oversees the Health, Safety, Environment and Security functions.

Business Continuity

Management of business continuity is positioned within the overall Risk Management function of the group, with each operating company having designated Business Continuity Managers. A global business continuity policy has been developed and implemented, together with supporting standards.

Business continuity plans are reviewed and periodically tested each year to ensure coverage of the most important threats.

Crisis Management

Our global and operational business continuity and crisis management system is designed to address significant disruptions that might affect critical day-to-day activities. With respect to crisis management, our streamlined and complementary planning between Group and country-level operations proved effective when country lockdowns and emergency orders restricting travel and movement impacted our operations. Additionally, crisis management planning was utilized on two different occasions in response to political turmoil and civil unrest in some of the countries where we operate.

Risk assessment is a continuous activity that starts with a business impact analysis of all critical services and processes that require a disaster recovery and business continuity plan. After performing a risk assessment on all critical assets identified in the analysis, we address every relevant operational threat in a formal risk mitigation plan.

Millicom crisis management defines the proper response to, and management of, an intense, unexpected and unstable situation that disrupts normal operations and has highly undesirable outcomes that require extraordinary measures to restore normal operations. Crisis management aims to protect the safety of our staff, our reputation and our ability to deliver continuous and reliable service to customers, while also maintaining our contractual, legal and regulatory compliance.

In parallel, Millicom has physical security and loss-prevention standards that set minimum acceptable levels of critical site protection, as defined by industry best practices. All activities undergo monitoring and compliance activities

Information Security

Our Global Chief Information Security Officer (CISO) manages the information security program and reports to the EVP Chief Technology and Information Officer. The CISO is responsible for identifying, managing and mitigating technology-centric risks throughout the company.

The CISO oversees regional Information Security teams to ensure the confidentiality, integrity and availability of all business-critical systems and assets. Other responsibilities include identifying potentially detrimental internal and external threats and risks and safeguarding proprietary and personal customer information. Additionally, the regional teams work closely with Millicom business and technology leaders to ensure compliance with corporate policies and regional information security-related regulatory requirements within the various countries where we conduct business.

The CISO meets regularly with the Compliance and Business Conduct Committee and Audit Committee to ensure appropriate risks are elevated and addressed.

2021 continued with a high-level attack volume with a marked increase specifically in email-based phishing attacks or ransomware. This has been addressed through phishing awareness and training initiatives, as well as reinforcing the protection of our critical assets.

During 2021, the global Information Security team focused on the identification, management and reporting of risk throughout the enterprise.

- Risk management: We focused on consolidating and detailing our risk register, at Group and local levels, to ensure the adequacy and prioritization of the actions taken. Additional effort was made to reinforce the management of third-party risks, using more stringent criteria to assess new solutions supporting the digitalization of our environment.

- Global Security Operations Center expansion: We continued to increase the visibility of the corporate Security Operations Center, further expanding monitoring deeper into all critical networks and gaining additional visibility. Additionally, we accelerated the integration of Guatemala into the regional solution, which will continue in 2022.

- Development of a global vulnerability management program: We are scanning our global environment monthly to monitor the remediation of vulnerabilities across the region. The regional solution now covers all operations except Guatemala, where the migration will happen in Q1 2022. Preventative evaluation of risks and reinforcement of our infrastructure was made to address the multiple zero-day vulnerabilities or vulnerabilities used in attacks reported publicly.

Directors' Financial and Operating Report

Group Performance

In 2021, total revenue for the Group was $4,617 million and gross profit was $3,316 million, a margin of 71.8%. 2021 figures also include additional revenue from the Guatemala operations since their consolidation from November 12, 2021.

Operating expenses represented 36.3% of revenue, a slight increase compared with the 36.1% in 2020 as a result of increased sales and marketing costs to support robust customer growth, as compared with 2020 when strict lockdowns significantly curtailed commercial activity.

Operating profit was up 47.5% to $659 million, a 14.3% margin, affected by strong operational performance and by the consolidation of our operations in Guatemala. Depreciation was also higher last year due to network modernization activities of older infrastructure.

Net financial expenses were $507 million, a decrease of $104 million compared with last year. The decrease was mainly due to lower debt levels, following repayment activity over the last year.

The revaluation of our previously held interest in Guatemala generated a gain of $670 million in 2021.

Profit before taxes was $732 million, reflecting the higher operating profit, lower interest expense and the effect of the revaluation gain described above, partially offset by other non-operating expenses of $50 million mainly related to foreign exchange losses.

The net tax charge was $189 million, leaving a net profit from continuing operations of $543 million for the year.

As a result, our net profit for the year, after discontinued operations, was $542 million. The share of losses of non-controlling interests was $48 million, reflecting our partners' share of net results in our subsidiaries in Colombia and Panama.

The net profit for the year attributable to Millicom owners was $590 million, an earnings per share of $5.84.

Share Capital

At December 31, 2021, Millicom had 101.7 million issued and paid-up common shares of par value $1.50 each, of which 1,538,256 were held by the Company as treasury shares (2020: 526,134). During the year, the Company acquired 1,369,284 shares through its share repurchase program. It issued approximately 434,000 shares to management and employees under the share-based plans, and issued approximately 25,000 shares to Directors as part of their annual remuneration.

Distribution to Shareholders and Proposed Distributions

Our shareholders-approved the proposal from the Board not to pay a dividend in 2021. No dividend was paid in 2020.

On July 29, 2021, the Group announced the launch of a share repurchase program of up to the lower of SEK 870 million (approximately $100 million) in aggregate purchase price, or 5 million Swedish Depositary Receipts. The purpose of the repurchase program is to reduce Millicom's share capital, or to use the repurchased shares to meet obligations arising under Millicom´s employee-share-based incentive programs. Under this repurchase program, Millicom repurchased 1,369,284 shares in 2021, for a total amount of approximately $50 million, paid in cash. On December 17, 2021, the Group announced the conclusion of this share repurchase program as it works towards a rights offering planned for Q1 2022 to fund the Guatemala transaction.

Financial Risk Management Objectives and Policies

Millicom's financial risk management policies and objectives, together with a description of the various risks and hedging activities undertaken by the Group, are set out in Section D, financial risk management, of the consolidated financial statements.

Internal controls and risk management on the preparation of the consolidated financial statements are covered in Our Governance section starting on page 63.

Non-Financial Information

Non-financial information—such as environmental, social, and governance—are integrated throughout this report and in our Disclaimers section starting on page 113.

Management and Employees

In recent years, the Group has developed many key functions and improved support to local operations, including in the areas of procurement, network development, marketing, IT, HR, compliance and finance.

At December 31, 2021, the Group's headcount from continuing operations reached approximately 21,000 as of December 31, 2021 and 2020.

Outlook[1]

In 2022, we plan to accelerate expansion of our fixed network to reach one million additional homes, of which over half are expected to be deployed using fiber-to-the-home (FTTH) technology. We expect the cost of this accelerated network deployment will be more than offset by a moderation of our investments in our mobile networks, as we are now in the final stages of significant modernization and expansion projects undertaken over the past 24 months. Over the next three years, we aim to grow operating cash flow by approximately 10% per year on average, and we are targeting cumulative equity free cash flow generation after leases and after spectrum of between $800 million and $1.0 billion.

Risks and Uncertainty Factors

The Group operates in an industry and markets that are characterized by rapid change and are subject to macro-economic, competitive and political uncertainty. These conditions create opportunities as well as a degree of risk. Many of the inherent underlying risks in these markets—including regulatory change (such as tariff controls and taxation), currency fluctuations and underlying macroeconomic conditions—affect the level of disposable income as well as consumers' attitudes and demand for our products and services.

Subsequent Events

On January 27, 2022, our principal subsidiary in Guatemala, Comcel, completed the issuance of a new 10-year $900 million Bond with a coupon of 5.125%. Proceeds from this bond as well as cash were used to repay a significant portion of the bridge financing that was used to fund the acquisition of the remaining 45% equity interest in our Tigo Guatemala operations. As of February 8, 2022, a balance of $450 million remained unpaid under the initial $2.15 billion bridge loan agreement.

On January 13, 2022, we completed the issuance of a new 5-year sustainability bond raising SEK 2.25 billion (approximately $252 million) at a fully swapped rate of SOFR plus 3.496%. Proceeds will be used to fund investments in accordance with the Company's sustainability framework. This bond has been fully hedged against foreign exchange fluctuations.

In January 2022, Colombia Movil S.A. repaid a $100 million syndicated loan, which was initially due in 2024. Cross currency swaps used to hedge the previous interest and principal on the previous loan for $50 million were terminated. The outstanding amount of $50 million remains fully swapped.

In January 2022, Millicom received $11 million from Etisalat as earn-out income related to the purchase of Zantel in 2015. This settlement was considered as an adjusting event and recorded in 'other operating income' in the statement of income.

On February 28, 2022, the extraordinary general meeting of shareholders of Millicom resolved to authorize the Board of Directors of Millicom to increase the authorized share capital of the Company from $199,999,800 divided into 133,333,200 shares, with a par value of $1.50 per share, to $300,000,000 divided into 200,000,000 shares, with a par value of $1.50 per share.

José Antonio Ríos García
Chairman of the Board of Directors
Luxembourg, March 1, 2022

[1] *Our outlook includes references to non-GAAP measures which are further defined and described in the Group's Annual Report.*

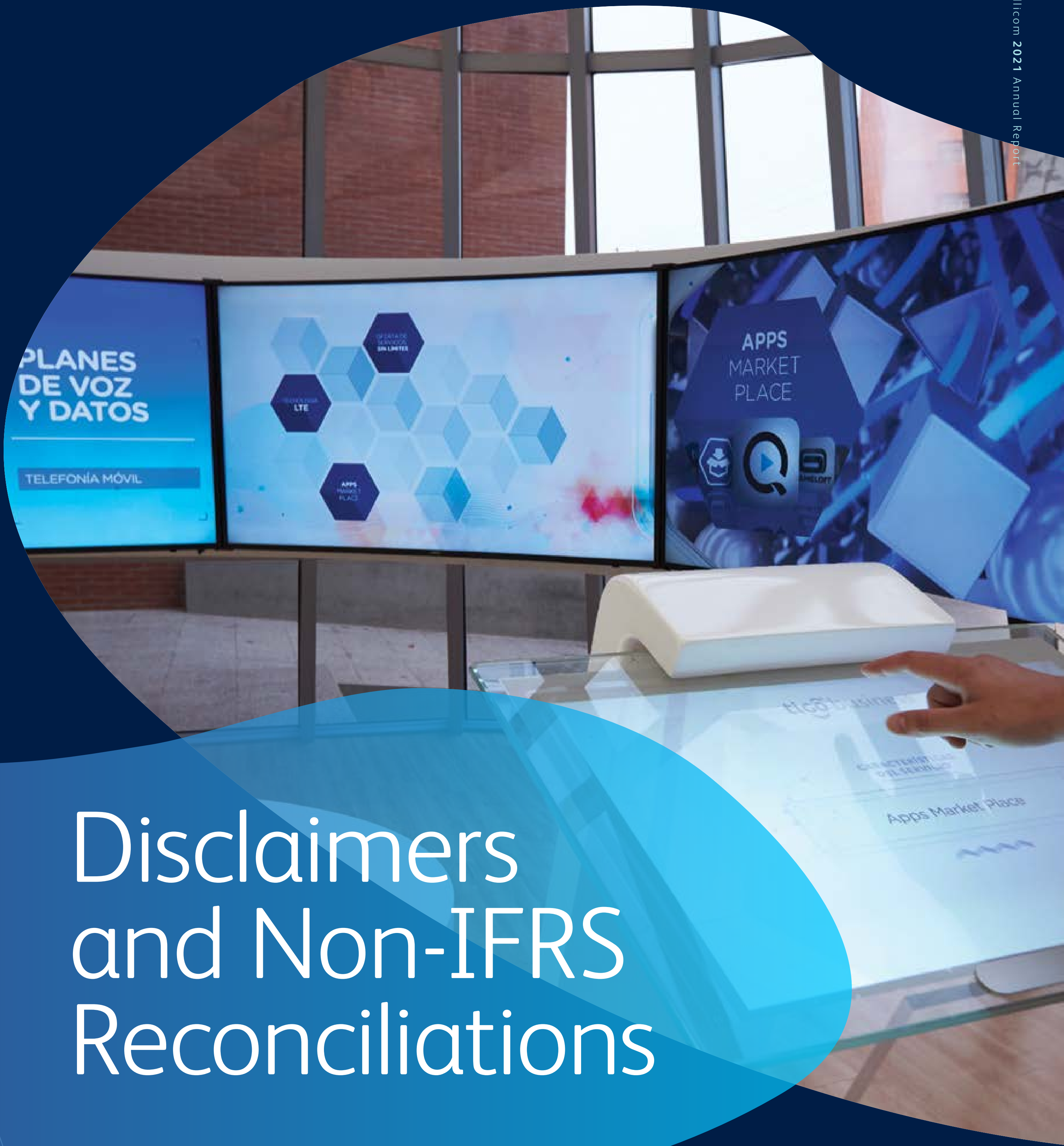
Management Responsibility Statement

We, Mauricio Ramos, Executive Director and Chief Executive Officer, and Tim Pennington, Chief Financial Officer, confirm to the best of our knowledge that these 2021 consolidated financial statements—which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union—give a true and fair view of the assets, liabilities, financial position and profit or loss of the Millicom Group and the undertakings included in the consolidation taken as a whole. We also confirm to the best of our knowledge that the Directors' report includes a fair review of the development and performance of the business; the position of the Millicom Group; and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group faces.

Mauricio Ramos
Executive Director and Chief Executive Officer

Tim Pennington
Chief Financial Officer

Luxembourg, March 1, 2022



Disclaimers and Non-IFRS Reconciliations

Disclaimers

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 the spread of the COVID-19 virus and the impact it may have on Millicom's operations, the demand for Millicom's products and services, global supply chains and economic activity in general. The risks and uncertainties include, but are not limited to, the following:

- Global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve
- Potential disruption due to diseases, pandemics, political events, piracy or acts by terrorists, including the impact of the COVID-19 outbreak and the ongoing efforts throughout the world to contain it
- Telecommunications usage levels, including traffic and customer growth
- Competitive forces, including pricing pressures, 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
- Legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, laws and regulations that require the provision of services to customers without charging or the ability to disconnect such services during the COVID-19 pandemic, tax matters, the terms of interconnection, customer access, and international settlement arrangements
- Adverse legal or regulatory disputes or proceedings
- The success of our business and operating and financing initiatives and strategies, including partnerships and capital expenditure plans
- 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
- Relationships with key suppliers, and costs of handsets and other equipment
- Our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner, 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, and the ability to achieve cost savings and realize productivity improvements
- Technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure
- The capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans
- 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. To the extent COVID-19 adversely affects Millicom's business and financial results, it may also have the effect of heightening many of the risks described in Millicom's filings.

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.

Non-IFRS Measures

This report contains financial measures not prepared in accordance with IFRS. These measures are referred to as "non-IFRS" measures and include non-IFRS service revenue, non-IFRS EBITDA and non-IFRS Capex, among others defined below. Annual growth rates for these non-IFRS measures are often expressed in organic constant currency terms to exclude the effect of changes in foreign exchange rates and the adoption of new accounting standards and are pro forma for material changes in perimeter due to acquisitions and divestitures. The non-IFRS financial measures are presented in this report, as Millicom's management believes they provide investors with additional information for the analysis of Millicom's results of operations, particularly in evaluating performance from one period to another. Millicom's management uses non-IFRS financial measures to make operating decisions, as they facilitate additional internal comparisons of Millicom's performance to historical results and to competitors' results; and shares these non-IFRS financial measures with investors as a supplement to Millicom's reported results in order to provide additional insight into Millicom's operating performance. Millicom's Remuneration Committee uses certain non-IFRS measures when assessing the performance and compensation of employees, including Millicom's executive directors.

The non-IFRS financial measures used by Millicom may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Refer to the section "Non-IFRS Financial Measure Descriptions" for additional information. In addition, these non-IFRS measures should not be considered in isolation as a substitute for, or as superior to, financial measures calculated in accordance with IFRS. Millicom's financial results calculated in accordance with IFRS and reconciliations to those financial statements should be carefully evaluated.

Alternative Performance Measure description

Service revenue is 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, short message services, installation fees and other value-added services, excluding telephone and equipment sales.

EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on fixed asset disposals. In respect to the LATAM or Africa segments, this information is available after the allocation of corporate costs and inter-company eliminations.

EBITDA after leases (EBITDAaL) represents EBITDA excluding lease interest and principal repayments.

EBITDA margin represents EBITDA in relation to revenue.

Proportionate EBITDA is the sum of the EBITDA in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country.

Organic growth represents year-on-year growth excluding the impact of changes in FX rates, perimeter and accounting. Changes in perimeter are the result of acquisitions and divestitures. Results from divested assets are immediately removed from both periods, whereas the results from acquired assets are included in both periods at the beginning (January 1) of the first full calendar year of ownership.

Net debt is debt and financial liabilities less cash and pledge and time deposits.

Net financial obligations is net debt plus lease liabilities.

Proportionate financial obligations is the sum of the net financial obligations in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country.

Leverage is the ratio of net financial obligations over LTM (last 12 months) EBITDA, pro forma for acquisitions made during the last 12 months.

Leverage after leases is the ratio of net debt over LTM EBITDA after leases, pro forma for acquisitions made during the last 12 months.

Proportionate leverage is the ratio of proportionate net financial obligations over LTM proportionate EBITDA, pro forma for acquisitions made during the last 12 months.

Proportionate leverage after leases is the ratio of proportionate net debt over LTM EBITDA after leases, pro forma for acquisitions made during the last 12 months.

Capex is balance sheet capital expenditure excluding spectrum and license costs and lease capitalizations.

Cash capex represents the cash spent in relation to capital expenditure, excluding spectrum and licenses costs.

Operating cash flow (OCF) is EBITDA less Capex.

Operating free cash flow (OFCF) is OCF less changes in working capital and other non-cash items and taxes paid.

Equity free cash flow (EFCF) is OFCF less finance charges paid (net), less advances for dividends to non-controlling interests, plus dividends received from joint ventures.

Equity free cash flow after leases (EFCFaL) is EFCF, less lease principal repayments.

Operating profit after tax displays the profit generated from the operations of the Company after statutory taxes.

Return on invested capital (ROIC) is used to assess the Group's efficiency at allocating the capital under its control and is defined as operating profit after tax, including Guatemala and Honduras as if fully consolidated, divided by the average invested capital during the period.

Average invested capital is the capital invested in the company operation throughout the year and is calculated with the average of opening and closing balances of the total assets minus current liabilities (excluding debt, joint ventures, accrued interests, deferred and current tax, cash as well as investments and non-controlling interests), less assets and liabilities held for sale.

Underlying measures, such as underlying service revenue, underlying EBITDA, underlying equity free cash flow, underlying net debt, underlying leverage, etc., include Guatemala and Honduras as if fully consolidated.

Average revenue per user per month (ARPU) for our mobile customers is (x) the total mobile and mobile financial services revenue (excluding revenue earned from tower rentals, call center, data and mobile virtual network operator, visitor roaming, national third parties roaming and mobile telephone equipment sales revenue) for the period, divided by (y) the average number of mobile subscribers for the period, divided by (z) the number of months in the period. We define ARPU for our home customers in our Latin America segment as (x) the total home revenue (excluding equipment sales, TV advertising and equipment rental) for the period, divided by (y) the average number of customer relationships for the period, divided by (z) the number of months in the period. ARPU is not subject to a standard industry definition and our definition of ARPU may be different to other industry participants.

Non-IFRS reconciliations

Reconciliation from Reported Growth to Organic Growth for the Latam segment

Latam Segment	Revenue		Service Revenue		EBITDA		OCF	
($ millions)	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
A- Current period	6,220	5,843	5,716	5,377	2,498	2,360	1,387	1,418
B- Prior year period	5,843	5,964	5,377	5,514	2,360	2,418	1,418	1,416
C- Reported growth (A/B)	6.4%	(2.0)%	6.3%	(2.5)%	5.9%	(2.4)%	(2.2)%	0.2%
D- Accounting change impact	—	—	—	—	—	—	—	—
E- Change in Perimeter impact	—%	3.9%	—%	4.0%	—%	3.8%	—%	5.6%
F- FX impact	(0.3)%	(3.8)%	(0.3)%	(3.9)%	(0.2)%	(3.5)%	(0.4)%	(6.0)%
G- Other	(0.1)	—%	(0.1)%	(0.1)%	(0.6)%	1.0%	(1.4)%	2.1%
H- Organic Growth (C-D-E-F-G)	6.9%	(2.1)%	6.7%	(2.5)%	6.7%	(3.7)%	(0.5)%	(1.4)%

Reconciliation from Reported Growth to Organic Growth for the Africa segment

Africa Segment	Revenue		Service Revenue		EBITDA	
($ millions)	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
A- Current period	357	366	357	366	111	125
B- Prior year period	366	382	366	382	125	117
C- Reported growth (A/B)	(2.7)%	(4.0)%	(2.7)%	(4.0)%	(11.0)%	6.9%
D- Accounting change impact	—	—	—	—	—	30.7%
E- Change in Perimeter impact	—%	—%	—%	—%	—%	—%
F- FX impact	(0.1)%	(0.5)%	(0.1)%	(0.5)%	(0.3)%	(31.0)%
G- Other	0.1	0.2%	0.1%	0.2%	(1.8)%	5.0%
H- Organic Growth (C-D-E-F-G)	(2.7)%	(3.7)%	(2.7)%	(3.7)%	(9.0)%	2.1%

Reconciliation from Reported Growth to Organic Growth for the main Latam markets

Service Revenue ($ millions)	FY 2021	FY 2020	Organic	FX	Accounting	Perimeter	Other	Reported
Guatemala	1,365	1,273	7.3%	(0.1)%	—	—	—	7.2%
Colombia	1,319	1,258	6.2%	(1.2)%	—	—	(0.1)%	4.8%
Paraguay	526	513	2.7%	(0.1)%	—	—	(0.2)%	2.4%
Honduras	548	516	3.8%	2.6%	—	—	(0.2)%	6.2%
Bolivia	612	575	6.3%	—	—	—	—	6.3%
Panama	608	567	7.3%	—	—	—	—	7.3%
El Salvador	398	348	14.4%	—	—	—	—	14.4%
Nicaragua, Costa Rica & Eliminations	342	328	—	N/A	N/A	N/A	N/A	N/A
Latam	**5,716**	**5,377**	**6.7%**	**(0.3)%**	**—**	**—%**	**(0.1)%**	**6.3%**

EBITDA ($ millions)	FY 2021	FY 2020	Organic	FX	Accounting	Perimeter	Other	Reported
Guatemala	857	778	10.3%	(0.1)%	—	—	—	10.2%
Colombia	441	457	(2.4)%	(1.2)%	—	—	0.1%	(3.5)%
Paraguay	242	252	(3.8)%	(0.5)%	—	—	0.3%	(4.0)%
Honduras	259	247	2.6%	2.5%	—	—	(0.1)%	5.0%
Bolivia	249	232	7.4%	—	—	—	—	7.4%
Panama	281	256	9.6%	—	—	—	—	9.6%
El Salvador	162	137	18.7%	—	—	—	—	18.7%
Nicaragua, Costa Rica, Corp Costs & Eliminations	6	—	N/A	N/A	N/A	N/A	N/A	N/A
Latam	**2,498**	**2,360**	**6.7%**	**(0.2)%**	**—**	**—%**	**(0.6)%**	**5.9%**

ARPU reconciliations

Latam Segment - Mobile ARPU Reconciliation	2021	2020
Mobile service revenue ($m)	3,372	3,220
Mobile Service revenue ($m) from non Tigo customers ($m) *	(31)	(36)
Mobile Service revenue ($m) from Tigo customers (A)	3,341	3,185
Mobile customers - end of period (000)	44,881	41,734
Mobile customers - average (000) (B) **	43,292	39,658
Mobile ARPU (USD/Month) (A/B/number of months)	6.4	6.7

**Refers to production services, MVNO, DVNO, equipment rental revenue, call center revenue, national roaming, equipment sales, visitor roaming, tower rental, DVNE, and other non-customer driven revenue.*

***Average of the last five quarters.*

Latam Segment - Home ARPU Reconciliation	2021	2020
Home service revenue ($m)	1,655	1,509
Home service revenue ($m) from non Tigo customers ($m) *	(35)	(33)
Home service revenue ($m) from Tigo customers (A)	1,620	1,477
Customer Relationships - end of period (000) **	4,893	4,545
Customer Relationships - average (000) (B) ***	4,757	4,405
Home ARPU (USD/Month) (A/B/number of months)	28.4	27.9

**TV advertising, production services, equipment rental revenue, call center revenue, equipment sales and other non customer driven revenue.*

***Represented by homes connected all technologies (HFC + Other Technologies + DTH & Wimax RGUs).*

****Average of the last five quarters.*

Reconciliation Net financial obligations to EBITDA to Proportionate net financial obligations to EBITDA as of December 31, 2021 and December 31, 2020.

Debt Information - 31 December 2021	Financial obligations			EBITDA	Proforma		
$ millions	Gross	Cash	Net		Adjustments*	EBITDA	Leverage
Millicom Group (IFRS)	8,911	930	7,981	1,639	747	2,385	3.34x
Plus: Guatemala				747		—	
Plus: Honduras	340	39	301	259		—	
Less: Corporate Costs	—	—	—	29		—	
Underlying Millicom Group (Non-IFRS)	9,251	969	8,282	2,615		2,615	3.17x
Less: 50% Minority Stake in Colombia	545	105	440	220			
Less: 33% Minority Stake in Honduras	113	13	100	86			
Less: 20% Minority Stake in Panama	195	20	174	56			
Less: 1.5% Minority Stake in Tanzania	6	—	5	2			
Proportionate Millicom Group (Non-IFRS)	8,392	831	7,562	2,251		2,251	3.36x

**Related to Guatemala acquisition completed on November 12, 2021*

Net Underlying Financial obligations of Millicom Group (Non-IFRS) includes $1,228 of leases, as of December 31, 2021.

31 December 2020	Financial obligations				
$ millions	Gross	Cash	Net	EBITDA	Leverage
Millicom Group (IFRS)	6,711	875	5,837	1,495	3.90x
Plus: Guatemala	642	187	455	778	
Plus: Honduras	400	60	339	247	
Less: Corporate Costs	—	—	—	(33)	
Underlying Millicom Group (Non-IFRS)	7,753	1,122	6,631	2,487	2.67x
Less: 50% Minority Stake in Colombia	565	106	459	228	
Less: 45% Minority Stake in Guatemala	289	85	204	350	
Less: 33% Minority Stake in Honduras	133	20	113	82	
Less: 20% Minority Stake in Panama	195	17	178	51	
Less: 1.5% Minority Stake in Tanzania	6	—	6	2	
Proportionate Millicom Group (Non-IFRS)	6,565	894	5,670	1,773	3.20x

Net Underlying Financial obligations of Millicom Group (Non-IFRS) includes $1,312 of leases, as of December 31, 2020.

