MILLICOM
THE DIGITAL LIFESTYLE

tigo

Connect.
Grow.
Thrive.

2022 Annual Report

The empowering effect of connectivity should never be underestimated.

Connectivity is the enabler of growth.

Connectivity opens doors to knowledge and opportunities, inspiring individuals and families to reach their full potential. It invites entrepreneurs to tap into the digital economy, where they can innovate more, grow faster and aim higher. It catalyzes job and economic growth in communities large and small.

Above all, connectivity brings us together, so we can pursue the limitless opportunities the internet affords.

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. Our products and services are integral to the work, education, social interaction, and quality of life for millions of people in the countries where we operate.

Together, we thrive.

About This Report

Our seventh fully integrated annual report combines our financial and 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.

The content of this report considers our 2022 materiality assessment, is derived from certain sections of the Global Reporting Initiative (GRI) and the Sustainable Accounting Standards Board (SASB) standards, and follows TCFD reporting recommendations published in our CDP[1] report. Millicom engages ERM Certification and Verification Services ("ERM") to conduct independent assurance of selected ESG data. Learn more about our ESG reporting approach here and refer to page 64 for ERM's Assurance Statement.

Certain references

Unless otherwise indicated, all references to "U.S. dollars," "dollars" or "$" are to the lawful currency of the United States of America.

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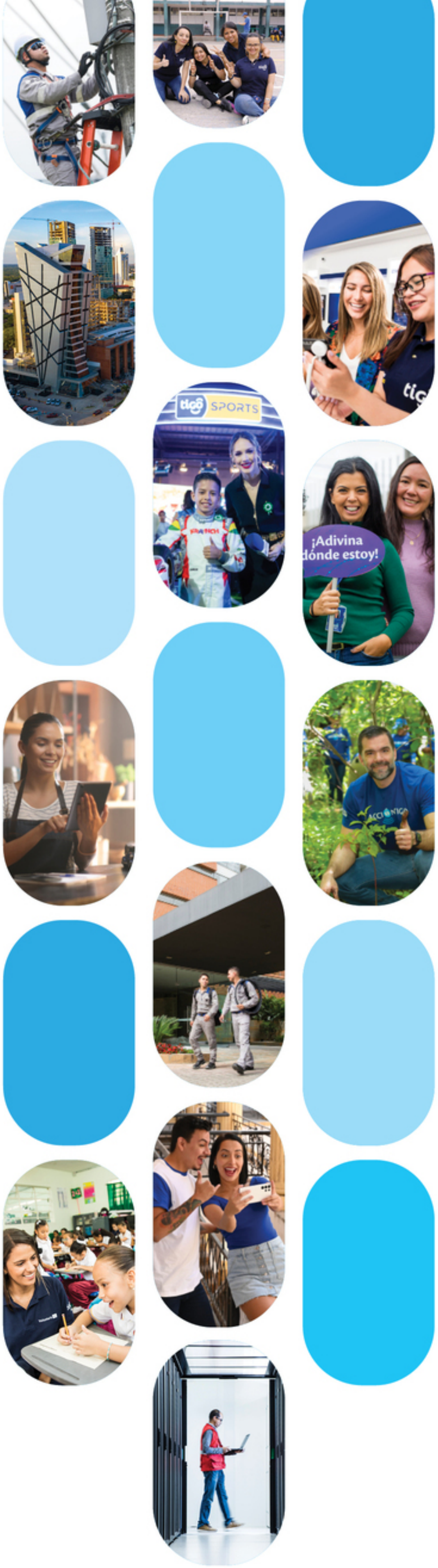
[1] *Formerly Carbon Disclosure Project*



What's Inside This Report

Chairman's Message

Every so often a company reaches a turning point—a moment when its portfolio, business strategies, culture and purpose align in a way that it has been building toward for years. I believe Millicom arrived at that point in 2022.

We are now 100 % focused on our Latin American markets, with strategies to realize our potential across multiple business lines. Our Sangre Tigo culture and purpose—to build the digital highways that connect people, improve lives and develop communities—run parallel to Millicom's strategies, further strengthening our conviction that doing the right thing is good for business.

What does it mean to Millicom to reach these milestones? It means our foundation for future growth is set, and we've cleared the runway of obstacles to pursuing our strategies. Millicom's 2022 performance offers a glimpse at that potential future. Despite a difficult economic climate, every business unit and most countries sustained positive organic service revenue growth for a second consecutive year. Our future strategic direction affords even more opportunities.

During 2022, the Board was fully engaged and supportive in reviewing and confirming this direction. This included approving new operational, financial, ESG and capital allocation targets for Millicom's next three years—underpinned by strategies and initiatives to achieve them.

The Board helped steer the company's strategy and improve its risk profile in several areas in 2022. We oversaw the company's Africa exit and the redeployment of capital into Latin American growth opportunities. We also supervised the capital raise with the rights offering in Q2 to fund the acquisition of the remaining 45 % of the Guatemalan operation the prior year. With this acquisition, we were able to further integrate the Guatemalan business into Millicom's portfolio and cement the company's status as Central America's leading telecom provider. This also helped us simplify Millicom's financial profile.

The Board endorsed Millicom's plans to carve out its infrastructure and fintech assets—the first step to unlocking and crystallizing value from these assets with transactions targeted for 2023. And we continued laying the groundwork for future success by reinforcing our already strong governance and compliance culture. Among our governance priorities in 2022 were bolstering Millicom's cybersecurity framework and overseeing improvements to our compliance and control environment.

New targets and initiatives for reducing greenhouse gas (GHG) emissions and meeting diversity, equity and inclusion milestones were also top of mind in 2022. These include science-based targets to reduce Scope 1 and 2 GHG emissions by 50 % and achieve a 50 % gender balance in managerial positions by 2030. The Board is excited about this unity of purpose and business strategy and looks forward to helping Millicom continue to grow in a responsible, forward-thinking way.

On behalf of the Board, I would like to thank our passionate and talented employees for their commitment in driving Millicom's recent success and future strategies. Their passion and energy reveal that Sangre Tigo isn't just a label, but a way of living and being. Our employees' belief in Tigo was validated with a 5th place ranking in the World's Best Workplaces 2022 survey by Great Place to Work®.

Thank you also to my fellow Board members and the entire Millicom management team for your commitment and collaboration. I'm honored for the opportunity to work with you.

Lastly, we want to thank our shareholders for the trust you've shown in our growth strategies and leadership. We look forward to continuing this journey with you.

José Antonio Ríos García

Chair of the Board of Directors

Chief Executive Officer's Message

2022 was an exciting year for Millicom for many reasons, but perhaps the biggest is what this year's accomplishments mean for the future. If Millicom's journey were a fútbol match, I'd put it this way: We just finished the first half and we're in great shape. But hold onto your hats, because our coaching, strategies and player performance have set us up for an even better second half.

Consider what we accomplished in 2022. We completed our exit from Africa and are now 100% focused on Latin America. We finished the year with a strong, leading market position in all of our markets. Every single business line is now growing—and exciting new ones are emerging. And our modernized, state-of-the-art networks offer simple, cost-efficient and future-proof paths for expansion and evolution.

After years of focused hard work, the foundation we've built is so solid that we were able to set ambitious and realistic operational, financial, ESG and capital allocation targets for the next three years of our journey. Our portfolio today puts us in a great position to meet them.

None of this would have happened—and none of this will happen—without the Sangre Tigo culture that drives everything we do. There's no doubt that our team members rose to every occasion in 2022, uniting under our shared purpose to build the digital highways that connect people, improve lives and develop communities. I'm tremendously proud of them and extraordinarily thankful for their dedication.

Growth from the core

Despite the challenging economic environment in the latter half of 2022, our business performed strongly throughout the year. We advanced our commitment to making Millicom the most modern and expansive telecom network in Latin America with expanded 4G coverage in many of our markets. This includes providing first-time mobile network access to 44,000 people in Panama's largest indigenous territory, introducing residents to the many social, educational and economic opportunities the internet provides. Our 4G network now covers roughly 80% of the population in our Latin American footprint.

While expanding 4G coverage to rural, uncovered areas remains our top mobile priority, we also rolled out new 5G coverage in Guatemala as we prepare to meet our markets' long-term needs.

Cable remained a strong engine of growth. Our networks passed 12.9 million homes by year's end, an increase of 6.8% compared with 2021.

Our B2B business, meanwhile, enjoyed its fastest organic growth rate in years. With 338,000 small and medium-sized enterprises (SME) customers by the end of 2022 and a double-digit increase in digital service revenue, we're well on our way to being the most trusted ally for Latin American businesses on their digital journey.

Purpose + strategies = prosperity

One reason we're so excited about the future is that our purpose, business strategies and ESG ambitions line up beautifully in Latin America. For example, in 2021 U.S. Vice President Kamala Harris launched a Call to Action to support economic development in Guatemala, Honduras and El Salvador. We responded in June 2022 with a promised $700 million investment to expand and maintain our fixed and mobile broadband networks in these markets over the next two years.

Expanding our network is the right move for our business, but digital infrastructure can also have an incredible impact on the future of the region and its cities.

This promised investment is in line with our longstanding commitment to a region in which we see great potential for growth and development. Expanding our network is the right move for our business, but digital infrastructure can also have an incredible impact on the future of the region and its cities. A recent study we commissioned revealed that a 10% increase in mobile broadband penetration in Latin America could create more than 6.5 million jobs.

With each new job, a family has an opportunity to build wealth and contribute to a stronger community. And by offering better connectivity and improved services, we can empower Latin American businesses to compete in the digital economy. Our markets have challenges, but also robust, untapped potential. We're proud to help them reach that potential in the years to come.

Building a more sustainable Tigo

We took action on multiple social and environmental fronts in 2022, including announcing our first near-term science-based targets to reduce absolute greenhouse gas (GHG) emissions. Validated by the Science-Based Targets initiative (SBTi), our goals include reducing absolute Scope 1 and 2 emissions by 50% by 2030 and absolute Scope 3 emissions by 20% by 2035. We know it won't be easy, but we're excited by the challenge. We're currently building our transition plan and mobilizing across our business, using every tool at our disposal.

We took bold steps to advance gender equality at Tigo in 2022 with new diversity, equity and inclusion (DE&I) targets. These include aiming for 50% female representation across our workforce and upper management by 2030 and aspiring to train 100% of our employees in DE&I each year. Key to our Sangre Tigo culture is creating a rewarding work environment where everyone brings their authentic selves to work every day. We clearly found a sweet spot this year, as we ranked 5th in World's Best Workplaces 2022 and 2nd in Best Workplaces in Latin America 2022 among multinational companies, as assessed by Great Place to Work®.

And we continued pursuing our mission to teach people of all ages to harness the potential of the internet by launching web-based platforms for our Conectadas and Maestr@s Conectad@s programs. The former provides digital literacy and entrepreneurship training to women and adolescent girls, while the latter helps teachers and school administrators develop technology-based curricula. With these new platforms, Conectadas and Maestr@s Conectad@s now have a global reach, making our content available to anyone in the countries in which we operate who wants to acquire new digital skills.

Winning the second half

In February 2022, we held an Investor Day event articulating our strategy for the next three years. Our ambitions include gaining scale in Colombia; unlocking the full value of our Tigo Money and tower infrastructure assets; cementing our environmental, social and governance (ESG) leadership in the region; and generating cumulative equity free cash flow[1] of between $800 million and $1 billion in the 2022–2024 period.

I'm thrilled to report that not only did we perform in 2022, but we're already making progress against each of these ambitions. As you'll see on the pages that follow, we are a purpose-driven company with a big market opportunity, a clear strategic focus, and a passionate team that makes things happen the right way.

Thank you to everyone—our employees, our customers, our Board, our community partners and our shareholders—for making Tigo what it is today.

Mauricio Ramos

Executive Director and Chief Executive Officer

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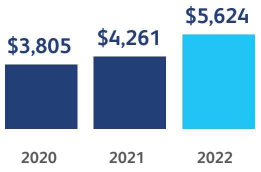
[1] *Non-IFRS measure. Please refer to the non-IFRS disclosures in this annual report for a description and for a reconciliation of non-IFRS measures. Financial target as communicated on February 14, 2022.*

Our Year in Numbers

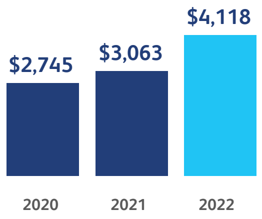
Financial, Operational and Environmental, Social & Governance Highlights

IFRS Financial Highlights

Revenue ($m)

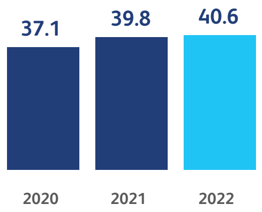


Gross Profit ($m)

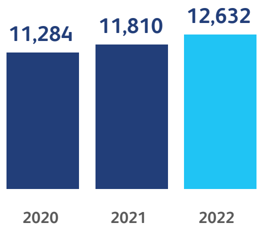


Operational Highlights

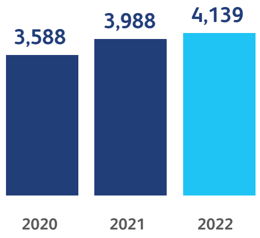
Mobile Customers (m)



HFC / FTTH Homes Passed (000s)



HFC / FTTH Customer Relationships (000s)



Operational highlights exclude Honduras and for 2020 are pro forma for the inclusion of Guatemala. See further reference to note B.3. of our financial statements.

Environmental, Social & Governance (“ESG”) Highlights

More than **102,000** teachers trained through Maestr@s Conectad@s

More than **171,000** women participated in our digital inclusion and training programs ("Conectadas")

83 % of Consumer Premise Equipment (CPE) recovered upon service termination or upgrades

99 % of employees completed our annual Code of Conduct training

Market Leadership

Our long-term focus on converging Tigo's fixed and mobile services throughout Latin America continues to pay dividends. We've strengthened our portfolio in Latin America with more than $2.5 billion in recent investments by assuming full ownership of Tigo Guatemala and Tigo Panama, while simultaneously exiting Africa in 2022 with the sale of our Tanzania operations. We also continue to modernize and expand our network in Latin America with major infrastructure investments.

These assets are allowing us to expand our portfolio of communities served and accelerate our fixed-mobile convergence strategy in the region. We are currently the #1 or #2 mobile and/or broadband provider in the majority of the markets we serve and continue to strengthen our market leadership

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[1] Our market position in Panama is as of December 31, 2022, and does not reflect the merging of the Liberty Latin America and America Movil brands in the country.

Our Purpose, Business Strategies and Performance

Our Purpose

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

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 the CEO of a multinational corporation.

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.

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.

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 our 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 empower people and businesses to aim higher, achieve more and reap the benefits of the digital economy. 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 Latin America as deeply as they depend on us. Through our strong governance and ESG initiatives, we minimize risks, create new social and economic opportunities and reinforce Millicom’s standing in the community. We also partner with and/or sit on the board of leading multi-stakeholder bodies and NGOs to amplify our long-term impact, including the Partnership for Central America (PCA), the ITU/UNESCO Broadband Commission for Sustainable Development, the Meridian International Center, IREX, the U.S.-Colombia Business Council and the U.S. Chamber of Commerce.

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.

Our Partnerships and Value-Added Relationships

To advance our purpose and business strategies, we continually build and maintain strong partnerships and value-added relationships with industry allies, global nonprofit organizations, international consortiums, community NGOs and similar groups.

AACCLA · ahyu · certal · CRSP Center for Research in Security Prices, LLC · Fundación Realmadrid · International Institute of Communications · ASIET

AS/COA Americas Society Council of the Americas · Meridian · OAS CITEL · OECD · Science Based Targets · U.S. Chamber of Commerce · USTTI

Opportunities, Challenges and Uncertainties in Our Markets

Despite macroeconomic headwinds, we see opportunities to continue accelerating the digital transformation in Latin America and help our business and communities thrive.

Global markets are grappling with economic uncertainty, and our Latin American markets are no exception. Inflation, rising interest rates and social discontent loom large in a region that was already slow to recover from COVID. But connectivity is a powerful enabler of economic development, especially in emerging markets. By building digital infrastructure and investing in mobile and broadband penetration in the markets that need it most, we see opportunities to spur economic growth, unleash entrepreneurship in local communities and cement our market leadership.

Opportunities

High-speed connectivity is indispensable to businesses and communities worldwide. During the pandemic, we saw how connectivity and digital tools helped spur entrepreneurship and make businesses and economies more resilient. The need for faster speeds and always-on service will only grow as more businesses in our markets embrace e-commerce and adopt hybrid work models for their employees.

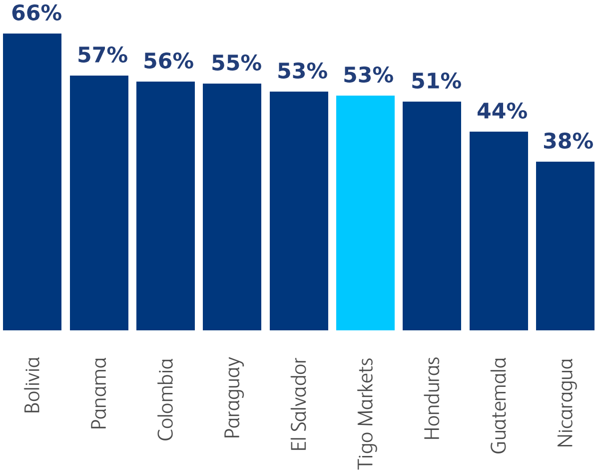
A 10% increase in mobile broadband penetration in Latin America could create more than 6.5 million jobs and increase GDP per capita by 1.7%.[1]

New research has revealed the critical importance of digital infrastructure to the region's future. According to an independent study commissioned by Millicom, a 10% increase in mobile broadband penetration in Latin America could create more than 6.5 million jobs and increase GDP per capita by 1.7%.[1] Our markets are ripe for these increases. Mobile broadband reaches only 50% of our markets vs. 60% in Latin America as a whole. Fixed broadband penetration is even lower at 30% to 40%, compared with 50% in all of Latin America. Increasing penetration rates to Latin American averages could give us access to millions of additional customers.

Mobile and Fixed Broadband Penetration in Tigo Markets

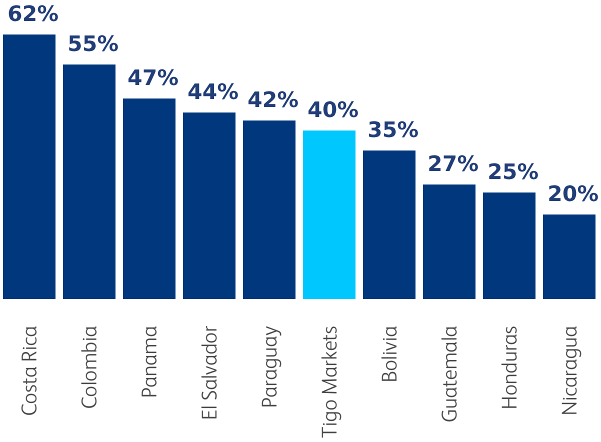
Mobile Broadband Penetration in Tigo Markets

As % of total mobile users (Millicom estimates)



Fixed Broadband Penetration in Tigo Markets

As % of total households (Millicom estimates)



We see other reasons for optimism in the region. Remittances in countries like Guatemala, Honduras and Nicaragua continue to grow rapidly, providing a steady flow of currency that enhances the region's economic stability and growth. Meanwhile, our Tigo Money business presents a "blue ocean opportunity" to be the premiere fintech player in our markets. Offering a financial lifeline to Latin America's unbanked, Tigo Money is already the leading mobile wallet provider in our region. With our high brand awareness and millions of established customer relationships, we have first-mover advantages in reaching the roughly 120 million unbanked citizens in Latin America with our broader fintech solutions.[2]

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[1] *Katz, Jung, and Callorda, "The Role of the Digital Economy in the Economic Recovery of Latin America and the Caribbean," Telecom Advisory Services, May 2022.*

[2] *World Bank, Global Findex Database 2021, published 2022.*

> "The conclusions of this new research are clear: To accelerate the development of the telecommunications industry and the digital economy, governments in the region must modernize their regulatory frameworks to attract investment in the sector."
>
> —**Karim Lesina,** *EVP and Chief External Affairs Officer*

Challenges

High inflation, interest rate pressures, tighter monetary policy and supply chain disruptions combined to slow GDP growth in Latin America in the second half of 2022—a trend that's likely to continue into 2023. Economic pressures and fears of a recession are also creating exchange rate volatility in some markets, making trade and investment decisions more difficult. On the plus side, the spike in commodity prices is helping countries with high exports weather the storm, aided by a gradual recovery in tourism. GDP in Latin America and the Caribbean is projected to grow by 1.3% in 2023.[3]

Recruiting and retaining top tech talent is a growing concern in our markets, as expectations have shifted among employees and candidates. Many prefer full-time remote work rather than the hybrid home/work model that Millicom has adopted, creating competitive challenges in a tight labor market. We reevaluate our compensation and benefits packages on an ongoing basis to ensure we remain competitive.

Our brand also faces threats from ongoing information security and privacy issues in our markets. We're continually bolstering our information security program and privacy practices to stay ahead of cyber threats, but hackers never sleep.

Finally, 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. Accelerating the digital transition must be a priority for these countries to spur economic development and address social equity.

Uncertainties

Our long-term success hinges on the governments and regulators that control access to the spectrum for digital services. In the midst of inflation and other economic pressures, governments may choose to increase spectrum licensing fees and regulations, slowing our network investment and resulting in higher costs to consumers. Changes in political leadership could also affect spectrum and tax policies.

We ask regulators to advance their digital economies with policies that prioritize affordable, long-term digital connectivity for users and businesses. A more stable framework would spur industry-wide investments in the network infrastructure needed to serve more individuals and businesses with faster speeds, expanded coverage areas and higher quality.

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[3] *Economic Commission for Latin America and the Caribbean (ECLAC), "Preliminary Overview of the Economies of Latin America and the Caribbean 2022," Dec. 15, 2022..*

Our Business Strategies and Performance

Despite a challenging economic climate, our business continued to perform strongly thanks to focused execution of our strategic priorities and the dedication and hard work of our employees.

2022 Highlights

Our revenue grew **32.0%** and our operating profit was up **47.9%** year-over-year, reflecting our Guatemala acquisition and broad-based growth across countries and business lines.

Our capital expenditures totaled **$973 million,** as we continue to prioritize network investment to fuel customer growth.

We deployed our first **5G** network in Guatemala.

Our postpaid customer base grew **13.7%** year-over-year, with net additions of **767,000** in 2022.

Chief Financial Officer's message

2022 was a watershed year marked by transformational milestones and a simplification of Millicom's financial profile.

2022 was the first full year in which the Guatemala operation was reflected in our consolidated financial statements, after increasing to 100 % our ownership of that business near the end of 2021. This, combined with the completion of our Africa disposal program, has allowed us to greatly simplify our financial reporting.

Long-term financing for the Guatemala transaction was secured in early 2022 with the landmark issuance of $900 million Notes at 5.125 %, and with the completion of the rights offering that raised approximately $746 million of new equity.

During 2022, we also increased to 100 % our ownership interest in our Panama operation, which had another solid year and has become an important contributor to our growth and cash flow generation. As a dollarized and investment-grade economy, Panama also plays an important role in reducing our overall exposure to macroeconomic volatility.

Group highlights[1]

Revenue for the year ended December 31, 2022, increased 32.0 % to $5,624 million, reflecting the impact of the Tigo Guatemala acquisition as well as growth across substantially all business units and countries.

Operating expenses increased 22.3 %, largely reflecting the impact of the Tigo Guatemala acquisition, as well as increased sales and marketing costs to support our growth (especially in Colombia), higher energy costs across our markets, and increased investment to develop and expand the Tigo Money fintech business and to prepare the carve-out of tower assets.

Depreciation and amortization increased 20.7 %. Substantially all the increase was attributable to the consolidation of Guatemala and the related purchase price allocation.

Share of net profit in our joint venture, now only Honduras, decreased by 84.6 %. This reflected the impact of the Tigo Guatemala acquisition, as Tigo Guatemala contributed $183 million to this caption in 2021 and zero in 2022.

As a result of these factors, operating income for the year increased 47.9 % to $915 million.

Interest expense increased 24.6 % to $617 million, reflecting the acquisition of Tigo Guatemala and the impact of the increased debt to finance the acquisition.

Other non-operating expenses were $78 million in 2022, as compared with $49 million in 2021. The expense in 2022 mostly reflected foreign exchange losses in Colombia and Paraguay. The expense in 2021 was mainly due to the revaluation charge of the put-option liability in Panama for $26 million and losses on foreign exchange, which was partially offset by the mark-to-market revaluation of Helios Towers for an $18 million gain.

Tax expense increased 41.1 % to $222 million, mainly due to the acquisition of Tigo Guatemala as well as a $34 million amnesty.

Net profit for the year attributable to owners of the Company was $177 million, or an earnings per share of $1.27, including a $113 million gain on the Tanzania disposal.

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[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.*

Operational and financial performance[2]

The consolidation of Guatemala is the most important factor affecting the comparison between 2022 and 2021.

Service revenue grew 29.4%, ending the year at $5,171 million due mostly to the consolidation of Guatemala, as well as organic growth of 3.5% (7.0% in 2021). Organic performance reflected broad-based growth across our footprint.

In mobile, which generates 57% of service revenue (50% in 2021), service revenue increased 48% year-over-year (14% in 2021). This was driven by the consolidation of Guatemala, and by organic growth reflecting strong performance in postpaid, especially in Colombia, where recent investments in spectrum, network and distribution capillarity are paying off. As a result, we added 767,000 postpaid customers, ending the year with 6.4 million, equivalent to 16% of our mobile customer base of 40.6 million.

Financial performance key messages:

- **» Broad-based growth across our footprint**
- **» Successfully completed rights offering**
- **» Completed divestiture out of Africa**
- **» Acquired remaining 20% interest in Tigo Panama**
- **» Reduced net debt by $1 billion, with leverage ending at 3.04x**

In our cable and other fixed businesses, which generate 41% of service revenue (48% in 2021), service revenue increased 11% in 2022 (8% in 2021). The growth was driven by the consolidation of Guatemala and partially offset by the impact of weaker foreign exchange rates in Colombia and Paraguay, two of our largest markets for fixed services. Meanwhile, organic growth trends reflected moderating customer growth, as consumers gradually returned to the office and to school, and as the macroeconomic environment softened, especially in the second half of the year.

We added 151,000 new HFC/FTTH customer relationships in 2022 (400,000 in 2021, including 51,000 related to Guatemala). We continued to invest to extend the reach of our HFC/FTTH networks, passing an additional 822,000 homes (526,000 in 2021, including Guatemala), ending the year with 12.6 million HFC/FTTH homes passed (11.8 million in 2021). As a result, network penetration declined to 32.8%, compared with 33.8% in 2021.

2022 was a solid year operationally and financially, with most countries and all business units sustaining positive organic service revenue growth, as we continued to reap the benefits of investments made throughout the pandemic.