Foreign Exchange rates used to support FX impact calculations in the above Organic Growth reconciliations

		Average FX rate (vs. USD)			End of period FX rate (vs. USD)		
		2021	2020	YoY	2021	2020	YoY
Bolivia	BOB	6.91	6.91	—	6.91	6.91	—
Colombia	COP	3,756	3,695	(1.6)%	3,981	3,433	(13.8)%
Costa Rica	CRC	625	590	(5.6)%	645	617	(4.3)%
Guatemala	GTQ	7.74	7.73	(0.1)%	7.72	7.79	1.0%
Honduras	HNL	24.12	24.65	2.2%	24.43	24.20	(1.0)%
Nicaragua	NIO	35.17	34.34	(2.4)%	35.52	34.82	(2.0)%
Paraguay	PYG	6,790	6,758	(0.5)%	6,886	6,900	0.2%
Ghana	GHS	5.94	5.75	(3.2)%	6.18	5.87	(5.1)%
Tanzania	TZS	2,313	2,312	—%	2,305	2,319	0.6%

CAPEX Reconciliation

Capex Reconciliation	FY 2021	FY 2020
Consolidated:		
Additions to property, plant and equipment	787	649
Additions to licenses and other intangibles	164	520
Of which spectrum and license costs	29	421
Total consolidated additions	951	1,169
Of which capital expenditures related to corporate offices	10	7

Latin America Segment	FY 2021	FY 2020
Additions to property, plant and equipment	949	816
Additions to licenses and other intangibles	212	629
Of which spectrum and license costs	50	504
Latin America Segment total additions (Underlying)	1,161	1,445
Capex excluding spectrum and license costs	1,111	941

Africa Segment	FY 2021	FY 2020
Additions to property, plant and equipment	41	41
Additions to licenses and other intangibles	—	—
Of which spectrum and license costs	—	—
Africa Segment total additions	41	41
Capex excluding spectrum and license costs	41	41

Underlying	FY 2021	FY 2020
Latam capex excluding spectrum and license cost	1,111	941
Africa capex excluding spectrum and license cost	41	41
Capital expenditures related to corporate offices	10	7
Underlying capex excluding spectrum and license costs	1,162	989

Operating Free Cash Flow Reconciliation

Cash Flow Data	FY 2021	FY 2020
Net cash provided by operating activities	**956**	**821**
Purchase of property, plant and equipment	(740)	(622)
Proceeds from sale of property, plant and equipment	11	9
Purchase of intangible assets and licenses	(135)	(202)
Proceeds from sale of intangible assets	—	—
Net purchase/proceeds for property, plant and equipment and intangible assets	**(865)**	**(815)**
(Less) Proceeds from sale of towers part of tower sale and leaseback transactions	—	—
(Less) Purchase of spectrum and licenses	37	101
(Less) Finance charges paid, net	491	551
Operating free cash flow	**619**	**657**

Equity Free Cash Flow Reconciliation

Cash Flow Data	FY 2021	FY 2020
Net cash provided by operating activities	**956**	**821**
Purchase of property, plant and equipment	(740)	(622)
Proceeds from sale of property, plant and equipment	11	9
Purchase of intangible assets	(135)	(202)
Purchase of spectrum and licenses	37	101
Finance charges paid, net	491	551
Operating free cash flow	**619**	**657**
Interest (paid), net	(491)	(551)
Free cash flow	**128**	**106**
Dividends received from joint ventures (Guatemala and Honduras)	13	71
Dividends paid to non-controlling interests	(6)	(5)
Equity free cash flow	**135**	**172**
Lease Principal Repayments	(137)	(116)
Equity free cash flow after leases	**(2)**	**56**

OCF (EBITDA- Capex) Reconciliation

Latam OCF Underlying	FY 2021	FY 2020
Latam EBITDA	2,498	2,360
(-) Capex (Ex. Spectrum)	1,111	941
Latam OCF	**1,387**	**1,418**

Africa OCF	FY 2021	FY 2020
Africa EBITDA	111	125
(-) Capex (Ex. Spectrum)	41	41
Africa OCF	**70**	**84**

Corporate OCF	FY 2021	FY 2020
Corporate EBITDA	6	2
(-) Capex (Ex. Spectrum)	10	7
Corporate OCF	**(4)**	**(5)**

Underlying OCF	FY 2021	FY 2020
Underlying EBITDA	2,615	2,487
(-) Capex (Ex. Spectrum)	1,162	989
Underlying OCF	**1,453**	**1,497**

Guatemala and Honduras Financial Information (unaudited)

Until 2015, Millicom group results included Guatemala and Honduras on a 100% consolidation basis. Since 2016, Honduras has been treated as joint ventures and has been consolidated using the equity method. Also since 2016 and until November 12, 2021, Guatemala was a joint venture and has been consolidated using the equity method.

To aid investors in tracking the evolution of the Company's performance over time, we provide the following indicative unaudited financial statement data for the Millicom group as if our Guatemala and Honduras joint ventures had been fully consolidated.

Income statement data FY 2021 ($millions)	**Millicom (IFRS)**	**Guatemala and Honduras JVs***	**Eliminations**	**Underlying (non-IFRS)**
Revenue	**4,617**	**1,955**	**—**	**6,572**
Cost of sales	(1,302)	(433)	—	(1,735)
Gross profit	**3,316**	**1,522**	**—**	**4,837**
Operating expenses	(1,677)	(545)	—	(2,222)
EBITDA	**1,639**	**977**	**—**	**2,615**
EBITDA margin	**35.5%**	**50.0%**	**—**	**39.8%**
Depreciation & amortization	(1,196)	(403)	—	(1,599)
Share of net profit in joint ventures	210	—	(210)	—
Other operating income (expenses), net	6	—	—	6
Operating profit	**659**	**574**	**(210)**	**1,023**
Net financial expenses	(507)	(76)	—	(583)
Revaluation of previously held interests	670	—	—	670
Other non-operating income (expenses), net	(50)	(1)	—	(51)
Gains (losses) from associates	(39)	—	—	(39)
Profit (loss) before tax	**732**	**498**	**(210)**	**1,020**
Net tax credit (charge)	(189)	(119)	—	(308)
Profit (loss) for the period	**543**	**379**	**(210)**	**712**
Non-controlling interests	48	(169)	—	(121)
Profit (loss) from discontinued operations	—	—	—	—
Net profit (loss) for the period	**590**	**210**	**(210)**	**590**

* Millicom began consolidating our Guatemala operation as from November 12, 2021.

Balance Sheet data FY 2021

($millions)	Millicom IFRS	Honduras JV	Underlying (non-IFRS)
Assets			
Intangible assets, net	7,721	478	8,199
Property, plant and equipment, net	3,198	312	3,510
Right of Use Assets	1,008	53	1,061
Investments in joint ventures and associates	618	(596)	22
Other non-current assets	307	(5)	302
Total non-current assets	**12,852**	**241**	**13,094**
Inventories, net	63	4	68
Trade receivables, net	405	35	440
Other current assets	719	11	730
Restricted cash	203	13	216
Cash and cash equivalents	895	39	934
Total current assets	**2,286**	**102**	**2,388**
Assets held for sale	0	—	0
Total assets	**15,139**	**343**	**15,482**
Equity and liabilities			
Equity attributable to owners of the Company	2,583	(43)	2,541
Non-controlling interests	157	(148)	9
Total equity	**2,740**	**(190)**	**2,550**
Debt and financing	6,900	267	7,166
Other non-current liabilities	1,014	71	1,085
Total non-current liabilities	**7,914**	**338**	**8,252**
Debt and financing	2,011	73	2,084
Other current liabilities	2,474	123	2,596
Total current liabilities	**4,485**	**196**	**4,681**
Liabilities directly associated with assets held for sale	—	—	—
Total liabilities	**12,399**	**534**	**12,932**
Total equity and liabilities	**15,139**	**343**	**15,482**

Cash Flow Data FY 2021

($millions)	Millicom IFRS	Guatemala and Honduras JVs*	Underlying (non-IFRS)
Profit (loss) before taxes from continuing operations	**732**	**288**	**1,020**
Profit (loss) for the period from discontinued operations	—	—	—
Profit (loss) before taxes	**731**	**288**	**1,019**
Net cash provided by operating activities (incl. discontinued ops)	**956**	**794**	**1,749**
Net cash used in investing activities (incl. discontinued ops)	**(2,703)**	**(543)**	**(3,246)**
Net cash from (used by) financing activities (incl. discontinued ops)	**1,777**	**(459)**	**1,318**
Exchange impact on cash and cash equivalents, net	(10)	—	(9)
Net (decrease) increase in cash and cash equivalents	**20**	**(208)**	**(188)**
Cash and cash equivalents at the beginning of the period	875	247	1,122
Effect of cash in disposal group held for sale	—	—	—
Cash and cash equivalents at the end of the period	**895**	**39**	**934**

* Millicom began consolidating our Guatemala operation as from November 12, 2021.

Financial Statements

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Audited Consolidated Financial Statements of Millicom International Cellular S.A. at December 31, 2021 and 2020 and for the Years Ended December 31, 2021, 2020 and 2019

Independent auditor's report

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Millicom International Cellular S.A. ("the Group") included on page 130 to page 214, which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Millicom International Cellular S.A. as at December 31, 2021, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation Nº 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Risk Identified

The Group's revenue consists of mobile and data telephony services, corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and mobile financial services to retail and business customers. Revenue from these services is considered a significant risk due to the complexity of the Group's systems and processes used to record revenue and the risks associated with recognition and measurement of revenue, arising from the diversity and constant evolution of tariff plans, marketing offers, and discounts provided to customers. This required an increased extent of audit effort, including the need for us to involve professionals with expertise in information technology (IT), to identify, test, and evaluate the Group's systems, software applications, and automated controls.

Our answer

Our audit procedures over revenue included, among others:

- We assessed the overall IT control environment and the IT controls in place, assisted by our information technology professionals.
- We evaluated the design and tested the operating effectiveness of controls around access rights, system development, program changes and IT dependent business controls to establish that changes to the system were appropriately authorized, developed, and implemented including those over: set-up of customer accounts, pricing data, segregation of duties and the linkage to usage data that drives revenue recognition.
- We tested the end-to-end reconciliation from the billing systems to the general ledger.
- We tested journal entries processed between the billing systems and general ledger.
- We obtained a sample of customer contracts, including modifications to the contracts, and compared customer contract terms to the revenue systems.
- We assessed the adequacy of the Group's disclosures included in Note B.1.1. in respect to the accounting policies on revenue recognition.

2. Uncertain tax positions

Risk Identified

The Group's operations are subject to income taxes in various jurisdictions resulting in different subjective and complex interpretation of local tax laws as uncertainty prevails in the emerging market economies in which Millicom is operating. In addition, the global tax environment worldwide continues to evolve and becomes more complex. Management exercises judgment in assessing the level of provision required for taxation when such taxes are based on the interpretation of complex tax laws. The future actual outcome of the decisions concerning these tax exposures may result in materially higher or lower amounts than the accrual included in the accompanying consolidated financial statements.

Our answer

Our procedures included, amongst others:

- We obtained an understanding of and evaluating the design and testing the operating effectiveness of the Group's controls relating to uncertain tax positions.
- We tested controls over management's identification of uncertain tax positions and its application of the recognition and measurement principles, including management's review of the inputs and calculations of uncertain tax positions.
- We evaluated the assumptions the Group used to develop its uncertain tax positions and related unrecognized income tax benefit amounts by jurisdiction.
- We compared the estimated liabilities for unrecognized tax positions to similar positions in prior periods and assessed management's consideration of current tax treatments and litigation and trends in similar positions challenged by tax authorities.
- We assessed the historical accuracy of management's estimates of its unrecognized tax positions by comparing the estimates with the resolution of those positions.
- We involved our tax professionals to assist us in evaluating the application of relevant tax laws and the Group's interpretation of such laws in its recognition determination
- We tested the completeness and accuracy of the underlying data used by the Group to calculate its uncertain tax positions.
- We evaluated the adequacy of the Group's disclosures included in Note G.3.2. in relation to these tax matters.

3. Impairment testing of Goodwill

Risk Identified

Under EU-IFRSs, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of USD 4,884 million as of December 31, 2021 is material to the consolidated financial statements. In addition, the Group's assessment process includes significant judgments and is based on assumptions derived from the Group's business plans, which are affected by expected future market or economic conditions. The impairment testing involved complex auditor judgment due to the significant assumptions used to determine the recoverable values of each of the Group's cash-generating units.

Our answer

Our audit procedures included, amongst others:

- We obtained an understanding of and evaluating the design and testing the operating effectiveness of the Group's controls over its impairment testing.
- We tested controls over management's evaluation of the significant assumptions used in the discounted cash flows to develop the recoverable values of each of the Group's cash-generating units.
- We inspected the business plans and evaluating the methodology used.
- We involved our valuation specialists to assist with our audit procedures to test the discounted cash flows and management's valuation methodologies and assumptions discussed above which were used to determine the recoverable values of the Group's cash-generating units.
- We asked our valuation specialists to assist us in assessing whether the underlying assumptions used by management were consistent with publicly available information and external market data.
- We assessed the completeness and accuracy of the underlying data through our inspection of and comparison to historical information.
- We evaluated the adequacy of the Group's disclosures included in Note E.1.5. in relation to goodwill.

4. Accounting for business combination

Risk Identified

The Group acquired control over the remaining 45% equity interests in its former joint venture in Guatemala (“Tigo Guatemala”) as of November 12, 2021. Since this date, the Group fully consolidates Tigo Guatemala. The acquisition was accounted for under the method of purchase accounting. Millicom is currently determining the fair values of Tigo Guatemala’s identifiable assets and liabilities, and the purchase accounting is still provisional as of December 31, 2021.

Auditing the Company’s accounting for its acquisition of Tigo Guatemala was complex due to the overall significance of the acquisition and the estimation uncertainty in determining the provisional values and the related disclosures to be included in the consolidated financial statements as of December 31, 2021. For instance, the Company estimated the provisional values based on the current carrying values of intangibles as identified at the date of the deconsolidation of Tigo Guatemala and the commencement of the accounting for the investment under the equity method in a prior year.

Our answer

Our audit procedures included, amongst others:

- We evaluated the design and testing the operating effectiveness of the Group’s controls over its accounting for business combinations.
- We tested controls over management’s evaluation of the purchase contract for terms and conditions that would impact the accounting for the acquisition, controls over the determination of the provisional values to be included as of December 31, 2021 and controls over the disclosures related to the acquisition.
- We inspected the purchase contract and evaluating the terms and conditions and management’s accounting for such terms and conditions in its purchase accounting.
- We tested the underlying data used by the Group to determine the provisional values based on the current carrying values of intangibles as identified at the date of the deconsolidation of Tigo Guatemala and the commencement of the accounting for the investment under the equity method in a prior year.
- We evaluated the adequacy of the related disclosures in Note A.1.2 to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report on page 111 and the accompanying corporate governance statement on pages 63 to 110 but does not include the consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for
Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on May 04, 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 10 years.

The consolidated management report on page 111 is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 63 to 110 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at December 31, 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at December 31, 2021, identified as ar2021mic, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Other matter

The corporate governance statement includes the information required by article 68ter paragraph (1) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme

Cabinet de révision agréé

Bruno di Bartolomeo

Luxembourg, 01 March 2022

Consolidated statement of income for the years ended December 31, 2021, 2020 and 2019

	Notes	2021(i)	2020	2019
			(US$ millions)	
Revenue	B.1.	4,617	4,171	4,336
Cost of sales	B.2.	(1,302)	(1,171)	(1,201)
Gross profit		**3,316**	**3,000**	**3,135**
Operating expenses	B.2.	(1,677)	(1,505)	(1,604)
Depreciation	E.2.2., E.3.	(878)	(890)	(825)
Amortization	E.1.3.	(318)	(318)	(275)
Share of profit in joint ventures	A.2.	210	171	179
Other operating income (expenses), net	B.2.	6	(12)	(34)
Operating profit	**B.3.**	**659**	**446**	**575**
Interest and other financial expenses	C.3.3., E.3.	(531)	(624)	(564)
Interest and other financial income	C.3.1.	23	13	20
Revaluation of previously held interests in Guatemala	A.1.2.	670	—	—
Other non-operating (expenses) income, net	B.5., C.7.3.	(50)	(106)	227
Profit (loss) from other joint ventures and associates, net	A.3.	(39)	(1)	(40)
Profit (loss) before taxes from continuing operations		**732**	**(271)**	**218**
Tax (charge) credit, net	B.6.	(189)	(102)	(120)
Profit (loss) from continuing operations		**543**	**(373)**	**97**
Profit (loss) from discontinued operations, net of tax	E.4.2.	—	(12)	57
Net profit (loss) for the period		**542**	**(385)**	**154**
Attributable to:				
Owners of the Company		590	(344)	149
Non-controlling interests	A.1.4.	(48)	(41)	5
Earnings (loss) per common share for profit (loss) attributable to the owners of the Company				
Basic and diluted (US$ per common share) (ii)				
— from continuing operations		5.84	(3.28)	0.92
— from discontinued operations		—	(0.12)	0.56
— Total	**B.7.**	**5.84**	**(3.40)**	**1.48**

(i) Tigo Guatemala is fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, numbers might not be directly comparable with previous years' figures.

(ii) There are no dilutive potential ordinary shares.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the years ended December 31, 2021, 2020 and 2019

	2021 (i)	2020	2019
		(US$ millions)	
Net profit (loss) for the year	542	(385)	154
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:			
Exchange differences on translating foreign operations	(52)	(19)	(4)
Change in value of cash flow hedges, net of tax effects	18	(1)	(16)
Other comprehensive income (not to be reclassified to the statement of income in subsequent periods), net of tax:			
Remeasurements of post-employment benefit obligations, net of tax effects	1	(2)	—
Total comprehensive income (loss) for the period	**509**	**(407)**	**133**
Attributable to:			
Owners of the Company	565	(360)	131
Non-controlling interests	(57)	(48)	3
Total comprehensive income for the period arises from:			
Continuing operations	509	(395)	76
Discontinued operations	—	(12)	57

(i) Tigo Guatemala is fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, numbers might not be directly comparable with previous years' figures.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position at December 31, 2021 and 2020

	Notes	December 31, 2021(i)	December 31, 2020
		(US$ millions)	
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	E.1.	7,721	3,403
Property, plant and equipment, net	E.2.	3,198	2,755
Right of use assets	E.3.	1,008	895
Investments in joint ventures	A.2.	596	2,642
Investments in associates	A.3.	22	24
Contract costs, net	F.5.	8	5
Deferred tax assets	B.6.	180	197
Derivative financial instruments	D.1.2.	21	27
Amounts due from non-controlling interests, associates and joint ventures	G.5.	24	90
Other non-current assets		74	77
TOTAL NON-CURRENT ASSETS		**12,852**	**10,114**
CURRENT ASSETS			
Inventories	F.2.	63	37
Trade receivables, net	F.1.	405	351
Contract assets, net	F.5.	69	31
Amounts due from non-controlling interests, associates and joint ventures	G.5.	42	206
Prepayments and accrued income		168	149
Current income tax assets		104	96
Supplier advances for capital expenditure		35	21
Equity investments	C.7.3.	—	160
Other current assets		302	181
Restricted cash	C.5.	203	199
Cash and cash equivalents	C.5.	895	875
TOTAL CURRENT ASSETS		**2,286**	**2,307**
Assets held for sale	E.4.2.	—	1
TOTAL ASSETS		**15,139**	**12,422**

(i) The assets and liabilities of Tigo Guatemala are fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, numbers might not be directly comparable with previous years' figures.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position at December 31, 2021 and 2020

	Notes	December 31, 2021 (i)	December 31, 2020
		(US$ millions)	
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium	C.1.	628	630
Treasury shares		(60)	(30)
Other reserves	C.1.	(594)	(562)
Retained profits		2,019	2,365
Net profit (loss) for the year attributable to equity holders		590	(344)
Equity attributable to owners of the Company		**2,583**	**2,059**
Non-controlling interests	A.1.4.	157	215
TOTAL EQUITY		**2,740**	**2,274**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	C.3.	5,904	5,578
Lease liabilities	C.4.	996	897
Derivative financial instruments	D.1.2.	1	14
Amounts due to non-controlling interests, associates and joint ventures	G.5.	—	29
Payables and accruals for capital expenditure	E.1.	435	485
Provisions and other non-current liabilities	F.4.2.	364	328
Deferred tax liabilities	B.6.	214	209
TOTAL NON-CURRENT LIABILITIES		**7,914**	**7,540**
CURRENT LIABILITIES			
Debt and financing	C.3.	1,840	113
Lease liabilities	C.4.	171	123
Put option liability	C.7.4.	290	262
Derivative financial instruments	D.1.2.	—	1
Payables and accruals for capital expenditure		452	345
Other trade payables		347	334
Amounts due to non-controlling interests, associates and joint ventures	G.5.	74	311
Accrued interest and other expenses		539	445
Current income tax liabilities		128	71
Contract liabilities	F.5.	97	90
Provisions and other current liabilities	F.4.1.	546	511
TOTAL CURRENT LIABILITIES		**4,485**	**2,608**
Liabilities directly associated with assets held for sale	E.4.2.	—	—
TOTAL LIABILITIES		**12,399**	**10,148**
TOTAL EQUITY AND LIABILITIES		**15,139**	**12,422**

(i) The assets and liabilities of Tigo Guatemala are fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, numbers might not be directly comparable with previous years' figures.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the years ended December 31, 2021, 2020 and 2019

	Notes	2021(i)	2020	2019
			(US$ millions)	
Cash flows from operating activities (including discontinued operations)				
Profit (loss) before taxes from continuing operations		732	(271)	218
Profit (loss) before taxes from discontinued operations	E.4.2.	—	(12)	59
Profit (loss) before taxes		**731**	**(283)**	**276**
Adjustments to reconcile to net cash:				
Interest expense on leases		131	156	157
Interest expense on debt and other financing		400	468	408
Interest and other financial income		(23)	(13)	(20)
Adjustments for non-cash items:				
Depreciation and amortization		1,196	1,208	1,111
Share of net profit in joint ventures	A.2.	(210)	(171)	(179)
(Gain) loss on disposal and impairment of assets, net	B.2., E.4.2.	(6)	20	(40)
Share-based compensation	C.1.	17	24	30
Revaluation of previously held interest in Guatemala	A.1.2.	(670)	—	—
Loss from other joint ventures and associates, net	A.3.	39	1	40
Other non-cash non-operating (income) expenses, net	B.5.	50	106	(227)
Changes in working capital:				
Decrease (increase) in trade receivables, prepayments and other current assets, net		(93)	(43)	(119)
Decrease (increase) in inventories		9	(6)	11
Increase (decrease) in trade and other payables, net		6	40	(61)
Increase (decrease) in contract assets, liabilities and costs, net		(5)	8	(2)
Total changes in working capital		**(81)**	**(2)**	**(172)**
Interest paid on leases		(140)	(151)	(141)
Interest paid on debt and other financing		(355)	(411)	(344)
Interest received		4	11	15
Taxes paid		(127)	(142)	(114)
Net cash provided by operating activities		**956**	**821**	**801**
Cash flows from (used in) investing activities (including discontinued operations):				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	A.1.	(2,000)	10	(1,014)
Financing exit from the Ghana joint venture	A.2.2.	(37)	—	—
Net proceeds from disposal of subsidiaries and associates, net of cash disposed		30	10	111
Purchase of intangible assets and licenses	E.1.4.	(135)	(202)	(171)
Purchase of property, plant and equipment	E.2.3.	(740)	(622)	(736)
Proceeds from sale of property, plant and equipment	E.3.	11	9	24
Proceeds from disposal of equity investments, net of costs		163	197	25
Dividends and dividend advances received from joint ventures	A.2.2.	13	71	237
Transfer to pledge deposits	C.5.3.	(33)	—	—
Cash (used in) provided by other investing activities, net	D.1.2.	26	32	20
Net cash used in investing activities		**(2,703)**	**(495)**	**(1,502)**
Cash flows from financing activities (including discontinued operations):				

	Notes	2021(i)	2020	2019
Proceeds from debt and other financing	C.6.	3,113	1,470	2,900
Repayment of debt and other financing	C.6.	(1,335)	(1,744)	(1,157)
Loan repayment from (advanced to) joint venture	G.5.	193	(193)	—
Lease capital repayment	C.6.	(137)	(116)	(107)
Advances and dividends paid to non-controlling interests	A.1./A.2.	(6)	(5)	(13)
Share repurchase program		(50)	(10)	—
Dividends paid to owners of the Company	C.2.	—	0	(268)
Net cash provided by (used in) financing activities		**1,777**	**(598)**	**1,355**
Exchange impact on cash and cash equivalents, net		(10)	(17)	(8)
Net (decrease) increase in cash and cash equivalents		**20**	**(289)**	**645**
Cash and cash equivalents at the beginning of the year		875	1,164	528
Effect of cash in disposal group held for sale	E.4.2.	—	0	(9)
Cash and cash equivalents at the end of the year		**895**	**875**	**1,164**

(i) The cash flows of Tigo Guatemala are fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, numbers might not be directly comparable with previous years' figures.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the years ended December 31, 2021, 2020 and 2019

	Number of shares (000's)	Number of shares held by the Group (000's)	Share capital (i)	Share premium (i)	Treasury shares	Retained profits(ii)	Other reserves (iii)	Total	Non-controlling interests	Total equity
				(US$ millions)						
Balance on January 1, 2019	**101,739**	**(914)**	**153**	**482**	**(81)**	**2,525**	**(538)**	**2,542**	**251**	**2,792**
Total comprehensive income for the period	—	—	—	—	—	149	(19)	131	3	133
Dividends (iv)	—	—	—	—	—	(267)	—	(267)	—	(267)
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(1)	(1)
Purchase of treasury shares (vii)	—	(132)	—	—	(12)	4	—	(8)	—	(8)
Share based compensation (v)	—	—	—	—	—	—	29	29	1	30
Issuance of shares under share-based payment schemes	—	465	—	(2)	41	(12)	(25)	1	—	1
Effect of restructuring in Tanzania (vi)	—	—	—	—	—	(27)	9	(18)	18	—
Balance on December 31, 2019	**101,739**	**(581)**	**153**	**480**	**(51)**	**2,372**	**(544)**	**2,409**	**271**	**2,680**
Total comprehensive income for the year	—	—	—	—	—	(344)	(15)	(360)	(48)	(407)
Dividends (iv)	—	—	—	—	—	—	—	—	—	—
Dividends to non controlling interest	—	—	—	—	—	—	—	—	(8)	(8)
Purchase of treasury shares	—	(467)	—	—	(19)	3	—	(16)	—	(16)
Share based compensation (v)	—	—	—	—	—	—	24	24	—	24
Issuance of shares under share-based payment schemes	—	521	—	(2)	40	(11)	(26)	1	—	1
Balance on December 31, 2020	**101,739**	**(526)**	**153**	**478**	**(30)**	**2,020**	**(562)**	**2,059**	**215**	**2,274**
Total comprehensive income for the year	—	—	—	—	—	590	(25)	565	(57)	509
Dividends (iv)	—	—	—	—	—	—	—	—	—	—
Dividends to non controlling interests	—	—	—	—	—	—	—	—	(3)	(3)
Purchase of treasury shares(vii)	—	(1,471)	—	—	(56)	2	—	(54)	—	(54)
Share based compensation(v)	—		—	—	—	—	18	18	1	19
Issuance of shares under share-based payment schemes	—	459	—	(2)	26	2	(25)	1	—	1
Change in scope of consolidation (viii)	—	—	—	—	—	(5)	—	(5)	—	(5)
Balance on December 31, 2021	**101,739**	**(1,538)**	**153**	**476**	**(60)**	**2,609**	**(594)**	**2,583**	**157**	**2,740**

(i) Share capital and share premium – see note C.1.

(ii) Retained profits – includes profit for the year attributable to equity holders, of which $486 million (2020: $310 million; 2019: $306 million) are not distributable to equity holders.

(iii) Other reserves – see note C.1.

(iv) *Dividends – see note C.2.*

(v) *Share-based compensation – see note C.1.*

(vi) *Effect of the restructuring in Tanzania A.1.2.*

(vii) *During the year ended December 31, 2021, Millicom repurchased 1,369,284 shares (2020: 350,000 shares), for a total amount of $50 million (2020: 10 million, 2019: nil) and withheld approximately 102,000 shares (2020: 117,000) for settlement of tax obligations on behalf of employees under share-based compensation plans.*

(viii) *Cloud 2 Nube S.A. was a subsidiary owned by the Group at 55% and already fully consolidated as Millicom had control over it. As a result, in accordance with IFRS 10, the acquisition of the remaining 45% in Cloud 2 Nube S.A. has been treated as an equity transaction and non-controlling interests amounting to less than $1 million were transferred to the Group's equity against a purchase consideration of $5 million.*

The accompanying notes are an integral part of these consolidated financial statements.

Introduction

Corporate Information

Millicom International Cellular S.A. (the “Company” or “MIC S.A.”), a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the “Group” or “Millicom”) is an international telecommunications and media group providing digital lifestyle services in emerging markets, through mobile and fixed telephony, cable, broadband, Pay-TV in Latin America (Latam) and Africa.

The Company’s shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol TIGO_SDB (formerly MIC SDB) and, since January 9, 2019, on the Nasdaq Stock Market in the U.S. under the ticker symbol TIGO. The Company has its registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

On November 14, 2019, Millicom's historical principal shareholder, Kinnevik AB, distributed its entire (approximately 37% of Millicom's outstanding shares) shareholding in Millicom to its own shareholders through a share redemption plan. Since that date, Kinnevik is no longer a related party or shareholder in Millicom.

On February 25, 2022, the Board of Directors authorized these consolidated financial statements for issuance.

Business activities

Millicom operates its mobile businesses in Latin America (Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay), and in Africa (Tanzania).

Millicom operates various cable and fixed line businesses in Latin America (Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay). Millicom also provides direct to home satellite service in most of its Latam countries.

On November 12, 2021, Millicom announced that it has closed the previously-announced agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala"). As a result, Millicom owns 100% equity interest in Tigo Guatemala and fully consolidates it since that date. As a result, the statements of income, cash flows and financial position in these consolidated financial statements might not be directly comparable with previous years' figures.

When preparing and disclosing its segment information, the Group includes Honduras and Guatemala in the Latin America (Latam) segment figures as if they are fully consolidated by the Group, as this reflects the way management reviews and uses internally reported information to make decisions (see note B.3. Segmental information). The Tigo Guatemala acquisition has no impact on the way we present our Latin America segment because it included our Guatemala joint venture as if it was already fully consolidated.

Millicom also provides Mobile Financial Services (MFS) and holds small minority investments in other businesses such as micro-insurance (Milvik).

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

Impact on our markets and business

During 2021, economic activity recovered in our markets as most countries eased the lockdowns implemented at the beginning of the pandemic, and remittances from the U.S. to Central America sustained double-digit growth year-on-year. Meanwhile, vaccination rates were above 50% in Colombia, Costa Rica, El Salvador and Panama and were below 30% in Guatemala. Some countries experienced spikes in the number of COVID cases during the last semester, but governments generally refrained from imposing strict lockdowns, choosing instead to use curfews or voluntary quarantine programs, which had a negligible effect on commercial activity.