By country, El Salvador stood out with the fastest growth in the region, with local currency service revenue up 7.7% in 2022, compared with 14.4% in 2021, with all business units contributing to the strong performance. In Colombia, local currency service revenue accelerated to 6.6% (6.2% in 2021), driven by double-digit growth in mobile. Guatemala saw moderate local currency service revenue growth to 0.8% (7.3% in 2021) due mostly to increased competitive intensity in mobile. Finally, all our other markets grew in 2022, except for Bolivia, where service revenue declined 0.6% in local currency (6.3% growth in 2021), due to an adverse change in regulation and a regional strike that disrupted business activity in the final quarter of the year.

EBITDA increased 46.8% to $2,228 million, due mostly to the Guatemala acquisition. Organic growth was 1.2% (6.5% in 2021) and reflected broad-based revenue growth, partially offset by increased energy and employee costs, as well as investments to prepare the planned carve-outs of our Tigo Money and tower infrastructure businesses.

Capex totaled $973 million in 2022 ($922 million in 2021), as we continued to invest in our networks. In mobile, we built an additional 2,248 points of presence and increased our 4G network to cover 80% of the population in our markets.

Despite a more challenging macroeconomic environment and continued investment in the business, operating cash flow grew 8.4% organically (1.2% decline in 2021) to $1,255 million ($595 million in 2021). Equity free cash flow excluding Africa reached $171 million ($12 million in 2021), in line with our guidance and consistent with our target of generating $800 million to $1 billion in cumulative equity free cash flow from 2022 to 2024.

As a result of robust cash flow generation and the rights offering, net debt declined by approximately $1.05 billion and leverage ended the year at 3.04x.

Our success in 2022 and the resiliency of the businesses has only made us more confident in the long-term opportunity we are pursuing.

Sheldon Bruha

Chief Financial Officer

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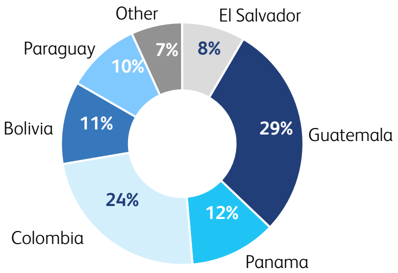
[2] *This section includes Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and for a reconciliation of non-IFRS measures.*

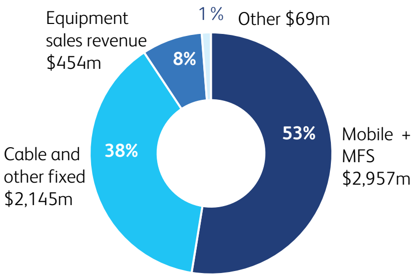
Our 2022 Financial Performance in Latin America

Group

Revenue by Country



Revenue Breakdown



Service Revenue
Organic growth +3.5%
$5,171m

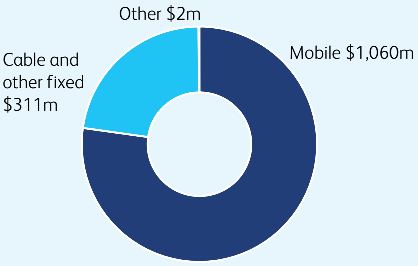
EBITDA
Organic growth +1.2%
$2,228m

OCF
Organic growth +8.4%
$1,255m

Our Markets in Numbers

Guatemala

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

723
As of year end 2022

+48
Net additions

+7.1%
YoY growth

Mobile ('000)
4G data users

5,245
As of year end 2022

+207
Net additions

+4.1%
YoY growth

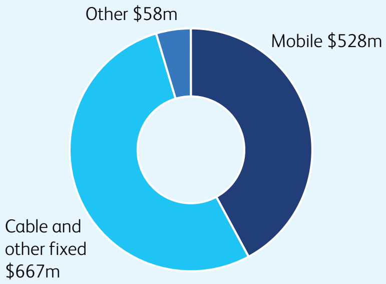
Service revenue[2] *$m*
Organic growth +0.8%

EBITDA[2] *$m*
Organic growth +0.1%

EBITDA margin[2] *%*

Colombia

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

1,807
As of year end 2022

+10
Net additions

+0.5%
YoY growth

Mobile ('000)
4G data users

6,400
As of year end 2022

+944
Net additions

+17.3%
YoY growth

Service revenue[2] *$m*
Organic growth +6.6%

EBITDA[2] *$m*
Organic growth +3.0%

EBITDA margin[2] *%*

---

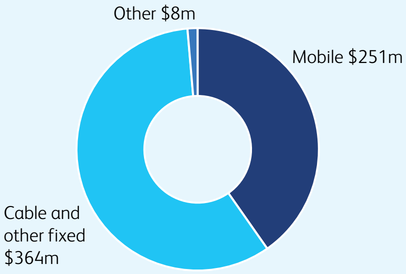
[1] Includes HFC/FTTH, DTH, Copper and other technologies.

[2] Service Revenue, EBITDA, EBITDA margin and organic growth are Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and a reconciliation of non-IFRS measures.

Our Markets in Numbers

Panama

Service Revenue[2]



Cable and other fixed ('000)

Customer relationships[1]

467
As of year end 2022

–18
Net losses

–3.7%
YoY decline

Mobile ('000)

4G data users

1,389
As of year end 2022

+136
Net additions

+10.9%
YoY growth

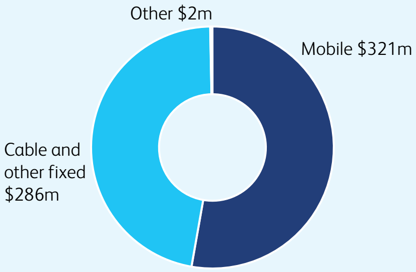
Service revenue[2] *$m*
Organic growth +2.7%

EBITDA[2] *$m*
Organic growth +6.2%

EBITDA margin[2] *%*

Bolivia

Service Revenue[2]



Cable and other fixed ('000)

Customer relationships[1]

720
As of year end 2022

+44
Net additions

+6.6%
YoY growth

Mobile ('000)

4G data users

2,435
As of year end 2022

–218
Net losses

–8.2%
YoY decline

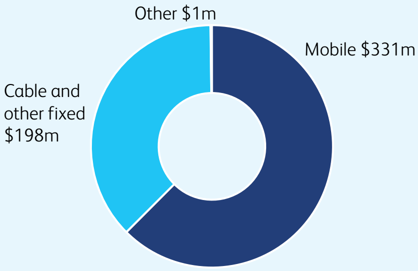
Service revenue[2] *$m*
Organic decline -0.6%

EBITDA[2] *$m*
Organic decline -3.0%

EBITDA margin[2] *%*

Paraguay

Service Revenue[2]



Cable and other fixed ('000)

Customer relationships[1]

497
As of year end 2022

+3
Net additions

+0.5%
YoY growth

Mobile ('000)

4G data users

2,349
As of year end 2022

+212
Net additions

+9.9%
YoY growth

Service revenue[2] *$m*
Organic growth +4.2%

EBITDA[2] *$m*
Organic growth +4.2%

EBITDA margin[2] *%*

---

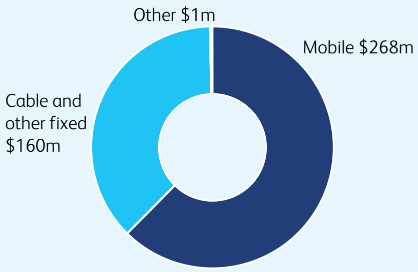
[1] Includes HFC/FTTH, DTH, Copper and other technologies.

[2] Service revenue, EBITDA, EBITDA margin and organic growth are Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and a reconciliation of non-IFRS measures.

Our Markets in Numbers

El Salvador

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

299
As of year end 2022

+11
Net additions

+3.9%
YoY growth

Mobile ('000)
4G data users

1,608
As of year end 2022

+109
Net additions

+7.2%
YoY growth

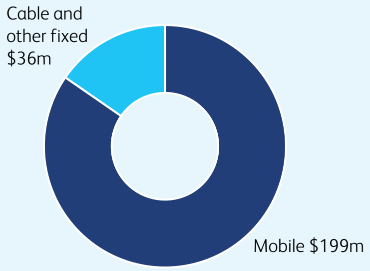
Service revenue[2] *$m*
Organic growth +7.7%

EBITDA[2] *$m*
Organic growth +8.3%

EBITDA margin[2] *%*

Nicaragua

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

51
As of year end 2022

+10
Net additions

+25.1%
YoY growth

Mobile ('000)
4G data users

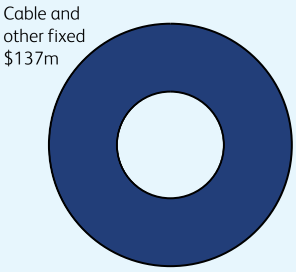
1,460
As of year end 2022

+450
Net additions

+44.6%
YoY growth

Costa Rica

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

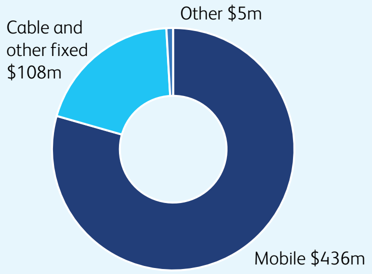
247
As of year end 2022

–2
Net losses

–0.8%
YoY decline

Honduras *Not consolidated*

Service Revenue[2]



Cable and other fixed ('000)
Customer relationships[1]

196
As of year end 2022

+8
Net additions

+4.3%
YoY growth

Mobile ('000)
4G data users

2,639
As of year end 2022

+238
Net additions

+9.9%
YoY growth

Service revenue[2] *$m*
Organic growth +2.0%

EBITDA[2] *$m*
Organic growth +3.0%

EBITDA margin[2] *%*

---

[1] Includes HFC/FTTH, DTH, Copper and other technologies.

[2] Service Revenue, EBITDA, EBITDA margin and organic growth are Non-IFRS measures. Please refer to the non-IFRS disclosures in this annual report for a description and a reconciliation of non-IFRS measures.

Advancing Our Business Strategy

In many ways, 2022 was the year we've been building toward for the past several years. We have a clear and consistent strategy for creating value focused exclusively on our Latin American markets. Our foundation of core mobile and fixed broadband growth strategies is strong. We've added value with our emerging mobile financial services and tower infrastructure businesses. We believe our portfolio of organic and inorganic investments across Latin America will continue to grow and evolve as our markets demand more and better connectivity and digital services.

The results: Even with global economic headwinds, we generated strong cash flow and growth in almost every market and business unit in 2022. We assign a large portion of the credit to the initiative and commitment of our employees, who never failed to give 1,000% every day.

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

Monetize Mobile

Our mobile business continues to keep pace with consumers' surging demand for high-quality content and information access. We ended 2022 with 40.6 million customers, a change of 1.9% from 2021. This included more than 767,000 new postpaid customers, of which more than 486,000 were in Colombia alone (increasing our Colombia postpaid base by 20%). We currently offer 4G coverage to 80% of the 120 million people in the countries where we have a presence.

Our expanding content supermarket allows customers to watch their favorite content when and where they want. We added premium channel packages in 2022 like Universal+ to our content lineup and began offering HBO Max, Paramount+ and HotGo as add-on subscription options for our mobile customers. We cemented our status as a leader in fútbol programming in Latin America by adding the ViX+ Spanish streaming service, which enables customers to live stream exclusive LaLiga Española matches, and secured exclusive rights to broadcast the 2022 FIFA World Cup in full HD in multiple markets. We ended 2022 with 20.9 million 4G smartphone data users, giving 51% of our mobile customer base the ability to stream high-quality content on the go.

Drive Convergence

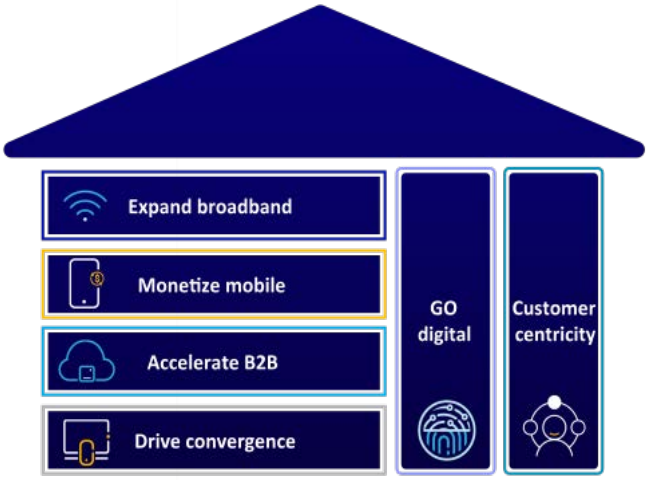
Convergence allows us to leverage our existing tangible and intangible assets—such as our network, brand, and local talent and market knowledge—to capture business synergies, generate new revenue streams from existing customers, attract new customers and reduce overall churn. Our focus on convergence also reflects our expectation that future network deployments, such as 5G, will require significant fiber network capacity and capillarity, as well as the spectrum, radio and other components of today's mobile networks.

In 2022, we continued converging our fixed and mobile networks to create a more efficient, agile and profitable service model with projects to expand our 4G capacity. This includes providing first-time mobile network access to more than 44,000 Panamanians in 31 communities of Ngäbe Buglé Comarca, the country's largest indigenous territory. We added 2,200 new coverage sites throughout our markets in 2022, increasing our 4G coverage area to 80% of the population in our markets—up from 78% one year earlier.

We're also laying the groundwork for the widespread introduction of 5G throughout Latin America. Our preparations include securing 5G spectrum in key markets, investing in 5G-ready technologies and transitioning to a scalable, virtualized cloud architecture that improves performance and security while reducing capital expenses. We activated our first 5G network in Guatemala in July, with 100 new sites in the city of Cayalá near Guatemala City.

Expand Broadband

Our fixed broadband portfolio is growing steadily, with several opportunities for additional growth as we continue to ramp up our build. We finished the year with 12.6 million HFC/FTTH homes passed, of which more than 730,000 are fiber to the home (FTTH). Overall, we added 151,000 new HFC/FTTH home customers in our footprint. Penetration of fixed broadband services in our markets remains well below other Latin American countries, increasing our confidence that there is a long runway of potential growth to be captured ahead of us.



We continued to modernize and expand our fiber-cable network in anticipation of this future growth. This includes the rollout of our FTTH network, which will dramatically increase connection speeds for individual users. Recent cost improvements have made FTTH more economically viable at scale, accelerating our long-planned transition.

Latin America’s Home for Fútbol

Our customers enjoyed exclusive access to the 2022 FIFA World Cup and LaLiga Española matches in many Tigo markets.

Accelerate B2B

We’re on a mission to be the most trusted ally for businesses in Latin America on their digital journey. A revamped strategic focus for Tigo Business, with the mission to become the most trusted ally for businesses in their digital journey, resulted in approximately 12,000 new SME accounts in 2022. This growth was supported by an exceptional performance across all B2B subsegments, including double-digit growth in our digital services.

16%+ organic increase

in digital services in 2022, contributing to our exceptional performance in corporate B2B

On the corporate side, we continued expanding our portfolio of cloud, SD-WAN and cybersecurity services and solutions, with the goal of becoming the multi-cloud managed service provider of choice in the region. Our efforts in 2022 included announcing the first Cloud Center of Excellence (CCoE) in Central America, a collaboration with Microsoft that allows us to guide the region’s companies in adopting a digital acceleration model using hybrid or cloud-native solutions. Through these and other initiatives and strategies, we not only reinvigorated our growth in the corporate segment but achieved a 16%-plus increase in digital service revenue in 2022.

Go Digital

We continued digitalizing the Tigo experience, with the goal of creating an end-to-end digital ecosystem that gives customers more of what they want while boosting company-wide efficiency. We're seeing rapid adoption of our digital platforms, with digital reloads up 39% year-over-year and digital payment transactions up 45%. Apps like Mi Tienda and Mi Tigo are leading the charge, with features that make it easier for customers to recharge their phones, manage bills or activate services from their mobile phones. Through e-care tools like our "Liza" customer support bot, we're automating more of our customer care interactions, creating efficiencies for our teams and customers alike. Liza tackled 11 million customer care transactions in 2022 alone—a 44% year-over-year increase—with an 80% customer satisfaction rating.

Mi Tigo: #1-Rated Telco App

for both Android and iOS in the nine markets where we operate

Internally, we continued upgrading our IT infrastructure and adding top tech talent. Our 2022 achievements included consolidating from nine management systems—one for each Tigo operation—to a single consolidated system. In the process, we traded busywork and manual data collection for automated, high-quality analytics, giving us the insights we need to execute at a high level.

Silver Award Winner

for Best Digital Transformation in the 2022 U.S. Customer Experience Awards

Fintech at Tigo: A "Blue Ocean Opportunity"

Since its launch over a decade ago, Tigo Money has become the leading mobile wallet in the markets we serve, with almost 6 million active users. Many Latin American citizens are gaining first-time access to the financial systems through the Tigo Money app.

Today, we're leveraging these strengths in a push to make Tigo Money the premier fintech player in these same markets. Our goal is to further increase financial inclusion among Latin American citizens while tapping into a lucrative "blue ocean opportunity" in a geography where Tigo already leads. In pursuing this opportunity, Millicom is amassing a deep bench of tech talent, building key infrastructure and seeking equity investors with complementary fintech expertise.

The features and versatility of the Tigo Money app have long been a competitive advantage, but we made major strides in advancing this advantage throughout 2022. We piloted a new lending platform in Paraguay that allows customers to receive microloans through the Tigo Money app. We created a dedicated platform for micro-merchants that makes it simpler to procure and sell goods in Latin America. We also rolled out a similar platform for small and medium-sized businesses and large merchants in late 2022.

Additionally, we continued to expand Tigo Money's footprint, upgrading service in Guatemala, Paraguay, El Salvador and elsewhere.

The rapid growth of Tigo Money is a direct result of the Sangre Tigo-inspired commitment of our employees and management team. They rose to the challenge of building a business outside our core telecom expertise—and positioned us for market leadership in this increasingly important space.

Customer Centricity

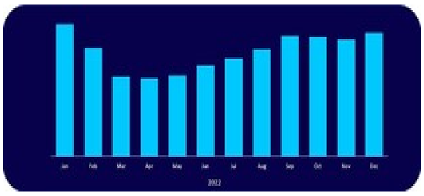
Creating an exceptional customer experience is core to our business strategy, and we continue to explore new ways to give customers what they want. Our Liza customer service bot, Mi Tigo and other digital self-service and e-care tools make it easier for customers to solve a wider range of needs on their own (see Go Digital on prior page). Customers can also engage Tigo experts via the social channels they prefer, such as WhatsApp, Twitter and Facebook. With our Tigo WiFi 360 app, customers can take full control over their WiFi network from their home set-top boxes, computers and mobile devices. Overall, more than 11 million active users relied on our self-service and e-care apps in 2022.

We continued strengthening our Net Promoter Score (NPS) system in 2022, engaging world-class partners and platforms to measure our customers' willingness to recommend Tigo products and services. Our customer service mantra is to drive transactions to the best resolution channel—defined as the channel that produces the fewest contacts, lowest costs and best transactional Net Promoter Scores. We're seeing impressive results in all three areas.

Healthy Perception, Healthy Brand

In measuring brand perception over time, Relational NPS data for our customer relationships demonstrate superiority or parity against our key competitor in seven of nine markets.

Other brand metrics are showing similar results. According to Relational NPS data tracked by the NPS Prism benchmarking platform, our customer relationships demonstrate superiority or parity against our key competitor in seven of nine markets.



Satisfaction Up, Costs Down

Our Transactional NPS customer-satisfaction scores have continually increased over the past three years while our costs of care have dropped 30%.

Spotlight

Unlocking the hidden value of our towers infrastructure

We built a comprehensive tower infrastructure in Latin America with an eye toward becoming the region's top mobile and fixed broadband provider. But while this infrastructure powers our business, it's also an unrealized gold mine in our markets, where other operators and governments seek to improve digital services without the same degree of capital investment.

In early 2022, we announced a strategy to carve-out our 10,900-plus towers portfolio into an independent business aimed at maximizing our towers' revenue potential. By building an independent brand, actively marketing our portfolio to third-party operators and attracting growth capital from new investors, we believe we can dramatically enhance shareholder return on our digital infrastructure investments.

We made significant progress on our plan in 2022, including optimizing our capital and governance structure and negotiating master lease agreements with several third-party players. A key element of our strategy is to maintain strategic optionality, which will allow us to bring in a financial and strategic partner if needed or fold in other infrastructure assets—such as our 193,000 kilometers of fiber or 12 Tier III data centers—across our footprint, including Honduras.

As with Tigo Money, our tower business is a tremendous business opportunity powered by the energy and ingenuity of our people. We expect our carve-out initiative to be completed during 2023.

Risk Management

Management of Risk and Uncertainty

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 risk profile continues to evolve with a business strategy now fully dedicated to opportunities in the Latin American markets and economies in which we operate. In 2022, we completed our exit from Africa to Latin America, having raised ownership in our Guatemala business to 100 % in November 2021.

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.

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.

Our prudent decisions on capital allocation and cash flow management in response to the COVID-19 pandemic resulted in a strong recovery in 2021 that continued into 2022.

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.

Global macroeconomic headwinds impacted our business in the second half of 2022. 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.

Risk Governance

Governance

		OVERSIGHT
Board of Directors	Responsible for ensuring a sound system of risk management and internal control in the Group. Risk appetite setting. Input into risk identification, assessment and prioritization.	Appetite and Key Risks
Audit Committee	Review and challenge of risk management systems, methodology and controls within the organization. Review of risk reports, controls and internal audit reports.	Methodology and Assurance
Management Risk Committee	Oversight of strategic and operational risk management and reporting. Enhancement of risk culture and embedding of risk related activities.	Management and Culture

First Lines of Defense

		OWNERSHIP
6 Central Function Executive Team Leaders	Identification and assignment of central risk ownership. Prioritization and allocation of resources for mitigation. Global oversight of functional risks.	Global Functional Risks
9 Country General Managers	Identification and assignment of local risk ownership. Prioritization and allocation of local resources for mitigation.	Country Risks
~250 Risk Owners	First line of defence. Responsible for managing individual risks in accordance with prescribed methodology and processes.	Individual Risks

Second Lines of Defense

Central Risk Management Team	Development and implementation of the enterprise-wide risk management program, including related policies, tools, guidance and training.
Country Risk Teams	Implementation of risk management program and support to risk owners in each country.
Central Business Controls Team	Development, implementation, monitoring and testing effectiveness of enterprise-wide SOX and non-SOX controls.
Compliance Officers	Implementation and management of compliance controls and monitoring tools, incident management and resolution.

Third Line of Defense

Internal Audit	Execution of risk-based audit programs to assess the effectiveness of the company's risk management environment and related controls.

Risk Management Approach

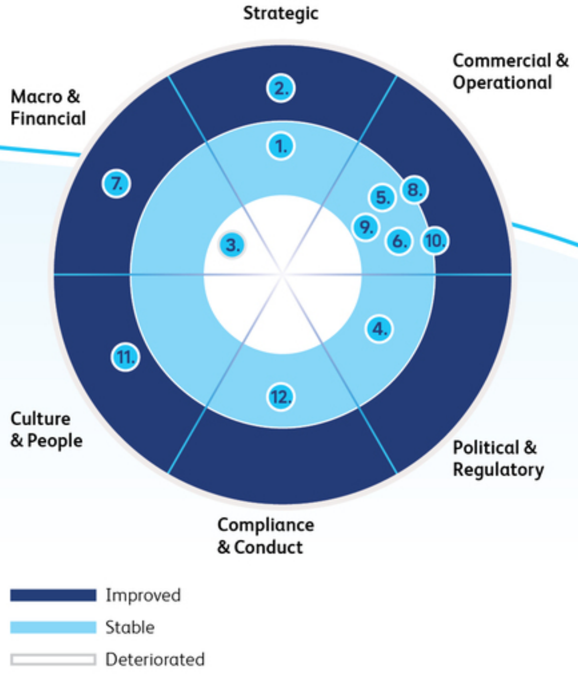
Millicom's risk management methodology and processes are aligned to its strategy business opportunities, deployed across all business areas and operating countries.

Key Elements of Millicom's Risk Management Approach

- *Risk focus is on reduction of uncertainty to enhance decision-making in strategy formulation and allocation of capital and resources*
- *Risk is linked with opportunity and closely aligned with strategic goals*
- *Alignment of risk ownership and responsibility with organizational goals and decision-making responsibility*
- *The Board of Directors sets Millicom's appetite for risk and monitors progress toward target risk levels*
- *Quantifying, measuring and monitoring using risk indicators, with action plans to reduce gaps between current and target risk levels*
- *Setting of clear, specific and owned actions that target the potential impact or likely occurrence of risks, and monitoring of effectiveness of those actions*
- *Prioritizing risks based on likelihood of occurrence and importance to the business*
- *Risks are actively managed to optimize the balance of risk and reward, enhance value and protect against threats*

Evolution of Key Risks in 2022

Key Risk Area	Description
1. **Strategy and strategic direction**	*Ability to formulate a viable and executable strategy that supports the vision of the company*
2. **Portfolio management and capital allocation**	*Acquisition or retention of businesses that generate sufficient return on investment, and capital management*
3. **Macroeconomic conditions**	*Ability to successfully navigate through volatile or uncertain macroeconomic conditions*
4. **Political, civil and regulatory environments**	*Potential instability or lack of predictability in regulation or rule of law in the countries in which we conduct business*
5. **Technical transformation and convergence**	*Possible failure to identify / anticipate drivers of technological change or lack of resource / know-how to implement change*
6. **Competition and customer experience**	*Market structure and position, actions taken by competitors and customer experience*
7. **Financial structure and capacity**	*The ability to access reasonably-priced capital as well as capacity and constraints on our organic and inorganic growth*
8. **Networks and infrastructure resilience**	*Disruptions to service, or compromised ability to restore services to customers in acceptable time frames*
9. **Licenses and spectrum**	*Ability to obtain and retain the required quantity or band of spectrum at commercially viable prices*
10. **Cybersecurity and data protection**	*Intrusion into systems or networks and inappropriate access to sensitive data*
11. **People, workplace and well-being**	*Potential for physical, psychological or emotional harm in the countries in which our businesses operate*
12. **Conduct**	*Actions and behaviors of our employees, business partners and other stakeholders.*



Analysis of Key Risk Areas

Executive responsible | Appetite | Evolution in 2022 | Outlook

Key Risk Area	Risk Climate	Management of the Risk Area	The Board's Perspective
1. Strategy and strategic direction Chief Executive Officer (CEO)	Medium Stable **Improving**	• *Our strategy is based on our purpose: to build the digital highways that connect people, improve lives and develop communities. Our purpose and strategy is set out starting on page 9.* • *We focus on opportunities that enhance our purpose and add value to our key stakeholders.* • *We monitor external factors such as macro, political and key demographics in our markets.* • *We monitor performance with key financial and operational indicators.*	• *In 2022, the Company continued to benefit from key decisions taken in prior years and from staying on its strategic course.* • *The Company advanced its strategic goals of driving OCF growth, unlocking shareholder value and allocating capital for return.* • *Millicom's strategy remains firmly focused on serving customers and communities today and building for the future.*
2. Portfolio management and capital allocation CEO, Chief Financial Officer (CFO), Chief Technology & Information Officer (CTIO)	Medium **Improved** Stable	• *We carefully consider opportunities to acquire, merge or divest businesses based on market dynamics, portfolio balance and opportunities for long-term value creation.* • *We have a disciplined yet flexible approach to capital investment, with established payback hurdles strictly controlled by our central CapEx Committee and overseen by our Board.* • *We made tangible progress in the planned carve-outs of our mobile financial services and tower infrastructure businesses during the year.*	• *Sale of the Tanzanian business in early 2022 completed a multi-year strategic shift to our Latin American markets.* • *We operated our Guatemalan business with 100% ownership for the first full year following our acquisition in 2021.* • *The Board maintains oversight and authority over all significant capital investments, including network, equipment and spectrum.*
3. Macroeconomic conditions CFO	Elevated **Deteriorated** Stable	• *Inflationary pressures impacting supply pricing and employee-related costs are closely managed, with sales price adjustments made in many markets in 2023.* • *We have several active OpEx and CapEx efficiency programs running, and operate an adaptive capital deployment program during times of heightened uncertainty.* • *Our active liability management strategy, debt maturities and balance of variable vs. fixed-rate interest debt has limited our exposure to interest rate increases and slowing debt markets.* • *Our cash holding and repatriation policies limit our exposures to currency volatility in our markets.*	• *Most countries in which Millicom operates experienced real GDP growth in 2022 and are on track for rising, albeit slower, disposable income and levels of prosperity.* • *Currency fluctuations are a key risk inherent to Millicom's business and, while impacting reporting and earnings in USD, do not impact our competitiveness or strategic aspects of managing our local businesses.* • *The Guatemala acquisition with relative stability of its currency against the USD has improved the Group's currency risk profile.* • *The Board oversees management's policies, processes and controls over liability and cash management.*
4. Political, civil and regulatory environments Chief External Affairs Officer (CEAO), CFO	Elevated Stable Stable	• *Our local and central teams monitor political developments where we operate, and assess the implications of evolving global political trends for potential impact.* • *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.* • *See section starting on page 28 for more on our climate commitments.*	• *Political and regulatory risks and unpredictability are inherently high in many of the countries in our footprint.* • *The Board oversees Millicom's interaction with key governmental and regulatory agencies, and related policies and procedures (including taxation).* • *The Board monitors climate-related risks and impact and managing business sustainably within its social responsibility programs.*

Executive responsible | Appetite | Evolution in 2022 | Outlook

Key Risk Area	Risk Climate	Management of the Risk Area	The Board's Perspective
5. Technical transformation and convergence CTIO	Medium Stable Stable	• *With fixed and mobile businesses in each of our strategic markets, we have the necessary building blocks for fixed / mobile convergence and 5G.* • *Between 2020–2022, we spent >$3 billion in expanding and modernizing our networks and infrastructure.* • *We actively participate in industry forums and work with our supply partners on opportunities to enhance and modernize our products and services.* • *In 2022, we expanded our fintech business with an expanded set of mobile financial services (see section starting on page 9).*	• *Advancements in technology, increasing demand for data, higher quality, and more content define the industry.* • *In 2022, we continued to expand and modernize our networks and content partnerships to meet growing demand.* • *Millicom seeks to balance short-term operating and financial goals with technological and transformational investments.*
6. Competition and customer experience Chief Operating Officer (COO)	Medium Stable Stable	• *Network centricity and customer drive are core components of our organic growth strategy.* • *We use brand tracking, relational and transactional net promoter scoring (NPS) and digital social listening, as well as market share and net adds, to track and manage market and customer performance (see section starting on page 19).* • *We continue to invest in our digital customer experience platforms; partner with key content and service providers, such as Netflix and Amazon; and invest in exclusive broadcast rights, including football in many of our markets (see section starting on page 19).* • *See page section starting on page 16 for our competitive position in our markets.*	• *Network centricity and customer drive are core components of our organic growth strategy.* • *Positive experience is a vital element in customer acquisition and retention.* • *Millicom's comprehensive customer satisfaction program facilitates a continuous cycle of improvement across all facets of customer experience in all operating markets.*
7. Financial structure and capacity CFO	Elevated **Improved** **Improving**	• *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 to lower our cost of debt and increase our debt efficiency on an ongoing basis.* • *In 2022, we successfully raised ~$750 million in new capital to finance our Guatemala acquisition and refinanced a number of our long-term bonds to reduce our average cost of debt and extending maturities.*	• *Millicom's financial structure is both a key facilitator and inhibitor of its ability to grow its business and create value.* • *The capital raise in 2022 to fund the Guatemala business acquisition was well supported by shareholders.* • *The Board closely monitors balance sheet structure and the sources and uses of funds.* • *Capital structure, leverage and operating and equity free cash flow are key areas of focus for the Board.*
8. Networks and infrastructure resilience CTIO	Medium **Improved** **Improving**	• *Our network resilience controls and mitigating activities include threat and vulnerability assessments, simulation exercises and business continuity plans.* • *We develop our investment programs with consideration of outage risks, external dependencies, network redundancy, climate and sustainability risks.* • *Our IT networks and response systems identified and repelled a number of cybersecurity attacks during the year. See risk 10 for further details.*	• *Fulfilling our purpose requires high levels of coverage, quality and availability of our networks and infrastructure.* • *Capital allocation to expand, modernize, maintain and protect our networks and vital infrastructure is essential.* • *The Board approves accelerated or increased investment in networks in pursuit of opportunities, balanced with investment in physical and digital controls to increase service and strengthen resiliency.*

Executive responsible   Appetite   Evolution in 2022   Outlook

Key Risk Area	Risk Climate	Management of the Risk Area	The Board's Perspective
9. Licenses and spectrum CTIO	Low Stable Stable	• *We formulate spectrum and license strategies and management plans based on spectrum quality, network needs and customer demand in 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 when acquiring new spectrum.* • *In recent years, we have successfully obtained and renewed the spectrum we need to continue to operate and expand our businesses.*	• *Spectrum and licenses continue to be an area where governments seek higher financial and consumer benefits in auctions.* • *In particular, proposed spectrum pricing is seen by operators and observers as being well above industry norms.* • *The Board promotes fair and transparent allocation and pricing of spectrum and licenses, oversees the spectrum strategy, and is responsible for review and approval of all significant spectrum and license purchases.*
10. Cybersecurity and data protection CTIO	Elevated **Improved** **Improving**	• *Our Global Information Security Office and Global Security Operations Center manage and coordinate cybersecurity risk mitigation and incident response.* • *We have processes and tools to identify and respond to threats, test vulnerabilities and run training programs to raise awareness and security.* • *We undertake NIST audits with focused enhancement programs.* • *Learn more about the initiatives we implemented in 2022 in the section starting on page 38.*	• *Potential disruption from cybersecurity attacks have become a significant threat to any organization.* • *These threats have heightened in 2022 as reliance on networks, communication systems and the internet continues to grow.* • *We faced three major attacks in 2022 with no substantial impact on the business.* • *The Board has full oversight of the information security enhancement and cyber control program.*
11. People, workplace and well-being Chief Human Resources Officer (CHRO)	Medium **Improved** Stable	• *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 our Sangre Tigo culture.* • *Since 2020, employee and customer health and well-being have become—more than ever—a key element of our purpose and responsibility.* • *See more about our approach to employee health, safety and security in the section starting on page 38.*	• *The Sangre Tigo culture embodied in our people brings our vision to life.* • *In 2022, we proudly ranked 5th in the World's Best Workplaces 2022 survey by Great Place to Work and 2nd in Best Workplaces in Latin America 2022 for multinational companies.* • *We are proud that Millicom 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 Chief Legal & Compliance Officer (CLCO)	Low Stable Stable	• *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 2022, 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 section starting on page 92 for more in this area in 2022.*	• *Doing business the right way is fundamental and is reinforced in message and tone from the top levels of 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

Fueled by our employees' passion and commitment, we have integrated our environmental, social and governance (ESG) strategy through every part of our business. As our market leadership grows through the adoption of digital technologies, our ability to create even greater environmental, social, educational and economic opportunities increases dramatically.

ESG Approach

Our ESG strategy articulates our approach to improving lives, strengthening communities, reducing our environmental impact and governing our business with integrity.

In 2021, we announced a new ESG approach that illustrates the relationship between our purpose, business strategies and performance. Aligned with leading ESG methodologies, this approach provides a full 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.

We continued to rally behind this approach in 2022, including announcing new 2030 GHG emissions reduction and DE&I targets to hold ourselves accountable to the environmental and social progress we aspire to create in our business. We also made progress in key priority areas such as energy efficiency, digital education, talent strategy, information security, supplier engagement, and ethics and compliance.

To help us achieve our targets and ambitions, we defined roles, initiated partnerships, and devised and implemented new transition plans throughout Millicom in 2022. Our approach has been reaffirmed by the results of our 2022 materiality assessment and is aligned with key targets in the United Nations' Sustainable Development Goals (SDGs).

Moving forward, we've prepared an initial roadmap to align our ESG disclosures with upcoming EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD) and SEC rules and regulations. We will report on eligibility and alignment with the EU Taxonomy in a separate report in mid-2023.

Together, we believe our ESG approach and initiatives will help us chart a path for sustainable growth and create long-term value for our stakeholders.

ESG Governance

Our Board of Directors oversees our ESG strategy. In addition to the areas mentioned above, the ESG umbrella at Millicom covers multidisciplinary activities and elements from such areas as Factory, Legal and Compliance, External Affairs, Technology and Information, and Human Resources. The ESG structure embodies the depth and materiality of these topics and the importance of monitoring their interconnected risks and opportunities. Our ESG portfolio is managed by the Executive Vice President (EVP) and Chief External Affairs Officer, who—together with the CEO and the other EVPs—deliver updates on the ESG strategy to the Board. The EVPs involved in ESG matters deliver monthly ESG progress updates, implementation reports and issue-management updates to the Executive Team.

ESG at Millicom

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

Sustainable Development Goals

The Sustainable Development Goals (SDGs) set out by the United Nations in its 2030 Agenda represent a global consensus on where we must all focus our efforts to ensure the future of our society and our planet. We believe the best way to do so is to understand where we as a company can make the biggest impact—and to focus on our strengths and opportunities on maximizing that impact.

We took a deep dive into the 169 targets set out by the SDGs, analyzed where we had the greatest influence, and tracked our contribution through tangible practices, initiatives and metrics. Each of our Latin American operations also conducted this analysis locally and linked its contributions to the SDG indicators for its respective country.

See the results here.

$700 million

Commitment to expand our broadband networks in Central America in next two years to promote inclusive economic development.

Our Purpose in Action

In response to U.S. Vice President Kamala Harris's Call to Action, we announced plans to invest $700 million to expand and maintain our broadband networks in Central America.

In May 2021, Vice President Harris launched a Call to Action for Businesses and Social Enterprises to promote inclusive economic development in Guatemala, Honduras and El Salvador (the "Northern Triangle").

Through the Partnership for Central America (PCA)—an independent organization that coordinates private sector coalitions and projects in digital, financial, health, education and energy programs—participating organizations aim to send a signal of hope to over 15 million people across the region and sustainably address the root causes of migration by fostering economic opportunities in these countries.

As a member of the PCA, we announced in June 2022 that we will invest $700 million to expand our fixed and mobile broadband networks in Guatemala, Honduras and El Salvador over the next two years. The investment will boost our efforts to accelerate economic growth through increased connectivity, as broadband penetration rates in these markets are well below regional averages.

Digital and financial inclusion is a key focus area of the Call to Action. Its goals include expanding affordable internet access and increasing participation in the digital economy; facilitating access to financial technologies and capital for small businesses; and ensuring that the most vulnerable and likely to migrate have access to basic public services and economic opportunities.

As part of the strategic collaborations between PCA partners, we launched a joint mentoring program with Glasswing in September 2022 to support and harness the power of youth of the region. Through the program, Tigo volunteers provide mentorship sessions in public schools in Guatemala, El Salvador and Honduras, furthering our commitment to contribute to our communities' growth through connectivity.

Environmental Impact

As the threat of climate change has grown more urgent, we've accelerated our climate ambition to create a net zero future for our company and make our digital highways as sustainable as possible.

We will report on eligibility and alignment with the EU taxonomy regulation in a separate report by June 30, 2023.

Paving the Way to a Net-Zero Future

Validated by the Science-Based Target initiative, our new GHG emissions reduction targets provide a clearly defined pathway for reducing our impact.

Climate change is not a "someday" issue. We're already seeing the effects of a warming planet: More frequent and severe droughts, heat waves, wildfires, hurricanes, and floods; rising sea levels; dwindling freshwater supplies that affect human and animal health. The consequences are devastating to people and communities worldwide.

Climate change also poses threats to business as usual. High energy costs, infrastructure damage, power outages, supply chain disruptions and increased regulations and costs related to the disposal of e-waste could all affect Millicom's business continuity and growth. What's more, climate-related disasters can affect Millicom's ability to provide continued service, which is itself crucial for communities responding to disasters.

> "We strongly believe that a green economy is a digital economy, and only digital transformation of all industries can truly provide the basis for a long-term sustainable economic success."
>
> —**Karim Lesina,** *Executive Vice President and Chief External Affairs Officer*

2022 Highlights

Announced new SBTi-validated emissions targets to reduce Scope 1 and 2 emissions by **50% by 2030**

Continued our rollout of over **1,200 new rural mobile cell sites** in Colombia over the next four years, of which **over 70% will be off grid**

83%

recovery rate for our Customer Premises Equipment after people terminated or upgraded their services, 10% above our 2022 target

2022 represents a watershed year in our journey to address the climate crisis. In July, we announced aggressive new greenhouse gas (GHG) emissions reduction targets, which were validated by the Science-Based Targets initiative (SBTi). As part of the target-setting process, we've spent the past two years plotting our required emissions reduction trajectory and building a transition plan with a multidisciplinary team from across the company, including Operations, Engineering, Supply Chain and Facilities. We've already set in motion many of the initiatives that will form the core of our strategy.

Our Science-Based Climate Targets

» Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030
» Reduce absolute Scope 3 GHG emissions by 20% by 2035
» Achieve net-zero emissions by 2050

Initial Strategies

» Innovative energy sourcing models
» Market instruments for renewable energy
» Energy-efficiency and energy-saving initiatives

Science-Based GHG Targets

Science-based targets show organizations how much and how quickly they need to reduce their GHG emissions to prevent the worst effects of climate change. A target is considered science-based if it's in line with the latest climate science on achieving the goals of the Paris Agreement, which seeks to limit global warming to well-below 2° C above pre-industrial levels. To achieve our SBTi targets, we must cut absolute Scope 1 and 2 GHG emissions in half by 2030 and drop to net-zero emissions by 2050 (from a 2020 base year).

Millicom is one of only three telecom companies[1] and 33 companies overall[2] in Latin America to have their science-based targets validated.

We set more ambitious targets 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 we have the least control. (Scope 3 disclosure assesses GHG emissions from assets not owned or controlled by Millicom but that indirectly impact the Millicom value chain.) This will allow us the time to form partnerships with authorities, competitors and suppliers on integrated strategies for reducing emissions. See more details about our Scope 3 calculation methodology in our Performance Tables section, starting on page 58.

After performing a comprehensive Scope 3 emissions inventory in 2021, we revamped our methodology and measurement methods in 2022 to align with our new climate commitments and related strategies. We also updated our Supplier Training Module with an in-depth section on our emissions expectations.

> **"SBTi's validation is a major milestone for Millicom and our efforts over many years to reduce our carbon footprint. Being good environmental stewards is not a mere add-on for Millicom, but core to our purpose of building the digital highways that connect people, improve lives, and develop communities."**
>
> **—Mauricio Ramos,** *Chief Executive Officer*

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[1] The full list can be found on SBTi's website.
[2] As of July 21, 2022.

Advancing Our Climate Goals

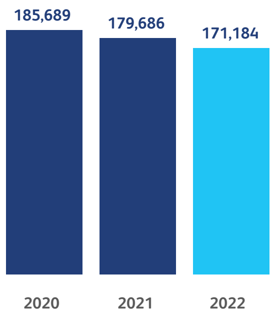
A relentless focus on energy efficiency and renewable energy sourcing are at the core of our net-zero strategy.

Our base station and fixed network sites account for roughly 75 % of the energy we consume from fuel and grid electricity. Given the scale of our ambitions, meeting our Scope 1 and 2 target will require considerable investment and innovation. To achieve our goals, we've built a comprehensive roadmap combining aggressive energy-efficiency and energy-saving initiatives with programs and market instruments to increase the proportion of energy we use from renewable sources.

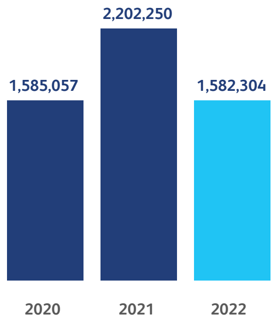
GHG Emissions: Progress vs. the Path Ahead

Millicom has committed to reducing absolute Scope 1 and 2 GHG emissions by 50 % by 2030 and absolute Scope 3 GHG emissions by 20 % by 2035, both from a 2020 base year.

Scope 1 and 2 (tonnes of CO_2e)



Scope 3 (tonnes of CO_2e)



Innovative Energy Sourcing Models

We're adopting innovative new energy sourcing for our operations, including partnering with providers to use an energy as a service (EaaS) model at our mobile cell sites. The EaaS model relies on distributed power, with electricity generated from smaller sources not connected to a centralized energy grid. In 2022, we continued our four-year rollout of more than 1,200 new mobile sites in Colombia using the EaaS model, out of which 70 % of the sites are expected to be off grid. Many are solar powered, with lithium-ion batteries providing backup power without the use of generators.

The business case for the EaaS model is strong. The sites allow us to provide connectivity to rural areas without grid access, increasing our customer base. We'll achieve a major degree of cost certainty over the next 10 to 20 years by reducing fuel use and avoiding the purchase of electricity from the grid in a volatile energy market. Finally, we expect to avoid significant CO_2 emissions as we expand our network and services. The full benefits of the model will be realized as our rollout continues.

70% of sites off grid
in Colombia using the EaaS model

Market Instruments for Renewable Energy

When available, we use market instruments such as Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs) to partially offset GHG emissions associated with our electricity use with guaranteed sources of renewable energy. Renewable energy from these instruments currently accounts for a small percentage of our total energy consumption. Where these instruments aren't available, we rely solely on the energy mix used by national grids for our electricity. Paraguay and Costa Rica generate high proportions of their electricity from renewable sources, resulting in lower Scope 2 emissions for our operations in these countries, but that's unfortunately not the case in many of our other markets. As governments begin to loosen restrictions on energy-related public-private partnerships, we expect to pursue renewable energy for our operations more aggressively.

Power Purchase Agreements

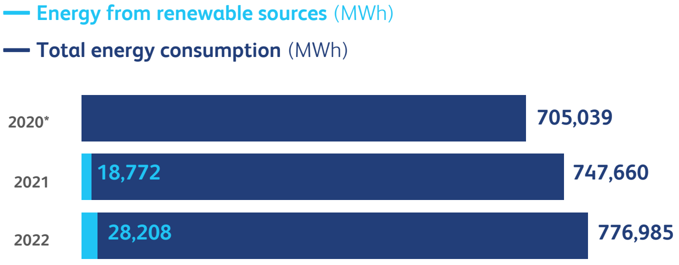
In 2022, we entered into year three of a PPA for our Panama operation. Through this contractual agreement between Millicom, third-party energy providers and local utilities, we're able to partially power our mobile and fixed networks with electricity guaranteed to have been produced by renewable energy sources, such as hydroelectric, thus avoiding any direct emissions. We procured 3,826 MWh of electricity through our Panama PPA in 2022, and will continue to negotiate new PPAs as they become available in our regions

Renewable Energy Certificates

Tigo Colombia certified 24,382 MWh of its grid electricity consumption in 2022 through RECs, verifying that the energy was generated from renewable sources and fed into the national grid.

As a side benefit, our procurement of renewable energy may help the countries in which we operate meet their own climate commitments, such as Colombia's pledge to reduce GHG emissions by 51 % by 2030. Our actions to reduce demand on the grid, drive demand for renewable energy sources and create new mechanisms for renewable energy procurement can all play a role in changing this energy equation.

Renewable Energy vs. Total Energy Consumption



*Energy from renewable sources not tracked.

28,208 MWh

of our electricity use is from renewable sources through our Power Purchase Agreement in Panama and Renewable Energy Certificates in Colombia

Energy-Efficiency and Energy-Saving Initiatives

We're adopting new energy-efficiency and energy-saving initiatives across our operations to reduce our electricity use. This includes modernizing and consolidating our data center equipment and infrastructure and investing in newer, more efficient technologies. Our near-term priorities in every case are to decrease our energy consumption per unit of traffic while simultaneously delivering more and better services to our mobile and broadband customers. This is a critical yet challenging need, as we aspire to use less energy per unit of data traffic even as our traffic and customer base continue to grow.

Mobile RAN Network Modernization

Since 2018, we've been incorporating energy-saving features across Millicom through our Mobile RAN Network Modernization project. In 2022, our Service Assurance team began assessing the scaling potential of our current and ongoing energy-efficiency and renewable energy initiatives in Latin America. The team identified 14 types of initiatives with scaling potential, including optimizing the cooling systems in our data centers, powering off sites in periods of low traffic, using hybrid fuel systems in off-grid sites, and replacing legacy equipment with new, more efficient alternatives.

The bulk of these initiatives could significantly reduce our consumption of electricity and fossil fuels. Many projects also present strong business cases, such as lower operational and capital expenses, higher operational efficiencies and improved service for customers.

More Fiber, Less Energy

Increasing our use of fiber cable may also reduce our energy consumption, as fiber consumes less energy when transmitting data than cable internet. As of the end of 2022, we had installed 193,000 kilometers of fiber across our footprint, including Honduras.

Reducing e-Waste

Our ambition: No broadband equipment left behind.

The world will produce an estimated 74 million metric tonnes of e-waste by 2030,[3] the bulk of which will end up in landfills. All of our operations have a global e-waste recycling program. Through our Customer Premises Equipment (CPE) Recovery Program, we aspire to recover most or all of the equipment our customers use for broadband and cable connectivity, should they terminate or upgrade their services. Once recovered, the equipment is either redeployed in the field or responsibly recycled, helping reduce the landfill waste we produce.

This process, which we term reverse logistics, helped us avoid the purchase of more than $126 million in new CPE in 2022. It also lessens the impact of microchip shortages or other supply chain disruptions to our business.

Exceeded Our Target

We ended 2022 with an 83% end-to-end recovery rate, well above our target of 76% by 2024. Every Tigo operation put a significant focus on improving collection rates and the percentage of CPE that can be refurbished in our labs. Strategies include reducing the time between customer disconnects and CPE recollections, changing the incentives for recollection, allowing customers to drop off equipment after normal business hours, enabling customers to make appointments via text and upgrading operations in recovery labs.

Our reverse logistics process reduces our environmental impact in other ways. For example, by reusing plastic, we're avoiding the water consumption and associated CO_2 emissions produced during the manufacturing of new CPE. In 2023, we plan to further improve our end-to-end recovery rates by focusing on our country operations that are lagging behind. We will also enhance our data analytics, which will help us fine-tune our priorities and effectiveness. This will be especially useful in making incremental improvements to the recovery rate for high-value CPE, such as our 24-frequency broadband equipment.

End-to-End Recovery Rate for CPE Equipment

*For fiscal years 2021 and 2022 respectively.

> "We believe that small actions repeated and sustained over time are multiplied. ... Each cell phone we can manage correctly is an amplified action, since the largest hydrographic basins in the country are saved."
>
> —**Oscar Romero,** *General Manager of Renuevo Panama*

Reforesting Panama One Cell Phone at a Time

We're always looking for new ways to engage customers and employees in our markets. With our Un Celular, Un Árbol (One Cell, One Tree) initiative in Panama, we're not only engaging the community, but we're tackling two of the most persistent environmental problems in Latin America—the buildup of e-waste in local landfills and deforestation.

Un Celular, Un Árbol invites customers to drop off obsolete electronic devices at specially identified mailboxes at any of 32 Tigo Panama stores. Our local partner, Renuevo Panama, either recycles or responsibly disposes of the electronics, including cell phones, laptops, desktop computers, cell phone batteries and electronic cards.

Proceeds go to the Natura Foundation, which uses the funds to purchase and plant native tree species in the region. Tigo Panama and our allies plant one tree for each cell phone retrieved.

Un Celular, Un Árbol embodies Tigo Panama's commitment to acting as an agent of positive change in the region. In addition to revitalizing local ecosystems, the program is playing an invaluable role in raising awareness among Tigo customers and the community on the importance of recycling e-waste.

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[3] *United Nations Institute for Training and Research (UNITAR), "Global Transboundary E-waste Flows Monitor 2022," 2022.*

Society

Our technology and platforms create a world of opportunity for our people and the communities we serve—from empowering individuals with digital access and education, to creating an inclusive work environment, to stimulating economic development in our markets.

Highlights

5th in World's Best Workplaces 2022 survey by Great Place to Work

Announced **new DE&I targets** for 2030, including 50 % women at all levels of the organization, including upper management

More than

171,000

women and girls received digital literacy and entrepreneurship training, including those using our new web-based Conectadas platform

More than **102,000 teachers** trained through the Maestr@ Conectad@s online training platform

Our People

Our purpose comes to life through the talent, energy and dedication of our 20,000 employees and more than 10,000[1] contractors. We honor them with a diverse and inclusive workplace that empowers them to thrive.

Our people are the heart and soul of our Sangre Tigo culture—the lifeblood of our business success. Their commitment is felt across the company. Customers recognize it in our relentless drive to improve the customer experience. Shareholders perceive it in the rapid growth of our core business and fintech and infrastructure assets. Tigo leaders observe it in our organization's enthusiastic transition to a net-zero-emissions mindset. In turn, we invest heavily in our people and in enhancing our Sangre Tigo culture each year—from employee training and leadership development to immersive communications on the meaning of "We are one Tigo."

We value how we work as much as what we do. That's why we strive to create an environment that celebrates diversity, stokes employees' passions, fosters a culture of respect, and empowers everyone to make a difference. Our goal is to make Tigo an amazing place to work, a place where diverse talent finds a home and team members have what they need to do their best work every day.

Our new diversity, equity and inclusion (DE&I) targets accelerate our progress in building a diverse workplace, with a focus on achieving a 50% gender balance at all levels of the organization by 2030. This includes strengthening the diversity of our leadership team, both by recruiting outstanding talent from outside the company and developing future diverse leaders within our walls.

Organizationally, we continue to build a better workplace by optimizing our HR system so we can make faster, smarter decisions. This new system—combined with our people-first hybrid work environment and industry-leading DE&I program—is enabling us to bring in top tech talent from across Latin America, a prerequisite as we grow our business into the future.