As of December 31, 2021, and for the year ended December 31, 2021, management did not identify any significant adverse accounting effects as a result of the pandemic.

IFRS Consolidated Financial Statements

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (IFRS). They are also compliant with International Financial Reporting Standards as adopted by the European Union. This is in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards for listed companies domiciled in the European Union.

The financial statements have been prepared on an historical cost basis, except for certain items including derivative financial instruments (measured at fair value) and financial instruments that contain obligations to purchase own equity instruments (measured at the present value of the redemption price).

This section contains the Group's significant accounting policies that relate to the financial statements as a whole. Significant accounting policies specific to one note are included within that note. Accounting policies relating to non-material items are not included in these financial statements.

Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated.

Foreign currency

Financial information in these financial statements are shown in the US dollar presentation currency of the Group and rounded to the nearest million (US$ million) except where otherwise indicated. The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the functional currency). The functional currency of each subsidiary, joint venture and associate reflects the economic substance of the underlying events and circumstances of these entities. Except for El Salvador where the functional currency is US dollar, the functional currency in other countries is the local currency.

The results and financial position of all Group entities (none of which operate in an economy with a hyperinflationary environment) with functional currency other than the US dollar presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rate on the date of the statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are recognized as a separate component of equity (currency translation reserve), in the caption "Other reserves".

On consolidation, exchange differences arising from the translation of net investments in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in equity. When the Group disposes of or loses control or significant influence over a foreign operation, exchange differences that were recorded in equity are recognized in the consolidated statement of income as part of gain or loss on sale or loss of control and/or significant influence.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following table presents functional currency translation rates for the Group's locations to the US dollar on December 31, 2021, 2020 and 2019 and the average rates for the years ended December 31, 2021, 2020 and 2019.

Exchange Rates to the US Dollar	Functional Currency	2021 Year-end Rate	2020 Year-end Rate	Change %	2021 Average Rate	2020 Average Rate	Change %	2019 Average Rate
Bolivia	Boliviano (BOB)	6.91	6.91	— %	6.91	6.91	— %	6.91
Colombia	Peso (COP)	3,981	3,433	(13.8)%	3,756	3,695	(1.6)%	3,296
Costa Rica	Costa Rican Colon (CRC)	645	617	(4.3)%	625	590	(5.6)%	588
El Salvador	US dollar	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ghana	Cedi (GHS)	6.18	5.87	(5.1)%	5.94	5.75	(3.2)%	5.33
Guatemala	Quetzal (GTQ)	7.72	7.79	1.0 %	7.74	7.73	(0.1)%	7.71
Honduras	Lempira (HNL)	24.43	24.20	(1.0)%	24.12	24.65	2.2 %	24.59
Luxembourg	Euro (EUR)	0.88	0.82	(6.9)%	0.85	0.87	3.4 %	0.89
Nicaragua	Cordoba (NIO)	35.52	34.82	(2.0)%	35.17	34.34	(2.4)%	33.12
Panama	Balboa (B/.) (i)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paraguay	Guarani (PYG)	6,886	6,900	0.2 %	6,790	6,758	(0.5)%	6,232
Sweden	Krona (SEK)	9.05	8.23	(9.1)%	8.59	9.16	6.6 %	9.43
Tanzania	Shilling (TZS)	2,305	2,319	0.6 %	2,313	2,312	— %	2,304
United Kingdom	Pound (GBP)	0.74	0.73	(1.0)%	0.73	0.77	6.2 %	0.78

(i) the balboa is tied to the United States dollar at an exchange rate of 1:1.

New and amended IFRS accounting standards

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

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

  Main reliefs provided by the Phase 2 amendments relate to:

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

  The Group has inventoried financial assets or liabilities (including lease liabilities), as well as hedging instruments, with IBOR features and concluded that it was not significantly exposed to this reform.

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

- Amendments effective for annual periods starting on January 1, 2022:
  - IFRS 3 'Business Combinations' - Reference to Conceptual Framework.
  - IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
  - IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Cost of fulfilling a contract.
  - Annual improvements to IFRS Standards 2018-2020, affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41.
- Amendments effective for annual periods starting on January 1, 2023:

- Amendments to IAS 1, 'Presentation of Financial Statements' : These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The IASB also issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements (not yet endorsed by the EU).
- IFRS 17, 'Insurance contracts'
- Amendments to IFRS 17, 'Insurance contracts'(not yet endorsed by the EU).
- IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates (not yet endorsed by the EU).

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

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

Judgments and critical estimates

The preparation of IFRS financial statements requires management to use judgment in applying accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on management's best knowledge of current events, actions and best estimates as of a specified date, and actual results may ultimately differ from these estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in each note and are summarized below:

Judgments

Management apply judgment in accounting treatment and accounting policies in preparation of these financial statements. In particular, a significant level of judgment is applied regarding the following items:

- **Acquisitions** – measurement at fair value of existing and newly identified assets, including the measurement of property, plant and equipment and intangible assets (e.g. particularly the customer lists being sensitive to significant assumptions as disclosed in note A.1.2.), liabilities, contingent liabilities and remaining goodwill; the assessment of useful lives (see notes A.1.2., E.1.1., E.1.5., E.2.1.);
- **Impairment testing** – key assumptions related to future business performance, perpetual growth rates and discount rates (see notes E.1.2., E.1.6., E.2.2.);
- **Revenue recognition** – whether or not the Group acts as principal or as an agent, when there is one or several performance obligations and the determination of stand-alone selling prices (see note B.1.1.);
- **Contingent liabilities** – whether or not a provision should be recorded for any potential liabilities (see note G.3.);
- **Leases** – In determining the lease term, including the assessment of whether the exercise of extension or termination options is reasonably certain and the corresponding impact on the selected lease term (see note E.3.);
- **Control** – whether Millicom, through voting rights and potential voting rights attached to shares held, or by way of shareholders' agreements or other factors, has the ability to direct the relevant activities of the subsidiaries it consolidates, or jointly direct the relevant activities of its joint ventures (see notes A.1., A.2.);
- **Discontinued operations and assets held for sale** – definition, classification and presentation (see notes A.4., E.4.1.) as well as measurement of potential provisions related to indemnities;
- **Deferred tax assets** – recognition based on likely timing and level of future taxable profits together with future tax planning strategies (see notes B.6.3.and G.3.2.);
- **Defined benefit obligations** – key assumptions related to life expectancies, salary increases and leaving rates, mainly related to UNE Colombia (see note B.4.3.).

Estimates

Estimates are based on historical experience and other factors, including reasonable expectations of future events, including the effects of the COVID-19 pandemic. These factors are reviewed in preparation of the financial statements although, due to inherent uncertainties in the evaluation process, actual results may differ from original estimates. Estimates are subject to change as new information becomes available and may significantly affect future operating results. Significant estimates have been applied in respect of the following items:

- Accounting for property, plant and equipment, and intangible assets in determining fair values at acquisition dates, particularly for assets acquired in business combinations and sale and leaseback transactions (see notes A.1.and E.2.1.);
- Useful lives of property, plant and equipment and intangible assets (see notes E.1.1., E.2.1.);
- Provisions, in particular provisions for asset retirement obligations, legal and tax risks (see note F.4.);
- Tax liabilities, in particular in respect of uncertainty over income tax treatments (see note F.4.);
- Revenue recognition (see note B.1.1.);
- Impairment testing including weighted average cost of capital ("WACC"), EBITDA margins, Capex intensity and long term growth rates (see note E.1.6.);

- For leases, estimates in determining the incremental borrowing rate for discounting the lease payments in case interest rate implicit in the lease cannot be determined (see note E.3.);
- Estimates for defined benefit obligations (see note B.4.2.);
- Accounting for share-based compensation in particular estimates of forfeitures and future performance criteria (see notes B.4.1., B.4.3.).

A. The Millicom Group

The Group comprises a number of holding companies, operating subsidiaries and joint ventures with various combinations of mobile, fixed-line telephony, cable and wireless Pay TV, Broadband Internet and Mobile Financial Services (MFS) businesses. The Group also holds other small minority investments in other businesses such as micro-insurance (Milvik).

A.1. Subsidiaries

Subsidiaries are all entities which Millicom controls. Millicom controls an entity when it is exposed to, or has rights to variable returns from its investment in the entity, and has the ability to affect those returns through its power over the subsidiary. Millicom has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns. Generally, control accompanies a shareholding of more than half of the voting rights although certain other factors (including contractual arrangements with other shareholders, voting and potential voting rights) are considered when assessing whether Millicom controls an entity. For example, although Millicom holds less than 50 % of the shares in its Colombian businesses, it holds more than 50 % of shares with voting rights. The contrary may also be true (e.g. Honduras where we own 66.7% of the shares but there is a super majority requirement at the board for decisions about the relevant activities of the operation). Our main subsidiaries are as follows:

Entity	Country	Activity	December 31, 2021 % holding	December 31, 2020 % holding	December 31, 2019 % holding
Latin America			In %	In %	In %
Telemovil El Salvador S.A. de C.V.	El Salvador	Mobile, MFS, Cable, DTH	100	100	100
Millicom Cable Costa Rica S.A.	Costa Rica	Cable, DTH	100	100	100
Telefonica Celular de Bolivia S.A.	Bolivia	Mobile, DTH, MFS, Cable	100	100	100
Telefonica Celular del Paraguay S.A.	Paraguay	Mobile, MFS, Cable, Pay-TV	100	100	100
Cable Onda S.A (i).	Panama	Cable, Pay-TV, Internet, DTH, Fixed-line	80	80	80
Grupo de Comunicaciones Digitales, S.A. (formerly Telefonica Moviles Panama, S.A.)(ii)	Panama	Mobile	80	80	80
Telefonia Celular de Nicaragua S.A. (ii)	Nicaragua	Mobile	100	100	100
Colombia Móvil S.A. E.S.P. (iii)	Colombia	Mobile	50-1 share	50-1 share	50-1 share
UNE EPM Telecomunicaciones S.A.(iii)	Colombia	Fixed-line, Internet, Pay-TV, Mobile	50-1 share	50-1 share	50-1 share
Edatel S.A. E.S.P. (iii)	Colombia	Fixed-line, Internet, Pay-TV, Cable	50-1 share	50-1 share	50-1 share
Comunicaciones Celulares S.A. (iv) (v)	Guatemala	Mobile, MFS	100	55	55
Navega.com S.A. (iv) (v)	Guatemala	Cable, DTH	100	55	55
Africa					
MIC Tanzania Public Limited Company	Tanzania	Mobile, MFS	98.5	98.5	98.5
Zanzibar Telecom Limited	Tanzania	Mobile, MFS	98.5	98.5	98.5
Unallocated					
Millicom International Operations S.A.	Luxembourg	Holding Company	100	100	100
Millicom International Operations B.V.	Netherlands	Holding Company	100	100	100
Millicom LIH S.A.	Luxembourg	Holding Company	100	100	100
MIC Latin America B.V.	Netherlands	Holding Company	100	100	100
Millicom Africa B.V.	Netherlands	Holding Company	100	100	100
Millicom Holding B.V.	Netherlands	Holding Company	100	100	100
Millicom International Services LLC	USA	Services Company	100	100	100
Millicom Services UK Ltd	UK	Services Company	100	100	100
Millicom Spain S.L.	Spain	Holding Company	100	100	100

(i) Acquisition completed on December 13, 2018. Cable Onda S.A. is fully consolidated as Millicom has the majority of voting shares to direct the relevant activities. See note A.1.2..

(ii) Companies acquired during 2019. See note A.1.2..

(iii) Fully consolidated as Millicom has the majority of voting shares to direct the relevant activities.

(iv) Acquisition completed on November 12, 2021(see Note A.1.2.). Millicom now owns 100% equity interest in Tigo Guatemala compared to 55% before the transaction. While Millicom owned more than 50% of the shares in these entities and had the right to nominate a majority of the directors of each of these entities, key decisions over the relevant activities were taken by a super majority vote. This effectively gave either shareholder the ability to veto any decision and therefore neither shareholder had sole control over the entity. Therefore, the operations of these joint ventures were accounted for under the equity method. See note A.2.1..

(v) Tigo Guatemala is made up of the 2 entities in the table above, but also by the following less material entities: Comunicaciones Corporativas S.A. (“COMCORP”), Servicios Innovadores de Comunicación y Entretenimiento S.A. (“SICESA”), Distribuidora de Comunicaciones de Occidente S.A. (“COOCSA”), Distribuidora de Comunicaciones de Oriente S.A. (“COORSA”), Distribuidora Internacional de Comunicaciones S.A. (“INTERNACOM”), Servicios Especializados en Telecomunicaciones S.A. (“SESTEL”), Distribuidora Central de Comunicaciones, S.A. (“COCENSA”) and Cloud 2 Nube S.A. ("C2N").

A.1.1. Accounting for subsidiaries and non-controlling interests

Subsidiaries are fully consolidated from the date on which control is transferred to Millicom. If facts and circumstances indicate that there are changes to one or more of the elements of control, a reassessment is performed to determine if control still exists. Subsidiaries are de-consolidated from the date that control ceases. Transactions with non-controlling interests are accounted for as transactions with equity owners of the Group. Gains or losses on disposals of non-controlling interests are recorded in equity. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is also recorded in equity.

A.1.2. Acquisition of subsidiaries and changes in non-controlling interests in subsidiaries

Scope changes 2021

On November 12, 2021, Millicom announced that it has closed the previously-announced agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala") from its local partner for $2.2 billion in cash. The acquisition has been financed through a bridge facility (see note C.3).

Millicom is currently determining the fair value of Tigo Guatemala identifiable assets and liabilities, however, this purchase accounting is still provisional at December 31, 2021, particularly in respect of the evaluation of the tangible, intangible assets, right of use assets and lease liabilities. For the purpose of the valuation of the intangible assets (excluding goodwill), the provisional numbers are based on the current carrying values of intangibles as identified at the date of the deconsolidation of Tigo Guatemala and the commencement of the accounting for the investment under the equity method. Out of these intangibles (excluding goodwill), the brand is currently recorded at $848 million and is expected to have an indefinite useful live (see note E.1).

At acquisition date - November 12, 2021	**Provisional fair values (100%) ($ millions)**
Intangible assets (excluding goodwill)	1,294
Property, plant and equipment	547
Right of use assets	189
Other non-current assets	5
Current assets (excluding cash)	245
Trade receivables	42
Cash and cash equivalents	199
Total assets acquired	**2,521**
Lease liabilities	205
Other debt and financing	417
Other liabilities	280
Total liabilities assumed	**901**
Fair value of assets acquired and liabilities assumed, net - A	**1,620**
Purchase consideration (45%) - B	2,195
Implied fair value (100% of business) - C	4,877
Carrying value of our investment in joint venture at acquisition date - D	2,013
Goodwill arising on change of control - B+D-A=E	**2,588**
Revaluation of previously held interests - C-B-D=F (i)	670
Total provisional goodwill - E+F=G	**3,258**

(i) The acquisition has been determined as a business combination achieved in stages, requiring Millicom to remeasure its 55% previously held equity investment in Tigo Guatemala at its acquisition date fair value ($2,683 million); the resulting gain has been recognized in the statement of income under the line "Revaluation of previously held interests" and is included in the goodwill calculation (see above).

The goodwill is attributable to the workforce and the high profitability of Tigo Guatemala. It is currently not expected to be tax deductible. From November 12, 2021 to December 31, 2021, Tigo Guatemala contributed $223 million of revenue and a net profit of $43 million to the Group. If Tigo Guatemala had been acquired on January 1, 2021 incremental revenue for the year 2021 would have been $1.38 billion and incremental net profit for the same period of $147 million. Acquisition related costs included in the statement of income under operating expenses were immaterial.

Scope changes 2020

There were no material acquisitions in 2020.

Scope changes 2019

1. Telefónica CAM Acquisitions

On February 20, 2019, MIC S.A., Telefónica Centroamérica and Telefónica, S.A. entered into 3 separate share purchase agreements (the "Telefónica CAM Acquisitions") pursuant to which, subject to the terms and conditions contained therein, Millicom agreed to purchase 100% of the shares of Telefónica Móviles Panamá, S.A., a company incorporated under the laws of Panama, from Telefónica Centroamérica (the "Panama Acquisition"), 100% of the shares of Telefónica de Costa Rica TC, S.A., a company incorporated under the laws of Costa Rica, from Telefónica (the "Costa Rica Acquisition") and 100% of the shares of Telefonía Celular de Nicaragua, S.A., a company incorporated under the laws of Nicaragua, from Telefónica Centroamérica (the "Nicaragua Acquisition"). While Millicom completed both acquisitions in Nicaragua and Panama, it announced on May 2, 2020 that it had terminated the Share Purchase Agreement in relation to the Costa Rica Acquisition (see note G.3.1.). The aggregate purchase price for the Telefónica Panama and Nicaragua Acquisitions was $1.08 billion, which has been subject to purchase price adjustments - see below.

Acquisition related costs for Nicaragua and Panama acquisitions included in the statement of income under operating expenses were approximately $16 million for the year 2019.

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

Further details of Nicaragua and Panama acquisitions are provided below.

a) Nicaragua Acquisition

This transaction closed on May 16, 2019 after receipt of the necessary approvals and, since that date, Millicom holds all voting rights into Telefonía Celular de Nicaragua, S.A. ("Nicaragua") and controls it. On the same day, Millicom paid an original cash consideration of $437 million, which was adjusted to $430 million as of December 31, 2019 and finally adjusted to $426 million in 2020. 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 was finalized by May 16, 2020 and has not materially changed since December 31, 2019, with the exception of the final price adjustment.

The goodwill is currently not tax deductible, and is attributable to expected synergies and convergence with our legacy fixed business in the country, as well as to the fair value of the assembled work force. For convenience purposes, the acquisition date was set on May 1, 2019 as there were no material transactions from this date to May 16, 2019. From May 1, 2019 to December 31, 2019, Nicaragua contributed $144 million of revenue and a net profit of $5 million to the Group. If the acquisition had occurred on January 1, 2019 incremental revenue for the Group for the twelve-month period ended December 31, 2019 would have been $219 million and incremental net loss for that period would have been $16 million, including amortization of assets not previously recognized of $12 million (net of tax).

Key assumptions used in fixed assets valuation

The following valuation methods and key estimates were used for the valuation of the main classes of fixed assets:

Major class of assets	Valuation method	Key assumption 1	Key assumption 2	Key assumption 3
Spectrum	Market approach - Market comparable transactions	Discount rate : 14%	Terminal growth rate: 2.5%	Estimated duration: 14 years
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 14-15%	Monthly Churn rate: From 1.2% for B2B to 2.9% for B2C	EBITDA margin: ~ 36% to 41%
Land and buildings	Market approach	Economic useful life (range): 10-30 years	Price per square meter: from $2 to $57	N/A
Core network	Cost approach	Economic useful life (range): 5-27 years	Remaining useful life (minimum) : 1.7 years	N/A

b) 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 Grupo de Comunicaciones Digitales, S.A., formerly Telefónica Móviles Panamá, S.A. ("Panama") and controls it. On the same day, Cable Onda paid an original cash consideration of $594 million to acquire 100% of the shares of Panama, finally adjusted to $587 million during Q3 2020. 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 on 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 2020, the Group completed the policy alignment and evaluation in respect of the right-of-use assets and lease liabilities, the property plant and equipment, as well as their related effect on the final valuation of the other fixed assets.

The goodwill is currently not tax deductible and is attributable to expected synergies and convergence with Cable Onda, as well as to the fair value of the assembled work force. For convenience purposes, the acquisition date was set on September 1, 2019. From September 1, 2019 to December 31, 2019, Panama contributed $80 million of revenue and a net profit of $6 million to the Group. If Panama had been acquired on January 1, 2019 incremental revenue for the Group for the twelve-month period ended December 31, 2019 would have been $158 million and incremental net profit for that period would have been $1 million, including amortization of assets not previously recognized of $3 million (net of tax).

As mentioned above, the impact of the finalization of Panama's purchase accounting on the 2019 Group statement of income was immaterial and, therefore, no adjustments were made on comparative figures in that respect.

Key assumptions used in fixed assets valuation

The following valuation methods and key estimates were used for the valuation of the main classes of fixed assets:

Major class of assets	Valuation method	Key assumption 1	Key assumption 2	Key assumption 3
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 9.8-10.8%	Monthly Churn rate: ~3.8% in average	EBITDA margin: ~ 41.5%
Property, plant and equipment	Cost approach	Economic useful life (range): 3-27 years	Remaining useful life (minimum): 3-27 years	N/A

2. Tanzania restructuring

In October 2019, with the view of listing the shares of MIC Tanzania Public Limited Company ('MIC Tanzania') on the local stock exchange (see note H.), Millicom completed the restructuring of its investments in different operations in the country. Mainly, MIC Tanzania acquired all the shares of Zantel, which was partially held by the Government of Zanzibar (15%). In exchange of the contribution of its 15% shares in Zantel to MIC Tanzania, the Government of Zanzibar received 1.5% of newly issued shares in MIC Tanzania. This restructuring did not result in the Group losing control in Zantel nor MIC Tanzania, and has therefore been recognized as an equity transaction. As a consequence, the Group owners' equity decreased by a net amount of $18 million as a result of the derecognition of the 15% non-controlling interests in Zantel and the recognition of 1.5% non-controlling interests in MIC Tanzania.

3. Others

During the year ended December 31, 2019, the Group also completed minor additional acquisitions and scope changes.

A.1.3. Disposal of subsidiaries and decreases in non-controlling interests of subsidiaries

Chad

On June 26, 2019, the Group completed the disposal of its operations in Chad for a cash consideration of $110 million. In August 2020, the Group and the buyer of our operations in Chad agreed on a final price adjustment of $8 million in favor of the buyer. This price adjustment had been disbursed in September 2020 and recorded under the results from discontinued operations in the Group's statement of income. In accordance with Group practices, the Chad operation had been classified as assets held for sale and discontinued operations as from June 5, 2019 and comparative periods restated. On June 26, 2019, Chad was deconsolidated and a gain on disposal of $77 million was recognized (see also note E.4.).

Rwanda

On December 19, 2017, Millicom announced that it had signed an agreement for the sale of its Rwanda operations to subsidiaries of Bharti Airtel Limited for a final cash consideration of $51 million, including a deferred cash payment for an amount of $18 million, which has been finally settled in January 2020. The sale was completed on January 31, 2018. On that day, Millicom's operations in Rwanda have been deconsolidated and no material loss on disposal was recognized. However, a loss of $32 million was recognized in 2019 corresponding to the recycling of foreign currency exchange losses accumulated in equity since the creation of the local operation. This loss had been recognized under 'Profit (loss) for the 2019 year from discontinued operations, net of tax'.

Other disposals

For the years ended December 31, 2021, 2020 and 2019, Millicom did not dispose of any other significant investments.

A.1.4. Summarized financial information relating to significant subsidiaries with non-controlling interests

At December 31, 2021 and 2020, Millicom's subsidiaries with material non-controlling interests were the Group's operations in Colombia and Panama.

Statement of Financial Position – non-controlling interests

	December 31,	
	2021	2020
	(US$ millions)	
Colombia	83	133
Panama	74	81
Others	—	1
Total	**157**	**215**

Profit (loss) attributable to non-controlling interests

	2021	2020 (US$ millions)	2019
Colombia	(40)	(23)	11
Panama	(7)	(18)	(6)
Others	(1)	—	—
Total	**(48)**	**(41)**	**5**

The summarized financial information for material non-controlling interests in our operations in Colombia and Panama is provided below. This information is based on amounts before inter-company eliminations.

Colombia

	2021	2020 (US$ millions)	2019
Revenue	**1,414**	**1,346**	**1,532**
Total operating expenses	(509)	(470)	(543)
Operating profit	**100**	**129**	**164**
Net (loss) for the year	(80)	(46)	23
50% non-controlling interest in net (loss)	**(40)**	**(23)**	**11**
Total assets (excluding goodwill)	2,336	2,589	2,256
Total liabilities	2,158	2,303	1,891
Net assets	**178**	**286**	**365**
50% non-controlling interest in net assets	89	143	183
Consolidation adjustments	(6)	(10)	(13)
Total non-controlling interest	**83**	**133**	**170**
Dividends and advances paid to non-controlling interest	(5)	(4)	(12)
Net cash from operating activities	272	370	363
Net cash from (used in) investing activities	(295)	(311)	(260)
Net cash from (used in) financing activities	30	(47)	(67)
Exchange impact on cash and cash equivalents, net	(10)	(15)	0
Net increase (decrease) in cash and cash equivalents	**(2)**	**(3)**	**36**

Panama

	2021	2020	2019 (i)
		(US$ millions)	
Revenue	**633**	**585**	**475**
Total operating expenses	(207)	(197)	(148)
Operating profit	**7**	**(60)**	**(15)**
Net (loss) for the year	(37)	(89)	(31)
20% non-controlling interest in net (loss)	**(7)**	**(18)**	**(6)**
Total assets (excluding Millicom's goodwill in Cable Onda)	1,717	1,734	1,905
Total liabilities	1,347	1,327	1,411
Net assets	**371**	**407**	**494**
20% non-controlling interest in net assets	74	81	99
Total non-controlling interest	**74**	**81**	**99**
Net cash from operating activities	179	193	167
Net cash from (used in) investing activities	(118)	(100)	(693)
Net cash from (used in) financing activities	(43)	(69)	580
Net increase in cash and cash equivalents	**17**	**24**	**54**

(i) In 2019, Cable Onda acquired Telefónica Panama for $587 million (note A.1.2.), financed by issuing a $600 million Senior Notes due 2030 (note C.3.1.) The 2019 figures include the full year results and cash flows of Cable Onda, as well as 4 months of Telefónica Panama which was consolidated from September 1, 2019.

A.2. 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 December 31, 2021, the equity accounted net assets of our joint venture in Honduras totaled $406 million (December 31, 2020: Honduras: $422 million; Guatemala: $2,649 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 reserves, $3 million (December 31, 2020: $153 million) represent statutory reserves that are unavailable to be distributed to the Group. During the year ended December 31, 2021, Millicom's joint venture in Honduras did not pay any dividend or dividend advances to the Company while Guatemala paid $13 million during the period from January 1, 2021 until November 12, 2021 (December 31, 2020: Honduras: $24 million; Guatemala: $47 million).

Our main joint ventures are as follows:

Entity	Country	Activity	December 31, 2021 % holding	December 31, 2020 % holding
Telefonica Celular S.A. (i)	Honduras	Mobile, MFS	66.7	66.7
Navega S.A. de CV (i)	Honduras	Cable	66.7	66.7
Comunicaciones Celulares S.A. (ii)	Guatemala	Mobile, MFS	na	55
Navega.com S.A. (ii)	Guatemala	Cable, DTH	na	55
Bharti Airtel Ghana Holdings B.V. (iii)	Ghana	Mobile, MFS	50	50

(i) Millicom owns more than 50% of the shares in these entities and has the right to nominate a majority of the directors of each of these entities. However, key decisions over the relevant activities must be taken by a super majority vote. This effectively gives either shareholder the ability to veto any decision and therefore neither shareholder has sole control over the entity. Therefore, the operations of these joint ventures are accounted for under the equity method.

(ii) On November 12, 2021 Millicom signed and closed an agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala"). As a result, Millicom owns 100% equity interest in Tigo Guatemala and fully consolidates it since that date. Until November 12, 2021, Millicom owned more than 50% of the shares in these entities and had the right to nominate a majority of the directors of each of these entities. However, key decisions over the relevant activities were taken by a super majority vote. This effectively gave either shareholder the ability to veto any decision and therefore neither shareholder had sole control over the entity. Therefore, the operations of these joint ventures were accounted for under the equity method prior to the acquisition.

(iii) On October 13, 2021, Millicom, along with its joint venture partner Bharti Airtel Limited, closed the disposal of AirtelTigo Ghana to the Government of Ghana (a subsidiary of Bharti Airtel Limited). Millicom still owns 50% of Bharti Airtel Ghana Holdings B.V.

The carrying values of Millicom's investments in joint ventures were as follows:

Carrying value of investments in joint ventures at December 31

	2021	2020
	(US$ millions)	
Honduras operations (i)	596	610
Guatemala operations (i)	—	2,031
AirtelTigo Ghana operations	—	—
Total	**596**	**2,642**

(i) Includes all the companies under the Honduras and Guatemala groups (for Guatemala, until acquisition date - See Note A.2.1.).

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

	Guatemala(i)	Honduras (i)	Ghana(ii)
		(US$ millions)	
Opening balance at January 1, 2020	**2,089**	**708**	**—**
Disposal of the Group's investment in Navega to Celtel (iii)	—	(83)	—
Results for the year	144	27	—
Dividends declared during the year	(199)	(55)	—
Currency exchange differences	(3)	13	—
Closing balance at December 31, 2020	**2,031**	**610**	**—**
Capital increase	—	—	38
Results for the year	183	27	(38)
Utilization of past recognized losses	—	—	—
Dividends declared during the year	(201)	(34)	—
Currency exchange differences	—	(7)	—
Change in consolidation scope	(2,013)	—	—
Closing balance at December 31, 2021	**—**	**596**	**—**

(i) Share of profit is recognized under 'Share of profit joint ventures' in the statement of income for the year ended December 31, 2021 for Honduras and for the period from January 1, 2021 until November 12, 2021 for Guatemala (see note A.1.2.)

(ii) Share of profit (loss) is recognized under 'Income (loss) from other joint ventures and associates, net' in the statement of income.

(iii) See note G.5.

(iv) On October 13, 2021, Millicom, along with its joint venture partner Bharti Airtel Limited, closed the disposal of AirtelTigo Ghana to the Government of Ghana. As part of the closing conditions, each partner committed and paid $37.5 million for the reimbursement of certain local bank facilities which has been provided for during the first-nine months in the statement of income under the line "Profit (loss) from other joint ventures and associates, net

At December 31, 2021 and 2020 the Group had not incurred obligations, nor made payments on behalf of the Honduras or Ghana operations.

A.2.1. Accounting for joint ventures

Joint ventures are accounted for using the equity method of accounting and are initially recognized at cost (calculated at fair value if it was a subsidiary of the Group before becoming a joint venture). The Group's investments in joint ventures include goodwill (net of any accumulated impairment loss) on acquisition.

The Group's share of post-acquisition profits or losses of joint ventures is recognized in the consolidated statement of income and its share of post-acquisition movements in reserves is recognized in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the joint ventures.

Gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in joint ventures are recognized in the statement of income.

After application of the equity method, including recognizing the joint ventures' losses, the Group applies IFRS 9 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the joint venture.

A.2.2. Material joint ventures – Guatemala, Honduras and Ghana operations

Summarized financial information for the years ended December 31, 2021, 2020 and 2019 of the Guatemala (until acquisition), Honduras and Ghana (until disposal) operations is as follows. This information is based on amounts before inter-company eliminations.

Honduras

	2021	2020	2019
		(US$ millions)	
Revenue	**589**	**552**	**594**
Depreciation and amortization	(124)	(132)	(132)
Operating profit	**99**	**77**	**102**
Financial income (expenses), net	(34)	(24)	(37)
Profit before taxes	**62**	**58**	**60**
Charge for taxes, net	(22)	(19)	(21)
Profit for the year	**40**	**39**	**39**
Net profit for the year attributable to Millicom	**27**	**27**	**27**
Dividends and advances paid to Millicom	—	24	28
Total non-current assets (excluding goodwill)	473	461	516
Total non-current liabilities	362	533	469
Total current assets	176	300	312
Total current liabilities	305	236	183
Total net assets	(18)	(8)	176
Group's share in %	66.7 %	66.7 %	66.7 %
Group's share in USD millions	(12)	(5)	117
Goodwill and consolidation adjustments	608	615	591
Carrying value of investment in joint venture	596	610	708
Cash and cash equivalents	39	60	40
Debt and financing – non-current	267	390	384
Debt and financing – current	73	10	39
Net cash from operating activities	166	151	169
Net cash from (used in) investing activities	(89)	(145)	(77)
Net cash from (used in) financing activities	(98)	14	(77)
Net (decrease) increase in cash and cash equivalents	**(21)**	**20**	**15**

Honduras financing

On September 19, 2019, Telefónica Celular, S.A. de C.V. entered into a new credit agreement with Banco Industrial S.A. and Banco Pais S.A for an amount up to $185 million, in tranches of $100 million, $60 million and $25 million. The Loan Agreement has a 10-year maturity and an interest rate of LIBOR plus 3.80% per annum, subject to a floor of minimum 5.25%. The new credit agreement has been used to consolidate the portion of a syndicated $250 million facility with Scotiabank dated March 27, 2015, and $90 million credit agreement with Banco Industrial S.A. dated March 20, 2018.

On September 19, 2019, Navega S.A. de C.V., entered into a new facility agreement with Banco Industrial S.A. for an amount of $20 million and a duration of 10 years. The new agreement bears an annual interest of LIBOR plus 3.80% , subject to a floor of 5.25%. and will be used to refinance the portion corresponding to it as borrower under the $250 million facility with Scotiabank dated March 27, 2015.

On June 1, 2020, Telefónica Celular, S.A. de C.V. executed a $32 million bank loan agreement in equivalent amount in local currency for a 10-year term.

Guatemala

	2021(ii)	2020 (i)	2019
		(US$ millions)	
Revenue	**1,379**	**1,503**	**1,434**
Depreciation and amortization	(282)	(323)	(313)
Operating profit	**462**	**452**	**429**
Financial income (expenses), net (i)	(40)	(95)	(66)
Profit before taxes	**432**	**347**	**356**
Charge for taxes, net	(99)	(83)	(79)
Profit for the year	**333**	**264**	**277**
Net profit for the year attributable to Millicom	**183**	**144**	**152**
Dividends and advances paid to Millicom	13	47	209
Total non-current assets (excluding goodwill)	N/A	2,195	2,517
Total non-current liabilities	N/A	751	1,216
Total current assets	N/A	742	717
Total current liabilities	N/A	523	251
Total net assets	N/A	1,662	1,767
Group's share in %	N/A	55 %	55 %
Group's share in USD millions	N/A	914	972
Goodwill and consolidation adjustments	N/A	1,117	1,117
Carrying value of investment in joint venture	N/A	2,031	2,089
Cash and cash equivalents	N/A	188	189
Debt and financing – non-current	N/A	619	1,152
Debt and financing – current	N/A	24	21
Net cash from operating activities	611	598	588
Net cash from (used in) investing activities	(192)	(289)	(205)
Net cash from (used in) financing activities	(406)	(308)	(412)
Exchange impact on cash and cash equivalents, net	1	(2)	1
Net increase in cash and cash equivalents	**13**	**(1)**	**(28)**

(i) In 2020, Financial expenses include a $18 million charge related to early redemption of bonds - see below.

(ii) Information for the statement of income and cash flows is for the period from January 1 to November 12, 2021. No information is disclosed on statement of financial position items as these are now fully consolidated in the Group numbers.

Guatemala financing

In 2014, Intertrust SPV (Cayman) Limited, acting as trustee of the Comcel Trust, a trust established and consolidated by Comcel for the purposes of the transaction, issued $800 million 6.875% Senior Notes to refinance existing local and MIC S.A. corporate debt. The bond was issued at 98.233% of the principal and had an effective interest rate of 7.168%. The bond was guaranteed by Comcel and listed on the Luxembourg Stock Exchange.

On November 18, 2020, the $800 million aggregate principal amount of its outstanding 6.875% Senior Notes due 2024 was early redeemed 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. The redemption premium ($18 million) and additional interest ($7 million), as well as the remaining unamortized deferred costs of $8 million were recorded as financial expenses during the year. This early redemption was financed through local financing in local currency as well as by shareholder loans (see note G.5.).

The impact on the Group's statement of income was a $18 million expense (at 55% ownership) reported on the line "Share of profit in joint ventures".

On October 5, 2020, Comcel executed a credit agreement with Banco Industrial for GTQ 1,697 million (approximately $218 million using the exchange rate as of December 31, 2020) for a 5 year term to refinance other credit agreements with Banco Industrial and to finance and refinance working capital, capital expenditures and general corporate purposes.

AirtelTigo Ghana

Our joint venture in Ghana has been disposed of during the year. The only material effect for this year's statement of income is the loss recognized on the exit financing which is further explain in note A.2.. Therefore, the 2021 financial information is not disclosed in the table below.

	2020	2019
Revenue	**132**	**142**
Depreciation and amortization	(42)	(69)
Operating loss	**(30)**	**(72)**
Financial income (expenses), net	(41)	(77)
Loss before taxes	**(85)**	**(123)**
Charge for taxes, net	—	—
Loss for the period	**(85)**	**(123)**
Net loss for the period attributable to Millicom	**0**	**(40)**
Total non-current assets (excluding goodwill)	204	168
Total non-current liabilities	289	245
Total current assets	41	42
Total current liabilities	218	187
Total net assets	(263)	(223)
Group's share in %	50 %	50 %
Group's share in USD millions	(132)	(111)
Goodwill and consolidation adjustments	89	90
Unrecognised losses	(42)	(22)
Carrying value of investment in joint venture	—	0
Cash and cash equivalents	1	5
Debt and financing – non-current	289	245
Debt and financing – current	40	27
Net cash from operating activities	(8)	(5)
Net cash from (used in) investing activities	—	—
Net cash from (used in) financing activities	4	(6)
Net increase in cash and cash equivalents	**(4)**	**(11)**

A.2.3. Impairment of investment in joint ventures

While no impairment triggers were identified for the Group's investments in joint ventures in 2021, according to its policy, management have completed an impairment test for its joint ventures in Honduras.

The Group's investments in Honduras operations was tested for impairment by assessing the recoverable amount (using a value in use model based on discounted cash flows) against the carrying amount. The cash flow projections used were extracted from financial budgets approved by management and reviewed by the Board (refer to note E.1.6. for further details on impairment testing). Cash flows beyond this period have been extrapolated using a perpetual growth rate of 1% (2020: 1%). Discount rate used in determining recoverable amount was 8.9% (2020: 9.0%).

For the year ended December 31, 2021 and 2020, and as a result of the impairment testing described above, management concluded that none of the Group's investments in joint ventures should be impaired.

Sensitivity analysis was performed on key assumptions within the impairment tests. The sensitivity analysis determined that sufficient headroom exists from realistic changes to the assumptions that would not impact the overall results of the testing.

A.3. Investments in associates

Millicom has significant influence over immaterial associates as shown below:

Entity	Country	Activity(ies)	December 31, 2021 % holding	December 31, 2020 % holding
Africa				
West Indian Ocean Cable Company Limited (WIOCC)	Republic of Mauritius	Telecommunication carriers' carrier	9.1	9.1
Latin America				
MKC Brilliant Holding GmbH (LIH)	Germany	Online marketplace, retail and services	35.0	35.0
Unallocated				
Milvik AB	Sweden	Other	9.7	9.7

At December 31, 2021 and 2020, the carrying value of Millicom's main associates was as follows:

Carrying value of investments in associates at December 31

	2021	2020
	(US$ millions)	
Milvik AB	8	10
West Indian Ocean Cable Company Limited (WIOCC)	14	14
Total	**22**	**24**

A.3.1. Accounting for investments in associates

The Group accounts for associates in the same way as it accounts for joint ventures.

A.3.2. Impairment of interests in associates

MKC Brilliant Holding GmbH (LIH)

Millicom's 35.0% investment in LIH had been fully impaired in two stages (by $40 million in 2016 and $48 million in 2017) as a result of the annual impairment test conducted back then. The impairment test performed in 2021 confirmed this conclusion.

A.4. Discontinued operations

A.4.1. Classification of discontinued operations

Discontinued operations are those which have identifiable operations and cash flows (for both operating and management purposes) and represent a major line of business or geographic area which has been disposed of, or are held for sale. Revenue and expenses associated with discontinued operations are presented retrospectively in a separate line in the consolidated statement of income.

A.4.2. Millicom's discontinued operations

In accordance with IFRS 5 and as further explained in Note A.1.3. , the Group's businesses in Chad and Rwanda had been classified as discontinued operations. For further details, refer to note E.4.

B. Performance

B.1. Revenue

Millicom's revenue comprises sale of services from its mobile business (including Mobile Financial Services - MFS) and its cable and other fixed services, as well as related devices and equipment. Recurring revenue consists of monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, TV services, B2B contracts, MFS commissions and fees from other telecommunications services such as data services, short message services and other value added services.

Revenue from continuing operations by

	2021	2020	2019
		(US$ millions)	
Mobile	2,347	2,116	2,150
Cable and other fixed services	1,947	1,803	1,928
Other	60	52	51
Service revenue	**4,354**	**3,971**	**4,130**
Telephone and equipment	263	201	206
Total revenue	**4,617**	**4,171**	**4,336**

Revenue from continuing operations by country or operation (i)

	2021	2020	2019
		(US$ millions)	
Colombia	1,414	1,346	1,532
Paraguay	555	544	610
Bolivia	623	584	639
El Salvador	445	389	386
Tanzania	357	366	382
Nicaragua	238	220	157
Costa Rica	141	140	153
Panama	632	585	475
Guatemala (ii)	223	—	—
Other operations	2	3	4
Eliminations	(13)	(5)	(3)
Total	**4,617**	**4,171**	**4,336**

(i) The revenue figures above are shown after intercompany eliminations.

(ii) Tigo Guatemala is fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details.

B.1.1. Accounting for revenue

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group applies the following practical expedients foreseen in IFRS 15:

- No adjustment to the transaction price for the means of a financing component whenever the period between the transfer of a promised good or service to a customer and the associated payment is one year or less; when the period is more than one year the financing component is adjusted, if material.
- Disclosure in the Group Financial Statements the transaction price allocated to unsatisfied performance obligations only for contracts that have an original expected duration of more than one year (e.g. unsatisfied performance obligations for contracts that have an original duration of one year or less are not disclosed).
- Application of the practical expedient not to disclose the price allocated to unsatisfied performance obligations, if the consideration from a customer corresponds to the value of the entity's performance obligation to the customer (i.e, if billing corresponds to accounting revenue).
- Application of the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that otherwise would have been recognized is one year or less.

Post-paid connection fees are derived from the payment of a non-refundable / one-time fee charged to customer to connect to the network (e.g. connection / installation fee). Usually, it does not represent a distinct good or service, and therefore does not give rise to a separate performance obligation and revenue is recognized over the minimum contract duration. However, if the fee is paid by a customer to get the right to receive goods or services without having to pay this fee again over his tenure with the Group (e.g. the customer can readily extend his contract without having to pay the same fee again), it is accounted for as a material right and revenue should be recognized over the customer retention period.

Post-paid mobile / cable subscription fees are recognized over the relevant enforceable/subscribed service period (recurring monthly access fees that do not vary based on usage). The service provision is usually considered as a series of distinct services that have the same pattern of transfer to the customer. Remaining unrecognized subscription fees, which are not refunded to the customers, are fully recognized once the customer has been disconnected.

Prepaid scratch / SIM cards are services where customers purchase a specified amount of airtime or other credit in advance. Revenue is recognized as the credit is used. Unused credit is carried in the statement of financial position as a contract liability. Upon expiration of the validity period, the portion of the contract liability relating to the expiring credit is recognized as revenue, since there is no longer an obligation to provide those services.

Telephone and equipment sales are recognized as revenue once the customer obtains control of the good. That criteria is fulfilled when the customer has the ability to direct the use and obtain substantially all of the remaining benefits from that good.

Revenue from provision of Mobile Financial Services (MFS) is recognized once the primary service has been provided to the customer.

Customer premise equipment (CPE) are provided to customers as a prerequisite to receive the subscribed Home services and shall be returned at the end of the contract duration. Since CPEs provided over the contract term do not provide benefit to the customer on their own, they do not give rise to separate performance obligations and therefore are accounted for as part of the service provided to the customers.

Bundled offers are considered arrangements with multiple deliverables or elements, which can lead to the identification of separate performance obligations. Revenue is recognized in accordance with the transfer of goods or services to customers in an amount that reflects the relative standalone selling price of the performance obligation (e.g. sale of telecom services, revenue over time + sale of handset, revenue at a point in time).

Principal-Agent, some arrangements involve two or more unrelated parties that contribute to providing a specified good or service to a customer. In these instances, the Group determines whether it has promised to provide the specified good or service itself (as a principal) or to arrange for those specified goods or services to be provided by another party (as an agent). For example, performance obligations relating to services provided by third-party content providers (i.e., mobile Value Added Services or "VAS") or service providers (i.e., wholesale international traffic) where the Group neither controls a right to the provider's service nor controls the underlying service itself are presented net because the Group is acting as an agent. The Group generally acts as a principal for other types of services where the Group is the primary obligor of the arrangement. In cases the Group determines that it acts as a principal, revenue is recognized in the gross amount, whereas in cases the Group acts as an agent revenue is recognized in the net amount.

Revenue from the sale of cables, fiber, wavelength or capacity contracts, when part of the ordinary activities of the operation, is recognized as recurring revenue. Revenue is recognized when the cable, fiber, wavelength or capacity has been delivered to the customer, based on the amount expected to be received from the customer.

Revenue from operating lease of tower space is recognized over the period of the underlying lease contracts. Finance leases revenue is apportioned between lease of tower space and interest income.

Significant judgments

The determination of the standalone selling price for contracts that involve more than one performance obligation may require significant judgment, such as when the selling price of a good or service is not readily observable.

The Group determines the standalone selling price of each performance obligation in the contract in accordance to the prices that the Group would apply when selling the same services and/or telephone and equipment included in the obligation to a similar customer on a standalone basis. When standalone selling price of services and/or telephone and equipment are not directly observable, the Group maximizes the use of external input and uses the expected cost plus margin approach to estimate the standalone selling price.

B.2. Expenses

The cost of sales and operating expenses incurred by the Group can be summarized as follows:

Cost of sales

	2021	2020	2019
	(US$ millions)		
Direct costs of services sold	(938)	(847)	(878)
Cost of telephone, equipment and other accessories	(278)	(216)	(230)
Bad debt and obsolescence costs	(86)	(108)	(93)
Cost of sales	**(1,302)**	**(1,171)**	**(1,201)**

Operating expenses, net

	2021	2020	2019
	(US$ millions)		
Marketing expenses	(495)	(396)	(402)
Site and network maintenance costs	(254)	(234)	(245)
Employee related costs (B.4.)	(503)	(477)	(496)
External and other services	(177)	(174)	(204)
Rentals and leases	—	(1)	(1)
Other operating expenses	(248)	(225)	(257)
Operating expenses, net	**(1,677)**	**(1,505)**	**(1,604)**

The other operating income and expenses incurred by the Group can be summarized as follows:

Other operating income (expenses), net

	Notes	2021	2020	2019
		(US$ millions)		
Income from tower deal transactions	E.3.	—	—	5
Impairment of intangible assets and property, plant and equipment	E.1., E.2.	(5)	—	(8)
Gain (loss) on disposals of intangible assets and property, plant and equipment		6	—	—
Impairment of AirtelTigo's receivable	G.5.		(45)	—
Reverse earn-out in respect of Zantel's acquisition (i)		11	—	—
Gain (loss) on disposal of equity investments	C.7.3.	(15)	25	(32)
Other income (expenses) (ii)		10	9	1
Other operating income (expenses), net		**6**	**(12)**	**(34)**

(i) In January 2022, Millicom received $11 million from Etisalat as earn-out income related to the purchase of Zantel in 2015. This settlement was considered as an adjusting event and recorded in 'other operating income' in the statement of income.

(ii) Other income (expenses) can be mainly attributed to social obligations spectrum liability derecognition in Paraguay of $4 million and reversal provision related to Ghana of $4 million.

B.2.1. Accounting for cost of sales and operating expenses

Cost of sales

Cost of sales is recorded on an accrual basis.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract, including dealer commissions, are capitalized as Contract Costs in the statement of financial position and amortized in operating expenses over the expected benefit period, which is based on the average duration of contracts with customer (see practical expedient in note B.1.1.).

B.3. Segmental 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 Guatemala and Honduras as if they were fully consolidated by the Group, over all periods presented, as this reflects the way management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. See also note A.1.2. on Guatemala's acquisition on November 12, 2021. This acquisition has no impact on the way we present our Latin America segment as it already included Guatemala as if fully consolidated. Finally, even prior to its formal disposal in October 2021, our Africa segment did not include our joint venture in Ghana because our management did not consider it a strategic part of our Group (See also note A.2.).

Revenue, operating profit (loss), EBITDA and other segment information for the years ended December 31, 2021, 2020 and 2019, were as follows:

	Latin America	Africa	Unallocated	Guatemala and Honduras (vii) (viii)	Eliminations and Transfers	Total
			(US$ millions)			
Year ended December 31, 2021						
Mobile revenue	3,372	347	—	(1,372)	—	2,347
Cable and other fixed services revenue	2,275	9	—	(334)	(2)	1,947
Other revenue	70	—	—	(8)	(2)	60
Service revenue (i)	5,716	357	—	(1,715)	(4)	4,354
Telephone and equipment and other revenue (i)	503	—	—	(240)	—	263
Revenue	**6,220**	**357**	**—**	**(1,955)**	**(4)**	**4,617**
Operating profit (loss)	**1,001**	**29**	**(7)**	**(574)**	**210**	**659**
Add back:						
Depreciation and amortization	1,504	83	12	(403)	—	1,196
Share of profit in joint ventures	—	—	—	—	(210)	(210)
Other operating income (expenses), net	(8)	(1)	2	—	—	(6)
EBITDA (ii)	**2,498**	**111**	**6**	**(977)**	**—**	**1,639**
EBITDA from discontinued operations	—	—	—	—	—	—
EBITDA incl discontinued operations	**2,498**	**111**	**6**	**(977)**	**—**	**1,639**
Capital expenditure (iii)	(1,015)	(42)	(7)	238	—	(827)
Changes in working capital and others (iv)	(200)	33	116	(13)	—	(65)
Taxes paid	(241)	(20)	(9)	143	—	(127)
Operating free cash flow (v)	**1,041**	**81**	**106**	**(609)**	**—**	**619**
Total Assets (vi)	**14,400**	**870**	**6,401**	**(6,430)**	**(103)**	**15,139**
Total Liabilities	**8,333**	**937**	**5,081**	**(1,761)**	**(191)**	**12,399**

	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
			(US$ millions)			
Year ended December 31, 2020						
Mobile revenue	3,220	357	—	(1,461)	—	2,116
Cable and other fixed services revenue	2,097	8	—	(302)	(1)	1,803
Other revenue	60	1	—	(6)	(2)	52
Service revenue (i)	5,377	366	—	(1,769)	(4)	3,971
Telephone and equipment revenue (i)	466	—	—	(266)	—	201
Revenue	**5,843**	**366**	**—**	**(2,035)**	**(4)**	**4,171**
Operating profit (loss)	**803**	**36**	**(32)**	**(536)**	**175**	**446**
Add back:						
Depreciation and amortization	1,561	89	11	(453)	—	1,208
Share of profit in joint ventures	—	—	—	—	(171)	(171)
Other operating income (expenses), net	(5)	—	23	(3)	(4)	12
EBITDA (ii)	**2,360**	**125**	**2**	**(992)**	**—**	**1,495**
EBITDA from discontinued operations	—	(4)	—	—	—	(4)
EBITDA incl discontinued operations	**2,360**	**121**	**2**	**(992)**	**—**	**1,491**
Capital expenditure (iii)	(926)	(42)	(4)	258	—	(714)
Changes in working capital and others (iv)	61	11	(7)	(43)	—	22
Taxes paid	(260)	(10)	(2)	131	—	(142)
Operating free cash flow (v)	**1,234**	**80**	**(11)**	**(645)**	**—**	**657**
Total Assets (vi)	**13,418**	**926**	**4,052**	**(5,116)**	**(859)**	**12,422**
Total Liabilities	**8,878**	**959**	**3,342**	**(2,044)**	**(987)**	**10,148**

	Latin America	Africa	Unallocated	Guatemala and Honduras(vii)	Eliminations and Transfers	Total
			(US$ millions)			
Year ended December 31, 2019						
Mobile revenue	3,258	372	—	(1,480)	—	2,150
Cable and other fixed services revenue	2,197	9	—	(277)	—	1,928
Other revenue	60	1	—	(9)	—	51
Service revenue (i)	5,514	382	—	(1,766)	—	4,130
Telephone and equipment revenue (i)	449	—	—	(243)	—	206
Total Revenue	**5,964**	**382**	**—**	**(2,010)**	**—**	**4,336**
Operating profit (loss)	**980**	**19**	**(64)**	**(540)**	**179**	**575**
Add back:						
Depreciation and amortization	1,435	99	9	(444)	—	1,100
Share of profit in joint ventures	—	—	—	—	(179)	(179)
Other operating income (expenses), net	2	(2)	42	(8)	—	34
EBITDA (ii)	**2,418**	**117**	**(13)**	**(992)**	**—**	**1,530**
EBITDA from discontinued operations	—	(3)	—	—	—	(3)
EBITDA incl discontinued operations	**2,418**	**114**	**(13)**	**(992)**	**—**	**1,527**
Capital expenditure (iii)	(1,040)	(58)	(9)	261	—	(846)
Changes in working capital and others (iv)	(86)	14	(52)	(18)	—	(143)
Taxes paid	(225)	(10)	(8)	129	—	(114)
Operating free cash flow (v)	**1,067**	**59**	**(82)**	**(619)**	**—**	**425**
Total Assets (vi)	**13,859**	**936**	**3,715**	**(5,465)**	**(150)**	**12,895**
Total Liabilities	**8,413**	**909**	**3,977**	**(2,119)**	**(965)**	**10,215**

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

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

(iii) Cash spent for capex excluding spectrum and licenses of $37 million (2020: $101 million; 2019: $59 million) and cash received on tower deals of nil (2020: nil ; 2019: $22 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 Latam segment.

(viii) Our operations in Guatemala are fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details. As a result, from the acquisition date of November 12, 2021, Guatemala's statement of income and cash flow figures are no longer deducted to reconcile to the total consolidated balances.

Revenue from contracts with customers from continuing operations:

		Twelve months ended December 31, 2021			Twelve months ended December 31, 2020			Twelve months ended December 31, 2019		
$ millions	**Timing of revenue recognition**	**Latin America**	**Africa**	**Total Group**	**Latin America**	**Africa**	**Total Group**	**Latin America**	**Africa**	**Total Group**
Mobile	Over time	1,963	233	2,196	1,728	239	1,967	1,747	261	2,007
Mobile Financial Services	Point in time	37	114	150	31	118	149	31	112	143
Cable and other fixed services	Over time	1,938	9	1,947	1,794	8	1,803	1,919	9	1,928
Other	Over time	60	—	60	51	1	52	51	1	52
Service Revenue		**3,998**	**357**	**4,354**	**3,604**	**366**	**3,971**	**3,748**	**382**	**4,130**
Telephone and equipment	Point in time	263	—	263	201	—	201	206	—	206
Revenue from contracts with customers		**4,261**	**357**	**4,617**	**3,805**	**366**	**4,171**	**3,954**	**382**	**4,336**

B.4. People

Number of permanent employees

	2021	2020	2019
Continuing operations (i)	19,749	16,955	17,687
Joint ventures (ii)	938	4,464	4,688
Discontinued operations	—	—	—
Total	**20,687**	**21,419**	**22,375**

(i) Emtelco headcount are excluded from this disclosure and any internal reporting because their costs are classified as direct costs and not employee related costs. Includes Guatemala for 2021.

(ii) Includes only Honduras for 2021 and also Guatemala and Ghana for 2020 and 2019.

	Notes	2021	2020	2019
		(US$ millions)		
Wages and salaries		(383)	(356)	(358)
Social security		(71)	(66)	(68)
Share based compensation	B.4.1.	(17)	(24)	(27)
Pension and other long-term benefit costs	B.4.2.	(6)	(4)	(4)
Other employees related costs		(27)	(27)	(39)
Total		**(503)**	**(477)**	**(496)**

B.4.1. Share-based compensation

1. Equity-settled

Millicom shares granted to management and key employees includes share-based compensation in the form of long-term share incentive plans. Since 2016, Millicom has two types of annual plans, a performance share plan (PSP) and a deferred share plan (DSP). The different plans are further detailed below.

Cost of share-based compensation

	2021	2020	2019
	(US$ millions)		
2017 incentive plans	—	—	(7)
2018 incentive plans	—	(2)	(8)
2019 incentive plans	3	(8)	(14)
2020 incentive plans	(3)	(13)	—
2021 incentive plans	(17)	—	—
Total share based compensation	**(17)**	**(24)**	**(27)**

Deferred share plan (unchanged since 2014, except for vesting schedule)

As from the 2019 plan, shares vest at a rate of 30% on January 1 of each of year one and two, and the remaining 40% on 1 January of year three. Vesting is conditional upon the participant remaining employed with Millicom at each vesting date. The cost of this long-term incentive plan, which is not conditional on performance conditions, is calculated as follows:

Fair value (share price) of Millicom's shares at grant date x number of shares expected to vest.

Performance share plan (for plans issued from 2018)

Shares granted under this performance share plan vest at the end of the three-year period, subject to performance conditions, 25% based on Relative Total Shareholder Return ("Relative TSR"), 25% based on the achievement of the Service Revenue target measured on a 3-year CAGRs from year one to year three of the plan ("Service Revenue") and 50% based on the achievement of the Operating Free Cash Flow ("Operating Free Cash Flow") target measured on a 3-year CAGRs from year one to year three of the plan. From 2020 onwards, the Operating Free Cash Flow target has been redefined to consider payments made in respect of leases. As a result, the target is since then the Operating Free Cash Flow after Leases ("OFCFaL").

For the performance share plans, and in order to calculate the fair value of the TSR portion of those plans, it is necessary to make a number of assumptions which are set out below. The assumptions have been set based on an analysis of historical data as at grant date.