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[1] *Contractors are non-permanent personnel on a third-party's provider payroll (including individuals, contractors, freelancers, secondees, subcontractors and/or employees of a staffing agency), solely working for Tigo or Millicom under our supervision, most typically for special, temporary projects to grow and sustain our operations.*

Painting Ourselves Blue with Sangre Tigo

We believe when team members own their culture, the culture will thrive. We launched Sangre Tigo in 2018 with a survey of more than 11,000 employees. Within a year, their input had helped us articulate the Sangre Tigo framework and initiate a series of dynamic and interactive workshops providing clarity on our workplace culture and values.

Today, Sangre Tigo pulses through our veins and influences every one of our behaviors, decisions and actions. But a culture needs constant nourishment to thrive. To build more excitement and accountability among leaders and employees, we advanced several new initiatives in 2022, including DE&I initiatives that play an imperative role in our workplace culture (see following page).

Leadership Development

Creating development opportunities for leaders to “own” Sangre Tigo was a top priority. In 2021, we developed the Sangre Tigo Leader Success Profile, which defined the leadership attributes and behaviors we believe are necessary to build our culture the right way. In 2022, we focused on raising awareness of these behaviors, including collaborating with key consultants to assess our current leadership and create pathways for improvement.

In partnership with Assessments International, we evaluated our top leadership against our Success Profile, with evaluations for direct reports to come in 2023–2024. Together, this initiative helps us identify leaders’ strengths and weaknesses, identify leadership gaps and provide targeted feedback.

We also partnered with consulting firm BTS on a Sangre Tigo leadership development program for senior leaders. Through a series of workshops, leaders learned how to apply Sangre Tigo in real-life business scenarios and put our beliefs into action. Roughly 800 managers participated in the workshops in 2022.

Quickening Our Sangre Tigo Pulses in 2022

We believe a culture is a living, breathing organism. Here are a few of the actions we took to breathe life into our Sangre Tigo pulses in 2022.

We make it happen the right way
Dedicated a full month to educating employees on the Tigo code of conduct, the importance of ethics and compliance, and cybersecurity and data privacy

We give 1,000% for our customers
Dedicated a full month to educating employees on the importance of the customer experience

We are One Tigo
Provided constant communication and awareness around DE&I, including unconscious bias training

Tigo runs in our veins
Provided continuous training to new employees about Sangre Tigo

Great Place To Work.
Best Workplaces™ Latin America 2022

An Even Greater Place to Work

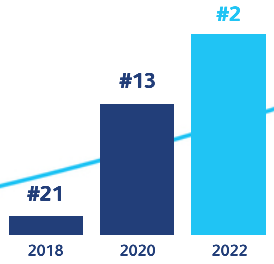
How do you prove your culture is getting it done? Ask your employees. Tigo was once again named one of the top 25 workplaces in Latin America, earning 2nd place in the Best Workplaces in Latin America 2022 ranking for multinational companies in the region. This marks Tigo’s fourth year on the Great Place to Work roster of leading Latin American workplaces. We were further honored with 5th place in the World's Best Workplaces 2022 ranking, which ranks the top 25 places to work across the globe.

We have built one of the best workplaces in Latin America and in the world

#2
Best Workplaces in Latin America

#5
World's Best Workplaces

Great Place to Work Ranking for Latin America



Diversity, Equity & Inclusion (DE&I)

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. A commitment to DE&I is also a core element of our Sangre Tigo Leader Success Profiles.

New DE&I Targets

To achieve our vision of a diverse and inclusive Tigo, we set ambitious new DE&I targets for 2030, with mechanisms to hold leadership accountable for meeting our commitments. The targets build on the DE&I strategy we formalized in 2020, which lays out four priorities:

- *Provide equal opportunities for all*
- *Build diverse and inclusive leadership*
- *Foster a culture of inclusion*
- *Monitor and address equity pay gaps*

2030 DE&I Targets

2030 target	2022
50% of women at all levels of the organization	**42%**
50% gender balance in upper management globally	**40%**
100% of employees trained annually on DE&I	**97%**

We've launched a constellation of initiatives to help us meet our targets and advance our overall DE&I strategy.

2022 Global Workforce

While there's still progress to be made, we're proud to say that gender and minority representation in Tigo's 2022 workforce is on par with leading North American and European companies.

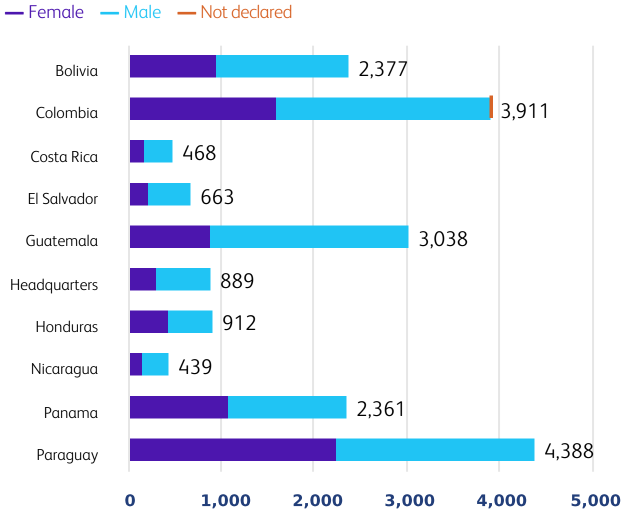
Increasing Female Representation

We've made great progress in developing young female talent at Tigo, with women currently making up 42% of our employee base and 40% of our managerial positions. To help us level the playing field even more, our HR team performed an internal analysis in 2022 to understand the factors that attract female talent to Tigo. Based on this analysis, we presented recommendations to the Tigo executive team on the steps needed to accelerate gender equity. We began to roll out some of these strategies in 2022, and will continue to roll out new strategies in the coming years.

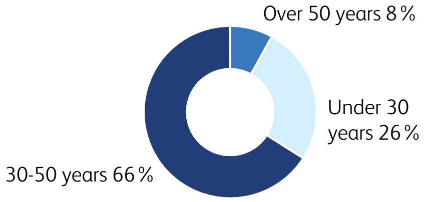
We also continually monitor the gender pay gap to ensure our female employees are compensated at the same level as males. We've identified no significant variations at present, but we're working on plans to address the disparities we have identified.

We're currently working to identify baselines for minority representation for our Tigo operations in Latin America.

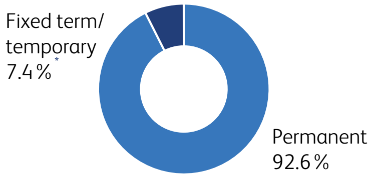
Total Employee Breakdown by Country



Total Employee Breakdown by Age Group



Total Employee Breakdown by Type of Worker



**Fixed term/temporary comprises workers with temporary visas/work permits and workers whose end date is defined as part of the employment contract.*

Awareness and Training

We maintain a robust training program for all Tigo employees that explores DE&I concepts, including how to build awareness of and overcome unconscious bias in the workplace. Our goal is to train 100 % of our employees each year; as of December 31, 2022, 97 % of employees had completed the training.

Giving employees a voice is critical to our DE&I efforts as we seek to provide meaningful support in the workplace. We maintain DE&I councils in multiple countries made up of employees from diverse backgrounds. These councils help us identify specific gaps in our DE&I approach and make targeted improvements in each location. They also give our employees the opportunity to participate in and lead diversity initiatives at Millicom and put our values into practice.

Monitoring Our Progress

To ensure inclusivity and remove bias in our recruiting and hiring process, we track our progress in gender and minority hiring and retention. We recently launched new digital DE&I dashboards that allow us to monitor our diversity progress by country, function and job level. HR and relevant leadership teams review this data monthly. In many cases, we're able to execute action plans and close gaps in close collaboration with our DE&I councils.

A Workplace for Everyone

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.

We recently implemented an annual DE&I campaign focused on three audiences: Women, LGBTQ+ and people with disabilities. Called Un Mundo Sin Etiquetas (A World Without Labels), the campaign invites employees from each of these communities to share their stories. The intent is not to shame people with existing biases, but to create conversations among employees who have more in common than they realize.

In celebration of Women's History Month in May, we launched a communications campaign that highlighted women's voices from across our operations. CEO Mauricio Ramos led a global town hall focused on successful women across Tigo, who shared stories about prospering as females in the telecom sector.

In July, we celebrated the LGBTQ+ community with a similar campaign and town hall. Hosted by Ramos and Chief Operating Officer Esteban Iriarte, the town hall featured an LGBTQ+ employee flanked by his mom, line manager and best friend. The group provided insights into the challenges the employee had to overcome and the importance of allies in the fight for inclusion.

> "We must respect our differences. It is very difficult to be what you want to be if other employees do not offer you that space called respect."
>
> — **Esteban Iriarte,** *Chief Operating Officer*

A World Without Labels Invites Employee to Tell Their Stories

"The telecommunications industry has historically been led by men. From my roles as a woman, mother, partner and leader, I want to invite more girls and women to fight to achieve their dreams and break gender barriers and paradigms, starting with those that we impose on ourselves."

— **Elisa Saravia,** *Vice President of Operations and Technology (CTIO) Tigo El Salvador*

"The greatest impact we can have is to break the stigmas that exist that as women we cannot do certain jobs in this industry. Today, I am breaking rules that have stood for many years, and I know that anyone could achieve the same if they set their minds to it. Together, we are braking stigmas."

— **Valery Rosa Cabrera,** *Field Services Technician, Tigo Costa Rica*

Building a Better HR

From hybrid offices to the race for top talent, the modern work environment is changing at a breakneck pace. To keep up, we've set out to transform our HR department into 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 transactional work, to empowering leaders to build and develop top teams, to freeing up time to focus on high-level strategic goals.

Making faster decisions

Combining innovative technologies with the latest in user experience design, our teams made significant progress on this front in 2022. Whereas we used to have more than a dozen different systems, we now have a single integrated system of record. With less manual data collection and more automated analytics and insights, our HR teams are able to identify trends at a deeper level—such as increased attrition or the presence of gender pay gaps in specific job roles—and make faster, more informed workforce decisions.

Giving Our Workforce More Control

With our latest Workday 1.1 system, employees and managers can schedule time off, access benefit information, view or manage performance reports, participate in online training, or recruit and onboard new team members, among other features.

Tigo People Services

We also launched Tigo People Services (TPS), which consolidates transactional work related to HR for nearly all Tigo operations into a single service center. Rather than drawing up contracts or performing other routine processes, our HR teams can focus on being better partners to the business—from developing new talent strategies for individual business lines to acting as brand ambassadors for recruiting.

Talent Strategy

Our transition from a telecom company into a next-generation broadband, mobile and digital services provider requires us to recruit and retain the top software engineers and data scientists from Latin America and beyond. Filling these roles is critical to keeping our digital apps up to speed and in growing our mobile financial services, B2B cloud, infrastructure and other business areas.

But the fight for top tech talent is fierce. In 2022, we continued evolving our talent strategy to make sure we have the right work models, compensation packages and developmental opportunities to compete in the current market.

Hybrid Work Model

Developed in the aftermath of the pandemic, our hybrid work 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, with access to remote digital tools that are in step with how they prefer to communicate, share and collaborate. We're also implementing pilots in some countries allowing full-time remote work, so that people with valued skills don't have to relocate to work at Tigo.

Compensation and Culture

We provide competitive compensation, with regular reviews to ensure our packages are in line with or superior to industry standards for pay and benefits. Our HR team also works closely with our executive team to devise new ways of accelerating talent attraction and retention. Our diverse and inclusive work environment and Sangre Tigo culture also serve as competitive advantages in attracting global talent.

Professional Development

We provide professional development opportunities through technical training programs and certifications, such as the Data & Analytics Program, Agile & Tableau Creator Trainings, the IT Forum Training Program and Cloud. We also ally with technical training platforms like Platzi, Udemy and Datacamp for our collaborators. Subsidies and scholarships are available for employees pursuing master's degrees in partnerships with local universities. To build our roster of female tech talent, we offer scholarships to women in technical careers. Finally, we're building our internal talent pipeline by recruiting through Young Professionals programs and offering tech internships with opportunities for permanent placement.

Employee Health & Safety

Protecting the health and well-being of our employees has been the top focus of our Health & Safety teams since the onset of COVID-19. While the pandemic has not completely receded in our markets, our policies have evolved with the advent of vaccines and changes in health protocols and conditions on the ground in our markets. Upon reopening our offices in 2021, we pivoted to transforming our work model to find the optimal balance of safety, culture and operational effectiveness.

Some Tigo operations—such as Tigo Costa Rica, Paraguay and Colombia—debuted new, more open modern offices in 2022, with layouts designed to increase personal space and keep employees safer. We also performed internal reviews/assessments of our Health, Safety & Environmental functions in markets that no longer maintain COVID-related travel restrictions, such as Honduras, Costa Rica, Guatemala, Panama and El Salvador. Our intent was to understand the impact that these relaxations had on our workplace and adjust accordingly.

In addition, our Health, Safety & Environment (HSE) teams participated in external training seminars on ISO 45001 Health & Safety and ISO 14001 Environmental Standards. Every Tigo operation complies with standards stipulated in the ISO 45001 and 14001 certifications. Our HSE managers also participated in company-wide efforts to harmonize and expand our ESG-related data recording, goals and metrics, as we move to reduce our GHG emissions and continue to improve our environmental reporting.

Our Health & Safety Management System covers all employees and contractors. HSE managers and team members are required to conduct regular and annual risk assessments. In this last reporting period, we experienced eight fatalities. Four of the eight were contractors working with electricity and two were contractors working at heights. Two fatalities were associated with vehicle accidents. Due to the increase in fatalities, we have placed more emphasis on high-risk activities that have a higher potential for work-related incidents such as work at heights and with electricity. We also prioritize office safety and evacuation drills, as large volumes of Tigo employees and contractors work in these environments.

All work-related incidents that involve injuries or death are fully investigated. We base our criteria on local work-safety regulations as well as our own requirements as stipulated in our group-level Health & Safety documentation, which is based on industry best practices. Country HSE teams conduct regular training seminars on these requirements for our employees and contractors. We also actively promote Health & Safety awareness via year-wide awareness campaigns in our operations.

Digital Education

We connect communities and help people harness the social, educational and economic opportunities the internet provides.

We witness the life-changing power of connectivity every day. However, such benefits remain unfortunately 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.

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 its social, educational and economic potential.

By expanding affordable connectivity to more people and teaching them how to take advantage of that connectivity, 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 and dynamic economic recovery in our markets*
- *Building the digital customers of the future that will sustain our growth*

Maestr@s Conectad@s

We launched our Maestr@s Conectad@s (Connected Teachers) program in 2020 to strengthen digital education systems impacted by the COVID-19 pandemic. The program initially consisted of online training to help teachers, school administrators and others develop and facilitate technology-based curricula, so students in our markets had access to the same educational opportunities as children in other parts of the world. The interactive modules were delivered via videos, podcasts, and other digital means.

In June 2022, we broadened the impact of Maestr@s Conectad@s by launching a new region-wide app for the program, offering school teachers expanded online learning modules in digital literacy. The web-based app offers a catalog of 20 free additional courses developed in collaboration with AHYU, an international organization focused on educational content. Course topics include digital tools, PowerPoint, Canva, Zoom, educational innovation, storytelling, gamification, use of social networks, digital tools for the classroom and neuroeducation.

With the digital platform, educators wishing to acquire new skills have easy, immediate access to the Maestr@s Conectad@s toolkit—and at a critical time for digital education. Including the educators trained through the app in 2022, 102,472 teachers were trained by Maestr@s Conectad@s throughout the year. The program has trained 417,946 educators to date in Guatemala, El Salvador, Honduras, Nicaragua, Colombia, Costa Rica, Panama, Bolivia and Paraguay since the beginning of this program in 2020.

102,472 Teachers

trained through our Maestr@s Conectad@s program in 2022, including those trained with our new web-based app

> **“Now that educational work has become hybrid, the virtual programs we have developed and our experience in facilitating teachers, families and students responds to the needs of this new reality and hopefully reaches all levels of education."**
>
> — **Arlei Villegas,** *Director of Production at AHYU*

Spotlight

Nearly 2,000 Bolivian Teachers Attend Maestr@s Conectad@s Event

Maestr@s Conectad@s was born in Bolivia in 2020 and exported to other Tigo operations in the ensuing months. So when we were deciding on a location for our free, in-person Maestr@s Conectad@s teacher training event, Bolivia was the obvious choice. To our gratitude, nearly 2,000 teachers from around the country traveled to Santa Cruz in August 2022 to attend.

During the event, organizers and attendees shared the path traveled, lessons learned and milestones marked since the launch of Maestr@s Conectad@s. Sessions went well beyond teaching attendees how to use digital tools. For example, a session on neuroeducation and compatible brain tools focused on applying emotional intelligence in the classroom.

As the name implies, Maestr@s Conectad@s has always been a close community of “connected teachers.” The teachers of Bolivia showed us just how close this community is.

Conectadas

Our Conectadas program has been providing digital literacy and entrepreneurship training to women and adolescent girls in Latin America since 2017. In April 2022, we created an additional springboard for social and economic opportunities with the launch of a region-wide, web-based Conectadas platform with new learning modules.

The new platform represents an evolution of the program, as its benefits will now reach women from the entire region. Women with work and/or family responsibilities, or who live in remote or rural locations, often lack the time to attend the Conectadas workshops in the nine countries where we operate.

The free modules, developed with the Grameen Foundation and accessible through the online platform, educate women on topics such as basic internet usage, management of personal finances, and the effective use of digital tools and social media for business. Our objective is to reach thousands of additional women in the coming months. Including the women and girls that accessed Conectadas through the platform, 171,059 women and adolescent girls received Conectadas training in 2022. A total of 785,573 have been trained through the program since its inception in 2017.

171,059

women and adolescent girls received digital literacy and entrepreneurship training in 2022 through Conectadas, including those trained through our new web-based platform

> **“Millicom’s Conectadas program is special, not just because it is a proven plan to benefit women and girls in Latin America, but also because it is built on facts.”**

— Doreen Bogdan-Martin,

Director of the Telecommunication Development Bureau of the International Telecommunication Union

Conéctate Segur@

Tigo's flagship Conéctate Segur@ program educates children, parents, teachers and caregivers on the risks and opportunities of digital technology, giving children a safe way to learn, explore and grow through the creative and responsible use of digital tools. We've reached more than 650,000 children adolescents through the program from its inception in 2016 through 2022, with most online and in-person workshops facilitated by volunteers from our Acción Tigo program.

In 2022 alone, the program benefited 102,554 children and adolescents (and more than 40,000 parents, caregivers and teachers), Tigo employees dedicated 7,341 volunteer hours to the program in 2022.

Contributions to Our Communities

We pursue digital inclusion by supporting causes with cash and in-kind contributions. Initiatives include disaster relief, entrepreneurship training and social inclusion, among others.

Fundación Real Madrid

In September 2021, Millicom and Fundación Real Madrid joined forces to promote education and digital literacy to young people in our nine Latin American markets and the United States. The alliance's 69 social sports projects provide children and young people with the tools, skills and knowledge to protect themselves on the internet and compete in the 21st-century job market.

We strengthen the skills of program participants through our flagship digital education programs: Child Online Protection, which raises awareness on how to use the internet safely and responsibly; Conectadas, aimed at reducing the digital gender gap among mothers; and Maestr@s Conectad@s, which trains educators and sports instructors on how develop and facilitate technology-based curricula.

In 2022, the alliance benefited 4,500 children (more than 6,000 as from September 2021) and the Tigo team contributed approximately 600 volunteer hours to the project.

Tigo Launches Program to Mentor Latin American Youth

Millions are born into cycles of poverty and violence in Latin America. But with the right role models and community support, we can disrupt these harmful cycles and give children opportunities to thrive.

In September 2022, we announced a joint mentorship program to support students and young professionals in Latin America in partnership with Glasswing, a non-profit organization that empowers individuals and communities in the region. The mentorship program will initially focus on supporting the Central American Service Corps Jovenes Lideres de Impacto (Youth Impact Leaders), a service-learning initiative originally funded with exclusive support from The Howard G. Buffett Foundation and Glasswing.

Working closely with the Partnership for Central America, its corporate members and the Central American Leadership Initiative, the program will initially mobilize hundreds of Tigo mentors to connect, inspire and lead young people to opportunities for internships, training and jobs. The program's goal is to build hope, enhance community pride and harness the power of youth to effect positive change.

The program was announced at a Glasswing gala to honor Tigo's contributions to the region. Tigo was Glasswing's first corporate sponsor 15 years ago.

Protecting Data and Privacy Rights

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 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.

Protecting Privacy

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. Read our Privacy Statement here.

Mandatory Employee Training

All Millicom employees are required to participate in our cybersecurity and data privacy training. The training is available online for ease of use and effectiveness.

2022 Training Participation

Cybersecurity	95%
Data Privacy	97%

A Collaborative Approach

In 2022 we became a Data Privacy Champion of the National Cybersecurity Alliance, a consortium dedicated to empowering individuals and encouraging businesses to respect privacy, safeguard data and enable trust. Organizations in the alliance work together to make cybersecurity easier and more accessible.

We also continued to promote awareness regarding cybersecurity and online privacy practices and provide educational resources to help our employees learn how to mitigate risks and keep privacy and security top of mind. By promoting our privacy awareness campaigns, Millicom ensures that our employees are properly trained to protect our customers' and our colleagues' privacy and that our customers are informed about how we use and protect their information. Employees must complete privacy training to be eligible for bonuses.

We trained 23,751 employees and contractors on data privacy at Millicom in 2022.

Identifying and responding to incidents impacting personal data is a Millicom priority. Our Global Security Operation Center monitors our environments and identifies events that may be considered security issues. These events are analyzed and, where required, our Computer Security Incident Response Team is activated to respond to any incident. The team is supported by external experts for both incident response and forensic purposes.

Freedom of Expression

As our lives are increasingly digitized, we must balance our respect for customers' rights with our duty to comply with local laws in the countries where we operate. These laws require us to disclose information about our customers to law enforcement agencies and other government authorities in connection with their legitimate duty to protect national security and public safety, or to prevent or investigate crimes such as acts of terrorism. Whenever we face a government request for customer information, we seek to minimize the impact of that request on our customers' right to privacy and freedom of expression. Before we respond to any legal demand, we determine that we have received the correct type of demand based on the applicable law for the type of information sought.

Moreover, when any conflict arises between a local law and the United Nations' Universal Declaration of Human Rights or other international human rights standards, we strive to resolve that conflict in a manner that respects their right to privacy and freedom of expression, as well as their fundamental right to access the internet and communications services.

Millicom's significant on-the-ground presence in our markets gives us a strong understanding of potential human rights risks. We have run global human rights risk assessments in a number of our operating environments to assess such risks in partnership with leading sustainability firms.

Read our Law Enforcement Disclosure (LED) Report for more on our approach to managing law enforcement requests.

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.

Our local 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, test vulnerabilities to our network and systems to minimize the risk of security breaches, and respond to incidents where they occur.

We also maintain an ongoing awareness program consisting of regular communications to employees and contractors, phishing testing, generic cybersecurity training for all employees, and more specific training for populations like at-risk executives and administrators. More than 95 % of our employees participated in security awareness and training in 2022 covering key threats—including but not limited to phishing risk—as well as prevention and company procedures.

NIST Cybersecurity Framework

In 2022, we began implementing the National Institute of Standards and Technology CyberSecurity Framework (NIST CSF). Issued by the U.S. Department of Commerce, the framework provides guidance and best practices to help businesses of all sizes better understand, manage and reduce their cybersecurity risk and protect their networks and data. The CSF impacts the entire organization, ensuring that we implement processes that are not in place and improve the ones that are. Using CSF protocols, we completely rewrote our internal cybersecurity framework, including policies, standards and processes. We also transitioned from a "group+local" design—in which the group issues policies, but individual operations define local policies according to group requirements—to a "global" framework with a single set of policies applicable to all Tigo operations.

The CSF is the centerpiece of a new three-year cyber maturity model. In year one (2022), we focused on creating a full map of our security landscape, defining our success measures, determining our strategies, and investing in the technologies that best fit these strategies. In 2023, we're on track to fully map our customer data landscape, including third parties that interact with our customer data. In tracking our progress, we aim to achieve consistent improvement in 2023 and achieve full maturity in 2024.

We also initiated a complete review of our Information Security organization to ensure a full alignment with company priorities. The plan, to be completed in 2023, will help us move to a more centralized model avoiding the priority gaps between operational and security objectives, and enforce an even stronger standardization of our cyber practices.

Anti-Piracy Measures

Piracy is common in many of our markets, resulting in millions of dollars of lost revenue for Millicom, governments and communities (through lower taxes), and potentially sports teams when pirates illegally stream broadcasts. Piracy can occur on multiple platforms, including Internet Protocol Television (IPTV), social networks, apps or the web. One of the most common violations is when a legal TV signal is transmitted via an illegal subscription to a pirate content provider.

We're committed to helping unite all industry players—including programmers, TV channels, content distributors and more—in the fight to protect digital content creators in our region. In 2022, we joined the Alliance for Creativity and Entertainment (ACE), a global coalition of content providers and operators dedicated to combatting illegal acts of digital piracy. As the first telecommunications company in Latin America to join ACE, our membership gives ACE a strong foothold to continue expanding its reach and impact in key Latin American markets.

On a tactical level, we deploy a number of preventive and corrective measures to prevent privacy. In Paraguay, for example, we encrypt the end-to-end TV signal of both our traditional TV and IPTV broadcasts and our over-the-top (OTT) apps. (OTT refers to content that goes "over" a cable box and is delivered via internet connection.)

We also employ fingerprinting technology when broadcasting our main sporting events, with monitoring provided by our engineering and legal team. This allows us to identify the individuals who retransmit a signal illegally, interrupt the transmission and start legal proceedings against the perpetrator. Additionally, our teams monitor and remove contentious feeds on social networks or apps used to advertise or stream illegal feeds.

In Bolivia, we work closely with local regulators to prevent piracy. One way regulators have responded is by communicating the risk of fraud to consumers who stream content illegally.

Supply Chain

We seek to work with businesses that understand and share our values and meet our core social and environmental standards.

We do business with over 7,500 suppliers of all sizes across all markets where we operate in Latin America. Through them, we have an indirect, far-reaching societal impact. We seek to consciously address this impact and create positive ripple effects that impact our communities as a whole through better services, fair labor practices and robust environmental stewardship. To this end, we build long-term partnerships that are mutually beneficial at the group and local level, and that are in accordance with our full legal and compliance obligations.

Our Supplier Code of Conduct sets core expectations in the areas of health and safety, environment, fair labor, ethics and compliance. Our suppliers are expected to adhere to our code, which we revise regularly to ensure its continued relevance in a fast-changing world.

Supplier Training and Evaluation

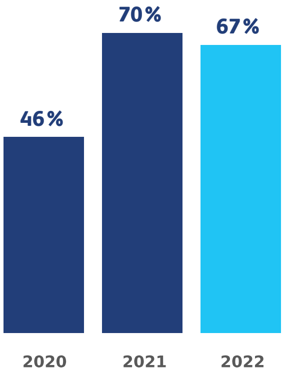
We continually provide training to key suppliers on ESG topics material to our business. In 2021, we transitioned to an online training module for strategic suppliers, helping us reach a greater percentage of our vendors. In 2022, we started requiring suppliers with group spend above U.S. $1 million and other strategic suppliers to take part in the training as a prerequisite for doing business with Millicom. 79% of our suppliers with $1 million-plus group spend participated in our training in 2022; we're aiming for 100% compliance in 2023.

Our supplier training in 2022 included updated content on our expectations for reducing GHG emissions in line with our newly announced climate commitments and related strategies. We also identified and engaged key vendors among our top Scope 3 emissions categories to begin working toward shared emissions reduction goals.

We continue to partner with EcoVadis to evaluate suppliers in key ESG areas, such as environmental stewardship, labor and human rights, ethics and sustainable procurement. This approach allows us to monitor supplier performance and progress in these areas over time. Please refer to the Performance Tables on starting on page 58 for more specific information on our progress.

Supplier Participation

Suppliers who signed our Supplier Code of Conduct



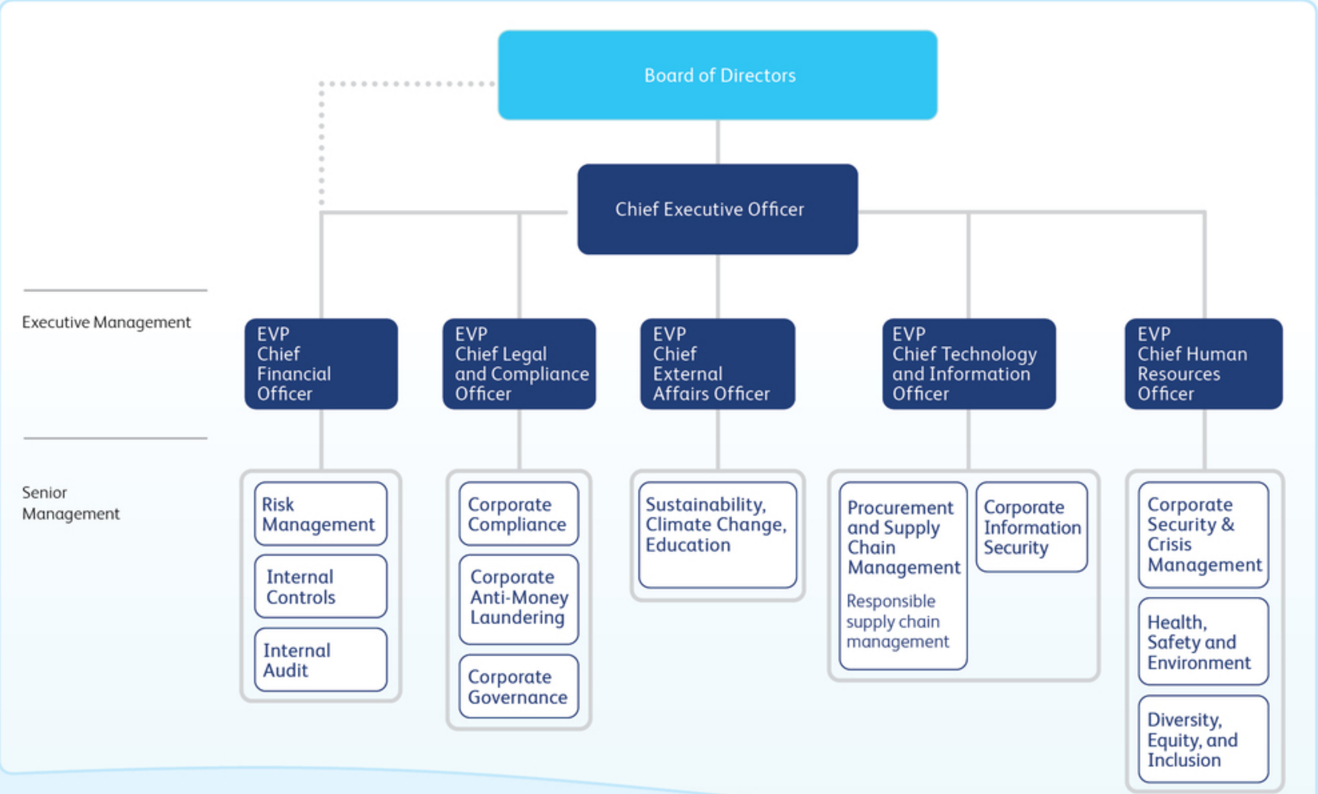
Governance

Through best-in-class governance practices, we hold ourselves to the highest standards in ethics, accountability and transparency in everything we do.

Management Governance

The Group embeds governance, risk, control, compliance and assurance activities into the daily operations of all of its operating businesses and its corporate functions. The corporate functions set policies and procedures and manage their implementation and compliance in accordance with our obligations and international best practices.

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.



Finance

Internal Controls

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 third-year controls attestation under the Sarbanes-Oxley Act for the 2021 financial year, we focused in 2022 on efficiencies in internal controls over financial reporting through simplification and centralization.

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.

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, 2022, 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.

Internal Audit

The 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, in addition to participating in local Audit Committee meetings.

Risk Management and Business Continuity

The central Risk Management team is responsible for the Group's risk management framework and processes, as well as designing, implementing and monitoring Millicom's risk management methodology and supporting tools and reporting to senior management, the Audit Committee and the Board of Directors.

A Management Risk Committee, comprising members of the Executive Team and central functions responsible for key risks, meets at least every three months to consider the evolution of key risks, monitor risk levels against appetite and tolerance, and consider future potential uncertainties and how these may manifest as risks to Millicom's business.

The Chief Risk Officer reports to the Executive Team and the Audit Committee.

Further information related to Millicom's risk landscape and the principal risks managed by the Group are set out in the Risk Management section starting on page 23 of this report.

Business Continuity Management (BCM) is positioned within the central Risk Management function of the Group. The framework and methodology is established centrally and implemented in each of the countries and central functions. Each country has a BCM team in place.

The Global BCM Policy establishes the methodology, tools and processes to prepare and strengthen organizational resilience and to facilitate coordinated and expedited recovery from business continuity incidents, and to minimize time, cost and opportunities that may be lost due to disruption.

Business continuity plans covering critical assets and processes are prepared, updated and periodically tested to provide assurance on resilience.

Legal and Compliance

Corporate Compliance and AML

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 to prevent, detect and correct 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 and 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.

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. In 2022, we published revised Code of Conduct, AML, anti-corruption, gift and hospitality, sponsorship and donation, and Speak Up policies. In the same vein, we continued to evaluate our progress in 2022 by launching a detailed compliance survey with a third party that provides a benchmark and action plan suggestions based on market best practices.

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, anti-bribery and AML policies 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 2022 included monthly newsletters highlighting relevant compliance news, monthly campaigns on various compliance policies, and celebration of the annual Corporate & Ethics Compliance Week in November 2022.

Aligned with our Sangre Tigo motto, and for the fifth year in a row, clear KPIs were built into the remuneration package of our General Managers and their direct reports.

Speak Up Policy and Issue Management: Continuing our compliance enhancements and evolution, we published an updated Speak Up policy in 2022, and, as in prior years, included Speak Up in our training program. We also conducted a Speak Up campaign in our communications program. The bulk (70%) of the inquiries and complaints recorded through our Speak Up program are related to Human Resources and Business Integrity.

We have a team dedicated to following up on concerns communicated through Speak Up and are committed to addressing 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.

External Affairs

Sustainability, Climate Change and Education

For the sixth consecutive year, we included extensive data on our ESG activities in our Annual Report. We reaffirm the synergy between our financial performance and sustainability as enabling a business model that positively impacts society and the environment and promotes responsibility. For more on our integral approach and ESG, see 'Our ESG Approach and Impact' section starting on page 28.

Technology and Information

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 information 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 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 to review the strategy and ensure appropriate risks are elevated and addressed. For more information on Information Security, see section starting on page 38.

During 2022, the global Information Security team focused is efforts in structuring its security program, based on NIST CSF (Cyber Security Framework) and improving the maturity:

- 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.
- Continued awareness and training initiatives, to large populations or specialized roles, and regular phishing testing.
- Protection of critical assets through inventory and classification of Millicom's assets and implementation of consistent protection measures.
- 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 to gain additional visibility. We also continued reviewing the configuration to improve incident detection and reduce false positive.
- Acceleration of vulnerability remediation, patch management, and obsolescence remediation and management program: A monthly scanning of the entire environment across the region ensures that vulnerabilities are identified and remediation is performed on a timely basis. This was supported by an automation of the patch management process and an acceleration of obsolescence remediation.

Procurement and Supply Chain Management

For information regarding procurement and supply chain management, see section starting on page 38.

HR

Health, Safety, Environment and Security Services

As our operations have transitioned to a post-COVID-19 working environment, ensuring safe workplace environments and the health and well-being of our employees remain the top focus areas of our Health & Safety (HSE) teams. HSE policies have evolved to incorporate our new hybrid working model, as we seek to create the optimal balance of safety, culture and operational effectiveness.

As employees returned to the workplace, we recognized the need to reassess all workplace safety and procedures. We started with onsite audits of all our operations, with a focus on workplace-related safety—such as fire prevention and evacuation drills—to ensure our employees were adequately trained and prepared. For more on our HSE see section starting on page 38.

Diversity, Equity and Inclusion

For information regarding diversity, equity and inclusion, see section starting on page 38.

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 allow for effective two-way communication and priority setting between Group and country-level operations during crisis situations. Crisis management planning was utilized on two different occasions in response to tropical storms that impacted our operations in Central America.

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.   We update our Group and country-level crisis management plans annually to reflect potential risks in our region and risks specific to our countries of operation.

In parallel, Millicom has implemented an asset protection initiative in all our operations designed to protect our systems and fixed assets that support our network operations. Managed by our Security and Operations teams, our goal with this initiative is to mitigate material losses at our network sites and ensure network operations.

ESG Performance Tables

We report our progress against our renewed ESG strategy, which includes the public commitments established in our five-year plan (developed in 2018) and incorporates elements of our 2022 Materiality Assessment, updated and adjusted as per our ongoing engagements with internal and external stakeholders. Our Performance Tables[1] have been redesigned to reflect our ESG strategy and adapt to changing global realities. Progress on goals and targets are disclosed in the tables on the following pages.

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[1] *Unless otherwise stated, this section 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 only disclosed for a reduced subset of Health & Safety and Compliance metrics. The majority of our performance data beginning on page 63 is for the period from October 1, 2021, to September 30, 2022, except where noted.*

ESG Public Commitments Overview

Environment

Topic	Our Goals	Target	Target Year	What We Did in 2022	Our Performance/Status
Energy and Climate Change	Develop and implement a comprehensive strategy for climate change mitigation and resilience that covers Tigo operations and our wider value chain.	Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year.	2030	Our targets were validated by the Science-Based Targets initiative (SBTi) and publicly announced in July 2022. We continued working with a cross-functional team throughout the year to scale energy-efficiency initiatives, including maximizing savings due to infrastructure modernization. We acquired 28,208 MWh from renewable sources through power purchase agreements in Panama and renewable energy certificates in Colombia.	▬ In progress
		Reduce absolute Scope 3 GHG emissions 20% by 2035 from a 2020 base year.	2035	We have engaged with key suppliers in Purchased Goods & Services, Capital Goods and Use of Sold Products categories to initiate joint action to reduce our Scope 3 emissions.	▬ In progress
e-Waste and Circular Economy	Manage and measure waste streams, including the reuse and recycling of consumer devices.	Reach an end-to-end recovery rate of 76% of Consumer Premise Equipment* ("CPE") by 2024. *Excludes obsolete equipment that cannot be reinserted.	2024	We surpassed our target with an end-to-end recovery rate of 83% (target for year-end December 2022 was 73%).	▬ Completed
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	In 2022, we documented waste disposal in our operations. The waste documented includes electronic components (e-waste), carton/paper, wood, plastic, metal and industrial fluids, to name a few. A 2022 waste disposal report of all the waste collected and disposed in our operations is available for review.	▬ Completed
		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. No significant gaps were identified during the 2022 recertification processes. Updated and standardized environmental policies and guidelines have been issued for internal use.	▬ Completed

▬ Completed ▬ In Progress ▬ Refocused ▬ Delayed

ESG Public Commitments Overview—Continued

Society

Topic	Our Goals	Target	Target Year	What We Did in 2022	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	We trained 171,059 women. In April 2022, we launched a web-based app offering free courses and digital tools in basic finances and social media to women and adolescent girls.	Completed
	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	Our resources and priorities shifted during the pandemic, resulting in us missing our 2020 target. We're nearing completion, however, as eight out of our nine Latam operations currently have a new system in place that blocks CSAM sites (Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay). The implementation process is ongoing in Panama.	In progress
	Continue our programs to reduce the gender gap in the use of mobile technology.	Close the digital gap in our operations by 2020 in line with commitments through the Global System for Mobile Communications Association's (GSMA) Connected Women initiative.	2020	This initiative is now part of our Connected Women program. GSMA extended the Connected Women initiative until 2023.	Refocused
	Expand Child Online Protection (COP) training through our employee volunteering program by creating an online training platform for all Tigo operations.	Reach 120,000 volunteer hours for COP-related programs by 2023.	2023	Our employees contributed 25,909 virtual and face-to-face volunteer hours, of which 7,341 were for COP-related programs through our hybrid approach.	In progress
	Continue our COP education program to reach more children, adolescents, parents, teachers and caregivers.	Reach 700,000 children and adolescents; 200,000 parents and caregivers; and 70,000 teachers.	2023	Including the results of our alliance with the Real Madrid Foundation, we reached 102,554 children and adolescents. We also reached 36,478 parents and caregivers and 5,451 teachers through our Conéctate Segur@ training program.	In progress
	Conduct assessments in our operations on socioeconomic conditions and technological capabilities of women and girls who are the beneficiaries of our programs to measure benefits achieved through trainings.	Conduct assessments for all operations focused on socioeconomic conditions and technological capabilities of women and girls by 2023.	2023	Due to the pandemic crisis and the restrictions to in-person activities, the resources for these studies were refocused to the Conectadas and Maestr@s Conectad@s digital education programs and their platforms.	Refocused
	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 a regional impact measurement methodology to operations by 2020.	2020	Due to mobility restrictions, the resources for these studies were refocused to the Conectadas and Maestr@s Conectad@s digital education programs and their platforms.	Refocused
		Implement an impact measurement methodology for all operations related to connectivity and digital inclusion by 2022.	2022		Refocused
Digital Inclusion	Continue bringing internet connections to schools and public institutions in vulnerable communities throughout Latin America through collaborative partnerships with local governments and NGOs.	Provide internet to 1,300 schools and public institutions by 2023, reaching our set commitment with the OAS ICT Alliance.	2023	As of September 30, 2022, 2,347 schools and public institutions were connected to the internet.	Completed

▬ Completed ▬ In Progress ▬ Refocused ▬ Delayed

ESG Public Commitments Overview—Continued

Society

Topic	Our Goals	Target	Target Year	What We Did in 2022	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.		2030	We defined and communicated our DE&I targets to both external and internal stakeholders: • 50% of women at all levels of the organization • 50% gender balance in upper management positions globally • Train 100% of our employees on DE&I annually DE&I objectives are now tied to GM bonuses and are included in our Leader Success program. We continued focusing on awareness and education through such activities as unconscious bias training, annual communications campaigns, and panel discussions and workshops. See further details in our Society section starting on page 38.	▬ In progress 97% of employees received unconscious bias training. 40% of women in managerial positions and 42% of women across our employee base.
	Promote a culture of inclusion through policies, procedures and regular training, as well as activities that foster employee collaboration.				
	Enhance employee wellness and growth through policies, programs and practices designed to support their professional aspirations and personal development.				
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	45% of current global strategic suppliers scored 45 or higher on Ecovadis. Based on those assessments, we have assigned corrective action plans on their key areas of opportunity in an effort to boost their scores towards our target.	▬ In progress
	Extend related training to procurement team.	Train 100% of procurement staff in responsible supply chain management issues related to our core risks.	2023	We have continued to deliver training through our corporate learning management system.	▬ In progress 91% of our procurement teams have been trained on responsible supply chain management.
	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 have updated our training program to include science-based target topics and have continued to extend the training through our supplier online learning platform.	▬ In progress 79% of eligible suppliers received training.
	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.	▬ In progress 57% of the global strategic suppliers in our updated list have been vetted on our sustainable procurement platform.
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. Develop and deploy Human Rights Impact Assessment (HRIA) toolkit in our markets.	Develop remediation plan to cover findings of HRIAs by Q2 2021.	2021	No material issues were raised in the HRIAs that required a remediation plan. 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 established Human Rights Impact Assessments.	▬ Completed
		Training on HRIA toolkit conducted in all operations by Q4 2019.	2019	Extensive training completed in countries where HRIAs have been conducted. Remaining operations received awareness building training on topic and received additional training to ensure alignment with a wide range of ESG regulations.	▬ Completed
		Conduct HRIAs in all operations by Q4 2020.	2020	Completed HRIA in CO, PY, BO and NI. Methodology for remaining countries continued internally, given the increased knowledge and skills our local teams have gained from training in recent years on these topics.	▬ Completed

▬ Completed ▬ In Progress ▬ Refocused ▬ Delayed

Read our Law Enforcement Disclosure (LED) Report for more on our approach to managing law enforcement requests and major events.

ESG Public Commitments Overview—Continued

Governance

Corporate Governance, Compliance and Information Security are covered in detail in the Governance Report, starting on page 68. Specifically, more information on Compliance is included in "Compliance and Business Conduct Committee," starting on page 92.

Topic	Our Goals	Target	Target Year	What We Did in 2022	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 fifth year we have tied GM compliance objectives with their bonuses, and this year we included GM-1 under the same scope. Tigo Guatemala has adopted our GM remuneration package, aligning with our 100% target for 2022. Heatmap and KPIs scorecards have been presented to the Board of Directors as a way to assess progress towards compliance objectives.	▬ Completed 100% of GMs and GM-1 have compliance KPIs built into their remuneration package.
		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	We deployed the annual mandatory training on Code of Conduct to all operations and HQ employees..	▬ Completed 99% of employees completed the Code of Conduct training.
		Respond within three business days to all Ethics Line allegations submitted through hotline.	Annual	We responded within three business days to each Ethics Line allegation submitted through hotline.	▬ Completed
		Provide corrective action recommendations for each Ethics Line case substantiated through the investigation process.	Annual	We provided corrective action recommendations for each substantiated Ethics Line case. Each corrective action was tracked through completion.	▬ Completed Where a concern or allegation is substantiated, investigation findings and recommendations for corrective action are provided to the appropriate review committee.
	Maintain 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	We updated several compliance policies and updated the hospitality form to meet policy changes. The existing Third Party Due Diligence platform serves as a repository and a process management tool to vet vendors before being onboarded. This tool also runs background checks on existing vendors, based on automated watch lists, adverse media and law enforcement searches.	▬ Completed Both the forms and the Third Party Due Diligence tool are standardized and accessible for our operations.

▬ Completed ▬ In Progress ▬ Refocused ▬ Delayed

Our Performance

About Our ESG Metrics

2022 metrics have been condensed following the updates in our materiality assessment and in alignment with our public commitments. They reflect our 'Group Segment' definition, including Guatemala and Honduras and excluding Africa (except otherwise stated). New key performance indicators will be reported voluntarily in the following years, in accordance with the framework of the upcoming regulation.

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

Environment

E-waste for recycling through responsible waste management program (tonnes)

KPI	2020	2021(i)	2022
Bolivia	—	24	139
Colombia	1,373	1,858	2,953
Costa Rica	—	43	32
El Salvador	118	71	58
Guatemala	181	365	637
Honduras	162	310	213
Nicaragua	—	342	431
Paraguay	75	104	412
Panama	527	168	169
Total weight of e-waste for recycling through our responsible e-waste management program	2,436	3,285	5,044

(i) Misstatement for Paraguay, Costa Rica and Nicaragua detected in 2022 and adjusted from 4,654 Tonnes as disclosed in the Annual Report 2021 to 3,285Tonnes.

Energy use

KPI	2020	2021	2022
Base station and fixed network sites			
Energy from fuel (MWh)	46,721	46,590	50,046
Grid electricity (MWh)	459,496	514,684	532,301
Our fleet			
Energy from fuel (MWh)	53,630	52,017	45,803
Data centers and offices			
Energy from fuel (MWh)	3,220	2,281	2,350
Grid electricity (MWh)	124,808	118,679	131,975
Shops			
Energy from fuel (MWh)	626	105	109
Grid electricity (MWh)	16,538	13,304	14,401
Total energy consumption (MWh)			
Grid electricity (MWh)	600,842	646,667	678,677
Energy from fuel (MWh)	104,197	100,993	98,308
Total energy consumption (MWh)	705,039	747,660	776,985
Out of which energy from renewable sources (MWh)	New KPI for 2021	18,772	28,208
Scope 1 emissions (Tonnes of CO2e)	33,629	33,161	31,942
Scope 2 emissions (Tonnes of CO2e)	152,060	146,525	139,242
Scope 3 emissions (Tonnes of CO2e)	1,585,057	2,202,250	1,582,304

Scope 1 emissions include fugitive emissions using emission factors from the "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 the World Resources Institute (2015) GHG Protocol Tool for Stationary Combustion (version 4.1) and the Mobile Combustion GHG Emissions Calculation Tool (version 2.6).

Scope 2 emissions (market-based method) were calculated using Electricity Emission Factors from IEA, except in the case of Colombia (as from 2021).

Scope 3 emissions computation was performed with reference to the GHG Protocol methodology, and was calculated by an expert third party, whenever feasible and relevant. Scope 3 categories 10 (Processing of sold products), 13 (Downstream leased assets) and 14 (Franchises) were not included because they are not applicable to Millicom. Category 9 (Downstream transportation and distribution) is included in category 4 based on the Greenhouse Gas Protocol methodology. Variation towards the base year is explained by an increase in 2021 due to COVID-19 and a decrease in 2022 thanks to our continuous improvement practices focus on comply our science-based target. The more representative categories are related to purchased goods and services (45%) and use of sold products (31%), which together account for 76% of Millicom's Scope 3 GHG emissions.

Our Performance—Continued

Society

Diversity and Inclusion

KPI	Year ended December 31, 2020	2021	2022
% of women in managerial positions	38 %	39 %	40 %
% of women across our employee base	38 %	41 %	42 %

Supply Chain

KPI	2020	2021	2022
% of all suppliers who have signed the supplier code	46 %	70 %	67 %
% of procurement teams trained on responsible supply chain management	75 %	92 %	91 %
% of suppliers with Group spend >$1.0m trained on Millicom's ESG strategy and requirements	New KPI for 2021	78 %	79 %

% of all suppliers who have signed the code of conduct is only for suppliers with a spend of over $25,000 ($80,000 for Colombia). Suppliers with a compliance program in place that's considered equivalent to ours (not included above) for this exercise were approximately 5% for 2022.

As from 2022, % of procurement teams trained on responsible supply chain management is reported on a calendar year basis as opposed to past reporting cycles, which went from October 1 to September 30 of the reporting year.

Suppliers considered for ESG training are those with a 2022 spend over $1M is reported on a calendar year basis excluding related parties, competitors, utilities and government entities. Suppliers with an identified CSR robust program (Ecovadis score of 45 and above) are considered trained and included in the above figure.

Health and Safety

KPI	2020	2021	2022
Number of employee fatalities	1	0	0
Number of contractor fatalities	2	2	8
Number of lost time accidents for Millicom employees	49	41	55
Lost-time injury rate per 1,000 employees	1.35	0.83	2.76
Absentee rate (%)	1.45 %	1.97 %	2.04 %

Apprentices (students hosted due to government programs, work experience students on contracts of less than a year, unpaid interns etc.) are excluded from employee metrics.

For details on the number of contractor fatalities and measures put in place, see section starting on page 38.

A lost time accident as shown above occurs when an employee takes one or more days of lost time due to injury. In 2022, lost-time injury rate is capturing all accidents that resulted in at least one day or more of lost-work time. Previously (2021 and 2020), lost-time injury rate only captured incidents that involved 3 or more days of lost work.

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

Digital Education

KPI	Year ended December 31, 2020	2021	2022
Women trained in digital inclusion programs ("Conectadas")	131,274	158,881	171,059
Teachers trained through Maestr@s Conectad@s program	202,737	112,737	102,472

	2020	2021	2022
% of operations blocking child sexual abuse content	44 %	67 %	89 %

As of September 30, 2022, we reached by COP training more than 650 thousand children. (approximately 103 thousand for the period October 1, 2021 to September 30, 2022), following our target of 700 thousand by the end of 2023 (see corresponding public commitment above).

Digital Inclusion & Social Investment

KPI	2020	2021	2022
Monetary value of employee volunteering ($)	346,863	138,174	228,464
Volunteering hours	30,323	13,525	25,909

As of September 30, 2022, 2,347 schools and public institutions were connected to the internet, exceeding our target of 1,300 by the end of 2023 (see corresponding public commitment above).

Fundamental Rights

KPI	2020	2021	2022
Total number of law enforcement requests	37,007	53,420	71,572

	Year ended December 31, 2020	2021	2022
Number of major events	15	8	4

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. Read our Law Enforcement Disclosure (LED) Report for more on our approach to managing law enforcement requests and major events.

Our Performance—Continued

Governance

Ethics

	Year ended December 31,		
KPI	**2020**	**2021**	**2022**
% of employees who acknowledged the Code of Conduct	99 %	99 %	99 %
% of employees who have completed the Code of Conduct training	99 %	99 %	99 %
% of operations (where) we conducted a compliance risk assessment	100 %	100 %	100 %

Apprentices (students hosted due to government programs, work experience students on contracts of less than a year, unpaid interns etc.) are excluded from employee metrics.

Corporate Governance is covered in detail in the section starting on page 68.

Independent Limited 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 2022 Annual Integrated Report (the "Report') as set out below for the year ended December 31, 2022 (bolded below) and for the twelve month period October 1, 2021 to September 30, 2022 (not bolded).