Performance share plan (for plans issued from 2021)

Shares granted under this performance share plan generally follow the same rules as for previous performance share plans. However, and to reflect the need for retention and to align more with U.S. practice, Millicom have added time vested Restricted Stock Units ("RSU's") as a component of the LTI 2021 representing 35% of the award. The RSU's will vest at the end of three years depending on satisfactory service condition. The Relative TSR, which account for 20% of the award, will be measured over the 10 trading days before / after December 31 of the last year of the corresponding three-year measurement period. The Service Revenue (15%) and Operating Cash Flow after Leases ("OCFaL") (30%) performance conditions will not be measured based on a CAGR anymore but on the actual cumulative achievement against the 3-year cumulative targets to better reflect the performance over the three-year period rather than simply the end point as is the case with a CAGR target.

For the performance share plans, and in order to calculate the fair value of the TSR portion of those plans, it is necessary to make a number of assumptions which are set out below. The assumptions have been set based on an analysis of historical data as at grant date.

Assumptions and fair value of the shares under the TSR portion(s)

	Risk-free rate %	Dividend yield %	Share price volatility(i) %	Award term (years)	Share fair value (in US$)
Performance share plan 2021 (Relative TSR)	0.29	1.28	46.28	2.82	52.99
Performance share plan 2020 (Relative TSR)	0.61	1.47	24.54	2.93	55.66
Performance share plan 2019 (Relative TSR)	(0.24)	3.01	26.58	2.93	49.79
Performance share plan 2018 (Relative TSR)	(0.39)	3.21	30.27	2.93	57.70

(i) Historical volatility retained was determined on the basis of a three-year historic average.

The cost of the long-term incentive plans which are conditional on market conditions is calculated as follows:

Fair value (market value) of shares at grant date (as calculated above) x number of shares expected to vest.

The cost of these plans is recognized, together with a corresponding increase in equity (share compensation reserve), over the period in which the performance and/or employment conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. Adjustments are made to the expense recorded for forfeitures, mainly due to management and employees leaving Millicom. Non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition (such as the Relative TSR). These are treated as vested, regardless of whether or not the market conditions are satisfied, provided that all other performance conditions are satisfied. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Plan awards and shares expected to vest

	2021 plans		2020 plans		2019 plans		2018 plans	
	PSP	DSP	PSP	DSP	PSP	DSP	PSP	DSP
	(number of shares)							
Initial shares granted	451,363	536,890	341,897	370,131	257,601	297,856	237,196	262,317
Additional shares granted(i)	—	5,824	—	5,928	—	43,115	—	3,290
Revision for forfeitures	(17,469)	(11,790)	(264,137)	(26,815)	(204,649)	(31,553)	(78,903)	(38,167)
Revision for cancellations	—	—	—	—	—	—	(4,728)	—
Total before issuances	433,894	530,924	77,760	349,244	52,952	309,418	153,565	227,440
Shares issued in 2018	—	—	—	—	—	—	(97)	(18,747)
Shares issued in 2019	—	—	—	—	(150)	(24,294)	(3,109)	(54,971)
Shares issued in 2020	—	—	—	(3,571)	(17)	(96,629)	(304)	(35,125)
Shares issued in 2021	(1,121)	(5,760)	—	(113,653)	—	(87,141)	(103,725)	(118,597)
Performance conditions not met	—	—	—	—	—	—	(46,330)	—
Shares still expected to vest	432,773	525,164	77,760	232,020	52,785	101,354	—	—
Estimated cost over the vesting period (US$ millions)	16	19	4	15	3	18	12	14

(i) Additional shares granted represent grants made for new joiners and/or as per CEO contractual arrangements.

2. Cash-settled

In 2021, and in the light of the impact on future LTI awards as a consequence of the impact of COVID-19 on our business, the Board awarded a one-time Retention Plan to a selected group of executives, including the CEO and CFO. The plan is based on Market Stock Units ("MSU") and is a performance-based scheme where the outcome is dependent on the share price at the time of vesting. The number of MSUs granted to each participant is determined on the basis of a share price at inception of $43.09 for Tranche 2022 and $47.00 for Tranche 2023 (targets consider that Millicom share price at grant date - $39.17 - will appreciate 10% for Tranche 2022 and 20% for tranche 2 from the grant price). At the vesting date, the value of the MSU will be determined by the 30-trading day average share price ending on June 30, 2022 for Tranche 2022, and the 30-trading day average share price ending on June 30, 2023 for Tranche 2023. For each Tranche, the payment will be made in cash 12 months after those dates, provided the participant is still employed (subject to limited allowances for good leavers). For every participant, payment is capped at 150% of their Target MSU Award Value set up for each Tranche. Participants of the Retention Plan were required to forfeit their awards under the LTI plans 2019 and 2020 in respect of the Financial targets (Service Revenue and Operating Cash flow growths), provided that the TSR component will continue to be active for these schemes.

The MSU is a cash-settled share-based payment plan and Millicom will measure the services acquired over the relevant service period and the liability incurred at the fair value of the liability. Until the liability is settled, Millicom is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognised the statement of income.

As of December 31, 2021, the fair value of the liability was determined by using Millicom's share price (using a Black-Scholes model would not result in material differences) and amounts to $3 million (the expense for the year is for the same amount).

B.4.2. Pension and other long-term employee benefit plans

Pension plans

The pension plans apply to employees who meet certain criteria (including years of service, age and participation in collective agreements).

Pension and other similar employee related obligations can result from either defined contribution plans or defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. No further payment obligations exist once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using an appropriate discount rate based on maturities of the related pension liability.

Re-measurement of net defined benefit liabilities are recognized in other comprehensive income and not reclassified to the statement of income in subsequent years.

Past service costs are recognized in the statement of income on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit asset/liability.

Long-service plans

Long-service plans apply for Colombian subsidiary UNE employees with more than five years of service whereby additional bonuses are paid to employees that reach each incremental length of service milestone (from five to 40 years).

Termination plans

In addition, UNE has a number of employee defined benefit plans. The level of benefits provided under the plans depends on collective employment agreements and Colombian labor regulations. There are no defined assets related to the plans, and UNE make payments to settle obligations under the plans out of available cash balances.

At December 31, 2021, the defined benefit obligation liability amounted to $42 million (2020: $59 million) and payments expected in the plans in future years totals $81 million (2020: $95 million). The average duration of the defined benefit obligation at December 31, 2021 is 5 years (2020: 6 years). The termination plans apply to employees that joined UNE prior to December 30, 1996. The level of payments depends on the number of years in which the employee has worked before retirement or termination of their contract with UNE.

Except for the UNE pension plan described above, there are no other significant defined benefits plans in the Group.

B.4.3. Directors and executive management

The remuneration of the members of the Board of Directors comprises an annual fee and shares. Director remuneration is proposed by the Nomination Committee and approved by the shareholders at their Annual General Meeting (AGM).

Remuneration charge for the Board (gross of withholding tax)

	2021	2020	2019
		(US$ '000)	
Chairperson	300	300	366
Other members of the Board	1,338	1,188	1,557
Total (i)	**1,638**	**1,488**	**1,923**

Shares beneficially owned by the Directors

	2021	2020
	(number of shares)	
Chairperson	18,634	13,427
Other members of the Board	61,022	52,593
Total (i)	**79,656**	**66,020**

(i) Cash compensation is denominated in USD. Share based compensation based on the market value of Millicom shares on the corresponding AGM date (2021: in total 24,737 shares; 2020: in total 32,358 shares; 2019: in total 19,483 shares-includes 2,876 additional shares that were awarded for the period from the 9 January 2019 date of listing on the Nasdaq Stock Market in the US and the date of the 2019 AGM). Net remuneration comprised 73% in shares and 27% in cash (SEK) (2020: 71% in shares and 29% in cash; 2019: 73% in shares and 27% in cash).

The remuneration of executive management of Millicom comprises an annual base salary, an annual bonus, share based compensation, social security contributions, pension contributions and other benefits. Bonus and share based compensation plans (see note B.4.1.) are based on actual and future performance. Share based compensation is granted once a year by the Compensation Committee of the Board.

If the employment of Millicom's senior executives is terminated, severance of up to 12 months' salary is potentially payable.

The annual base salary and other benefits of the Chief Executive Officer (CEO) and the Executive Vice Presidents (Executive team) are proposed by the Compensation Committee and approved by the Board.

Remuneration charge for the Executive Team

	CEO	CFO	Executive Team (5 members)
		(US$ '000)	
2021			
Base salary	1,185	708	2,783
Bonus	2,164	969	2,718
Pension	284	106	652
Other benefits	88	46	791
MSU (v)	991	198	545
Total before share based compensation	**4,712**	**2,027**	**7,489**
Share based compensation(i)(ii) in respect of 2021 LTIP (iv)	7,914	1,652	5,383
Total	**12,626**	**3,679**	**12,872**

	CEO	CFO	Executive Team (9 members) (iii)
		(US$ '000)	
2020			
Base salary	1,173	670	2,612
Bonus	1,301	509	1,837
Pension	285	100	663
Other benefits	82	38	303
Total before share based compensation	**2,841**	**1,317**	**5,414**
Share based compensation(i)(ii) in respect of 2020 LTIP (iv)	7,114	1,834	3,796
Total	**9,955**	**3,151**	**9,210**

	CEO	CFO	Executive team (9 members)
		(US$ '000)	
2019			
Base salary	1,167	654	3,498
Bonus	1,428	626	2,098
Pension	279	98	798
Other benefits	50	260	1,521
Termination benefits	—	—	863
Total before share based compensation	**2,924**	**1,639**	**8,779**
Share based compensation(i)(ii) in respect of 2019 LTIP (iv)	5,625	1,576	5,965
Total	**8,549**	**3,215**	**14,743**

(i) *See note B.4.1.*

(ii) *Share awards of 196,904 and 211,578 were granted in 2021 under the 2019 LTIPs to the CEO, and Executive Team (2020: 153,894 and 135,269, respectively; 2019: 102,122 and 135,480, respectively).*

(iii) *'Other Executives' includes compensation paid in 2020 to Rachel Samren former Chief External Affairs Officer (departure August 31, 2020) and to HL Rogers former Chief Ethics and Compliance Officer (departure January 1, 2020). Additionally other Benefits' for 'Other Executives' include medical and dental insurance for Daniel Loria, former CHRO.*

(iv) *Calculated based on the closing Millicom share price on the Nasdaq in the US at the grant date.*

(v) *Represents the amount earned in 2021.*

Share ownership and unvested share awards granted from Company equity plans to the Executive team

	CEO	Executive team	Total
		(number of shares)	
2021			
Share ownership (vested from equity plans and otherwise acquired)	232,562	221,407	453,969
Share awards not vested	278,666	295,568	574,234
2020			
Share ownership (vested from equity plans and otherwise acquired)	194,432	169,725	364,157
Share awards not vested	325,250	297,317	622,567

B.5. Other non-operating (expenses) income, net

Non-operating items mainly comprise changes in fair value of derivatives and the impact of foreign exchange fluctuations on the results of the Group.

	Note	2021	2020	2019
			December 31	
			(US$ millions)	
Change in fair value of derivatives	C.7.2.	3	(11)	0
Change in fair value in investment in Jumia (i)		—	(18)	(38)
Change in fair value in investment in HT (ii)	C.7.3.	18	(16)	312
Change in value of call option asset and put option liability	C.7.4.	(31)	5	(25)
Exchange gains (losses), net		(43)	(69)	(32)
Other non-operating income (expenses), net		3	3	10
Total		**(50)**	**(106)**	**227**

(i) In June 2020, Millicom disposed of its entire stake in Jumia for a total net consideration of $29 million, triggering a net gain on disposal of $15 million recorded in the statement of income under 'other operating income (expenses), net'. The changes in fair value prior to the disposal were shown under "Other non-operating (expenses) income, net".

(ii) In June 2021, Millicom disposed of its entire stake in HT for a total net consideration of $163 million, triggering a net loss on disposal of $15 million recorded in the statement of income under 'other operating income (expenses), net'. The changes in fair value prior to the disposal were shown under "Other non-operating (expenses) income, net"

Foreign exchange gains and losses

Transactions denominated in a currency other than the functional currency are translated into the functional currency using exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and on translation of monetary assets and liabilities denominated in currencies other than the functional currency at year-end exchange rates, are recognized in the consolidated statement of income, except when deferred in equity as qualifying cash flow hedges.

B.6. Taxation

B.6.1. Income tax expense

Tax mainly comprises income taxes of subsidiaries and withholding taxes on intra-group dividends and royalties for use of Millicom trademarks and brands. Millicom operations are in jurisdictions with income tax rates of 10% to 35% levied on either revenue or profit before income tax (2020: 10% to 35%; 2019: 10% to 35%). Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Income tax charge

	2021	2020	2019
		(US$ millions)	
Income tax (charge) credit			
Withholding tax	(56)	(83)	(56)
Other income tax relating to the current year	(112)	(65)	(88)
Adjustments in respect of prior years	(18)	(29)	(7)
Total	**(186)**	**(177)**	**(151)**
Deferred tax (charge) credit			
Origination and reversal of temporary differences	73	99	58
Effect of change in tax rates	29	(5)	(8)
Tax income (expense) before valuation allowances	102	94	50
Effect of valuation allowances	(87)	(19)	(9)
Total	**15**	**75**	**41**
Adjustments in respect of prior years	(18)	—	(10)
	(3)	**75**	**31**
Tax (charge) credit on continuing operations	(189)	(102)	(120)
Tax (charge) credit on discontinuing operations	—	(2)	(2)
Total tax (charge) credit	**(189)**	**(104)**	**(122)**

Reconciliation between the tax expense and tax at the weighted average statutory tax rate is as follows:

Income tax calculation

	2021	2020			2019		
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
				(US$ millions)			
Profit before tax	732	(271)	(11)	(282)	218	59	277
Tax at the weighted average statutory rate	(154)	82	3	85	(37)	(11)	(48)
Effect of:							
Items taxed at a different rate	9	1	—	1	(1)	—	(1)
Change in tax rates on deferred tax balances	29	(5)	—	(5)	(8)	—	(8)
Expenditure not deductible and income not taxable	79	(106)	(3)	(109)	(37)	9	(28)
Unrelieved withholding tax	(55)	(83)	—	(83)	(56)	—	(56)
Accounting for associates and joint ventures	41	42	—	42	36	—	36
Movement in deferred tax on unremitted earnings	(15)	15	—	15	9	—	9
Unrecognized deferred tax assets	(144)	(27)	—	(27)	(20)	—	(20)
Recognition of previously unrecognized deferred tax assets	57	8	—	8	11	—	11
Adjustments in respect of prior years	(36)	(29)	(2)	(31)	(17)	—	(17)
Total tax (charge) credit	**(189)**	**(102)**	**(2)**	**(104)**	**(120)**	**(2)**	**(122)**
Weighted average statutory tax rate	21.0 %	30.3 %		30.1 %	17.0 %		17.3 %
Effective tax rate	25.8 %	-37.5 %		-36.8 %	55.0 %		44.0 %

B.6.2. Current tax assets and liabilities

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those enacted or substantively enacted by the statement of financial position date.

B.6.3. Deferred tax

Deferred tax is calculated using the liability method on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting, nor taxable profit or loss.

Deferred tax assets are recognized for all temporary differences including unused tax credits and tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except where the deferred tax assets relate to deductible temporary differences from initial recognition of an asset or liability in a transaction that is not a business combination, and, at the time of the transaction, affects neither accounting, nor taxable profit or loss. It is probable that taxable profit will be available when there are sufficient taxable temporary differences relating to the same tax authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize them. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent it is probable that future taxable profit will enable the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the year when the assets are realized or liabilities settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and deferred tax liabilities are offset where legally enforceable set off rights exist and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax

	Fixed assets	Unused tax losses	Unremitted earnings	Other	Offset	Total
			(US$ millions)			
Balance at December 31, 2019	(223)	34	(25)	129	—	(85)
Deferred tax assets	84	34	—	134	(52)	200
Deferred tax liabilities	(307)	—	(25)	(5)	52	(285)
Balance at December 31, 2019	**(223)**	**34**	**(25)**	**129**	**—**	**(85)**
(Charge)/credit to income statement	81	150	15	(171)	—	75
Change in scope	—	—	—	—	—	—
Exchange differences	—	3	(1)	(4)	—	(2)
Balance at December 31, 2020	**(142)**	**187**	**(11)**	**(46)**	**—**	**(12)**
Deferred tax assets	97	187	—	102	(189)	197
Deferred tax liabilities	(239)	—	(11)	(148)	189	(209)
Balance at December 31, 2020	**(142)**	**187**	**(11)**	**(46)**	**—**	**(12)**
Change in scope	(9)	—	—	3	—	(6)
(Charge)/credit to income statement (i)	23	(27)	(15)	16	—	(3)
Charge to Other Comprehensive Income	—	—	—	(1)	—	(1)
Exchange differences	(2)	(4)	—	(6)	—	(12)
Balance at Balance at 31 December 2021	**(130)**	**156**	**(26)**	**(34)**	**—**	**(34)**
Deferred tax assets	97	156	—	162	(235)	180
Deferred tax liabilities	(227)	—	(26)	(196)	235	(214)
Balance at December 31, 2021	**(130)**	**156**	**(26)**	**(34)**	**—**	**(34)**

(i) The movement in the deferred tax balance includes the net effect of the derecognition and recognition of certain deferred tax assets in Colombia (a net negative movement of $30 million).

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Fixed assets	Unused tax losses	Other	Total
		(US$ millions)		
At December 31, 2021	117	4,856	103	**5,076**
At December 31, 2020	57	4,668	218	**4,943**

Unrecognized tax losses carryforward related to continuing operations expire as follows:

	2021	2020	2019
		(US$ millions)	
Expiry:			
Within one year	1	3	1
Within one to five years	2	3	2
After five years	1,232	1,089	493
No expiry	3,621	3,573	4,209
Total	**4,856**	**4,668**	**4,705**

With effect from 2017, Luxembourg tax losses incurred may be carried forward for a maximum of 17 years. Losses incurred before 2017 may be carried forward without limitation of time.

At December 31, 2021, Millicom had $725 million of unremitted earnings of Millicom operating subsidiaries for which no deferred tax liabilities were recognized (2020: $621 million; 2019: $697 million). Except for intragroup dividends to be paid out of 2021 profits in 2022 for which deferred tax of $26 million (2020: $11 million; 2019 $26 million) has been provided, it is anticipated that intra-group dividends paid in future periods will be made out of profits of future periods.

B.7. Earnings per share

Basic earnings (loss) per share are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during each year.

Diluted earnings (loss) per share are calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during each year, plus the weighted average number of dilutive potential shares.

Net profit/(loss) used in the earnings (loss) per share computation

	2021	2020	2019
		(US$ millions)	
Basic and Diluted			
Net profit (loss) attributable to equity holders from continuing operations	591	(332)	93
Net profit (loss) attributable to equity holders from discontinued operations	—	(12)	57
Net profit/(loss) attributable to all equity holders to determine the basic profit (loss) per share	**590**	**(344)**	**149**

Weighted average number of shares in the earnings (loss) per share computation

	2021	2020	2019
		(thousands of shares)	
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings (loss) per share	101,129	101,172	101,144
Potential incremental shares	—	—	—
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	**101,129**	**101,172**	**101,144**

C. Capital structure and financing

C.1. Share capital, share premium and reserves

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where any Group company purchases the Company's share capital, the consideration paid, including any directly attributable incremental costs, is shown under Treasury shares and deducted from equity attributable to the Company's equity holders until the shares are canceled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects is included in equity attributable to the Company's equity holders.

Share capital, share premium

	2021 (i)	2020
Authorized and registered share capital (number of shares)	133,333,200	133,333,200
Subscribed and fully paid up share capital (number of shares)	101,739,217	101,739,217
Par value per share	1.50	1.50
Share capital (US$ millions)	153	153
Share premium (US$ millions)	476	478
Total (US$ millions)	**628**	**630**

(i) On December 13, 2021, Millicom's Board of Directors proposed to increase the authorized share capital of the Company to $300 million divided into 200,000,000 shares with a par value of $1.50 each, through an extraordinary general meeting ("EGM"). The proposal has been ratified at the EGM which took place on February 28, 2022.

Other equity reserves

	Legal reserve	Equity settled transaction reserve	Hedge reserve	Currency translation reserve	Pension obligation reserve	Total
			(US$ millions)			
As of January 1, 2019	**16**	**47**	**(1)**	**(599)**	**(3)**	**(538)**
Share based compensation	—	29	—	—	—	29
Issuance of shares – 2015, 2016, 2017 LTIPs	—	(25)	—	—	—	(25)
Remeasurements of post-employment benefit obligations	—	—	—	—	0	0
Cash flow hedge reserve movement	—	—	(16)	—	—	(16)
Currency translation movement	—	—	—	(2)	—	(2)
Effect of restructuring in Tanzania	—	—	—	9	—	9
As of December 31, 2019	**16**	**52**	**(18)**	**(593)**	**(2)**	**(544)**
Share based compensation	—	24	—	—	—	24
Issuance of shares –2016, 2017, 2018 LTIPs	—	(26)	—	—	—	(26)
Remeasurements of post-employment benefit obligations	—	—	—	—	(2)	(2)
Cash flow hedge reserve movement	—	—	(1)	—	—	(1)
Currency translation reserved recycled to statement of income	—	—	—	—	—	—
Currency translation movement	—	—	—	(12)	—	(12)
As of December 31, 2020	**16**	**50**	**(19)**	**(605)**	**(4)**	**(562)**
Share based compensation	—	18	—	—	—	18
Issuance of shares –2017, 2018, 2019 LTIPs	—	(25)	—	—	—	(25)
Remeasurements of post-employment benefit obligations	—	—	—	—	1	1
Cash flow hedge reserve movement	—	—	14	—	—	14
Currency translation movement	—	—	1	(41)	—	(41)
As of December 31, 2021	**16**	**43**	**(3)**	**(646)**	**(3)**	**(594)**

C.1.1. Legal reserve

If Millicom International Cellular S.A. reports an annual net profit on a non-consolidated basis, Luxembourg law requires appropriation of an amount equal to at least 5% of the annual net profit to a legal reserve until such reserve equals 10% of the issued share capital. This reserve is not available for dividend distribution. No appropriation was required in 2020 or 2021 as the 10% minimum level was reached in 2011 and maintained each subsequent year.

C.1.2. Equity settled transaction reserve

The cost of LTIPs is recognized as an increase in the equity-settled transaction reserve over the period in which the performance and/or service conditions are rendered. When shares under the LTIPs vest and are issued the corresponding reserve is transferred to share premium.

C.1.3. Hedge reserve

The effective portions of changes in value of cash flow hedges are recorded in the hedge reserve (see note C.1.).

C.1.4. Currency translation reserve

In the financial statements, the relevant captions in the statements of financial position of subsidiaries without US dollar functional currencies are translated to US dollars using the closing exchange rate. Statements of income or statement of income captions (including those of joint ventures and associates) are translated to US dollars at monthly average exchange rates during the year. The currency translation reserve includes foreign exchange gains and losses arising from these translations. When the Group disposes of or loses control or significant influence over a foreign operation, exchange differences that were recorded in equity are recognized in the consolidated statement of income as part of gain or loss on sale or loss of control and/or significant influence.

C.2. Dividend distributions

On May 4, 2021 and on June 25, 2020, as a result of the uncertainties triggered by the COVID-19 pandemic and Group's shareholders consciousness to protect the Group's liquidity, the shareholders decided not to proceed to the payment of a dividend related to 2020 and 2019 profits, respectively.

On May 2, 2019, a dividend distribution of $2.64 per share from Millicom’s retained profits at December 31, 2018, was approved by the shareholders at the AGM and paid in equal portions in May and November 2019.

The ability of the Company to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions and the ability to repatriate funds from Millicom’s various operations. At December 31, 2021, $486 million (December 31, 2020: $310 million; December 31, 2019: $306 million) of Millicom’s retained profits represent statutory reserves that are unavailable to be distributed to owners of the Company.

C.3. Debt and financing

Debt and financing by type (i)

	Note	2021	2020
		(US$ millions)	
Debt and financing due after more than one year			
Bonds	C.3.1.	4,030	4,253
Banks	C.3.2.	1,851	1,337
Other financing (ii)		36	41
Total non-current financing		5,916	5,631
Less: portion payable within one year		(12)	(54)
Total non-current financing due after more than one year		**5,904**	**5,578**
Debt and financing due within one year			
Bonds	C.3.1.	61	44
Banks	C.3.2.	1,768	15
Total current debt and financing		**1,828**	**59**
Add: portion of non-current debt payable within one year		12	54
Total		**1,840**	**113**
Total debt and financing		**7,744**	**5,691**

(i) See note D.1.1 for further details on maturity profile of the Group debt and financing.

(ii) In July 2018, the Company issued a COP144,054.5 million /$50 million bilateral facility with IIC (Inter-American Development Bank) for a USD indexed to COP Note. The note bears interest at 9.450% p.a.. This COP Note is used as net investment hedge of the net assets of our operations in Colombia.

Debt and financing by location

	2021	2020
	(US$ millions)	
Millicom International Cellular S.A. (Luxembourg)	4,020	2,504
Guatemala (i)	605	—
Colombia	802	803
Paraguay	751	738
Bolivia	310	337
Panama	846	869
Tanzania	189	203
Costa Rica	121	119
El Salvador	100	118
Total debt and financing	**7,744**	**5,691**

(i) Tigo Guatemala is fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details.

Debt and financings are initially recognized at fair value, net of directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest rate method or at fair value. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the effective interest rate. Any difference between the initial amount and the maturity amount is recognized in the consolidated statement of income over the period of the borrowing. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the statement of financial position date.

C.3.1. Bond financing

Bond financing

	Note	Country	Maturity	Interest Rate %	2021	2020
					(US$ millions)	
SEK Variable Rate Notes	1	Luxembourg	2024	STIBOR (i) + 2.350%	220	241
USD 4.500% Senior Notes	2	Luxembourg	2031	4.500 %	777	494
USD 6.625% Senior Notes	3	Luxembourg	2026	6.625 %	147	495
USD 6.250% Senior Notes	4	Luxembourg	2029	6.250 %	670	743
USD 5.125% Senior Notes	5	Luxembourg	2028	5.125 %	445	493
USD 5.875% Senior Notes	6	Paraguay	2027	5.875 %	556	558
PYG 8.750% Notes (tranche A)	6	Paraguay	2024	8.750 %	17	17
PYG 9.250% Notes (tranche B)	6	Paraguay	2026	9.250 %	7	7
PYG 10.000% Notes (tranche C)	6	Paraguay	2029	10.000 %	9	9
PYG 9.250% Notes (tranche D)	6	Paraguay	2026	9.250 %	1	1
PYG 10.000% Notes (tranche E)	6	Paraguay	2029	10.000 %	4	4
PYG 9.250% Notes (tranche F)	6	Paraguay	2027	9.250 %	2	2
PYG 10.000% Notes (tranche G)	6	Paraguay	2030	10.000 %	3	3
PYG 6.000% Notes (tranche H)	6	Paraguay	2026	6.000 %	14	—
PYG 6.700% Notes (tranche I)	6	Paraguay	2028	6.700 %	21	—
PYG 7.500% Notes (tranche J)	6	Paraguay	2031	7.500 %	23	—
BOB 5.800% Notes	7	Bolivia	2026	5.800 %	50	50
BOB 4.850% Notes	7	Bolivia	2023	4.850 %	28	42
BOB 3.950% Notes	7	Bolivia	2024	3.950 %	21	29
BOB 4.600% Notes	7	Bolivia	2024	4.600 %	40	40
BOB 4.300% Notes	7	Bolivia	2029	4.300 %	17	19
BOB 4.300% Notes	7	Bolivia	2022	4.300 %	11	20
BOB 4.700% Notes	7	Bolivia	2024	4.700 %	25	28
BOB 5.300% Notes	7	Bolivia	2026	5.300 %	9	11
BOB 5.000% Notes	7	Bolivia	2026	5.000 %	54	61
UNE Bond 2 (tranches A and B)	8	Colombia	2023	CPI + 4.76%	38	44
UNE Bond 3 (tranche A)	8	Colombia	2024	9.350 %	40	47
UNE Bond 3 (tranche B)	8	Colombia	2026	CPI + 4.15%	64	74
UNE Bond 3 (tranche C)	8	Colombia	2036	CPI + 4.89%	32	37
UNE Bond 6.600%	8	Colombia	2030	6.600 %	38	44
UNE Bond 4 (tranche A)	8	Colombia	2028	5.560 %	29	—
UNE Bond 4 (tranche B)	8	Colombia	2031	CPI + 2.61	71	—
UNE Bond 4 (tranche C)	8	Colombia	2036	CPI + 3.18	21	—
USD 4.500% Senior Notes	9	Panama	2030	4.500 %	587	586
Cable Onda Bonds 5.750%	9	Panama	2025	5.750 %	—	99
Total bond financing					**4,090**	**4,297**

(i) STIBOR – Swedish Interbank Offered Rate.