Engagement summary	
Scope of our assurance engagement	Whether the selected calendar year 2022 (bolded) and twelve-month period October 1, 2021 to September 30, 2022 (not bolded) disclosures are fairly presented in the Report, in all material respects, in accordance with the reporting criteria: Environment • **Consumer Premise Equipment (CPE) end-to-end recovery for the Group {% recovered}** • Total grid electricity [MWh] • Total renewable energy [MWh] • Total fuel consumption [MWh] • Total energy consumption [MWh] • Scope 1 emissions [metric tonnes CO_2e] • Scope 2 emissions [metric tonnes CO_2e] Society Diversity and inclusion • **% of women in senior management positions** Digital education • **Women trained in digital inclusion program ("Conectadas") [# women trained]** • **Teachers trained through of Maestr@s Conectad@s program [# teachers trained]** Supply chain • % of all suppliers who have signed the Supplier Code • **% of procurement teams trained on responsible supply chain management** • **% of suppliers with Group spend >$1.0 million trained on Millicom's ESG strategy and requirements** Health and safety • Number of employee fatalities • Number of contractor fatalities • Number of lost time accidents for Millicom employees • Lost-time injury rate per 1,000 employees • Absentee rate Fundamental rights • Number of law enforcement requests • **Number of major events** Governance Ethics • **% of employees who acknowledged the Code of Conduct** • **% of employees who have completed the Code of Conduct training** Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Reporting period	Year ended December 31, 2022 (bolded above) Twelve-month period October 1, 2021 to September 30, 2022 (not bolded above).
Reporting criteria	• GHG Protocol (2004, as updated January 2015) published by World Business Council for Sustainable Development (WBCSD) / World Resource Institute (WRI) • Millicom's internal reporting criteria and definitions (described in notes throughout the Report)
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Millicom is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report. ERM CVS's responsibility is to provide conclusions to Millicom on the agreed scope based on our engagement terms with Millicom, the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2022 data for the disclosures listed under our 'Scope' above and shown on page 59, 63, 64 and 65 of the Report are not fairly presented in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Report, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Assessing the appropriateness of the reporting criteria of the Report
- Interviews with management representatives responsible for managing the selected issues.
- Interviews with Corporate-level staff to understand and evaluate the relevant management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the data submitted by all locations included in the consolidated 2022 group data for the selected disclosures which included testing the completeness and mathematically accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Virtual visits to two Millicom operations in El Salvador and Nicaragua to review source data and understand local reporting systems and controls.
- Confirming emission factors and assumptions used.
- 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 information 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 independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence, and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

The team that has undertaken this assurance engagement has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Millicom in any respect.

Beth C.B. Wyke

Beth Wyke
Head of Corporate Assurance Services
Malvern, PA

February 28, 2023

ERM Certification and Verification Services, Inc.
www.ermcvs.com; Email: post@ermcvs.com

ERMCVS
Informed Assured

Corporate Governance

Chairman's Report

Transparent Governance: Leading with Purpose

Millicom's Board of Directors ("the Board") set our three-year strategy and successfully lead oversight of the Company's strategic, operational, regulatory and compliance-related matters in 2022, with the support of our Board committees and senior management.

Introduction

The Board leads with one clear purpose: "To build the digital highways that connect people, improve lives and develop communities." Through our core business and our strategic social and environmental impact initiatives, we seek to grow our business in a sustainable way, creating long-term value for stakeholders.

In February 2022, Millicom announced new three-year operational, financial and strategic targets. These strategic goals included ambitious financial, cash flow and debt targets, shareholder remuneration plans, the expansion of our fixed broadband network, preparatory plans for towers and mobile financial services carve-outs, and new science-based GHG emissions reduction targets.

In May 2022, the Board approved a successful rights offering in order to strengthen our balance sheet and repay the remaining part of our bridge loan.

Under the supervision of Millicom's Board, the Company also acquired the remaining 20% interest in Tigo Panama in June 2022. As a result of this transaction, Millicom now proudly owns 100% of Tigo Panama, the leader in Panama's telecommunications market.

During 2022, the Board further reviewed and updated the risk appetite, as well as monitored the implementation of controls in areas such as accounting, financial, legal, regulatory and compliance. The Board also supervised management in fulfilling its obligations and responsibilities, and reviewed the performance and compensation of the CEO.

I thank our Board members and Senior Management for leading the organization with transparency, commitment and dedication in 2022.

Board and Senior Management Changes

In May, following elections at the Company's annual general meeting, we welcomed back Mr. Tomas Eliasson to Millicom's Board as a Non-Executive Director. Mr. Eliasson brings significant experience with Millicom to the Board, along with a wealth of financial and strategy experience in the telecommunication industry.

I would like to extend our gratitude to Ms. Sonia Dulá for her contribution to the Board and its Audit Committee and Compliance and Business Conduct Committee in 2021 and 2022.

In January 2022, we welcomed Mr. Sheldon Bruha, who was appointed as Millicom's CFO on April 1, 2022. Mr. Bruha brings a wealth of senior financial leadership experience in multiple sectors, including telecommunications. His appointment followed Mr. Tim Pennington's retirement from his role as CFO. We extend our gratitude to Tim for his extraordinary contribution to Millicom between 2014 and 2022. He played an instrumental role as the Company transformed itself into a leading provider of fixed and mobile broadband services in Latin America, helping lead key projects like Millicom's exit from Africa; its U.S. NASDAQ listing; its acquisitions in Panama and Nicaragua; the consolidation of its ownership of the Guatemala operation; and preparation for the rights offering.

Enhancing Governance and Optimizing Corporate Structure

Millicom continues to strengthen its governance framework with Board and Committee oversight of risk, controls and assurance initiatives, including in the areas of business continuity, cybersecurity and incident management.

In line with strategic targets, Millicom is conducting a corporate restructuring that will enable carve-outs and maximize the fintech market opportunity, while ensuring transparent subsidiary governance and enhancing internal controls.

Diversity, Equity & Inclusion (DE&I)

DE&I is embedded in the DNA of our Sangre Tigo culture. We are committed to achieving gender parity by 2030 across the entire organization, including upper management positions globally. In addition, the Company continued to train 100% of our employees annually on DE&I. We are reviewing the adoption of DE&I policies & training by strategic suppliers, and continue to promote inclusion of other under-represented groups. We are focused on making TIGO an environment where all voices are heard and respected.

Our positive Sangre Tigo culture was rewarded by earning 2nd place in the Best Workplaces in Latin America 2022 ranking for multinational companies. This marked TIGO's fourth year on the Great Place to Work® roster of leading workplaces.

Compliance and Business Ethics

During 2022, we emphasized the importance of doing business the right way throughout all levels of our organization. Relying on the active participation of employees in our operations, we fully customized the content of our training to make it 100% Tigo relevant and relatable. We captured real-life challenges, while setting the tone at the top and leading by example. Our Board believes this culture is a vital strength that contributes to the success of our business.

We thank you for being part of Millicom's successful transformation and look forward to continuing to grow with you.

José Antonio Ríos García

Chairman of the Board of Directors

Framework and Shareholder Governance

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 Depositary 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.

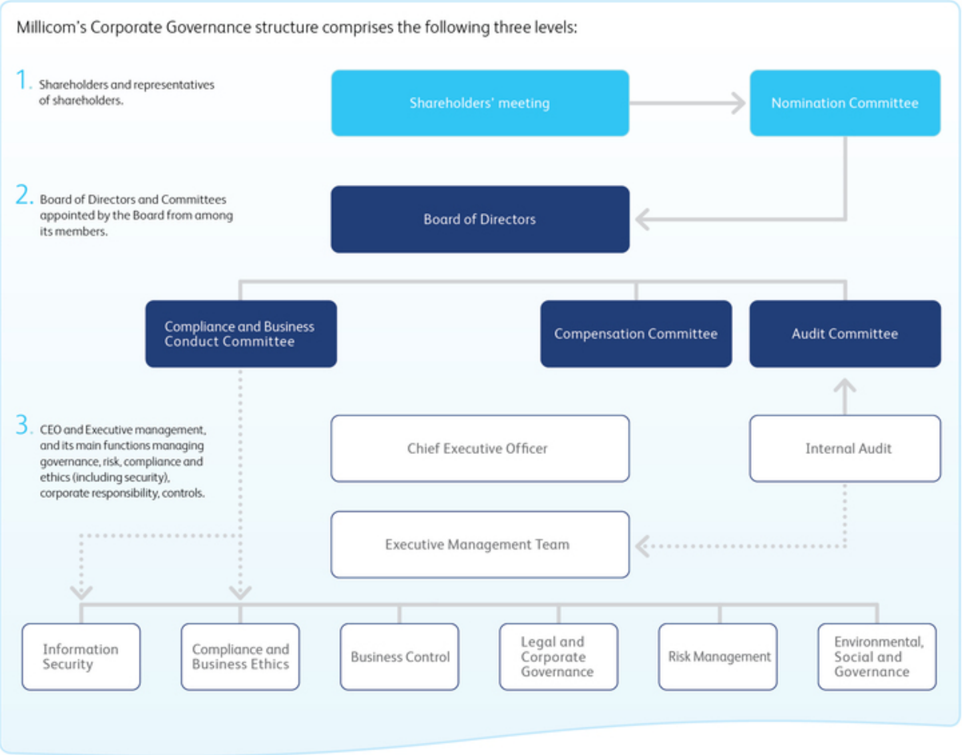
Swedish Corporate Governance Code

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 2022.

Corporate Governance Structure



Shareholders and Representation of Shareholders

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 2022 AGM, held virtually on May 4, 2022, shareholders approved all the resolutions proposed by the Board and Nomination Committee, including the following key items:

- the annual accounts and the consolidated accounts for the year ended December 31, 2021;
- the allocation of the profit of US $204,806,298 to the profit or loss-brought-forward account of Millicom;
- the discharge of all current and former Millicom Directors who served at any point in time during the financial year ended December 31, 2021, for the performance of their mandates;
- the establishment of the number of Directors at nine (9) and election of the Board members and Chair of the Board (see "Board Profile: Skills and Experience on page 78);
- the re-election of Ernst & Young S.A., Luxembourg as Millicom's external auditor;
- the remuneration to the Board members and external auditor;
- the instruction to the Nomination Committee;
- the share repurchase plan;
- the 2021 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 28, 2022, an Extraordinary General Meeting (EGM) was scheduled to be held to increase the authorized share capital and amend the articles of association in preparation for the Rights Offering we announced during Q1. 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 2022 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 Chair 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 2022, no shares were repurchased under the share repurchase plans approved at the 2021 AGM (valid until May 4, 2022), or the plan approved at the 2022 AGM (valid until May 4, 2023).

Nomination Committee

Millicom's prior Nomination Committee, which was elected in October 2021 and served until the appointment of a new Committee in October 2022, was composed of:

Member	On behalf of:	Position
Mr. John Hernander	Nordea Investment Funds	Chair
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

Millicom's current Nomination Committee, elected in October 2022, is composed of:

Member	On behalf of	Position
Mr. Jan Dworsky	Swedbank Robur	Chair
Mr. Viktor Kockberg	Nordea Investment Funds	Member
Mr. Staley Cates	Southeastern Asset Management	Member
Mr. Gerardo Zamorano	Brandes Investment Partners	Member
Mr. José Antonio Ríos García	Appointed by shareholders at the 2022 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, 2022.

Shareholder	Number of shares	% Shareholding
Société Générale S.A. (1)	13,744,989	8.0%
Xavier Niel (2)	12,046,741	7.0%
Dodge & Cox (3)	8,844,432	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 shares. For the 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.

(1) Information herein is based upon a Schedule 13G filed with the SEC on February 6, 2023. Based solely upon Amendment No. 1 to Schedule 13G, filed with the SEC on February 10, 2023, Société Générale S.A. held 43,188 of our common shares (0.03% of common shares outstanding) as of February 6, 2023.

(2) Information herein is based upon a Schedule 13G jointly filed with the SEC on November 4, 2022 by Atlas Investissement, NJJ Holding and Xavier Niel. Based solely upon a Schedule 13D, jointly filed with the SEC on February 24, 2023 by Atlas Luxco S.à r.l., Atlas Investissement, NJJ Holding and Xavier Niel, Xavier Niel held 34,173,526 of our common shares (approximately 20% of common shares outstanding) as of February 24, 2023. The sole owner of Atlas Luxco S.à r.l. is Atlas Investissement. The sole owner of Atlas Investissement is NJJ Holding. The sole owner of NJJ Holding is Xavier Niel, and as a result, Xavier Niel is deemed to be the beneficial owner of NJJ Holding, Atlas Investissement and Atlas Luxco S.à r.l.

(3) Information herein is based upon Amendment No. 1 to Schedule 13G filed with the SEC on February 14, 2023. As of December 31, 2021 Dodge & Cox held 5,182,144 of our common shares (5.1% of common shares then outstanding). As of December 31, 2020 Dodge & Cox held 4,856,615 of our common shares (4.8% of common shares outstanding).

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 determining the appropriate skills, perspectives and experiences required of Board candidates based on the Company's strategic 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, 2022)

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	2	7	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction			4	
LGBTQ+			0	
Did Not Disclose Demographic Background			0	

Board Governance

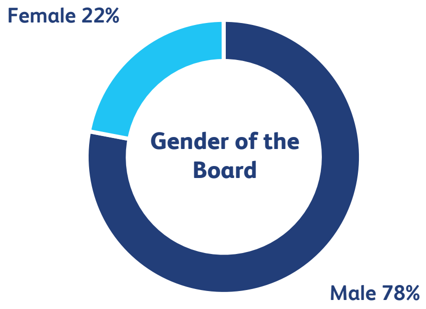
2. Board of Directors and Board Committees

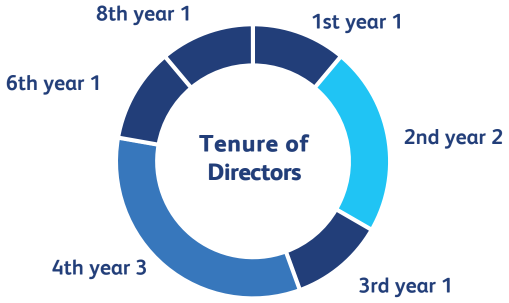
The Chairman convenes the Board and leads its work. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the CEO. Meeting agendas are set with the CEO, and the Chairman communicates Board decisions where appropriate.

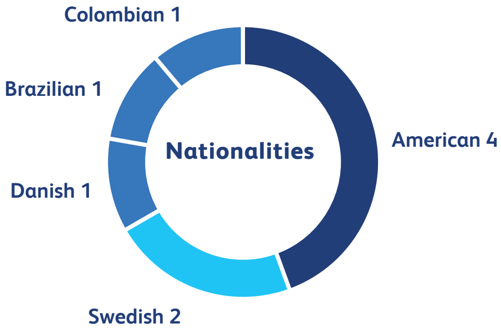
Role of the Board

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 2022 AGM set the number of Directors at nine, comprising a Chair, a Deputy Chair and seven members. The Board is composed of eight Non-Executive Directors and one Executive Director (the 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, 2022.

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 2022 AGM and ending on the date of the 2023 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

Chair of the Board

The Chair is elected by the AGM. If the Chair relinquishes the position during the mandate period, the Board elects a new Chair from among its members to serve until the end of the next AGM. The Board Chair convenes the Board and leads its work, coordinates with the CEO to set the meeting agendas and serves as the Board's liaison to the CEO between meetings.

Deputy Chair of the Board

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

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 on Board responsibilities and logistics.

Chief Executive Officer (CEO)

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.

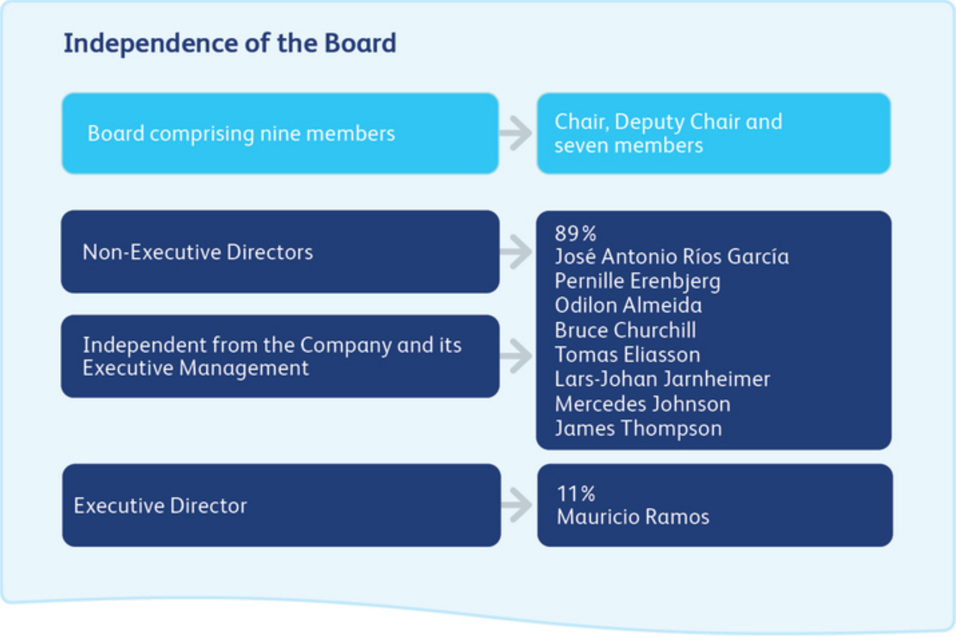
The CEO also leads Millicom's communications with shareholders, employees, government authorities, other stakeholders and the public.

Board Membership, Balance and Independence

The Nomination Committee and the Board periodically review the size, balance and diversity 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 that hold at least 5% of the share capital may propose additional 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 → Chair, 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
Tomas Eliasson
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

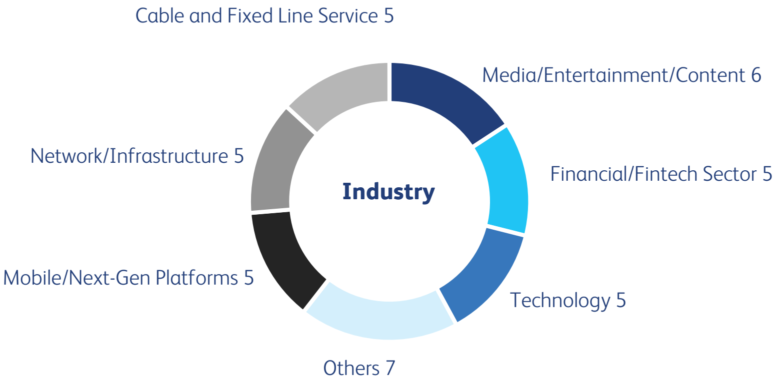
Swedish Code's independence provisions

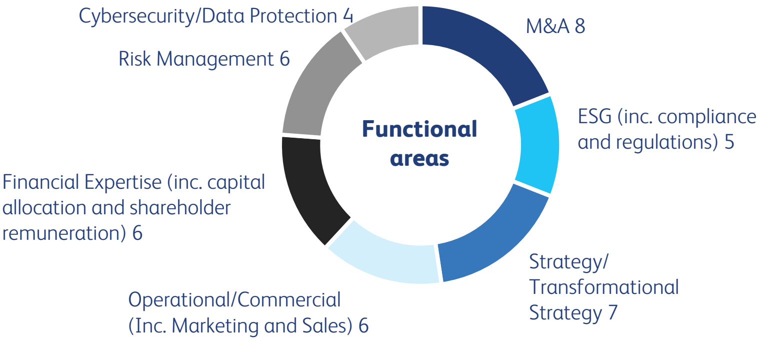
Requirement	Compliant
The majority of Millicom's Board must be independent from the Company and its executive management team.	8 out of 9 Millicom Directors meet this criterion (89%)
At least two of those independent Directors must also be independent from the Company's major shareholders.	All of Millicom's 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%)

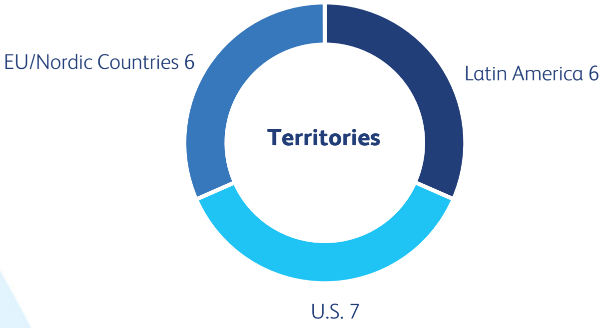
Nasdaq Stock Market rules

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 skill sets 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 Chair of the Board in May 2022; 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: In addition to serving as the Chairman of Millicom's Board of Directors, Mr. Ríos is currently a Board member and the Chairman of the Compensation Committee of Cirion Technologies and a Senior Advisor and Consultant of Pan American Finance. Previously, Mr. Rios held the following roles: (i) Senior External Advisor to the President and Board of Directors of Celistics Holdings, a leading cellular top-up distribution business and mobile payment platform, as well as a provider of 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 include: (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, 2023 (including holdings by closely related persons): 43,891 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 2022; 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.

Millicom Committees: Chair of the Compensation Committee

Experience: Currently, Ms. Erenbjerg also serves as (i) Chair of the Board of Nordic Entertainment Group AB (Viaplay), which provides international streaming services; (ii) Deputy Chair of Genmab, a dual listed company focusing on international biotechnology headquartered in Denmark; and (iii) a Non-Executive Board member of RTL Group, Europe's largest broadcaster. Previous roles include: (i) President and Group Chief Executive Officer of TDC, the leading provider of integrated communications and entertainment solutions in Denmark and Norway; and (ii) 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, 2023 (including holdings by closely related persons): 32,869 shares

Mr. Odilon Almeida

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2022; first appointed in May 2015

Nationality: 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.

Millicom Committees: Chair of the Compliance and Business Conduct Committee

Experience: From March 2020 to November 2022, Mr. Almeida was the President and Chief Executive Officer of ACI Worldwide Inc, , and served as a member of the Company's Board of Directors.. His previous roles include: (i) President of Western Union Global Money Transfer, where he led Western Union's global consumer omnichannel 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, 2023 (including holdings by closely related persons): 26,682 shares

Mr. Bruce Churchill

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2022; first appointed 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.

Millicom Committees: Member of the Audit Committee

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 served as (i) Non-Executive Director on the Board of Computer Sciences Corporation, a multinational corporation that provided IT services and professional services, from 2014 to 2017 (when the company merged with HP Enterprise); (ii) President of DIRECTV Latin America, LLC, from 2004 to 2015, and Chief Financial Officer of DIRECTV from January 2004 to March 2005; and (iii) President and Chief Operating Officer of STAR TV.

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, 2023 (including holdings by closely related persons): 12,566 shares.

Mr. Tomas Eliasson

Non-Executive Director

Role: Elected as a Non-Executive Director in May 2022

Nationalities: Swedish citizen

Age: Born in 1962

Skills: Mr. Eliasson brings to the Millicom Board significant experience as a Chief Financial Officer (CFO) for multinational and global Swedish companies in roles that span governance and oversight over financial reporting, internal control, and risk management processes and procedures within global finance functions. He also brings extensive knowledge of Millicom, having served as a Non-Executive Director and Chair of the Audit Committee for seven years between 2014 and 2021.

Millicom Committees: Member of the Audit Committee, Member of the Compliance and Business Conduct Committee

Experience: Currently, Mr. Eliasson serves as: (i) Non-Executive Director of Riksbankens Jubileumsfond, a Swedish foundation promoting and supporting research in the humanities and social sciences; (ii) Non-Executive Director of Boliden, a metals company with a focus on sustainable development, listed in Nasdaq Stockholm; and (iii) Non-Executive Director of Telia Company, a listed telecommunications, media and entertainment company. Previously, Mr. Eliasson served as: (i) Chief Financial Officer (CFO) of Sandvik AB, a global high-tech engineering group providing solutions for the manufacturing, mining and infrastructure industries, until January 2022; (ii) CFO of Electrolux, a leading global appliance company listed in Nasdaq Stockholm; (iii) CFO of ASSA ABLOY Group, a global leader in access solutions, listed in Nasdaq Stockholm; and (iv) CFO of SECO Tools, a global metal cutting and machining solutions provider, among others.

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

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

Millicom shareholding at January 31, 2023 (including holdings by closely related persons): 7,142 shares

Mr. Lars-Johan Jarnheimer

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2022; first appointed 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.

Millicom Committees: Member of the Compensation Committee

Experience: Currently, Mr. Jarnheimer serves as: (i) Chair of the Board of Telia Company, a listed telecommunications, media and entertainment company; (ii) Chair of the Board of INGKA Holding B.V. (Ikea); (iii) Deputy Chair of the Board of SAS AB, a Swedish-listed aviation company; and (iv) Chair of Arvid Nordquist, a Swedish company that commercializes coffee, wine, beer, and food products in Nordic countries. Previously, Mr. Jarnheimer served as: (i) President and CEO of Tele 2; (ii) CEO of Comviq GSM; (iii) Chair of the Board of Directors of Qliro Group, BRIS and Eniro AB; and (iv) Board member of MTG Modern Times Group AB, Invik and Apoteket AB, 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, 2023 (including holdings by closely related persons): 18,396 shares

Ms. Mercedes Johnson

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2022; 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.

Millicom Committees: Chair of the Audit Committee, Member of the Compliance and Business Conduct Committee

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, Ms. Johnson 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, 2023 (including holdings by closely related persons): 21,050 shares

Mr. James Thompson

Non-Executive Director

Role: Re-elected as a Non-Executive Director in May 2022; 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.

Millicom Committees: Member of the Audit Committee, Member of the Compensation Committee

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, 2023 (including holdings by closely related persons): 33,593 shares

Mr. Mauricio Ramos

Executive Director

Role: Re-elected as Executive Director in May 2022; 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: Currently, Mr. Ramos serves as: (i) a member of the Board of Directors of Charter Communications (U.S.); (ii) Chair of the U.S. Chamber's U.S.-Colombia Business Council (USCBC); and (iii) Commissioner at the Broadband Commission for Sustainable Development. Previously, Mr Ramos served as 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, 2023 (including holdings by closely related persons): 426,607 shares

Board Program

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. Portfolio management including acquisitions and divestments
10. Board performance self-evaluation
11. Human resource matters
12. Reports from committees

Summary of Board Activities in 2022

Immediately after the 2022 AGM, the Board of Directors held a meeting during which it 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 2022

Board annual program	Focused actions
1. Strategic review	• Discussed, reviewed and approved the strategy • Approved and oversaw the capital raise by way of rights offering • Approved and oversaw changes in the portfolio (Tanzania sale and Panama full ownership) • Oversaw progress in carving out the MFS and Tower infrastructure businesses • 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 the macroeconomic climate on the business and strategy • Reviewed and approved spectrum acquisition, updated 2022 budget and discussed and approved the 2023 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 and sustainability targets • 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 • Reviewed CFO transition • 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 the financial position and related reporting • Reviewed the 2021 Annual Report and 20-F, including the 2021 Consolidated Financial Statements of the Company • Reviewed quarterly earnings releases and 2022 interim consolidated financial statements • Approved corporate finance strategy, including liability management initiatives 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 • Approved the USD $750 million rights offering • Recommended the shareholder remuneration policy and approved share repurchase plan; no shares were repurchased during 2022
9. Portfolio management, including acquisitions and divestments	• Discussed acquisition and disposal developments across the Group, including approval of transactions such as the acquisition of the minority stake in the Panama business, sale of the Tanzania businesses and focus on 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
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, 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 since 2020 were postponed and are scheduled to recommence in 2023.

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 2022, 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 2022 Financial Year

Director	Meeting Attendance	%
Mr. José Antonio Ríos García	12 of 12	100
Ms. Pernille Erenbjerg	12 of 12	100
Mr. Odilon Almeida	12 of 12	100
Mr. Bruce Churchill	12 of 12	100
Mr. Tomas Eliasson	8 of 8	100
Mr. Lars-Johan Jarnheimer	12 of 12	100
Ms. Mercedes Johnson	12 of 12	100
Mr. Mauricio Ramos	12 of 12	100
Mr. James Thompson	11 of 12	92
Attendance	103 of 104	99
Former Director (until May 2022)		
Ms. Sonia Dulá	4 of4	100
Overall attendance	107 of 108	99

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 2022 and Directors' emoluments are set out on the following pages.

I. Audit Committee

I am pleased to present the Audit Committee's report for 2022. As directed by our Charter, we convened six formal meetings during the financial year in order to satisfy our established set of responsibilities.

Despite a challenging macroeconomic environment in the second half, Millicom's business performed well and closed the year with positive organic service revenue growth in most countries and all business units. These trends—as well as other factors like technological advancements and new regulatory requirements—were key areas of focus and shaped the Audit Committee's agenda for the period. We centered our attention in reviewing the finalization of the purchase price allocation and the implementation of a SOX controls program in Guatemala, as Millicom now has full ownership of that business after acquiring the minority stake last year. We also oversaw the financial recognition of the disposal of the last operations in Africa, as well as the acquisition of the remaining 20% ownership in Panama.

Supported by the guiding principles established by management and periodic updates on the strength of the business, the Audit Committee engaged in risk oversight of critical areas like cybersecurity, supply chain challenges and other external threats. Further, our overarching objectives included ensuring the integrity of the Group's financial reporting and that appropriate accounting judgments were made, assessing the external auditor's effectiveness, and overseeing the status of the internal control environment.

Our Internal Audit Team assisted the committee by harmonizing their plans and assurance activities with the evolving risk profile and prioritizing reviews to provide consulting services where appropriate. These activities generated relevant recommendations aimed at enhancing the control posture of the company.

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 Millicom's risk management programs.

Further, the committee increased its emphasis on the processes leading to ESG disclosures, performance metrics, targets and the EU Taxonomy, including the design and testing of controls to verify the accuracy of these reports.

I wish to extend my appreciation to my colleagues for their support of and commitment to the activities of the committee. I look forward to continue performing our duties until the conclusion of our mandate at the 2023 AGM.

Ms. Mercedes Johnson

Chair of the Audit Committee

Audit Committee Membership and Attendance at Regularly Scheduled Meetings in 2022

Audit Committee	Position	First appointment	Meetings/ attendance	%
Ms. Mercedes Johnson	Chair*	May 2019	6 of 6	100
Mr. Bruce Churchill	Member	May 2021	6 of 6	100
Mr. Tomas Eliasson	Member	May 2022	3 of 3	100
Mr. James Thompson	Member	January 2019	6 of 6	100
Attendance			21 of 21	100
Ms. Sonia Dulá	Former Member	May 2021	1 of 2	50
Overall attendance			**22 of 23**	**96**

**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 of the 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 2022. 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, including those covering ESG-related matters.

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 2022

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. • Reviewed and approved each quarter's earnings release; the 2022 annual earnings release; the Annual Report and 20-F together with the consolidated financial statements; the 2022 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 of the acquisition of the remaining 45% of our business in Guatemala and the Group's exit from Africa • Reviewed the alternative performance measures policy
ESG reporting	• Reviewed the roadmap and progress for implementation of upcoming ESG regulations (EU Taxonomy, CSRD, SEC)
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 and CSSF guidelines • Reviewed and approved all audit, audit-related and non-audit services rendered by the external auditors • Approved the 2022 external audit strategy and fees and the proposed approach to address the challenges posed by external factors such as economic pressures, the winding down of the pandemic and cybersecurity threats, among others • 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 2022 Internal Audit plan and subsequent reprioritization of work to address new and emerging risks. • Reviewed internal audit findings arising from the delivery of the 2022 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 Millicom's Sarbanes-Oxley program, including Guatemala (its first year included in the scope) • 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 updates, as well as proposed actions to remediate identified cases
Revenue assurance	• Received updates on revenue assurance activities • Reviewed trends and actions taken to minimize loss and revenue leakage
Related party transactions	• Reviewed related party transactions

2022 Meetings

The Audit Committee held six meetings during 2022, 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, 2022, 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. At December 31, 2021, the purchase accounting was still provisional, particularly in respect to the evaluation of certain tangible assets.

In 2022, Millicom finalized the purchase accounting and determined the fair values of Tigo Guatemala's identifiable assets and liabilities and comparative figures as of December 31, 2021, which have been restated accordingly.

The committee reviewed and agreed with the accounting effects of the above-mentioned update.

2. Africa / Tanzania divestiture – refer to note A.1.3.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. On April 5, 2022, Millicom completed the sale for an initial cash consideration of approximately $101 million (subject to final price adjustment).

As per the sale agreement, the initial sale price was adjusted to consider some outstanding tax and legal contingencies, which management believes is sufficient to cover any future claims on pre-closing matters. Should the price adjustments not be sufficient, Millicom might be liable and need to make additional provisions that are not covered by the latter. In addition, the agreement also provides an IPO adjustment clause valid until April 5, 2024, whereby Millicom would reimburse the buyer for any negative difference between the share price per share on the IPO date and the one implied by this sale. As of December 31, 2022, no additional provisions have been made by management in respect to the aforementioned items.

The Audit Committee concurred with the above decisions.

3. Segment information – refer to note B.3. of the consolidated financial statements

Until the divestiture of our Tanzania business, the Millicom Group had businesses in two main regions, which constituted our two reportable segments. As a result of the sale of the Tanzania business and its classification as discontinued operations, we no longer report an Africa segment. The Group now only operates in a single region, Latin America.

As a result, the Group now reports a single segment, called the ‘Group Segment,’ which includes the results of our Latin American operations and regional and central corporate costs. Group segment figures will continue to include our Honduras joint venture as if it were fully consolidated, as this reflects how management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. Group segment figures also include our operations in Guatemala as if they were fully consolidated for all comparative periods, for the same reasons. On November 12, 2021, we acquired the remaining 45% equity interest in our Guatemala joint venture business, and we have now fully consolidated our operations in Guatemala. Prior to this date, we held a 55% stake in our operations in Guatemala, and accounted for it using the equity method of accounting. We use the same method for our operations in Honduras.

The Committee agreed with that conclusion.

4. Rights offering – refer to note C.1. of the consolidated financial statements

On May 18, 2022, the Board of Directors of Millicom resolved on a rights offering (the "Rights Offering") granting preferential subscription rights to existing holders of shares and Swedish Depositary Receipts ("SDRs") for up to 70,357,088 shares in aggregate.

Those who were registered as holders of shares/SDR register on May 23, 2022, received one subscription right for each share ("Share Right") or SDR ("SDR Right") held in Millicom. Ten Share Rights entitled a holder thereof to subscribe for seven new shares in Millicom; 10 SDR Rights entitled a holder thereof to subscribe for seven new SDRs in Millicom. The subscription price was set at SEK 106 per new SDR and $10.61 per new share. The subscription price in SEK was determined based on the subscription price in U.S dollars as resolved by Millicom, $10.61 per new share, using the SEK-U.S dollar exchange rate published by the Swedish Central Bank on May 17, 2022.

The record date for participation in the Rights Offering was May 23, 2022. The subscription period ran from May 27, 2022, up to June 13, 2022.

The result of the Rights Offering showed that 68,822,675 shares, including those represented by SDRs, have been subscribed for by the exercise of basic subscription rights. The remaining 1,534,413 shares, including those represented by SDRs, were allotted to investors who subscribed for the shares pursuant to oversubscription privileges. The Rights Offering was thus fully subscribed, and Millicom received proceeds amounting to approximately $717 million after deducting underwriting commissions and other offering expenses of $28 million.

The Rights Offering resulted in the issuance of 70,357,088 new shares, which increased the number of outstanding shares in Millicom from 101,739,217 to 172,096,305. As a result, the share capital increased by $106 million—from $153 million to $258 million. The remaining $612 million has been allocated to the Group's share premium account.

The Audit Committee reviewed and agreed with the accounting effects of the above-mentioned Rights Offering.

5. Panama 'put option' – refer to note A.1.2. of the consolidated financial statements

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

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

The Audit Committee agreed with the conclusions.

6. 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. However, we disclosed potential impairment for our operations in Colombia and Nicaragua that would have to be recorded in case of certain reasonable changes in key assumptions used in the impairment test.

The Audit Committee agreed with the conclusions.

7. 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. During 2022, exposure decreased due to an adherence to a tax amnesty in one of our operations for a total cash outflow of $40 million and to Millicom's exit from Africa. 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 composed of 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 the evolution of significant risks at both operational and Group levels and related mitigation and risk management actions. Further information is set out in the Risk Management section of this Annual Report, starting on page 23.

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 2022 program and approach to testing of key controls.

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 2022 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 2022 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.

Fraud Risk
The Audit Committee received fraud updates 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 2021 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, 2022, the Audit Committee approved fees for audit and audit-related services of $6.3 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 2021 the Audit Committee completed 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 after consideration by the Nomination Committee in early 2022, reappointed EY.

II. Compliance and Business Conduct Committee

In 2022, we continued to develop the ethics and compliance program to better assist employees in doing the right thing the right way, including continuing to improve the program's reach. As such, we continued enhancing our three strategic focus points: embed and entrench, communication, and data analytics. With compliance integrated within the Company's business processes, compliance teams are better able to detect and mitigate any potential risks in real time. Additionally, the compliance function disseminated its messages in conjunction with other departments in a clear and understandable manner, with everyone in the organization apprised of both risks and controls that are in place. Similarly, we used data collected on our platforms to develop action plans and attack root causes.

In focusing on the most pressing risks in 2022, we continued reinforcing the main elements of our compliance program, including our annual training for the entire Company. The training covered, among other topics, our Code of Conduct, our Speak Up campaign, our anti-corruption policies and our anti-money laundering (AML) program.

The training campaign this year was designed and prepared using in-house talent and resources. For the first time, employees across the Company participated in creating, producing and delivering a 100% Tigo-customized course.

We continued to build and refine our ethics and compliance program in 2022. This included publishing our revised Code of Conduct with a new design and look, as well as our AML, Speak Up, anti-corruption, gift and hospitality, and sponsorship and donation policies. These revised policies aim to mitigate the current risk landscape and adopt best practices across the board.

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

Chair of the Compliance and Business Conduct Committee

Compliance and Business Conduct Committee Membership and Attendance 2022

Committee	Position	First appointment	Meeting Attendance	%
Mr. Odilon Almeida	Chairman	November 2015	5 of 5	100
Mr. Tomas Eliasson	Member	May 2022	3 of 3	100
Ms. Mercedes Johnson	Member	June 2020	5 of 5	100
Attendance			13 of 13	100
Ms. Sonia Dulá	Former Member	May 2021	2 of 2	100
Overall attendance			**14 of 14**	**100**

In addition, the Chairman of the Board, Mr. José Antonio Rios Garcia, attended all but one 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 cybersecurity risk management and incident response

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 2022

The committee Chair 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 culture 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 2022

Compliance program elements reviewed	• Refined and rewrote third-party management policy and enhanced due diligence program • Monitored anti-corruption program and automated procedures, including those covering new and emerging areas of risk and strengthening of the overall program • Published revised compliance policies and procedures and communicated them to the whole organization • Reviewed training completion rates on Company compliance policies as part of select managers' KPIs • Moved forward with continuous improvement of the compliance framework, including through recommendations from internal and external assessments and from internal audit • Improved communication campaigns on various compliance subjects • Hired one new compliance officer, one investigator and one Compliance Strategic Response Manager • Integrated compliance program within the recently acquired entities in Central America • Incorporated compliance factors into executives' incentive programs for the fifth consecutive year; bonus awards are tied to achievement of compliance KPIs. • Code of Conduct training is now a requisite to access bonus in the whole organization
Reporting and investigations	• Supported Speak Up program by continuing to encourage employees to use Speak Up resources to report issues of perceived non-compliance with our policies and values • Strengthened investigations team: further developed central investigations resources and enhanced investigation tools • Enhanced breadth of the 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	• Continued developing and implementing improvements to the transaction monitoring process
	• Continued to provide AML communications and training campaigns in all operations; in 2022, targeted, on-site AML training was provided to the MFS team in Panama
	• Continued to perform quarterly AML controls, such as self-assessments and AML Risk Matrix exercises in operations
Information security and cybersecurity	• Reviewed the Information Security Framework, organization and governance
	• Reviewed the Information Security Program, including risk management, vulnerability management, and awareness and training, among others
	• Reviewed reports on cybersecurity incidents, including impact, responses and remediation
	• Reviewed maturity improvement plans related to the NIST Cyber Security Framework (CSF) implementation

Chair of the Compensation Committee

III. Compensation Committee

I am pleased to present the 2022 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 believe in paying for performance, which encompasses both short-term and long-term incentives. These plans maintain a strong link between Millicom’s performance, shareholder interests as well as enable Millicom’s culture.

Our remuneration policy focuses on a total compensation approach which consists of:

a) a base salary, various benefits and pension arrangements

b) a high variable component through an annual short-term incentive (STI) bonus

c) for senior management only, a portion of this (STI) bonus is paid in cash and part is made as an equity grant from the deferred share plan (DSP); the individual payouts are 30% cash / 70% equity if they are at the top end of the executive jobs and 40% cash / 60% equity if they are at the lower end (the DSP grant has a prorate vesting over 3 years 30%/30%/40%).

d) for top executives only, a long-term incentive plan (LTI) that consists of an equity grant from the performance share plan (PSP)

The compensation committee believes this blended approach balances both short-term and long-term focus. Specifically for the Chief Executive Officer (CEO) and Executive Vice Presidents (EVPs), the majority of their total compensation is variable, with a high proportion paid in shares. It aims to align management and shareholder interests by measuring performance, payment in shares and extended time horizons for vesting.

A substantial part of the annual bonus (STI) for the top roles of the organization, including the CEO and EVPs, as mentioned above is paid in shares that vest prorated over three years (DSP). The long-term incentive awards under the Performance Share Plan (PSP) cliff vest after three years and are fully paid in shares as well.

For the whole Telco business, 60% of the annual bonus is based on three financial measures: service revenue, EBITDA and operating free cash flow after leases (OFCFaL). Of the remaining 40%, 10% is allocated to customer satisfaction—measured using Net Promoter Score (NPS)—and 30% is based on individual strategic objectives.

In 2022 we introduced a new program for our financial services business (MFS). This program was designed with a similar approach on the STI but using metrics that were directly linked to our fintech strategy. The measurements used were a) service revenue, b) # of digital users, c) # of active merchants, and d) adherence to Product Development Roadmap.

We also encourage our top leaders to take a longer-term view on positive business performance in alignment with Company and shareholder interests. Therefore, we continue to have share ownership requirements for the CEO, EVPs, VP's and GM's that constitute our top executive team. The CEO is required to build and maintain a shareholding with a value of at least 400% of base salary, a level he maintained and exceed in 2022.

In 2022 the Group delivered a set of results in line with budget targets while continuing to invest in further growth. The Board is satisfied with 2022 outcomes for Group financial performance outlined in the STI plan.

Therefore, the Board concluded that the CEO continued to provide exceptional leadership in helping the Company reach all financial and operational targets for the year. In evaluating his performance, the Board considered the way he delivered on financial commitments. Additionally, the CEO delivered against ESG commitments which focused on environmental, DE/I and social programs which focus on women entrepreneurs in our markets. These programs are aligned to the company's overall purpose.

Together with meeting the financial targets discussed below, the CEO received $1,650,460 in cash and $4,373,719 granted in deferred shares that vest over three years for the Company's 2022 performance. The Chairman of the Board conveyed the results of the review and evaluation to the CEO.

Additionally thresholds for the, FY 2020 LTI Plan, which consist of three measures (service revenue growth, adjusted cash flow growth, Relative TSR) and is subject to a three-year performance period (ending December 31, 2022), were not met. The committee did not exercise any discretion on this plan. However, the committee chose to introduce in 2021 a one-time Market Stock Unit (MSU) award linked entirely to the share price performance aimed at retaining key executives while protecting shareholder interests. The MSU award was divided into two tranches with the payouts are scheduled mid-2023 and mid-2024.

Participants of this plan were required to forfeit portions of their awards under LTI 2019 and LTI 2020 in respect of the financial targets (service revenue growth and operating cash flow) and required to retain the TSR component for these schemes to maintain alignment between management incentives and shareholder interests.

Regrettably, the first MSU tranche vested only at 12% of target due to the stock price performance. The Committee did not exercise any discretion on the payout out of this plan.

The Committee also chose to rebalance executives STI and LTI opportunity. While the total combined incentive opportunity remains unchanged, we have reduced the LTI opportunity for 2022 and made a corresponding increase in the share component of the STI. This important change incentivizes management's attention to driving yearly results while continuing to focus on longer term profitability. All awards continue to link a substantial amount of their total reward to share price performance—either relative to peers (TSR for the LTI) or absolute levels of stock price (MSU).

While 92.7% of shareholders voted in favor of the Senior Management Remuneration Policy and 95.9% approved share-based incentive plans in the 2022 AGM, we responded to shareholder feedback to remove the RSU component for the 2022 LTI grant and reverted to full performance-based LTI award. Although RSUs are common in U.S. market practice and used by most of our peer benchmark group, we have aligned with performance-based metrics instead.

During the year, the Compensation Committee reviewed the base salaries and incentive opportunities for the CEO, who received a 3% increase to $1,224,863 as of April 1, 2022. 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.

Due to the execution of the rights issue, we made the required adjustments to the existing unvested share plans, including the DSP, PSP and MSU. The approach was made in collaboration with Mercer as the external independent consultant to the Committee and followed market best practices.

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 2022 is set out on page100.

Looking ahead to 2023, the only revision considered is a slight adjustment in the LTI Plan which is the inclusion of an ESG element.

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

On behalf of the Board, I hope you find the 2022 Remuneration Report informative.

Ms. Pernille Erenbjerg

Chair of the Compensation Committee

1. 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.

1.1 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 2022, the Board concluded that the CEO provided exceptional leadership in helping the Company achieve the financial and operational targets for the year. In evaluating his performance, the Board considered the way he delivered on financial commitments. Additionally, the CEO delivered against ESG commitments which focused on environmental, DE&I and social programs which focus on women entrepreneurs in our markets. These programs are aligned to the Company’s overall purpose. Together with meeting the financial targets discussed below, in his STI payout the CEO received $1,650,460 in cash and $4,373,719 granted in deferred shares that vest over three years for the Group's 2022 performance. The Chairman of the Board conveyed the results of the review and evaluation to the CEO.

1.2 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.

1.3 Compensation Committee Membership and Attendance 2022

Committee	Position	First Appointment	Meeting Attendance	%
Ms. Pernille Erenbjerg	Chairman	January 2019	6 of 6	100
Mr. Lars-Johan Jarnheimer	Member	May 2021	6 of 6	100
Mr. James Thompson	Member	January 2019	6 of 6	100
Overall Attendance			18 of 18	100

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

1.4 Areas Covered in 2022

The Compensation Committee met six times in 2022. Areas of focus included overseeing executive rewards and retention, managing the impact of the rights issuance in our variable pay plans, and supporting the variable compensation approach for the new fintech business.

Topic	Commentary
Bonus (STI) and performance reports	• Reviewed and approved the Global Senior Management Team's 2021 performance reports and individual Executive Team payouts for STI/LTI (cash/equity)
	• Reviewed and approved 2022 short-term variable compensation targets
Compensation review	• Approved all payments for CEO and Executive Team members
	• Reviewed executive remuneration and governance trends and developments
	• Reviewed and approved the peer group for the CEO and the Executive Team benchmarking
	• Approved changes to CEO and Executive Team compensation elements based on market competitiveness
Share-based incentive plans	• Approved the 2019 LTI (PSP) vesting
	• Reviewed and approved all equity grants
	• Reviewed and approved the 2022 share units plan (DSP and PSP) rules
	• Reviewed and approved the 2022 long-term variable compensation targets
	• Reviewed and approved the reduction of the LTI opportunity for 2022 and the corresponding increase in the share component of the STI
	• 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 (2020, 2021 and 2022) • Reviewed equity plans participant turnover
	• Reviewed and approved the required adjustments to the existing unvested share plans due to the rights
	• Approved the accelerated vesting of share grants to Tanzania employees as a consequence of the divestiture of that asset
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 2023
	• Reviewed and approved the achievement of the MSU 2022 Tranche
	• Reviewed and approved STI and LTI performance measures for 2023
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"
	• Approved the payments associated with the retirement of the previous CFO
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

2. 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, 2022.

2.1 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 Designate a substantial majority of executive pay as at risk, based on a mix of absolute and relative financial and share price performance metrics	Create special executive perquisites Permit executives to hedge company shares
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 achievement	Permit executives to use company shares as collateral
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	

2.2 Elements of Executive Pay

Compensation for the Global Senior Management Team in 2022 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

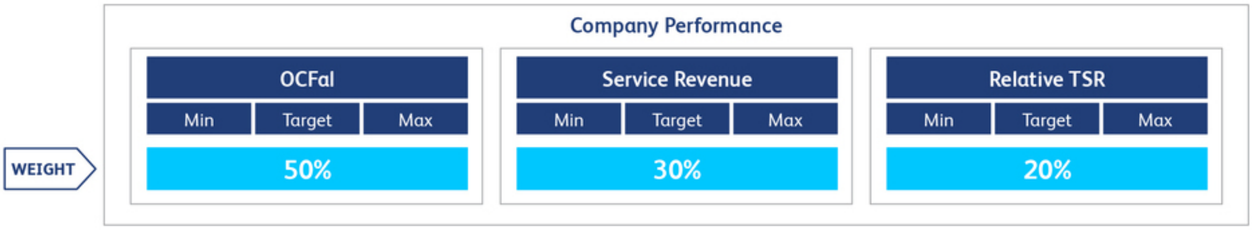
Pay element	Purpose	Maximum opportunity
Purpose and link to strategy	Designed to be market competitive to attract and retain talent	No absolute maximum has been set for Executive Team salaries. The committee considers increases on a case-by-case basis based on peer comparison. Pay increases usually reflect 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 a portion 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 – 365% (72% paid in DSP) CFO – 210% (64% paid in DSP)
	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 – 730% (144% paid in DSP) CFO – 420% (128% paid in DSP)
	The financial and operational targets are:	
	• Service revenue	20%
	• EBITDA	20%
	• Operating free cash flow after leases (OFCFaL)	20%
	• Relational Net Promoter Score (rNPS)	10%
	• Personal performance	30%
	• 2022 Cyber Security Gateway	This gateway needs to be attained for payout of the personal objective component
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 total shareholder return ("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.
	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 a 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 for: CEO – 315% CFO – 115%
	LTI payouts are typically in shares 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)	The maximum achievement for: CEO – 630% CFO – 230%
	The weights for the PSP component are: • Service revenue: 30% • OCFaL (operating cash flow after leases): 50%* • Relative TSR: 20% The PSP 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)	
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.	



Company Performance

	OCFaI			Service Revenue			Relative TSR		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
WEIGHT	50%			30%			20%		

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

2.3 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.

2.4 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.

3. Key Developments for 2022

During 2022, we worked on structuring return-to-office schemes that prioritize health and safety (such as hybrid approaches).

For the 2022 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.

During 2022, we successfully implemented the removal of the RSU component for the 2022 LTI grant and reverted to full performance-based LTI awards.

We also implemented the change of reducing the LTI opportunity for 2022 with a corresponding increase in the share component of the STI. The total combined incentive opportunity remains unchanged.

With the execution of the rights issue, we made the required adjustments to the existing unvested share plans, including the DSP, PSP and MSU. The approach was made in collaboration with Mercer as the external consultant to the Committee, following the best practices approach for this type of situation.

3.1 Key Elements of 2022 CEO and CFO Pay

In 2022, 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**
Mauricio Ramos (CEO)	$1,224,863	STI Target	100% in Cash Bonus	PSP award of 315% of salary with 3-year cliff vesting (based entirely on performance shares)	15% of salary	Private healthcare Life insurance Car Allowance
			265% in Share Units over 3 years vesting 30%/30%/40%			
		Performance Measures:	60% Financial			
			10% Customer			
			30% Personal			
Sheldon Bruha (CFO)*	$625,000	STI Target	75% in Cash Bonus	PSP award of 115% of salary with 3-year cliff vesting (based entirely on performance shares)	15% of salary	Private healthcare Life insurance Car Allowance
			135% in Share Units over 3 years vesting 30%/30%/40%			
		Performance Measures:	60% Financial			
			10% Customer			
			30% Personal			
Tim Pennington (Former CFO)**	$634,115	STI Target	75% in Cash Bonus	N/A	15% of salary	Private healthcare Life insurance Car Allowance
			75% in Share Units over 3 years vesting 30%/30%/40%			
		Performance Measures:	60% Financial			
			10% Customer			
			30% Personal			

**CEO / CFO Salary as of December 31, 2022. Mr. Bruha (CFO) started January 12, 2022, and took over the CFO role effective April 1, 2022*

***Mr Pennington CFO Compensation paid in Pounds GBP and for purposes of this report converted to USD using December Closing Forex (0.8276 GBP/USD).*

3.2 Summary of Total CEO/CFO Compensation

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

	Mauricio Ramos (CEO)		Sheldon Bruha (CFO)*		Tim Pennington (Former CFO)**	
In USD	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Base Salary	1,215,944	1,185,140	598,121	—	581,272	707,532
Fringe Benefits***	81,745	87,551	67,264	—	39,769	46,362
Pension Expense	286,846	284,243	144,460	—	87,191	106,130
Total Fixed	1,584,535	1,556,934	809,845	—	708,232	860,024
Annual Bonus****	1,650,460	2,164,320	541,075	—	—	969,079
Deferred Share Units****	4,373,719	2,164,320	973,935	—	—	969,079
LTIP*****	3,745,939	5,630,400	718,750	—	—	1,237,889
Total Annual Variable	9,770,118	9,959,040	2,233,760	—	—	3,176,047
Annual Compensation	11,354,653	11,515,974	3,043,605	—	708,232	4,036,071
MSU Plan******	—	8,000,000	—	—	—	1,600,000
Total Compensation	11,354,653	19,515,974	3,043,605	—	708,232	5,636,071
Termination Benefits********	—	—	—	—	876,939	—
% Annual Fixed	13.95 %	13.52 %	26.61 %	— %	100.00 %	21.31 %
% Annual Variable	86.05 %	86.48 %	73.39 %	— %	— %	78.69 %

**Mr. Bruha (CFO) started January 12, 2022, and took over the CFO role effective April 1, 2022*

***Mr. Pennington 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 medical and dental Insurance.*

*****The short-term incentive award includes cash bonus and the corresponding grant of deferred share units.*

******LTIP is performance share units granted in 2022. Calculated based on the average Millicom closing share price on the Nasdaq in the US for the three-month period ending December 31, 2022.*

*******MSU plan: Our stock-based MSU performance plan is settled in cash. Pro-rata vesting occurs in two tranches (50% in 2022, and 50% in 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 (adjusted to $33.83 for rights issuance) for Tranche 2022 (10%) and $47.00 (adjusted to $36.90 for rights issuance) for Tranche 2023 (20%). The original targets were adjusted during the rights offering. The awards are payable only after an additional 12-month employment period post vesting.*

********* Mr. Pennington started his 1-year notice period on April 1, 2022 and paid via payroll until November 30, 2022 and the remaining 4-month period paid as a one-time payment on December 22, 2022.*

Realized Pay Supplemental Table

	Mauricio Ramos (CEO)	
In USD	**2022**	**2021**
Base Salary	1,215,944	1,185,140
Car Allowance	15,000	15,000
Pension Expense	286,846	284,243
Total Fixed	1,517,789	1,484,383
Annual Bonus Paid*	2,164,320	1,301,131
Deferred Share Units Vested**	865,762	930,836
LTIP Vested***	—	1,457,988
Total Variable Paid	3,030,082	3,689,955
Total Realized Paid	4,547,871	5,174,339
% Fixed	33.37 %	28.69 %
% Variable	66.63 %	71.31 %

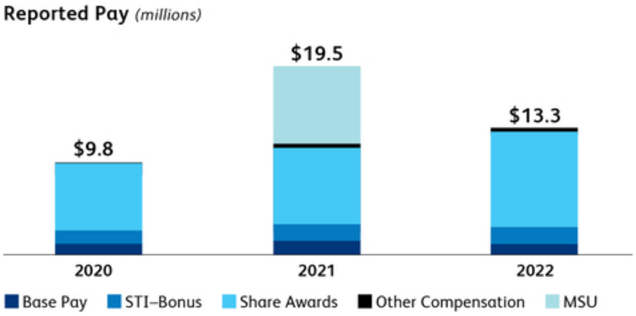
**Annual bonus paid is the cash portion for the short-term incentive award for the performance period in that calendar year (the 2022 column displays the amount paid in Q1 2022 from 2021 performance).*

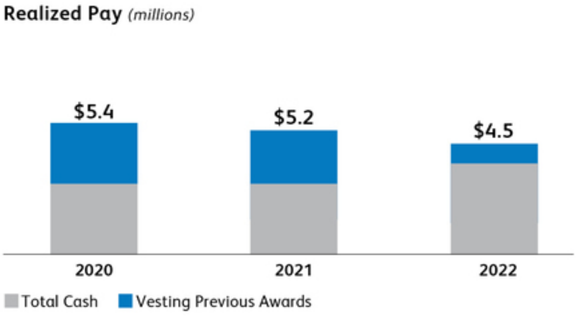
***Deferred share units vested are the shares vested from the pro-rata vesting of the three years prior (the 2022 column displays the amount vested in Q1 2022: 30% from 2021 grant, 30% from 2020 grant and 40% from 2019 grant.*

****LTIP vested are the shares vested from the cliff vesting of the LTI granted three years prior (the 2022 column displays the amount vested in Q1 2022 from 2019 grant).*

The total short-term award for the CEO, CFO and other senior leadership team is split into a portion in cash and the balance in share units deferred over a three-year period (DSP). The latter of the two is the biggest component. 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.