Luxembourg

(1) SEK Notes

In May 2019, MIC S.A. completed its offering of a SEK 2 billion floating rate senior unsecured sustainability bond due 2024. The bond carries a floating coupon of 3-month Stibor+235bps which we swapped with various banks to hedge its interest rate exposure, pursuant to which it will effectively pay fixed-rate coupons in US dollars between 4.990% and 4.880% (see D.1.2.). The bond has been listed and commenced trading on the Nasdaq Stockholm sustainable bond list on June 12, 2019. Millicom is using the net proceeds of the bond in accordance with the Sustainability Bond Framework which includes both environmental and social investments such as in energy efficiencies, and the expansion of its fixed and mobile networks. Costs of issuance of $2.4 million is amortized over the five year life of the bond (the effective interest rate is 2.600%)

(2) (2031) USD 4.500% Senior Notes

On October 19, 2020, MIC S.A. issued $500 million aggregate principal amount of 4.500% Senior Notes due 2031. The Notes bear interest at 4.500% p.a., payable semiannually in arrears on each interest payment date. Proceeds were used to early redeem MIC S.A.'s $500 million 6.000% Senior Notes due 2025. Costs of issuance of $5.5 million is amortized over the eleven-year life of the notes (the effective interest rate is 4.800%).

On September 22, 2021, Millicom announced the early participation exchange results from its offer dated September 8, 2021; $302.1 million of the 6.625% Notes due 2026 were exchanged for $307.5 million of the 4.5% Notes due 2031 (at 101.812% exchange ratio). The gain of $15 million, derived from applying the "modification accounting" under IFRS 9 to this exchange, has been recorded under "Interest and other financial income" in the statement of income during the year ended December 31, 2021. Transaction costs attributable to this exchange amount to approximately $4 million and are amortized over the remaining life of the Notes due 2031.

(3) (2026) USD 6.625% Senior Notes

In October 2018, MIC S.A. issued $500 million aggregate principal amount of 6.625% Senior Notes due 2026. The Notes bear interest at 6.625% p.a., payable semiannually in arrears on each interest payment date. Proceeds were used to finance Cable Onda's acquisition. Costs of issuance of $6 million were amortized over the eight-year life of the notes (the effective interest rate is 6.750%).

As aforementioned, $302.1 million of the 6.625% Notes due 2026 were exchanged during 2021 for $307.5 million of newly issued 4.5% Notes due 2031.

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. This redemption followed Millicom's announcement dated February 11, 2021. Total consideration of approximately $180 million was funded from cash, consistent with the Company's decision to prioritize debt reduction. The redemption premium of $5 million and the accelerated amortization of the upfront costs of $3 million, have been recorded in the line "Interest and other financial expenses" in the statement of income during the year ended December 31, 2021.

(4) (2029) USD 6.250% Senior Notes

In March 2019, MIC S.A. issued $750 million of 6.250% notes due 2029. The notes bear interest at 6.250% p.a., payable semi-annually in arrears on March 25 and September 25 of each year, starting on September 25, 2019. The net proceeds were used to finance, in part, the completed Telefónica CAM Acquisitions (see note A.1.2.). Costs of issuance of $8.2 million are amortized over the ten-year life of the notes (the effective interest rate is 6.360%).

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. See above.

(5) (2028) USD 5.125% Senior Notes

In September 2017, MIC S.A. issued a $500 million, ten-year bond due January 2028, with an interest rate of 5.125%. Costs of issuance of $7 million are amortized over the ten year life of the notes (effective interest rate is 5.240%).

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. See above.

Paraguay

(6) (2027) USD 5.875% Senior Notes and (2024-2031) PYG Notes

In April 2019, Telefónica Celular del Paraguay S.A.E. (Telecel) issued $300 million 5.875% senior notes due 2027. The notes bear interest at 5.875% p.a., payable semi-annually in arrears on April 15 and October 15 of each year, starting on October 15, 2019. The net proceeds were used to finance the repurchase of the Telecel 6.750% 2022 notes. Costs of issuance of $4 million are amortized over the eight-year life of the notes (the effective interest rate is 6.000%). On January 28, 2020, Telecel issued at a premium $250 million of 5.875% Senior Notes due 2027 (the "New Notes"), representing an additional issuance from the Senior Notes described above. The New Notes are treated as a single class with the initial notes, and were priced at 106.375% for an implied yield to maturity of 4.817%. The corresponding $15 million premium received is amortized over the Senior Notes maturity.

In May 2020, Telefónica Celular del 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 Multimedios S.A.. Effective as of those dates, these new entities now form part of the borrower's group for the purposes of the $550 million 5.875% Senior Notes due 2027 issued by Telefónica Celular del Paraguay, S.A.E.. In addition, as of July 7, 2020 Servicios y Productos Multimedios S.A. became guarantor of the 5.875% Notes due 2027.

Between June 2019 and February 2020, Telecel registered and completed the issuance of a bond program for PYG 300,000 million (approximately $43 million using December 31, 2021 exchange rate) program on the Paraguayan stock market, launched in different series from 5 years to 10 years.

On October 1, 2021, Telecel issued another PYG 400,000 million bond (approximately $58 million using December 31, 2021 exchange rate) in three series with fixed interest rates between 6% to 7.5% and a repayment period from 5 to 10 years.

Bolivia

(7) BOB Notes

In November 2015, Telefónica Celular de Bolivia S.A. issued a BOB 696 million (approximately $100 million) of notes in two series, series A for BOB 104.4 million (approximately $15 million), with a fixed annual interest rate of 4.050%, maturing in August 2020 and series B for BOB 591.6 million (approximately $85 million) with a fixed annual interest rate of 4.850%, maturing in August 2023. The bond has coupon with interest payable semi-annually in arrears in March and September during the first two years, thereafter each February and August. The effective interest rate is 4.840%. These bonds are listed on the Bolivia Stock Exchange.

In August 2016, Telefónica Celular de Bolivia S.A. issued a new bond for a total amount of BOB 522 million consisting of two tranches (approximately $50 million and $25 million, respectively). Tranche A and B bear fixed interest at 3.950% and 4.300%, and will mature in June 2024 and June 2029, respectively. These bonds are listed on the Bolivia Stock Exchange.

In October 2017, Telefónica Celular de Bolivia S.A placed approximately $80 million of local currency bonds in three tranches, which will mature in 2022, 2024 and 2026 with a 4.300% , 4.700% and 5.300% respectively. These bonds are listed on the Bolivia Stock Exchange.

In July 2019 Telefónica Celular de Bolivia S.A issued two bonds one for BOB 420 million (approximately $61 million) with a 5.000% coupon maturing on August 2026 and another one for BOB 280 million (approximately $40 million) with a 4.600% coupon maturing on August 2024. Interest payments is semiannual and both bonds are listed on the Bolivia Stock Exchange.

In December 2020, Telefónica Celular de Bolivia S.A. issued BOB 345 million (approximately $50 million) senior notes due 2026.

Colombia

(8) UNE Bonds

In May 2011, UNE issued a COP300 billion (approximately $126 million) bond consisting of two equal tranches with five and twelve-year maturities. Interest rates are variable and depend on the tranche. Tranche A had variable interest, based on CPI, in Colombian peso and paid in Colombian peso. Tranche B bears variable interest, based on CPI, in Colombian peso and paid in Colombian peso. UNE applied the proceeds to finance its investment plan. Tranche A matured in October 2016 and tranche B will mature in October 2023.

In May 2016, UNE issued a COP540 billion bond (approximately $176 million) consisting of three tranches (approximately $52 million, $83 million and $41 million respectively). Interest rates are either fixed or variable depending on the tranche. Tranche A bears fixed interest at 9.350%, while tranche B and C bear variable interest, based on CPI, (respective margins of CPI + 4.150% and CPI + 4.890%), in Colombian peso. UNE applied the proceeds to finance its investment plan and repay one bond (COP150 billion tranche). Tranches A, B and C will mature in May 2024, May 2026 and May 2036, respectively.

In March 2020, UNE issued local bonds for an amount of COP 150 billion (approximately $44 million) to repay an existing bond for the same value, with a 6.600% fixed rate for 10 years.

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

Panama

(9) Cable Onda Bonds

In August 2015, Cable Onda issued local bonds in Panama for a total amount of $185 million. These bonds were listed on the Panama Stock Exchange and borne a fixed annual interest of 5.750% and were initially due in August 2025. In December 2020, Cable Onda early repaid $85 million on these bonds, at par. The remaining $100 million were early repaid in 2021.

In November 2019, Cable Onda issued $600 million aggregate principal amount of 4.500% senior notes due 2030 payable in U.S. dollars, registered with the Superintendencia del Mercado de Valores de Panamá and listed on the Luxembourg Stock Exchange and on the Panamá Stock Exchange. The Notes bear interest from November 1, 2019 at a rate of 4.500% per annum, payable on January 30, 2020 for the first payment and thereafter semiannually in arrears on each interest payment date. The proceeds were used to fund the Panama Acquisition and to refinance certain local financing. Costs of issuance of $16 million, which include an original issue discount (OID) is amortized over the ten-year life of the notes (the effective interest rate is 4.690%).

C.3.2. Bank and Development Financial Institution financing

	Note	Country	Maturity range	Interest rate	2021	2020
					(US$ millions)	
Fixed rate loans						
PYG Long-term loans	1	Paraguay	2022-2026	Fixed	94	137
USD - Long-term loans	2	Panama	2022-2026	Fixed	259	185
BOB Long-term loans	3	Bolivia	2022-2026	Fixed	54	37
GTQ Long-term loans	9	Guatemala	2025-2027	Fixed	605	na
Variable rate loans						
USD Long-term loans	4	Costa Rica	2023	Variable	—	119
USD Long-term loans	4	Costa Rica	2026	Variable	33	
CRC Long-term loans	4	Costa Rica	2026	Variable	88	—
USD Long-term loans	5	Tanzania	2022-2025	Variable	150	162
TZS Long-term loans	5	Tanzania	2022-2025	Variable	38	41
COP Long-term loans	6	Colombia	2025-2031	Variable	322	262
USD Long-term loans	6	Colombia	2024	Variable	148	296
USD Credit Facility / Senior Unsecured Term Loan Facility	7	El Salvador	2021-2023	Variable	—	118
USD Credit Facility / Senior Unsecured Term Loan Facility	7	El Salvador	2026	Variable	99	—
USD Long-term loans (i)	8	Luxembourg	2025	Variable	(4)	(5)
USD Bridge Loan	8	Luxembourg	2022	Variable	1,632	—
USD DNB Bilateral	8	Luxembourg	2026	Variable	99	—
Total Bank and Development Financial Institution financing					**3,618**	**1,353**

(i) Relates to the amortized costs of the undrawn RCF that the Company entered into in October 2020 - see point 8 below.

1. Paraguay

In October 2015, Telefónica Celular del Paraguay S.A.E. entered into a five -year loan facility with Banco Itau for PGY 257,700 million (approximately $40 million) which bears a fixed annual interest rate. The final maturity of the loan was on September 10, 2020.

In July 2018, Telefónica Celular del Paraguay S.A.E. executed a seven-year loan with Regional Bank for PYG 115,000 million (approximately $18 million) with a final maturity in 2025.

In January 2019, Telefónica Celular del Paraguay S.A.E. obtained a seven-year loan from BBVA Bank for PYG 177,000 million which is due on November, 26, 2025.

In September 2019, Telefónica Celular del Paraguay S.A.E. executed an amended and restated agreement with Banco Continental S.A.E.C.A., to consolidate three existing loans, for a PYG 370,000 million (approximately $57 million). The new loan has a maturity of 7 years.

In January 2020, Telecel refinanced its previous loan with Banco Itaú and obtained a new long-term loan from Banco Itaú Paraguay S.A., for Gs. 154.6 billion (approximately $24 million) , amortizing semi-annually and maturing on December 27, 2024. This loan was refinanced with a new loan obtained with Banco GNB on December 2021.

In December 2020, Telecel executed a credit agreement with Banco Continental S.A.E.C.A for PYG 200,000 million (approximately $29 million using the exchange rate as of December 31, 2020) with a duration of 2.5 years. Main aim is to refinance outstanding bank loans with maturities from 2021 to 2025.

2. Panama

In August 2019, Cable Onda S.A entered into two credit agreements, one with Banco Nacional de Panama S.A , for $75 million which bears a fixed interest and has a 5 year duration and another one with the Bank of Nova Scotia (Sucursal Panama) for $75 million with a fixed interest and a five year duration to finance and refinance working capital and capital expenditures. In October 2020 and September 2021, the $75 million credit agreement with Banco Nacional de Panama S.A. has been early repaid.

In December 2020, Cable Onda S.A. executed a credit agreement with Bank of Nova Scotia with a 60 month duration for $110 million divided into 2 tranches. Tranche A ($85 million) was disbursed on December 2020 to partially recall the Local Bond ($85 million) and Tranche B ($25 million) was disbursed on March 1, 2021.

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

3. Bolivia

In June 2018, Telefónica Celular de Bolivia S.A.. entered into a two tranche loan agreement with Banco BISA S.A for BOB 69.6 million (approximately $10 million) each, with a fixed interest rate. The loans have a term of 7 years.

In November 2019, they executed a new loan with Banco de Crédito de Bolivia S.A for Bs. 78 million (approximately $11 million), with semiannual payments and a fixed interest rate. The loan has a term of 4 years.

In October 2021, Tigo Bolivia signed additional credit facilities for a total amount of approximately $26 million with a repayment period between 2.5 and 5 years and fixed interest rate of 5.5% per annum.

4. Costa Rica

In April 2018, Millicom Cable Costa Rica S.A. entered into a $150 million variable rate syndicated loan with Citibank as agent. In June 2020, Millicom Cable Costa Rica S.A partially repaid an amount of $30 million of this loan.

On October 25, 2021, Millicom Cable Costa Rica S.A. repaid the remaining $120 million under this syndicated loan which was initially due on 2023. This was executed with the proceeds of a new syndicated loan entered into by the Company and Millicom Cable Costa Rica as co-borrowers for an amount of $125 million. The latter has 2 tranches, a USD $33 million tranche with a LIBOR+ margin and a local currency tranche at TBP+margin for an amount equivalent to $92 million. Cross currency swaps used to hedge the interest and principal on the previous loan were terminated on the same date (see note D.1.2.).

5. Tanzania

On June 2019, MIC Tanzania Public Limited Company entered into a syndicated loan facility agreement with the Standard Bank of South Africa acting as an agent and a consortium of banks acting as the original lenders, for $174.75 million (tranche A) and TZS103,000 million (tranche B - approximately $45 million) which bears variable interests: for Tranche A Libor plus a margin and for Trance B T-Bill rate plus a margin. The facility agreement 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 Facility was amended and restated in December 2019 and maturity was extended to 66 months and 100% of the USD portion and TZS 34 billion (approximately $15 million) were disbursed. In January 2020, TZS 35 billion (approximately $15 million) were disbursed and the last tranche of TZS 34 billion (approximately $15 million) was disbursed in February 2020.

6. Colombia

On December 14, 2021, UNE EPM Telecomunicaciones S.A. entered into an ESG Linked agreement with Bancolombia for a COP 450,000 million (approximately $111 million at the December 31, 2021 exchange rate) loan with a variable rate and a maturity of 7 years.

On December 20, 2019, our operation in Colombia executed an amendment to the $300 million loan between Colombia Móvil S.A. E.S.P. as borrower and UNE EPM Telecomunicaciones S.A., as guarantor with a consortium of banks to extend the maturity for 5 years (now due on December 20, 2024) and lower the applicable margin. On March 26, 2021, $150 million were paid. See also note I. for further details on repayments subsequent to year-end.

On September and November 2020, Colombia executed 4 new cross currency swaps of $25 million each with Bancolombia, JP Morgan and BBVA to complete $100 million and hedge the exposure of a portion of the $300 million syndicated loan, fixing the exchange rate on average to USD/COP 3.682 and interest rate of 5.35%. See note I for further details.

7. El Salvador

On June 3, 2016, Telemóvil El Salvador, S.A. de C.V. executed a $30 million credit facility with Citibank N.A., for general corporate purposes, bearing variable interest rate per annum. The facility was guaranteed by MICSA and was repaid in July 2021.

In March 2018, Telemóvil El Salvador executed a $100 million credit facility with DNB at a variable rate facility with DNB and Nordea with a 5-year bullet repayment.The facility is guaranteed by MICSA. On December 26, 2021, Telemovil El Salvador S.A. executed a new credit agreement for $100 million, which bears a variable interest, to refinance the $100 million loan agreement with DNB and Nordea, which was entirely repaid on December 29, 2021. The agreement is guaranteed by Millicom.

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

On December 26, 2021, Telemovil El Salvador S.A. executed a new credit agreement for $100 million with a 5 year maturity, which bears a variable interest to refinance the $100 million loan agreement dated March 23, 2018 with DNB and Nordea, which was entirely repaid on December 29, 2021. The credit agreement is guaranteed by Millicom.

8. Luxembourg

In March 2020, MICSA drew down $400 million from the $600 million revolving credit facility it entered into in January 2017 (the "RCF"). $337 million was disbursed in March 2020 and the remaining $63 million in April 2020. The draw down had an initial six-month term and Millicom had the option to extend up to January 2022 (the maturity date of the RCF). The RCF was fully repaid on June 29, 2020.

In October 2020, MICSA. 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 the above existing multi-currency revolving credit facility which was due to expire in 2022 and for general corporate purposes.

On November 10, 2021, Millicom executed a Bridge Loan Agreement of $2.15 billion with a consortium of banks. The proceeds were used for the acquisition of Tigo Guatemala's remaining 45% shareholding (see note A.1.2.). The Bridge Loan bears a variable interest rate with a step up every three months and has a maturity period of 6 months, extendable for an additional 6 months. The initial costs of issuance amounted to $28 million and are being amortized based on the six-month expected timing of refinancing of this Bridge Loan. [On December 29, 2021, Millicom partially repaid $500 million of this Bridge loan, partially with Millicom's own cash and partially with proceeds from the $100 million bilateral loan with DNB bank, executed on December 20, 2021, with a variable interest rate and a 5-year maturity.][1] For further reference, see note I.

9. Guatemala

In October 2020, Comcel and Navega executed several credit agreements with Banco Industrial, Banco G&T Continental, Banco de America Central and Banco Agromercantil for a total amount of GTQ 3,223 million (approximately $420 million using the exchange rate as of December 31, 2021) for 5 and 7 year term to refinance other credit agreements to finance and refinance working capital, capital expenditures and general corporate purposes.

On December 9, 2021, the Guatemalan operations entered into the following loan agreements:

- a GTQ 950 million loan with Banco Industrial (approximately $123 million as at December 31, 2021) which bears a fixed interest and matures in October 2025.
- two loans for a total of GTQ 500 million with Banco G&T Continental S.A. (approximately $65 million as at December 31, 2021) which bear a fixed interest rate and mature in December 2026.

Right of set-off and derecognition

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- Rights to receive cash flows from the asset have expired; or
- Rights to receive cash flows from the asset or obligations to pay the received cash flows in full without material delay have been transferred to a third party under a "pass-through" arrangement; and the Group has either transferred substantially all the risks and rewards of the asset or the control of the asset.

When rights to receive cash flows from an asset have been transferred or a pass-through arrangement concluded, an evaluation is made if and to what extent the risks and rewards of ownership have been retained. When the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the

[1] Note to EY: this is inconsistent with the disclosure above in the 20-F. To be confirmed.

extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

C.3.3. Interest and other financial expenses

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

	December 31		
	2021	**2020**	**2019**
		(US$ millions)	
Interest expense on bonds and bank financing	(345)	(386)	(348)
Interest expense on leases	(131)	(156)	(157)
Early redemption charges	(5)	(15)	(10)
Others	(50)	(67)	(47)
Total interest and other financial expenses	**(531)**	**(624)**	**(564)**

C.3.4. Guarantees and pledged assets

Guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized, less cumulative amortization.

Liabilities to which guarantees are related are recorded in the consolidated statement of financial position under Debt and financing, and liabilities covered by supplier guarantees are recorded under Trade payables or Debt and financing, depending on the underlying terms and conditions.

Maturity of guarantees

	Bank and financing guarantees (i)		Supplier guarantees	
Terms	**As at December 31, 2021**	**As at December 31, 2020**	**As at December 31, 2021**	**As at December 31, 2020**
	Outstanding and Maximum exposure		Outstanding and Maximum exposure	
0-1 year	71	59	82	82
1-3 years	6	227	—	—
3-5 years	223	—	—	—
Total	**300**	**287**	**82**	**82**

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

Pledged assets

As at December 31, 2021, the Group's share of total debt and financing secured by either pledged assets, pledged deposits issued to cover letters of credit, or guarantees issued was $300 million (December 31, 2020: $287 million). At December 31, 2021 and December 31, 2020 there were no assets pledged by the Group over these debts and financings. The remainder represented primarily guarantees issued by Millicom S.A. to guarantee financings raised by other Group operating entities.

In addition to the above, on June 4, 2019, MIC Tanzania Public Limited Company entered into a loan facility agreement which was further amended and restated on December 12, 2019, 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.

C.3.5. Covenants

Millicom's financing facilities are subject to a number of covenants including net leverage ratio, debt service coverage ratios, or debt to earnings ratios, among others. In addition, certain of its financings contain restrictions on sale of businesses or significant assets within the businesses. At December 31, 2021, there were no breaches of financial covenants.

C.4. Lease liabilities

At December 31, 2021, lease liabilities are presented in the statement of financial position as follows:

	December 31, 2021	December 31, 2020
	(US$ millions)	
Current	171	123
Non-Current	996	897
Total Lease liabilities	**1,167**	**1,021**

As permitted under IFRS 16, Millicom has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are rather recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses relating to payments not included in the measurement of the lease liability are disclosed in operating expenses (note B.3.) and are as follows:

	2021	2020
	(US$ millions)	
Expense relating to short-term leases (included in cost of sales and operating expenses)	**0**	**(1)**

The total cash outflow for leases in 2021 was $277 million (2020: $267 million). Lease liabilities split by maturity and future cash outflows are disclosed in note D.5..

At December 31, 2021, the Group has not committed to any material leases which had not yet commenced and has no material lease contracts with variable lease payments.

The Group's leasing activities and how these are accounted for

The Group leases various lands, sites, towers (including those related to towers sold and leased back), offices, warehouses, retail stores, equipment and cars. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the reduction of the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. As it is generally impracticable to determine that rate, the Group uses the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under IFRS 16.

The Group determines the incremental borrowing rate by country and by considering the risk-free rate, the country risk, the industry risk, the credit risk and the currency risk, as well as the lease and payment terms and dates.

The Group is also exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is adjusted against the right-of-use asset by discounting the revised lease payments using either the initial discount rate or a revised discount rate. The initial discount rate is used if future lease payments are reflecting market or index rates or if they are in substance fixed. The discount rate is revised, if a change in floating interest rates occurs. The Group reassesses the variable payment only when there is a change in cash flows resulting from a change in the reference index or rate and not at each reporting date.

According to IFRS 16, lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate if the lessee is reasonably certain not to exercise that option. The assessment of such options is performed at the commencement of a lease. As part of the assessment, Millicom introduced the 'time horizon concept': the reasonable term under which the company expects to use a leased asset considering economic incentives, management decisions, business plans and the fast-paced industry Millicom operates in. The assessment must be focused on the economic incentives for Millicom to exercise (or not) an option to early terminate/extend a contract. The Group has decided to work on the basis the lessor will generally accept a renewal/not early terminate a contract, as there is an economic incentive to maintain the contractual relationship.

Millicom considered the specialized nature of most of its assets under lease, the low likelihood the lessor can find a third party to substitute Millicom as a lessee and past practice to conclude that, the lease term can go beyond the notice period when there is more than an insignificant penalty for the lessor not to renew the lease. This analysis requires judgment and has a significant impact on the lease liability recognized under IFRS 16.

Under IFRS 16, the accounting for sale and leaseback transactions has changed as the underlying sale transaction needs to be first analyzed using the guidance of IFRS 15. The seller/lessee recognizes a right-of-use asset in the amount of the proportional original carrying amount that relates to the right of use retained. Accordingly, only the proportional amount of gain or loss from the sale must be recognized. The impact from sale and leaseback transactions was not material for Millicom Group as of the date of initial application.

Finally, the Group has taken the additional following decisions when adopting the standard:

- Non-lease components are capitalized (IFRS16.15)
- Intangible assets are out of IFRS 16 scope (IFRS16.4)

C.5. Cash and deposits

C.5.1. Cash and cash equivalents

	2021	2020
	(US$ millions)	
Cash and cash equivalents in USD	526	619
Cash and cash equivalents in other currencies	369	256
Total cash and cash equivalents	**895**	**875**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Cash deposits with banks with maturities of more than three months that generally earn interest at market rates are classified as time deposits.

C.5.2. Restricted cash

	2021	2020
	(US$ millions)	
Mobile Financial Services	197	192
Others	7	7
Restricted cash	**203**	**199**

Cash held with banks related to MFS which is restricted in use due to local regulations is denoted as restricted cash. The increase is in line with the current increase in digital transactions due to the pandemic.

C.5.3. Pledged deposits

Pledged deposits represent contracted cash deposits with banks that are held as security for debts at corporate or operational entity level. Millicom is unable to access these funds until either the relevant debt is repaid or alternative security is arranged with the lender.

At December 31, 2021, there were $35 million pledged deposits (2020: nil).

C.6. Net financial obligations

Net financial obligations

	2021	2020
	(US$ millions)	
Total debt and financing	7,744	5,691
Lease liabilities	1,167	1,021
Gross financial obligations	**8,911**	**6,711**
Less:		
Cash and cash equivalents	(895)	(875)
Pledged deposits	(35)	—
Time deposits related to bank borrowings	—	—
Net financial obligations at the end of the year	**7,981**	**5,837**
Add (less) derivatives related to debt (note D.1.2.)	(20)	(12)
Net financial obligations including derivatives related to debt	**7,961**	**5,825**

	Assets		Liabilities from financing activities		
	Cash and cash equivalents	Other	Bond and bank debt and financing	Lease liabilities	Total
Net financial obligations as at January 1, 2020	**1,164**	**2**	**5,972**	**1,096**	**5,902**
Cash flows	(272)	(2)	(274)	(116)	(117)
Recognition / Remeasurement	—	—	—	68	68
Interest accretion	—	—	16	1	17
Foreign exchange movements	(17)	—	(10)	(34)	(26)
Transfers	—	—	(3)	6	3
Other non-cash movements	—	—	(10)	—	(10)
Net financial obligations as at December 31, 2020	**875**	**—**	**5,691**	**1,021**	**5,837**
Cash flows	(169)	31	1,779	(137)	1,780
Scope changes	199	4	413	204	414
Recognition / Remeasurement	—	—	—	123	123
Interest accretion	—	—	20	—	20
Foreign exchange movements	(10)	—	(108)	(44)	(142)
Transfers	—	—	(15)	1	(14)
Other non-cash movements	—	—	(36)	—	(36)
Net financial obligations as at December 31, 2021	**895**	**35**	**7,744**	**1,167**	**7,981**

C.7. Financial instruments

i) Equity and debt instruments

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (OCI), or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains / (losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Other non-operating (expenses) income, net'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as 'Other non-operating (expenses) income, net' in the consolidated statement of income.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within 'Other non-operating (expenses) income, net' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Group does not hold equity instruments for trading. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Purchases and sales of equity instruments are recognized as of their settlement date. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Otherwise, changes in the fair value of financial assets at FVPL are recognized in 'Other non-operating (expenses) income, net' in the consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables.

The provision is recognized in the consolidated statement of income within Cost of sales.

ii) Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value at each subsequent closing date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a) Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or

b) Hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

For transactions designated and qualifying for hedge accounting, at the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. This is done in reference to the Group Treasury Policy as last updated and approved by the Audit Committee in late 2020. The Group also documents its assessment, both at hedge inception and on an ongoing basis (quarterly), of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging instrument is classified as a non-current asset or liability when the period to maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability when the remaining period to maturity of the hedged item is less than 12 months.

The change in fair value of hedging instruments that are designed and qualify as fair value hedges is recognized in the statement of income as finance costs or income. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of income as finance costs or income.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. Gains or loss relating to any ineffective portion is recognized immediately in the statement of income within Other non-operating (expenses) income, net. Amounts accumulated in equity are reclassified to the statement of income in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recycled to the statement of income within Other non-operating (expenses) income, net.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income within Other non-operating (expenses) income, net.

C.7.1. Fair value measurement hierarchy

Millicom uses the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of markets observable data. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, interest rate curves and forward curves.

C.7.2. Fair value of financial instruments

The fair value of Millicom's financial instruments are shown at amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of all financial assets and all financial liabilities, except debt and financing approximate their carrying value largely due to the short-term maturities of these instruments. The fair values of all debt and financing have been estimated by the Group, based on discounted future cash flows at market interest rates.

Fair values of financial instruments at December 31,

	Note	Carrying value		Fair value	
		2021	2020	2021	2020
		(US$ millions)			
Financial assets					
Derivative financial instruments		21	24	21	24
Other non-current assets		74	77	74	77
Trade receivables, net		405	351	405	351
Amounts due from non-controlling interests, associates and joint venture partners	G.5.	65	296	65	296
Prepayments and accrued income		168	149	168	149
Supplier advances for capital expenditures		35	21	35	21
Call option (ii)	C.7.4.	—	3	—	3
Equity Investments	C.7.3.	—	160	—	160
Other current assets		302	181	302	181
Restricted cash	C.5.2.	203	199	203	199
Cash and cash equivalents	C.5.1.	895	875	895	875
Total financial assets		**2,169**	**2,337**	**2,169**	**2,337**
Current		2,051	2,143	2,051	2,143
Non-current		119	194	119	194
Financial liabilities					
Debt and financing (i)	C.3.	7,744	5,691	7,817	5,572
Trade payables		347	334	347	334
Payables and accruals for capital expenditure		452	345	452	345
Derivative financial instruments		1	16	1	16
Put option liability	C.7.4.	290	262	290	262
Amounts due to non-controlling interests, associates and joint venture partners	G.5.	74	339	74	339
Accrued interest and other expenses		539	445	539	445
Other liabilities		812	885	812	885
Total financial liabilities		**10,259**	**8,317**	**10,332**	**8,198**
Current		3,856	2,145	3,856	2,145
Non-current		6,403	6,173	6,476	6,054

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

(ii) Measured with reference to Level 3, using a Monte Carlo option pricing model.

C.7.3. Equity investments

As at December 31, 2021 and 2020, Millicom has the following investments in equity instruments:

	2021	2020
	(US$ millions)	
Investment in HT	—	160
Equity investment - total	**—**	**160**

Helios Towers plc ("HT")

In October 2019, Helios Towers plc (a company inserted as the holding company of HTA just prior to IPO) completed its IPO on the London Stock Exchange at a price of GBP 1.15 per share valuing the company at enterprise value of approximately $2.0 billion and a market capitalization of $1.45 billion.

As part of the listing process, on October 17, 2019, Millicom first was diluted as HT management exercised their IPO option rights (~4%). This event triggered the recognition of a non-cash dilution loss of $3 million recorded under 'Income/(loss) from other joint ventures and associates'.

On the same day, Millicom resigned from its board of directors seats, which resulted in the loss of the Group's significant influence over HT. As a result, as from that date, Millicom derecognized its investment in associate in HT and recognized it as a financial asset at fair value under IFRS 9. The derecognition of the investment in associate and recognition of the equity investment in HT at a fair value of $292 million triggered the recognition of a net non-cash gain of $208 million recorded under 'Other non-operating income (expense), net' in the Group's statement of income. Fair value was determined using the IPO reference share price of GBP1.15.

As a result of the IPO and the subsequent exercise of the overallotment option, Millicom disposed of a portion of its ownership (in total ~20%) yielding $57 million in gross proceeds and $25 million in net proceeds after fees and Millicom's share in tax escrow of $30 million which has been deducted in full from the gain given the high level of uncertainties used in assessing the potential tax liability. These disposals triggered a loss of $32 million, as a result of the tax escrow and transaction fees, and are recorded under 'Other operating income (expenses), net'.

During 2020, Millicom disposed of a total of 85 million shares that it owned in HT for a total net consideration of GBP 130 million ($169 million), triggering a total net gain on disposal of $6 million recorded in the statement of income under 'Other operating income (expenses), net'.

In June 2021, Millicom disposed of its remaining 76 million shares it owned in HT for a total net consideration of GBP 115 million ($163 million), triggering a net loss on disposal of $15 million, recorded under 'other operating income (expenses), net'. In total, starting June 2020, Millicom sold 162 million shares it held in HT, yielding total proceeds of GBP 244 million ($383 million). Following these disposals, Millicom has no remaining ownership in HT. At December 31, 2020, Millicom owned a remaining shareholding of 7.6% in HT, valued at $160 million (level 1) at the December 31, 2020 share price (£1.53). The changes in fair value were shown under 'Other non-operating (expenses) income, net' (see note B.5.).

C.7.4. Call and put options

Cable Onda call and put options

As part of the acquisition of Cable Onda, the shareholders agreed on certain put and call options as follows - as amended subsequent to the acquisition of Telefónica Panama:

The 'Transaction Price' call and put options are conditional to the occurrence of certain events, such as change of control of Millicom or at any time if Millicom's non-controlling partners' shareholdings fall below 10%, and become exercisable on the date of the Telefónica Panama closing (August 29, 2019) and extending until June 13, 2022. These put and call options are exercisable at the purchase price in the Cable Onda transaction (enterprise value of $1.46 billion), plus interest at 5% per annum (put) and at 10% per annum (call), respectively. From June 14, 2022, up to July 14, 2022, both options will be unconditional.

In addition, the parties agreed on 'Unconditional' call and put options to acquire the remaining 20% non-controlling interest in Cable Onda becoming exercisable at any time from July 15, 2022, both, at fair market value.

Millicom determined that the 'Transaction Price' put option could be exercised as a result of events falling outside of Millicom's control, and therefore that it met the criteria under IAS 32 for recognition as a liability and a corresponding equity decrease. The put option liability would be payable in Millicom's shares or in cash at the discretion of the partner. Therefore, Millicom recorded a liability for the put option at acquisition completion date of $239 million representing the present value of the redemption amount. As of December 31, 2021, the value of the 'Transaction Price' put option is lower than the 'Unconditional' put option's value, and therefore the Group recognized the put option liability at the higher of both valuations at $290 million (December 31, 2020: $262 million).

At December 31, 2021, the 'Transaction Price' call option has been valued at $0.3 million (December 31, 2020: $3 million) using a Monte Carlo simulation model. At December 31, 2021, the 'Unconditional' call option will be exercisable at fair market value and has therefore no value as at December 31, 2021 (December 31, 2020: nil).

The changes in value of the call option asset and put option liability are recorded in the Group's statement of income (see note B.5.).

D. Financial risk management

Exposure to interest rate, foreign currency, non-repatriation, liquidity, capital management and credit risks arise in the normal course of Millicom's business. Each year Group Treasury revisits and presents to the Audit committee updated Group Treasury policy. The Group analyzes each of these financial risks individually as well as on an interconnected basis and defines and implements strategies to manage the economic impact on the Group's performance in line with its policy. This policy was last reviewed in late 2021. As part of the annual review of the above mentioned risks, the Group agrees to a strategy over the use of derivatives and natural hedging instruments ranging from raising debt in local currency (where the Company targets to reach 40% of debt in local currency over the medium term) to maintain a combination of up to 75/25% mix between fixed and floating rate debt or agreeing to cover up to six months forward of operating costs and capex denominated in non-functional currencies through a rolling and layering strategy. Millicom's risk management strategies may include the use of derivatives to the extent a market would exist in the jurisdictions where the Group operates. Millicom's policy prohibits the use of such derivatives in the context of speculative trading.

Accounting policies for derivatives is further detailed in note C.7. On December 31, 2021 and 2020 fair value of derivatives held by the Group can be summarized as follows:

	2021	2020
	(US$ millions)	
Derivatives		
Cash flow hedge derivatives	20	12
Net derivative asset (liability)	**20**	**12**

D.1. Interest rate risk

Debt and financing issued at floating interest rates expose the Group to cash flow interest rate risk. Debt and financing issued at fixed rates expose the Group to fair value interest rate risk. The Group's exposure to risk of changes in market interest rates relate to both of the above. To manage this risk, the Group's policy is to maintain a combination of fixed and floating rate debt with target that more than 75% of the debt be at fixed rate. The Group actively monitors borrowings against this target. The target mix between fixed and floating rate debt is reviewed periodically. The purpose of Millicom's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while considering market conditions as well as our overall business strategy. At

December 31, 2021, approximately 64% of the Group's borrowings are at a fixed rate of interest or for which variable rates have been swapped for fixed rates with interest rate swaps (2020: 84%).

D.1.1. Fixed and floating rate debt

Financing at December 31, 2021

	Amounts due within:						
	1 year	1–2 years	2–3 years	3–4 years (US$ millions)	4–5 years	>5 years	Total
Fixed rate financing	91	151	460	662	372	3,219	4,956
Floating rate financing	1,750	55	26	181	386	391	2,789
Total	**1,840**	**206**	**487**	**843**	**758**	**3,610**	**7,744**
Weighted average nominal interest rate	1.93 %	5.97 %	5.47 %	5.86 %	5.11 %	5.34 %	5.55 %

Financing at December 31, 2020

	Amounts due within:						
	1 year	1–2 years	2–3 years	3–4 years (US$ millions)	4–5 years	>5 years	Total
Fixed rate financing	80	90	268	561	269	3,498	4,766
Floating rate financing	33	17	171	250	197	256	926
Total	**113**	**107**	**439**	**811**	**467**	**3,755**	**5,691**
Weighted average nominal interest rate	4.65%	4.95%	5.76%	4.15%	5.09%	5.21%	4.90%

A 100 basis point fall or rise in market interest rates for all currencies in which the Group had borrowings at December 31, 2021 would increase or reduce profit before tax from continuing operations for the year by approximately $28 million (2020: $9 million).

D.1.2. Interest rate swap contracts

From time to time, Millicom enters into currency and interest rate swap contracts to manage its exposure to fluctuations in interest rates and currency fluctuations in accordance with its Financial Risk Management policy. Details of these arrangements are provided below.

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 $208 million using the May 15, 2019) senior unsecured sustainability bond issued in May 2019 (note C.3.1.). 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 December 31, 2021, the fair values of the swaps amount to an asset of $6 million. (December 31, 2020: a liability of $23 million).

Through our operations in Colombia, El Salvador and Costa Rica, we 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. As of December 31, 2021, the fair value of the swaps from our operations in El Salvador amount to a liability of $1 million (December 31, 2020: a liability of $3 million) and the fair value of the swaps from our operations in Colombia amounts to an asset of $15 million (December 31, 2020: a liability of $7 million). The swaps previously contracted through our operations in Costa Rica have been settled as a result of the redemption of the USD syndicated loan (see note C.3.2.) resulting in a loss of $1.6 million recorded under "Other non-operating (expenses) income, net" (December 31, 2020: liability of $5 million and an asset of $1 million).

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

There are no other derivative financial instruments with a significant fair value at December 31, 2021.

D.2. Foreign currency risks

The Group is exposed to foreign exchange risk arising from various currency exposures in the countries in which it operates. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Millicom seeks to reduce its foreign currency exposure through a policy of matching, as far as possible, assets and liabilities denominated in foreign currencies, or entering into agreements that limit the risk of exposure to currency fluctuations against the US dollar reporting currency. In some cases, Millicom may also borrow in US dollars where it is either commercially more advantageous for joint ventures and subsidiaries to incur debt obligations in US dollars or where US dollar denominated borrowing is the only funding source available to a joint venture or subsidiary. In these circumstances, Millicom accepts the remaining currency risk associated with financing its joint ventures and subsidiaries, principally because of the relatively high cost of forward cover, when available, in the currencies in which the Group operates.

D.2.1. Debt denominated in US dollars and other currencies

Debt denomination at December 31

	2021	2020
	(US$ millions)	
Debt denominated in US dollars	4,827	3,384
Debt denominated in currencies of the following countries		
Guatemala (ii)	605	na
Colombia	699	614
Tanzania	38	40
Bolivia	310	337
Paraguay	195	180
El Salvador(i)	99	118
Panama(i)	846	869
Luxembourg (COP denominated)	36	41
Costa Rica	88	107
Total debt denominated in other currencies	**2,917**	**2,307**
Total debt	**7,744**	**5,691**

(i) El Salvador's official unit of currency is the U.S. dollar, while Panama uses the U.S. dollar as legal tender. Our local debt in both countries is therefore denominated in U.S. dollars but presented as local currency (LCY).

(ii)Tigo Guatemala is fully consolidated since the acquisition of the remaining 45% shareholding on November 12, 2021. See note A.1.2. for further details.

At December 31, 2021, if the US dollar had weakened/strengthened by 10% against the other functional currencies of our operations and all other variables held constant, then profit before tax from continuing operations would have increased/decreased by $38 million (2020: $45 million). This increase/decrease in profit before tax would have mainly been as a result of the conversion of the USD-denominated net debts in our operations with functional currencies other than the US dollar.

D.2.2. Foreign currency swaps

See note D.1.2. Interest rate swap contracts.

D.3. Non-repatriation risk

Most of Millicom's operating subsidiaries and joint ventures generate most of the revenue of the Group and in the currency of the countries in which they operate. Millicom is therefore dependent on the ability of its subsidiaries and joint venture operations to transfer funds to the Company.

Although foreign exchange controls exist in some of the countries in which Millicom Group companies operate, none of these controls currently significantly restrict the ability of these operations to pay interest, dividends, technical service fees, royalties or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, existing foreign exchange controls may be strengthened in countries where the Group operates, or foreign exchange controls may be introduced in countries where the Group operates that do not currently impose such restrictions. If such events were to occur, the Company's ability to receive funds from the operations could be subsequently restricted, which would impact the Company's ability to make payments on its interest and loans and, or pay dividends to its shareholders. As a policy, all operations which do not face restrictions to deposit funds offshore and in hard currencies should do so for the surplus cash generated on a weekly basis. The Company and its subsidiaries make use of notional and physical cash pooling arrangements in hard currencies to the extent permitted.

In addition, in some countries it may be difficult to convert large amounts of local currency into foreign currency because of limited foreign exchange markets. The practical effects of this may be time delays in accumulating significant amounts of foreign currency and exchange risk, which could have an adverse effect on the Group. This is a relatively rare case for the countries in which the Group operates.

Lastly, repatriation most often results in taxation, which is evidenced in the amount of taxes paid by the Group relative to the Corporate Income Tax reported in its statement of income.

D.4. Credit and counterparty risk

Financial instruments that subject the Group to credit risk include cash and cash equivalents, pledged deposits, letters of credit, trade receivables, amounts due from joint venture partners and associates, supplier advances and other current assets and derivatives. Counterparties to agreements relating to the Group's cash and cash equivalents, pledged deposits and letters of credit are significant financial institutions with investment grade ratings. Management does not believe there are significant risks of non-performance by these counterparties and maintain a diversified portfolio of banking partners. Allocation of deposits across banks are managed such that the Group's counterparty risk with a given bank stays within limits which have been set, based on each bank's credit rating.

A large portion of revenue of the Group is comprised of prepaid products and services. For postpaid customers, the Group follows risk control procedures to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Accounts receivable also comprise balances due from other telecom operators. Credit risk of other telecom operators is limited due to the regulatory nature of the telecom industry, in which licenses are normally only issued to credit-worthy companies. The Group maintains a provision for expected credit losses of trade receivables based on its historical credit loss experience.

As the Group has a large number of internationally dispersed customers, there is generally no significant concentration of credit risk with respect to trade receivables, except for certain B2B customers (mainly governments). See note F.1.

D.5. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group has significant indebtedness but also has significant cash balances. Millicom evaluates its ability to meet its obligations on an ongoing basis using a recurring liquidity planning tool. This tool considers the operating net cash flows generated from its operations and the future cash needs for borrowing, interest payments, dividend payments and capital and operating expenditures required in maintaining and developing its operating businesses.

The Group manages its liquidity risk through use of bank overdrafts, bank loans, bonds, vendor financing, Export Credit Agencies and Development Finance Institutions (DFI) loans. Millicom believes that there is sufficient liquidity available in the markets to meet ongoing liquidity needs. Additionally, Millicom is able to arrange offshore funding. Millicom has a diversified financing portfolio with commercial banks representing about 41% of its gross financing (2020: 20%), bonds 46% (2020: 64%), Development Finance Institutions 0% (2020: 1%) and leases 13% (2020: 15%).

Maturity profile of net financial liabilities at December 31, 2021

	Less than 1 year	1 to 5 years	>5yrs	Total
		(US$ millions)		
Total debt and financing	(1,840)	(2,294)	(3,610)	(7,744)
Lease liability	(171)	(591)	(404)	(1,167)
Cash and equivalents	895	—	—	895
Pledged deposits	35	—	—	35
Refundable deposit	—	—	—	—
Derivative financial instruments	—	20	—	20
Net cash (debt) including derivatives related to debt	**(1,082)**	**(2,865)**	**(4,014)**	**(7,961)**
Future interest commitments related to debt and financing	(340)	(1,086)	(98)	(1,524)
Future interest commitments related to leases	(144)	(380)	(179)	(704)
Trade payables (excluding accruals)	(624)	—	—	(624)
Other financial liabilities (including accruals)	(1,141)	—	—	(1,141)
Put option liability	(290)	—	—	(290)
Trade receivables	405	—	—	405
Other financial assets	344	98	—	442
Net financial liabilities	**(2,871)**	**(4,234)**	**(4,291)**	**(11,396)**

Maturity profile of net financial liabilities at December 31, 2020

	Less than 1 year	1 to 5 years	>5yrs	Total
		(US$ millions)		
Total debt and financing	(113)	(1,824)	(3,755)	(5,691)
Lease liability	(123)	(525)	(373)	(1,021)
Cash and equivalents	875	—	—	875
Pledged deposits (related to back borrowings)	—	—	—	—
Refundable deposit	—	—	—	—
Derivative financial instruments	—	12	—	12
Net cash (debt) including derivatives related to debt	**639**	**(2,336)**	**(4,128)**	**(5,825)**
Future interest commitments related to debt and financing	(311)	(1,069)	(104)	(1,484)
Future interest commitments related to leases	(146)	(410)	(203)	(759)
Trade payables (excluding accruals)	(576)	—	—	(576)
Other financial liabilities (including accruals)	(1,185)	(29)	—	(1,214)
Put option liability	(262)	—	—	(262)
Trade receivables	351	—	—	351
Other financial assets	568	167	—	735
Net financial liabilities	**(922)**	**(3,676)**	**(4,435)**	**(9,034)**

D.6. Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating and solid capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure with reference to local economic conditions and imposed restrictions such as debt covenants. To maintain or adjust its capital structure, the Group may make dividend payments to shareholders, return capital to shareholders through share repurchases or issue new shares. At December 31, 2021, Millicom was rated at one notch below investment grade by the independent rating agencies Moody's (Ba1 stable) and Fitch (BB+ stable). The Group primarily monitors capital using net financial obligations to EBITDA.

The Group reviews its gearing ratio (net financial obligations divided by total capital plus net financial obligations) periodically. Net financial obligations includes interest bearing debt and lease liabilities, less cash and cash equivalents (included restricted cash) and pledged and time deposits related to bank borrowings. Capital represents equity attributable to the equity holders of the parent.

Net financial obligations to EBITDA

	Note	2021	2020
		(US$ millions)	
Net financial obligations	C.6.	7,981	5,837
EBITDA	B.3.	1,639	1,495
Net financial obligations to EBITDA (i)		4.87	3.90

(i) The ratio is above 3.0x on an IFRS basis. However, according to the terms of the indenture, this ratio is calculated differently, resulting in a ratio below 3.0x for covenant purposes. Also, the ratio in 2021 is artificially high as the full debt of Tigo Guatemala has been consolidated from the acquisition date on November 12, 2021, while the Group consolidated only 1.5 months of Tigo Guatemala's EBITDA.

Gearing ratio

	Note	2021	2020
		(US$ millions)	
Net financial obligations	C.6.	7,981	5,837
Equity attributable to Owners of the Company	C.1.	2,583	2,059
Net financial obligations and equity		10,564	7,896
Gearing ratio		0.76	0.74

E. Long-term assets

E.1. Intangible assets

Millicom's intangible assets mainly consist of goodwill arising from acquisitions, customer lists acquired through acquisitions, licenses and rights to operate and use spectrum.

E.1.1. Accounting for intangible assets

Intangible assets acquired in business acquisitions are initially measured at fair value at the date of acquisition, and those which are acquired separately are measured at cost. Internally generated intangible assets, excluding capitalized development costs, are not capitalized but expensed to the statement of income in the expense category consistent with the function of the intangible assets. Subsequently intangible assets are carried at cost, less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over their estimated useful economic lives using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at each financial year end. Changes in expected useful lives or the expected beneficial use of the assets are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Goodwill

Goodwill represents the excess of cost of an acquisition over the Group's share in the fair value of identifiable assets less liabilities and contingent liabilities of the acquired subsidiary, at the date of the acquisition. If the fair value or the cost of the acquisition can only be determined provisionally, then goodwill is initially accounted for using provisional values. Within 12 months of the acquisition date, any adjustments to the provisional values are recognized. This is done when the fair values and the cost of the acquisition have been finally determined. Adjustments to provisional fair values are made as if the adjusted fair values had been recognized from the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets, net. Goodwill on acquisition of joint ventures or associates is included in investments in joint ventures and associates. Following initial recognition, goodwill is measured at cost, less any accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this manner is measured, based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

Licenses

Licenses are recorded at either historical cost or, if acquired in a business combination, at fair value at the date of acquisition. Cost includes cost of acquisition and other costs directly related to acquisition and retention of licenses over the license period. These costs may include up-front and deferred payments as well as estimates related to fulfillment of terms and conditions related to the licenses such as service or coverage obligations, especially when there is a clear objective evidence that the cost of fulfilling these obligations will be significantly onerous for the Group.

Licenses have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the licenses over their estimated useful lives.

The terms of licenses, which have been awarded for various periods, are subject to periodic review for, among other things, rate setting, frequency allocation and technical standards. Licenses are initially measured at cost and are amortized from the date the network is available for use on a straight-line basis over the license period. Licenses held, subject to certain conditions, are usually renewable and generally non-exclusive. When estimating useful lives of licenses, renewal periods are included only if there is evidence to support renewal by the Group without significant cost.

Trademarks and customer lists

Trademarks and customer lists are recognized as intangible assets only when acquired or gained in a business combination. Their cost represents fair value at the date of acquisition. Trademarks and customer lists have indefinite or finite useful lives. Trademarks and customer lists used by the Group for its own activities are unlikely to generate largely independent cash inflows and therefore are tested for impairment annually together with other assets at each cash-generating unit level. Finite useful life trademarks are carried at cost, less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the trademarks and customer lists over their estimated useful lives. The estimated useful lives for trademarks and customer lists are based on specific characteristics of the market in which they exist. Trademarks and customer lists are included in Intangible assets, net.

Estimated useful lives are:

	Years
Estimated useful lives	
Trademarks	1 to 15
Customer lists	4 to 20

Programming and content rights

Programming and content master rights which are purchased or acquired in business combinations which meet certain criteria are recorded at cost as intangible assets. The rights must be exclusive, related to specific assets which are sufficiently developed, and probable to bring future economic benefits and have validity for more than one year. Cost includes consideration paid or payable and other costs directly related to the acquisition of the rights, and are recognized at the earlier of payment or commencement of the broadcasting period to which the rights relate.

Programming and content rights capitalized as intangible assets have a finite useful life and are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the rights over their estimated useful lives.

Non-exclusive and programming and content rights for periods less than one year are expensed over the period of the rights.

Indefeasible rights of use

There is no universally-accepted definition of an indefeasible rights of use (IRU). These agreements come in many forms. However, the key characteristics of a typical arrangement include:

- The right to use specified network infrastructure or capacity;

- For a specified term (often the majority of the useful life of the relevant assets);
- Legal title is not transferred;
- A number of associated service agreements including operations and maintenance (O&M) and co-location agreements. These are typically for the same term as the IRU; and
- Any payments are usually made in advance.

IRUs are accounted for either as a lease, or service contract based on the substance of the underlying agreement.

IRU arrangements will qualify as a lease if, and when:

- The purchaser has an exclusive right for a specified period and has the ability to resell (or sublet) the capacity; and
- The capacity is physically limited and defined; and
- The purchaser bears all costs related to the capacity (directly or not) including costs of operation, administration and maintenance; and
- The purchaser bears the risk of obsolescence during the contract term.

If all of these criteria are not met, the IRU is treated as a service contract.

An IRU of network infrastructure (cables or fiber) is accounted for as a right of use asset (see E.3.), while capacity IRU (wavelength) is accounted for as an intangible asset.

The costs of an IRU recognized as service contract is recognized as prepayment and amortized in the statement of income as incurred over the duration of the contract.

E.1.2. Impairment of non-financial assets

At each reporting date Millicom assesses whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for a non-financial asset is required, an estimate of the asset's recoverable amount is made. The recoverable amount is determined based on the higher of its fair value less cost to sell, and its value in use, for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Where no comparable market information is available, the fair value, less cost to sell, is determined based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market conditions for the time value of money and risks specific to the asset. The foregoing analysis also evaluates the appropriateness of the expected useful lives of the assets. Impairment losses related to assets of continuing operations are recognized in the consolidated statement of income in expense categories consistent with the function of the impaired asset.

At each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

E.1.3. Movements in intangible assets

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 $615 million using the December 31, 2021 exchange rate), of which approximately 55% is payable in cash and 45% in coverage obligations to be met by 2025.

An initial payment of approximately $33 million was made in 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 as an Intangible asset 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.

Movements in intangible assets in 2021

	Goodwill	Licenses	Customer Lists	IRUs	Trademark	Other (i)	Total
				(US$ millions)			
Opening balance, net	**1,659**	**870**	**423**	**86**	**77**	**289**	**3,403**
Change in scope (see note A.1.2.)	3,257	319	91	6	848	25	4,546
Additions	—	29	—	—	—	135	164
Amortization charge	—	(82)	(56)	(14)	(67)	(100)	(320)
Impairment	—	—	—	—	—	(1)	(1)
Disposals, net	—	—	—	—	—	(1)	(1)
Transfers	—	—	—	2	1	46	49
Exchange rate movements	(32)	(67)	(1)	(5)	—	(15)	(121)
Closing balance, net	**4,884**	**1,070**	**456**	**75**	**858**	**379**	**7,721**
Cost or valuation	4,884	1,728	1,251	210	1,189	1,059	10,322
Accumulated amortization and impairment	—	(658)	(795)	(135)	(331)	(681)	(2,600)
Net	**4,884**	**1,070**	**456**	**75**	**858**	**379**	**7,721**

Movements in intangible assets in 2020

	Goodwill	Licenses	Customer Lists	IRUs	Trademark	Other (i)	Total
				(US$ millions)			
Opening balance, net	**1,684**	**468**	**470**	**107**	**183**	**282**	**3,195**
Additions	—	421	—	—	—	99	520
Amortization charge	—	(71)	(44)	(13)	(106)	(84)	(318)
Impairment	—	—	—	—	—	—	—
Disposals, net	—	—	—	14	—	—	13
Transfers	—	3	—	(18)	—	(1)	(16)
Transfer to/from held for sale	—	—	—	—	—	—	—
Exchange rate movements	(26)	49	(3)	(3)	—	(8)	10
Closing balance, net	**1,659**	**870**	**423**	**86**	**77**	**289**	**3,403**
Cost or valuation	1,659	1,305	630	196	323	840	4,953
Accumulated amortization and impairment	—	(435)	(207)	(111)	(246)	(550)	(1,550)
Net	**1,659**	**870**	**423**	**86**	**77**	**289**	**3,403**

(i) Other includes mainly software costs

E.1.4. Cash used for the purchase of intangible assets

Cash used for intangible asset additions

	2021	2020	2019
		(US$ millions)	
Additions	164	520	202
Change in accruals and payables for intangibles	(29)	(315)	(32)
Cash used for additions	**135**	**202**	**171**

E.1.5. Goodwill and indefinite useful life trademarks

Allocation of Goodwill to cash generating units (CGUs)

	2021	2020
	(US$ millions)	
Guatemala (see note A.1.2.)	3,258	—
Panama (see note A.1.2.)	907	907
El Salvador	194	194
Costa Rica	110	115
Paraguay	47	47
Colombia	149	173
Tanzania	12	12
Nicaragua (see note A.1.2)	203	207
Bolivia	3	3
Total	**4,884**	**1,659**

Allocation of indefinite useful life trademarks to cash generating units (CGUs)

	2021	2020
	(US$ millions)	
Guatemala	848	—
Tanzania	10	10
Total	**858**	**10**

E.1.6. Impairment testing of goodwill and indefinite useful life trademarks

Goodwill and indefinite useful life trademarks from CGUs are tested for impairment at least once a year and more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed.

Goodwill arising on business combinations is allocated to each of the Group's CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment.

Impairment is determined by assessing the value-in-use and, if appropriate, the fair value less costs to sell of the CGU (or group of CGUs), to which goodwill relates.

Impairment testing at December 31, 2021

Goodwill and indefinite useful life trademarks were tested for impairment by assessing the recoverable amount against the carrying amount of the CGU based on discounted cash flows. The recoverable amounts are based on value-in-use. The value-in-use is determined based on the method of discounted cash flows. The cash flow projections used (operating profit margins, income tax, working capital, capex and license renewal cost) are extracted from business plans approved by management and presented to the Board, covering a fifteen-year planning horizon. The Group uses a fifteen-year planning horizon to obtain a stable business outlook, in particular due to the long investment cycles in the industry and the long-term planned and expected investments in licenses and spectrum. Cash flows beyond this period are extrapolated using a perpetual growth rate. When value-in-use results are lower than the carrying values of the CGUs, management determines the recoverable amount by using the fair value less cost of disposal (FVLCD) of the CGUs. FVLCD is usually determined by using recent offers received from third parties (Level 1).

For the year ended December 31, 2021, management concluded that no impairment should be recorded in the Group consolidated financial statements.

Impairment testing at December 31, 2020

For the year ended December 31, 2020, management concluded that no impairment should be recorded in the Group consolidated financial statements.

Key assumptions used in value in use calculations

The process of preparing the cash flow projections considers the current market condition of each CGU, analyzing the macroeconomic, competitive, regulatory and technological environments, as well as the growth opportunities of the CGUs. Therefore, a growth target is defined for each CGU, based on the appropriate allocation of operating resources and the capital investments required to achieve the target. The foregoing forecasts could differ from the results obtained through time; however, the Company prepares its estimates based on the current situation of each of the CGUs. Relevance of budgets used for the impairment test is also reviewed annually, with management performing regressive analysis between actual figures and budget/ Long Range Plans (LRPs) used for previous year impairment test.

The cash flow projections for all CGUs is most sensitive to the following key assumptions:

- EBITDA margin is determined by dividing EBITDA by total revenues.
- CAPEX intensity is determined by dividing CAPEX by total revenues.
- Perpetual growth rate does not exceed the countries' GDP.
- Weighted average cost of capital ("WACC") is used to discount the projected cash flows.

The most significant estimates used for the 2021 and 2020 impairment test are shown below:

CGU	Average EBITDA margin (%) (i)		Average CAPEX intensity (%) (i)		Perpetual growth rate (%)		WACC rate after tax (%)	
	2021	2020	2021	2020	2021	2020	2021	2020
Bolivia	42.7	39.2	16.6	16.8	1.0	1.0	11.6	11.5
Colombia	36.1	35.7	17.4	17.7	2.0	2.0	8.9	8.3
Costa Rica	35.5	32.9	15.1	17.8	2.0	2.0	11.1	12.1
El Salvador	39.3	35.4	12.9	14.0	1.0	1.0	14.7	13.8
Nicaragua (see note A.1.2)	45.9	45.6	16.0	15.9	3.0	3.0	12.5	13.8
Panamá (see note A.1.2)	47.0	48.2	17.2	17.5	1.0	1.0	7.0	7.6
Paraguay	42.6	44.3	15.4	15.6	1.0	1.0	8.3	8.4
Guatemala	54.7	53.2	12.3	12.4	1.0	1.0	8.4	8.6
Tanzania	38.0	39.5	12.5	11.7	1.0	1.0	13.2	13.8

(i) Average is computed over the period covered by the plan.

Sensitivity analysis to changes in assumptions

Management performed a sensitivity analysis on key assumptions within the test. The following maximum increases or decreases, expressed in percentage points, were considered for all CGUs:

Reasonable changes in key assumptions (%)	
Financial variables	
WACC rates	+/-1
Perpetual growth rates	+/-1
Operating variables	
EBITDA margin	+/-2
CAPEX intensity	+/-1

The sensitivity analysis shows a comfortable headroom between the recoverable amounts and the carrying values for all CGUs at December 31, 2021.

E.2. Property, plant and equipment

E.2.1. Accounting for property, plant and equipment

Items of property, plant and equipment are stated at either historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to acquisition of items. The carrying amount of replaced parts is derecognized.

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset and the remaining life of the license associated with the assets, unless the renewal of the license is contractually possible.

Estimated useful lives	Duration
Buildings	Up to 40 years
Networks (including civil works)	5 to 15 years
Other	2 to 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets' residual value and useful life is reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Construction in progress consists of the cost of assets, labor and other direct costs associated with property, plant and equipment being constructed by the Group, or purchased assets which have yet to be deployed. When the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and depreciation commences.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Ongoing routine repairs and maintenance are charged to the statement of income in the financial period in which they are incurred.

Costs of major inspections and overhauls are added to the carrying value of property, plant and equipment and the carrying amount of previous major inspections and overhauls is derecognised.

Equipment installed on customer premises which is not sold to customers is capitalized and amortized over the customer contract period.

A liability for the present value of the cost to remove an asset on both owned and leased sites (for example cell towers) and for assets installed on customer premises (for example set-top boxes), is recognized when a present obligation for the removal exists. The corresponding cost of the obligation is included in the cost of the asset and depreciated over the useful life of the asset, or lease period if shorter.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset when it is probable that such costs will contribute to future economic benefits for the Group and the costs can be measured reliably.

E.2.2. Movements in tangible assets

Movements in tangible assets in 2021

	Network Equipment (ii)	Land and Buildings	Construction in Progress (US$ millions)	Other(i)	Total
Opening balance, net	**2,175**	**185**	**308**	**87**	**2,755**
Change in scope (see note A.1.2.)	494	9	29	11	543
Additions	30	—	752	4	787
Impairments/reversal of impairment, net	—	—	(3)	(1)	(4)
Disposals, net	(10)	—	(4)	—	(14)
Depreciation charge	(651)	(16)	—	(73)	(739)
Asset retirement obligations	31	1	—	—	32
Transfers	572	5	(646)	41	(28)
Transfer from/(to) assets held for sale (see note E.4)	—	—	—	—	—
Exchange rate movements	(115)	(10)	(6)	(2)	(133)
Closing balance, net	**2,527**	**175**	**429**	**68**	**3,198**
Cost or valuation	8,373	333	429	390	9,524
Accumulated amortization and impairment	(5,846)	(158)	—	(322)	(6,326)
Net at December 31, 2021	**2,527**	**175**	**429**	**68**	**3,198**

Movements in tangible assets in 2020

	Network equipment	Land and buildings	Construction in progress (US$ millions)	Other(i)	Total
Opening balance, net	**2,212**	**206**	**355**	**127**	**2,899**
Change in Scope	—	—	—	—	—
Additions	31	—	606	11	649
Impairments/reversal of impairment, net	—	—	—	—	—
Disposals, net	31	(2)	(2)	(41)	(13)
Depreciation charge	(644)	(22)	—	(83)	(749)
Asset retirement obligations	17	2	—	—	19
Transfers	588	5	(644)	75	24
Transfers from/(to) assets held for sale (see note E.4.)	1	1	—	—	3
Exchange rate movements	(62)	(5)	(8)	(2)	(77)
Closing balance, net	**2,175**	**185**	**308**	**87**	**2,755**
Cost or valuation	6,423	329	308	407	7,466
Accumulated amortization and impairment	(4,248)	(144)	—	(320)	(4,711)
Net at December 31, 2020	**2,175**	**185**	**308**	**87**	**2,755**

(i) Other mainly includes office equipment and motor vehicles.

Borrowing costs capitalized for the years ended December 31, 2021, 2020 and 2019 were not significant.

E.2.3. Cash used for the purchase of tangible assets

Cash used for property, plant and equipment additions

	2021	2020	2019
		(US$ millions)	
Additions	787	649	719
Change in advances to suppliers	(6)	(4)	1
Change in accruals and payables for property, plant and equipment	(40)	(22)	17
Other	(1)	(1)	(1)
Cash used for additions	**740**	**622**	**736**

E.3. Right of use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Refer to note C.4. for further details on lease accounting policies.

Movements in right of use assets in 2021

Right-of-use assets	Land and buildings	Sites rental	Tower rental	Other network equipment	Capacity	Other	Total
		(US$ millions)					
Opening balance, net	**147**	**93**	**607**	**31**	**14**	**2**	**895**
Change in scope (see note A.1.2.)	16	107	48	3	—	13	187
Additions	37	14	53	—	—	1	106
Modifications	14	8	3	1	—	(1)	25
Impairments	(1)	—	—	—	—	—	(1)
Disposals	(2)	(2)	(2)	(1)	—	—	(7)
Depreciation	(36)	(22)	(81)	(4)	(1)	(2)	(145)
Asset retirement obligations	1	—	—	—	—	—	—
Transfers	—	4	(17)	(5)	(1)	—	(18)
Exchange rate movements	(9)	(1)	(24)	—	—	—	(34)
Closing balance, net	**169**	**201**	**587**	**25**	**12**	**13**	**1,008**
Cost of valuation	254	317	908	40	17	21	1,557
Accumulated depreciation and impairment	(85)	(116)	(320)	(14)	(5)	(8)	(549)
Net at 31 December 2021	**169**	**201**	**587**	**25**	**12**	**13**	**1,008**

There have been no unusual significant events affecting lease liabilities (and right-of-use assets) during the year ended December 31, 2021.

Movements in right of use assets in 2020

Right-of-use assets	Land and buildings	Sites rental	Tower rental	Capacity	Other network equipment	Other	Total
			(US$ millions)				
Opening balance, net	**148**	**101**	**729**	**15**	**16**	**3**	**1,012**
Change in scope	—	—	—	—	—	—	—
Additions	41	2	23	1	18	1	86
Modifications (i)	9	10	(27)	—	(1)	—	(8)
Impairments	(1)	—	—	—	—	—	(1)
Disposals	(10)	(1)	—	—	(1)	—	(12)
Depreciation	(38)	(17)	(88)	(1)	(8)	(2)	(155)
Asset retirement obligations	—	1	—	—	—	(1)	—
Transfers	—	—	(2)	—	5	1	4
Transfers to/from assets held for sale	—	—	—	—	—	—	—
Exchange rate movements	(3)	(2)	(27)	—	—	—	(32)
Closing balance, net	**147**	**93**	**607**	**14**	**31**	**2**	**895**
Cost of valuation	206	127	839	18	42	6	1,238
Accumulated depreciation and impairment	(59)	(34)	(232)	(4)	(12)	(3)	(343)
Net at 31 December 2020	**147**	**93**	**607**	**14**	**31**	**2**	**895**

(i) In early 2020, and following a change in regulation in Colombia, future 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.

Tower Sale and Leaseback

In 2018 and 2019, the Group announced agreements to sell and leaseback wireless communications towers in Paraguay, Colombia and El Salvador. Total gain on sale recognized in 2021 was nil (2020: nil, 2019:$5 million) and cash received from these sales in 2021 was nil, (2020: nil, 2019: $22 million).

E.4. Assets held for sale

If Millicom decides to sell subsidiaries, investments in joint ventures or associates, or specific non-current assets in its businesses, these items qualify as assets held for sale if certain conditions are met and necessary regulatory approvals obtained.

E.4.1. Classification of assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is expected to be recovered principally through sale, not through continuing use. Liabilities of disposal groups are classified as Liabilities directly associated with assets held for sale.

E.4.2. Millicom's assets held for sale

The following table summarizes the nature of the assets and liabilities reported under assets held for sale and liabilities directly associated with assets held for sale as at December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
	(US$ millions)	
Assets and liabilities reclassified as held for sale ($ millions)		
Towers Colombia (see note E.4.1.)	—	1
Towers El Salvador (see note E.4.1.)	—	—
Towers Zantel	—	—
Total assets of held for sale	**—**	**1**
Total liabilities directly associated with assets held for sale	**—**	**—**
Net assets held for sale / book value	**—**	**1**

In accordance with IFRS 5 and as further explained in Note A.1.3. , financial information relating to discontinued operations for the years ended December 31, 2021, 2020 and 2019 is set out below. Figures shown below are after intercompany eliminations.

Results from discontinued operations

	2021	December 31 2020 (US$ millions)	2019
Revenue	—	—	50
Cost of sales	—	—	(14)
Operating expenses	—	(4)	(2)
Other expenses linked to the disposal of discontinued operations	—	(9)	(10)
Depreciation and amortization	—	—	(11)
Other operating income (expenses), net	—	—	—
Gain/(loss) on disposal of discontinued operations	—	—	74
Operating profit (loss)	**—**	**(12)**	**88**
Interest income (expense), net	—	—	(2)
Other non-operating (expenses) income, net	—	—	—
Profit (loss) before taxes	**—**	**(12)**	**86**
Credit (charge) for taxes, net	—	—	(2)
Net profit/(loss) from discontinuing operations	**—**	**(12)**	**84**

Cash flows from discontinued operations

	2021	December 31 2020 (US$ millions)	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

F. Other assets and liabilities

F.1. Trade receivables

Millicom's trade receivables mainly comprise interconnect receivables from other operators, postpaid mobile and residential cable subscribers, as well as B2B customers. The nominal value of receivables adjusted for impairment approximates the fair value of trade receivables.

	2021	2020
	(US$ millions)	
Gross trade receivables	722	649
Less: provisions for expected credit losses	(316)	(298)
Trade receivables, net	**405**	**351**

Aging of trade receivables

	Neither past due nor impaired	Past due (net of impairments) 30–90 days	>90 days	Total
		(US$ millions)		
2021:				
Telecom operators	18	3	4	25
Own customers	210	59	34	303
Others	58	12	8	77
Total	**286**	**74**	**46**	**405**
2020:				
Telecom operators	15	7	3	25
Own customers	167	65	34	266
Others	34	19	8	60
Total	**216**	**90**	**45**	**351**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit losses. The Group recognizes an allowance for expected credit losses (ECLs) applying a simplified approach in calculating the ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime of ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision for expected credit losses is recognized in the consolidated statement of income within Cost of sales.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the end of the reporting period. These are classified within non-current assets. Loans and receivables are carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

F.2. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventories

	2021	2020
	(US$ millions)	
Telephone and equipment	43	23
SIM cards	5	4
IRUs	—	—
Other	15	10
Inventory at December 31,	**63**	**37**

F.3. Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method where the effect of the passage of time is material.

From time to time, the Group enters into agreements to extend payment terms with various suppliers, and with factoring companies when such payments are discounted. The corresponding amount pending payment as of December 31, 2021, is recognized in Trade payables for an amount of $38 million (2020: $46 million).

F.4. Current and non-current provisions and other liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, risks specific to the liability. Where discounting is used, increases in the provision due to the passage of time are recognized as interest expenses.

F.4.1. Current provisions and other liabilities

Current

	2021	2020
	(US$ millions)	
Deferred revenue	110	78
Customer deposits	15	14
Current legal provisions	24	22
Tax payables	88	72
Customer and MFS distributor cash balances	194	186
Withholding tax on payments to third parties	11	6
Other current liabilities(i)	105	133
Total	**546**	**511**

(i) Includes $25 million (2020: $44 million) of tax risk liabilities not related to income tax.

F.4.2. Non-current provisions and other liabilities

Non-current

	2021	2020
	(US$ millions)	
Non-current legal provisions	22	30
Long-term portion of asset retirement obligations	177	107
Long-term portion of deferred income on tower sale and leasebacks recognized under IAS 17	46	57
Long-term employment obligations	56	67
Other non-current liabilities	63	67
Total	**364**	**328**

F.5. Assets and liabilities related to contract with customers

Contract assets, net

	2021	2020
	(US$ millions)	
Long-term portion	18	6
Short-term portion	54	28
Less: provisions for expected credit losses	(4)	(2)
Total	**69**	**31**

Contract liabilities

	2021	2020
	(US$ millions)	
Long-term portion	2	2
Short-term portion	95	89
Total	**97**	**90**

The Group recognized revenue for $86 million in 2021 (2020: $82 million) that was included in the contract liability balance at the beginning of the year.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2021 is $101 million ($96 million is expected to be recognized as revenue in the 2023 financial year and the remaining $6 million in the 2024 financial year or later) (i).

(i) This amount does not consider contracts that have an original expected duration of one year or less, neither contracts in which consideration from a customer corresponds to the value of the entity's performance obligation to the customer (i.e. billing corresponds to accounting revenue).

Contract costs, net (i)

	2021	2020
	(US$ millions)	
Net at January 1	**5**	**5**
Change in scope	2	—
Contract costs capitalized	2	1
Amortization of contract costs	(1)	(1)
Net at December 31	**8**	**5**

(i) Incremental costs of obtaining a contract are expensed when incurred if the amortization period of the asset that Millicom otherwise would have recognized is one year or less.

G. Additional disclosure items

G.1. Fees to auditors

	2021	2020	2019
		(US$ millions)	
Audit fees	5.2	5.8	6.8
Audit related fees	1.4	0.5	1.3
Tax fees	0.1	0.1	0.1
Other fees	0.4	0.1	0.6
Total	**7.1**	**6.4**	**8.8**

G.2. Capital and operational commitments

Millicom has a number of capital and operational commitments to suppliers and service providers in the normal course of its business. These commitments are mainly contracts for acquiring network and other equipment, and leases for towers and other operational equipment.

G.2.1. Capital commitments

At December 31, 2021, the Company and its subsidiaries had fixed commitments to purchase network equipment, land and buildings, other fixed assets and intangible assets of $761 million of which $428 million are due within one year (December 31, 2020: $564 million of which $400 million were due within one year). The Group’s share of commitments from the joint ventures is, respectively $41 million and $41 million. (December 31, 2020: $69 million and $52 million, respectively).

G.3. Contingent liabilities

G.3.1. Litigation and legal risks

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 December 31, 2021, the total amount of claims brought against Millicom and its subsidiaries is $246 million (December 31, 2020: $288 million). The Group's share of the comparable exposure for joint ventures is $13 million (December 31, 2020: $14 million).

As at December 31, 2021, $36 million has been provided by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2020: $45 million). The Group’s share of provisions made by the joint ventures was $1 million (December 31, 2020: $3 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group’s financial position and operations.

On May 25, 2020, as a result of the termination of the Costa Rica acquisition (see Note A.1.2.), Telefónica 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 the transaction 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 Telefónica’s rights, and unspecified damages, costs, and fees. We believe the complaint is without merit and that our position will ultimately be vindicated through the judicial process.

Other

At December 31, 2021, Millicom has various other less significant claims which are not disclosed separately in these consolidated financial statements because they are either not material or the related risk is remote.

G.3.2. Tax related risks and uncertain tax position

The Group operates in developing countries where the tax systems, regulations and enforcement processes have varying stages of development creating uncertainty regarding the application of the tax law and interpretation of tax treatments. The Group is also subject to regular tax audits in the countries where it operates. When there is uncertainty over whether the taxation authority will accept a specific tax treatment under the local tax law, that tax treatment is therefore uncertain. The resolution of tax positions taken by the Group, through negotiations with relevant tax authorities or through litigation, can take several years to complete and, in some cases, it is difficult to predict the ultimate outcome. Therefore, judgment is required to determine liabilities for taxes.

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, the Group assumes that a taxation authority with the right to examine amounts reported to it will examine those amounts and have full knowledge of all relevant information when making those examinations.

The Group has a process in place, and applies significant judgment, in identifying uncertainties over income tax treatments. Management considers whether or not it is probable that a taxation authority will accept an uncertain tax treatment. On that basis, the identified risks are split into three categories (i) remote risks (risk of outflow of tax payments are up to 20%), (ii) possible risks (risk of outflow of tax payments assessed from 21% to 49%) and probable risks (risk of outflow is more than 50%). The process is repeated every quarter by the Group.

If the Group concludes that it is probable or certain that the taxation authority will accept the tax treatment, the risks are categorized either as possible or remote, and it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. The risks considered as possible are not provisioned but disclosed as tax contingencies in the Group consolidated financial statements while remote risks are neither provisioned nor disclosed.

If the Group concludes that it is probable that the taxation authority will not accept the Group's interpretation of the uncertain tax treatment, the risks are categorized as probable, and are presented to reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates by generally using the most likely amount method – the single most likely amount in a range of possible outcomes.

If an uncertain tax treatment affects both deferred tax and current tax, the Group makes consistent estimates and judgments for both. For example, an uncertain tax treatment may affect both taxable profits used to determine the current tax and tax bases used to determine deferred tax.

If facts and circumstances change, the Group reassesses the judgments and estimates regarding the uncertain tax position taken.

At December 31, 2021, the tax risks exposure of the Group's subsidiaries is estimated at $343 million, for which provisions of $69 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (2020: $339 million of which provisions of $77 million were recorded). The Groups' share of comparable tax exposure and provisions in its joint ventures amounts to $68 million (2020: $69 million) and $3 million (2020: $7 million), respectively. During 2021, due to tax audit closure in Tanzania, the Group has released tax risk contingencies amounting to $25 million which were considered as 'possible risks' and has also recorded the reversal of a $30 million provision for claims no longer deemed as 'probable risks'.

G.4. Non-cash investing and financing activities

Non-cash investing and financing activities from continuing operations

	Note	2021	2020	2019
			(US$ millions)	
Investing activities				
Acquisition of property, plant and equipment	E.2.2.	(47)	(27)	17
Acquisition of lease right of use assets obtained in exchange of lease liabilities	E.3.	106	92	100
Asset retirement obligations	E.2.2.	32	19	19
Financing activities				
Share based compensation	B.4.1.	17	24	27

G.5. Related party balances and transactions

The Group's significant related parties are:

- Until November 14, 2019, date on which Millicom SDRs were paid out to the shareholders of Kinnevik (see 'Introduction' note), Kinnevik AB (Kinnevik) was Millicom's previous principal shareholder;
- Helios Towers Africa Ltd (HTA), in which Millicom held a direct or indirect equity interest - until October 15, 2019, date on which Millicom lost significant influence on HTA and started accounting for its investments at fair value under IFRS 9 (see note A.3.1.and C.7.3.).
- EPM and subsidiaries (EPM), the non-controlling shareholder in our Colombian operations (see note A.1.4.);
- Miffin Associates Corp and subsidiaries (Miffin), our joint venture partner in Guatemala until November 12, 2021, date on which Millicom signed and closed an agreement to acquire the remaining 45% equity interest in our joint venture business in Guatemala from Miffin (see note A.1.2.).
- Cable Onda partners and subsidiaries, the non-controlling shareholders in our Panama operations (see note A.1.2.).

Kinnevik

Until November 14, 2019, Kinnevik was Millicom's principal shareholder, owning approximately 37% of Millicom. Kinnevik is a Swedish holding company with interests in the telecommunications, media, publishing, paper and financial services industries.

During 2019, Kinnevik did not purchase any Millicom shares. There were no significant loans made by Millicom to or for the benefit of Kinnevik or Kinnevik controlled entities.

During 2019, the Company purchased services from Kinnevik subsidiaries including fraud detection, procurement and professional services. Transactions and balances with Kinnevik Group companies are disclosed under 'Other' in the tables below.

Helios Towers

Millicom sold its tower assets and leased back a portion of space on the towers in several African countries and contracted for related operation and management services with HTA. The Group has future lease commitments in respect of the tower companies (see note E.4.). As mentioned above, Helios Towers ceased to be a related party to the Group from October 15, 2019.

Empresas Públicas de Medellín (EPM)

EPM is a state-owned, industrial and commercial enterprise, owned by the municipality of Medellin, and provides electricity, gas, water, sanitation, and telecommunications. EPM owns 50% of our operations in Colombia.

Miffin Associates Corp (Miffin)

The Group purchases and sells products and services from and to the Miffin Group. Transactions with Miffin represent recurring commercial operations such as purchase of handsets, and sale of airtime. As mentioned above, Miffin ceased to be a related party to the Group from November 12, 2021.

Cable Onda Partners

Our partners in Panama are the non-controlling shareholders of Cable Onda and own 20% of the company, and indirectly 20% of Grupo de Comunicaciones Digitales S.A. (formerly Telefónica Móviles Panamá, S.A.), which had been acquired by Cable Onda in August 2019. Additionally, they also hold interests in several entities which have purchasing and selling recurring commercial operations with Cable Onda (such as the sale of content costs, delivery of broadband services, etc.). Transactions and balances with Cable Onda Partners companies are disclosed under 'Other' in the tables below given their individual immateriality.

Expenses from transactions with related parties	**2021**	**2020**	**2019**
		(US$ millions)	
Purchases of goods and services from Miffin (i)	(165)	(216)	(214)
Purchases of goods and services from EPM	(39)	(37)	(42)
Lease of towers and related services from HTA (ii)	—	—	(146)
Other expenses	(18)	(57)	(10)
Total	**(221)**	**(310)**	**(412)**

Income and gains from transactions with related parties	**2021**	**2020**	**2019**
		(US$ millions)	
Sale of goods and services to Miffin (i)	299	327	306
Sale of goods and services to EPM	14	15	13
Other revenue	2	2	3
Total	**314**	**343**	**322**

(i) Miffin entities are not considered as related parties since November 12, 2021.

(ii) HTA ceased to be a related party on October 15, 2019. See note C.7.3. for further details.

As at December 31, the Company had the following balances with related parties:

	December 31	
	2021	**2020**
	(US$ millions)	
Liabilities		
Payables to Guatemala joint venture (i)	—	231
Payables to Honduras joint venture (ii)	69	103
Payables to EPM	15	20
Payables to Panama non-controlling interests	1	1
Other accounts payable	2	1
Total	**87**	**356**

(i) Since November 12, 2021, Tigo Guatemala is accounted for as a subsidiary and intercompany transactions are eliminated on consolidation (see note A.1.2. to our audited consolidated financial statements).

(ii) Mainly advances for dividends expected to be declared in 2022.

	December 31	
	2021	2020
	(US$ millions)	
Assets		
Receivables from EPM	2	3
Receivables from Guatemala joint venture (i)	—	206
Receivables from Honduras joint venture (ii)	62	84
Receivables from Panama non-controlling interests	1	1
Receivable from AirtelTigo Ghana	—	—
Other accounts receivable	5	5
Total	**70**	**299**

(i) In 2021 and prior to the acquisition of the remaining 45% shareholding, our former joint venture in Guatemala repaid the entire $193 million Millicom shareholder loan granted in October 2020 and originally repayable by January 13, 2022, at the latest. As explained above, Tigo Guatemala is as a wholly owned subsidiary from November 12, 2021.

(ii) In November 2020, our operations in Honduras completed a shareholding restructuring whereby Telefónica Celular S.A. acquired the shares of Navega S.A. de C.V. from its existing shareholders. The sale consideration will be payable in several installments with a final settlement in November 2023. As of December 31, 2021, $24 million out of a total receivable of $53 million is due after more than one year and therefore disclosed in non-current assets. During 2021, our operations in Honduras repaid $30 million to Millicom.

H. Millicom's operations in Tanzania

Tanzania divestiture

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

IPO – Tanzania

The Tanzanian government implemented in 2016 legislation requiring telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25% of their shares in a Tanzanian public offering. The Group reached an agreement with the Tanzanian government that such public offering must take place before 31 December 2025 at the latest.

I. Subsequent Events

Financing

On January 27, 2022, our principal subsidiary in Guatemala, Comcel, completed the issuance of a new 10-year $900 million Bond with a coupon of 5.125%. Proceeds from this bond as well as cash were used to repay a significant portion of the bridge financing that was used to fund the acquisition of the remaining 45% equity interest in our Tigo Guatemala operations. As of February 8, 2022, a balance of $450 million remained unpaid under the initial $2.15 billion bridge loan agreement.

On January 13, 2022, we completed the issuance of a new 5-year sustainability bond raising SEK 2.25 billion (approximately $252 million) at a fully swapped rate of Secured Overnight Financing Rate plus 3.496%. Proceeds will be used to fund investments in accordance with the Company's sustainability framework. This bond has been fully hedged against foreign exchange fluctuations.

In January 2022, Colombia Movil S.A. partially repaid $100 million syndicated loan, which was initially due in 2024. Cross currency swaps used to hedge the previous interest and principal on the previous loan for $50 million were terminated. The outstanding amount of $50 million remains fully swapped.

Zantel's earn out

In January 2022, Millicom received $11 million from Etisalat as earn-out income related to the purchase of Zantel in 2015. This settlement was considered as an adjusting event and recorded in 'other operating income' in the statement of income.

Share capital

On February 28, 2022, the extraordinary general meeting of shareholders of Millicom resolved to authorize the Board of Directors of Millicom to increase the authorized share capital of the Company from $199,999,800 divided into 133,333,200 shares, with a par value of $1.50 per share, to $300,000,000 divided into 200,000,000 shares, with a par value of $1.50 per share.

Corporate Information

BOARD OF DIRECTORS

José Antonio Ríos García
Chairman, Director

Pernille Erenbjerg
Deputy Chair, Director

Odilon Almeida
Director

Bruce Churchill
Director

Sonia Dulá
Director

Lars-Johan Jarnheimer
Director

Mercedes Johnson
Director

Mauricio Ramos
Director

James Thompson
Director

EXECUTIVE TEAM

Mauricio Ramos
Chief Executive Officer

Tim Pennington
Senior Executive Vice President,
Chief Financial Officer

Sheldon Bruha
Executive Vice President,
Incoming Chief Financial Officer

Esteban Iriarte
Executive Vice President,
Chief Operating Officer—Latam

Xavier Rocoplan
Executive Vice President,
Chief Technology and Information Officer

Karim Lesina
Executive Vice President,
Chief External Affairs Officer

Salvador Escalón
Executive Vice President,
Chief Legal and Compliance Officer

Susy Bobenrieth
Executive Vice President,
Chief Human Resources Officer

AUDITOR
Ernst & Young
Société anonyme
35E Avenue John F. Kennedy
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U.S. STOCK TRANSFER AGENT/ SWEDISH CUSTODIAN
Questions or requests related to stock transfers, lost certificates, or account changes should be directed to:

U.S. STOCK TRANSFER AGENT
Shareholder Services
1-877-830-4936
1-720-378-5591
shareholder@broadridge.com
http://shareholder.broadridge.com/

SWEDISH CUSTODIAN
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ANNUAL GENERAL MEETING
The Annual General Meeting of Shareholders will be held virtually on May 4, 2022.

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