2022 CEO Compensation





Notes
-In average approximately 71 % of CEO compensation is delivered in form of share
-In average realized pay has been 45 % of Reported Pay

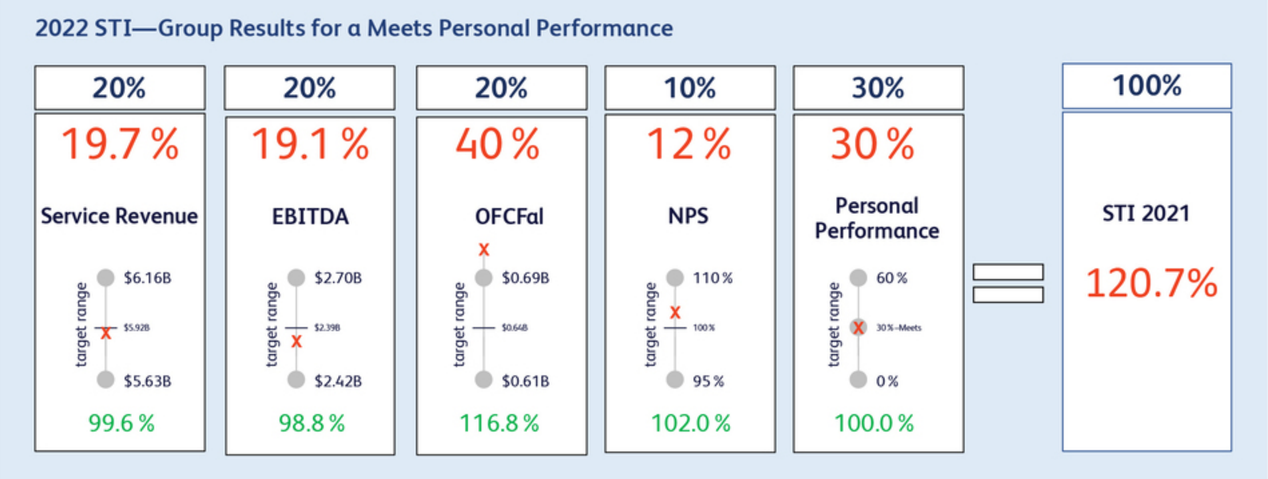
3.3 Performance on STI 2022

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 Relative Net Promoter Score achievement. 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.

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 2022, the achievement of performance targets is set out in the table below:



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 presented at Millicom's AGM of shareholders.

Under the 2022 STI, the 2023 DSP share units are granted in Q1 2023 and will vest (generally subject to the participant still being employed by the Millicom group) at 30 % in Q1 2024, 30 % in Q1 2025 and 40 % in Q1 2026. The vesting schedule is unchanged from the 2022 DSP.

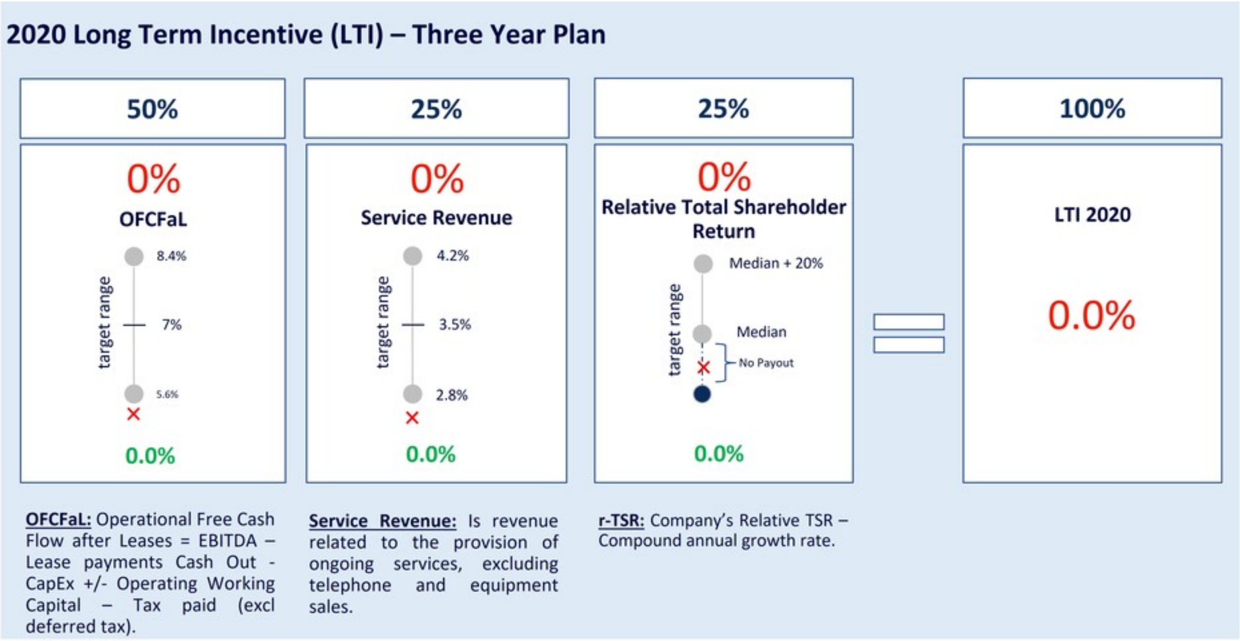
3.4 LTI (PSP)

This section reviews the LTI 2020 performance, which vested in January 2023 with a zero payout in Q1 2023 for all participants. It also reviews the LTI 2022 plan granted in 2022 to 39 participants, including the CEO and CFO.

3.4.1 LTI (PSP) 2020 Performance

The LTI 2020 plan vested in January 2023 with an award of 0.0 %. The outcome of LTI 2020 has been audited by Ernst & Young in respect of the financial performance measures and by Towers Watson for the TSR.

For LTI 2020, the achievement of performance targets is set out in the table below:



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

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

r-TSR: Company's Relative TSR – Compound annual growth rate.

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

The PSP 2020 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)	LTI2020	400 % of salary	4,600,000	77,111	Jan-23	— %	—
Tim Pennington(Former CFO)	LTI2020	175 % of salary	1,132,957	18,992	Jan-23	— %	—

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 2020, PSP 2021 and PSP 2022—no discretion has been exercised and none of the performance or other conditions have been changed.

3.4.2 Award LTI 2022

A new plan was issued in 2022 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 2022 plan was approved by shareholders at the 2022 AGM:

Metric	Weighting	Performance target	Performance measure
Service revenue	30 %	Target growth	A specific 3-year Cumulative Growth target
OCFaL	50 %	Target growth	A specific 3-year Cumulative Growth target
TSR	20 %	The Company TSR relative to a peer group between 2022 and 2024	At median - target payout; below median - nil; 20 % above median - max

The peer group for the PSP 2022 is: America Movil, TIM Brazil, TEF Brazil, Entel Chile, Lilac, Telecom Argentina, Grupo Televisa, Megacable.

For the CEO and CFO, the award of LTI 2022 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 Cliff Vesting	315 % of salary	3,745,939	144,108	Jan-2025
Sheldon Bruha (CFO)	PSU - 3 years Cliff Vesting	115 % of salary	718,750	27,649	Jan-2025

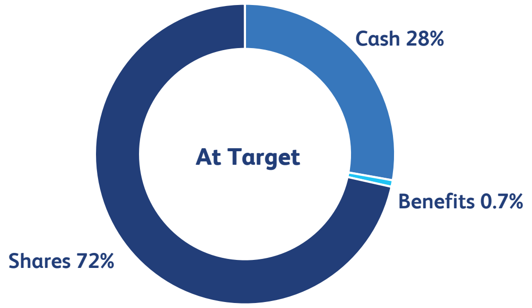
**With the execution of the rights issue, we made the required adjustments to the existing unvested share plans, including the DSP and PSP. The original grant was 113,136 and 21,707 performance share units for Mr Ramos and Mr Bruha, respectively.*

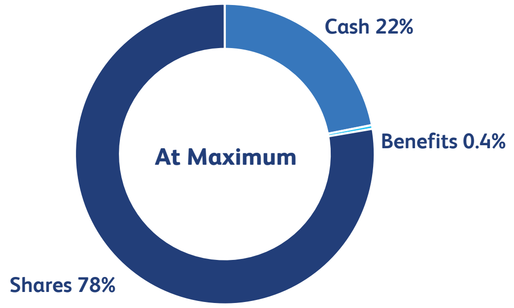
4. Remuneration Approach for 2023

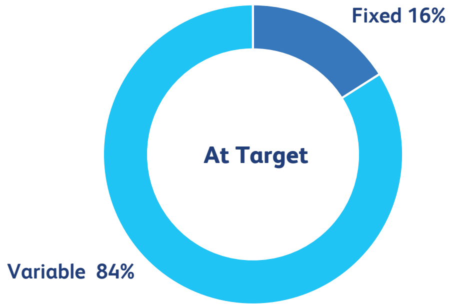
For 2023, the Board has proposed continuing with a consistent framework of STI and LTI with a few changes explained below. In the 2023 LTI plan, the Board will propose to the AGM to include a number of ESG metrics with a total weight of 10 %. The metrics are:

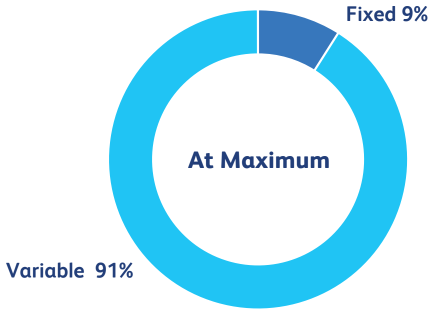
1. OCFaL: 50 %
2. Service Revenue: 30 %
3. TSR: 10 %
4. ESG: 10 %

For the CEO, the at-target and maximum remuneration for 2023 is set out below*:









**Cash> Base Pay + Car Allowance + Pension + STI Bonus*

At target, CEO compensation is paid 72 % in share units and 84 % in variable compensation. At maximum, CEO compensation is paid 78 % in share units and 91 % in variable compensation.

4.1 Summary of Key Changes for 2023

We made one small change to the 2023 remuneration plans, with a continued focus on pay for performance and incentivizing the retention of key talent.

For the LTI 2023, the structure of the award remains consistent with 2022, with only one change: we included a number of ESG metrics with a total weight of 10 %.

5. Supplemental topics

5.1 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. 2021**	**Share Units Granted in 2022**	**Shares Vested in 2022**	**Forfeited in 2022**	**Outstanding Balance as of Dec. 2022**
Mauricio Ramos (CEO)	Deferred Share Plan	2019 DSP	2018	1/1/2019	1/1/2022	$ 59.65	10,004	—	10,004	—	—
		2020 DSP	2019	1/1/2020	1/1/2023	$ 45.86	21,788	3,408	9,338	—	15,858
		2021 DSP	2020	1/1/2021	1/1/2024	$ 35.20	36,963	7,083	11,089	—	32,957
		2022 DSP	2021	1/1/2022	1/1/2025	$ 33.11	—	83,262	—	—	83,262
	Performance Share Plan	2019 PSP	2019-2022	3/1/2019	1/1/2022	$ 59.65	19,278	—	—	19,278	—
		2020 PSP	2020-2023	3/1/2020	1/1/2023	$ 45.86	30,692	8,402	—	—	39,094
		2021 PSP	2021-2024	1/1/2021	1/1/2024	$ 35.20	159,941	43,786	—	—	203,727
		2022 PSP	2022-2025	1/1/2022	1/1/2025	$ 33.11	—	144,108	—	—	144,108
TOTAL Mauricio Ramos (CEO)							278,666	290,049	30,431	19,278	519,006
Tim Pennington (Former CFO)	Deferred Share Plan	2019 DSP	2018	1/1/2019	1/1/2022	$ 59.65	3,736	—	3,736	—	—
		2020 DSP	2019	1/1/2020	1/1/2023	$ 45.86	9,560	1,495	4,097	—	6,958
		2021 DSP	2020	1/1/2021	1/1/2024	$ 35.20	14,457	2,770	4,337	—	12,890
		2022 DSP	2021	1/1/2022	1/1/2025	$ 33.11	—	37,280	—	—	37,280
	Performance Share Plan	2019 PSP	2019-2022	3/1/2019	1/1/2022	$ 59.65	4,748	—	—	4,748	—
		2020 PSP	2020-2023	3/1/2020	1/1/2023	$ 45.86	6,546	1,792	—	—	8,338
		2021 PSP	2021-2024	1/1/2021	1/1/2024	$ 35.20	35,164	9,626	—	—	44,790
		2022 PSP	2022-2025	1/1/2022	1/1/2025	$ 33.11	—	—	—	—	—
TOTAL Tim Pennington (Former CFO)							**74,211**	**52,963**	**12,170**	**4,748**	**110,256**
Sheldon Bruha (CFO)	Deferred Share Plan	2019 DSP	2018	1/1/2019	1/1/2022	59.65	—	—	—	—	—
		2020 DSP	2019	1/1/2020	1/1/2023	45.86	—	—	—	—	—
		2021 DSP	2020	1/1/2021	1/1/2024	35.2	—	—	—	—	—
		2022 DSP	2021	1/1/2022	1/1/2025	33.11	—	—	—	—	—
	Performance Share Plan	2019 PSP	2019-2022	3/1/2019	1/1/2022	59.65	—	—	—	—	—
		2020 PSP	2020-2023	3/1/2020	1/1/2023	45.86	—	—	—	—	—
		2021 PSP	2021-2024	1/1/2021	1/1/2024	35.2	—	—	—	—	—
		2022 PSP	2022-2025	1/1/2022	1/1/2025	33.11	—	27,649	—	—	27,649
TOTAL Sheldon Bruha (CFO)							**—**	**27,649**	**—**	**—**	**27,649**

5.2 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 in Compliance
Mauricio Ramos (CEO)	386,929	132,077	400 %	143,665	426,607	Yes
Sheldon Bruha (CFO)	27,649	—	200 %	37,752	—	Yes *

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

5.3 Details of Share Purchase and Sale Activity

During 2022, we had a rights offering where the CEO exercised his rights in full.

5.4 Historic CEO and CFO Pay

	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	Information Regarding 2022 (USD millions, except as indicated)
CEO Remuneration*	9,2 %	17.80 %	(41.82) %	11.3
Retiring CFO Remuneration	(4.20) %	33.40 %	(87.00) %	0.7
Incoming CFO Remuneration**	— %	— %	— %	3.04
Group Segment EBITDA	(1.40) %	5.90 %	(1.50) %	2.5 (USD billions)
Average remuneration on FTE basis of employees of parent company***	0.50 %	3.60 %	3.90 %	26,262 (USD thousands)

***Represents year-over-year changes in CEO/CFO compensation (excludes MSU)*

*** Incoming CFO started January 12, 2022, and took over the CFO role effective April 1, 2022*

****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 December 31, 2022.*

5.5. 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, 2022, approved the Director remuneration from the date of the 2022 AGM to the date of the AGM in 2023.

2022 Director Remuneration

During early 2022, 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 to maintain the remuneration structure and propose a small increase in the amount of remuneration for each role for the Non-Executive Directors.

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 2022 or 2021 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 2022 Director Remuneration

The Nomination Committee's proposal for Director remuneration was approved at the AGM on May 4, 2022.

	2022 (i, iii)			2021 (i, iii)		
Director	**Cash-based fee ($000's)**	**Share-based fee (ii) ($000's)**	**Total ($000's)**	**Cash-based fee ($000's)**	**Share-based fee (ii) ($000's)**	**Total ($000's)**
Mr. José Antonío Rios García	105	210	315	100	200	300
Ms. Pernille Erenbjerg [C]	100	160	260	100	150	250
Mr. Odilon Almeida [CBE]	80	105	185	75	100	175
Mr. Tomas Eliasson [A, CBE]	90	105	195	n.a.	n.a	n.a
Mr. Bruce Churchill [A]	77.5	105	182.5	72.5	100	172.5
Ms. Mercedes Johnson [A, CBE]	112.5	105	217.5	107.5	100	207.5
Mr. Lars-Johan Jarnheimer [C]	67.5	105	172.5	62.5	100	162.5
Mr. James Thompson [A, C]	90	105	195	85	100	185
Former Director						
Ms. Sonia Dulá A, CBE				85	100	185
Total	**722.5**	**1,000.00**	**1,722.50**	**687.5**	**950**	**1,637.50**

A: Member of Audit Committee

C: Member of Compensation Committee

CBE: Member of Compliance and Business Conduct Committee

(i) Remuneration covers the period from May 4, 2022, to the date of the AGM in May 2023, as resolved at the shareholder meeting on May 4, 2022 (2021: for the period from May 4, 2021, to May 4, 2022).

(ii) Share-based compensation for the period from May 4, 2022, to May 2023 was based on the average closing price of Millicom shares for the three-month period ended April 30, 2022, and represented a total of 40,017 shares (2021: 24,737 shares based on the average closing price of Millicom shares for the three-month period ended April 30, 2021).

(iii) Total remuneration for the period from May 4, 2022, to May 2023 after deduction of applicable withholding tax at source comprising 73% in shares and 27% in cash (2021: 73% in shares and 27% in cash).

6. 2022 AGM Vote

	Votes For	**%**	**Votes Against**	**%**	**Abstentions**
Director Remuneration	36,326,963	99.81%	70,321	0.19%	1,387,114
Senior Management Remuneration Guidelines and Policy	33,025,027	92.72%	2,591,667	7.28%	2,186,240

Proposals for Director Remuneration and Senior Management Remuneration were well supported by shareholders at the 2022 AGM held on May 4, 2022. The Compensation Committee continues to develop and adapt senior management remuneration with consideration of the views of its shareholders. For example, in 2023 the Compensation Committee will be proposing the addition of an ESG measure in the LTI plan.

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's biography is presented in the Board Governance section of this report.

SHAREHOLDING AT JANUARY 31, 2023: 426,607 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 Executive Team meets at least once a month and more frequently when required. Millicom's Executive Team is as follows:

Executive	Team	Role responsibilities
Mr. Sheldon Bruha	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
Mr. Esteban Iriarte	Chief Operating Officer	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 and corporate responsibility
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; diversity, equity and inclusion; and corporate security

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

Mr. Sheldon Bruha

Executive Vice President, Chief Financial Officer

Sheldon joined Millicom in January 2022 and was appointed as Chief Financial Officer 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) in Business Administration from Washington University.

MILLICOM SHAREHOLDING AT JANUARY 31, 2023: no shares[1]

Mr. Esteban Iriarte

Executive Vice President, Chief Operating Officer

Esteban was appointed as Executive Vice President and Chief Operating Officer (COO) 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 US Cellular and 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, 2023: 90,935 shares

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[1] *Refer to page 108 for outstanding share awards*

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, initially serving 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 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, 2023: 97,974 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, where he directed 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, 2023: 10,631 shares

Mr. Salvador Escalón

Executive Vice President, Chief Legal and Compliance Officer

Salvador became General Counsel in 2013, Executive Vice President in 2015 and Chief Legal and Compliance Officer in 2020.

Salvador joined Millicom as Associate General Counsel Latin America in 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, 2023: 84,494 shares

Ms. Susy Bobenrieth

Executive Vice President, Chief Human Resources Officer

Susy joined the Executive Team as Executive Vice President and Chief Human Resources Officer in 2017. She has been instrumental in development and bringing Millicom's Sangre Tigo culture to life.

Susy is a global human resources professional with over 25 years of experience at 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, 2023: 13,027 shares

Directors' Financial and Operating Report

Group Performance

In 2022, total revenue for the Group was $5,624 million and gross profit was $4,118 million, a margin of 73.2%.

Operating expenses represented 33.6% of revenue, a decrease compared with the 36.3% in 2021 as a result of increased sales and marketing costs to support robust customer growth.

Operating profit was up 47.9% to $915 million, a 16.3% margin, affected by strong operational performance. Depreciation was also higher, which was mainly attributable to the Tigo Guatemala acquisition and the related purchase price allocation.

Net financial expenses were $599 million, an increase of $127 million compared with last year. The increase was mainly due to the Tigo Guatemala acquisition and the subsequent issuance of debt.

Profit before taxes was $238 million, reflecting the higher operating profit, partially offset by the net increase in financial expenses mentioned above and other non-operating expenses of $78 million, mainly related to foreign exchange losses and the revaluation charge of the put option in Panama.

The net tax charge was $222 million, leaving a net profit from continuing operations of $16 million for the year.

As a result, our net profit for the year, after discontinued operations stemming from the gain on disposal of our operations in Tanzania, was $129 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 $177 million, an earnings per share of $1.27.

Share Capital

On May 18, 2022, the Board of Directors of Millicom resolved on a rights offering (the "Rights Offering") granting preferential subscription rights to existing holders of shares and Swedish Depositary Receipts ("SDRs"). The Rights Offering resulted in the issuance of approximately 70.4 million new shares, which increased the number of outstanding shares in Millicom.

At December 31, 2022, Millicom had approximately 172.1 million issued and paid-up common shares of par value $1.50 each, of which approximately 1.2 million were held by the Company as treasury shares (2021: approximately 1.5 million).

During the year, the Company did not acquire shares through its share repurchase program. It issued approximately 378,000 shares to management and employees under the share-based plans, and issued approximately 41,000 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 2022. No dividend was paid in 2021.

Following the Group's decision to work towards the Rights Offering explained above, during 2022, no shares were repurchased under the share repurchase plans approved at the 2021 AGM (which was valid until May 4, 2022) or the plan that was approved at the 2022 AGM (which is valid until May 4, 2023).

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 the Our Governance section starting on page 53.

Non-Financial Information

Non-financial information—such as environmental, social and governance—is integrated throughout this report.

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, 2022, the Group's headcount from continuing operations is approximately 20,000.

Financial targets[1]

As communicated on February 14, 2022, Millicom's financial targets are:

- Organic operating cash flow growth of around 10% per year on average in 2022-2024
- Cumulative Equity free cash flow of $800 million to $1.0 billion in 2022-2024
- Reduce leverage to 2.5x by 2025 and to 2.0x over the long term

Risks and Uncertainty Factors

The Group operates in an industry and markets that are characterized by rapid change and are subject to macroeconomic, 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 such as inflation—affect the level of disposable income, consumers' attitudes and demand for our products and services.

Subsequent Events

Potential acquisition

On January 25, 2023, Millicom confirmed that a potential acquisition of all outstanding shares in Millicom is being discussed with Apollo Global Management and Claure Group. There is no certainty that a transaction will materialize nor as to the terms, timing or form of any potential transaction.

Colombia financing

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

José Antonio Ríos García
Chairman of the Board of Directors

Luxembourg, February 28, 2023

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[1] *Our outlook includes references to non-GAAP measures which are further defined and described elsewhere in this Annual Report.*

Management Responsibility Statement

We, Mauricio Ramos, Executive Director and Chief Executive Officer, and Sheldon Bruha, Chief Financial Officer, confirm to the best of our knowledge that these 2022 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

Sheldon Bruha
Chief Financial Officer

Luxembourg, February 28, 2023

Forward Looking Statements and Use of Non-IFRS Terms

Forward Looking Statements

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

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

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

Use of Non-IFRS Terms

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 provides them to investors as a supplement to Millicom’s reported results 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.

Following the changes in perimeter following the Guatemala acquisition and the Africa disposal, Millicom's management modified the company's external reporting with the primary objective of simplifying it. As a result, the Group has discontinued the use of the following non-IFRS measures: Proportionate financial obligations, Proportionate leverage, Proportionate leverage after leases, and all Underlying measures (as these mainly reflected the full consolidation of Guatemala). The definitions of EBITDA and Return on Invested Capital have been adjusted to reflect this change. In addition, the Group changed the definition of equity free cash flow to include spectrum paid and lease principal repayments in response to feedback from users of our financial statements who prefer a more comprehensive view of our cash flow generation. As a result, we no longer refer to equity free cash flow 'after leases.'

Alternative Performance Measure Description

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

EBITDA is operating profit excluding impairment losses, depreciation and amortization and gains/losses on fixed asset disposals.

EBITDA after leases (EBITDAaL) represents EBITDA after lease interest and principal repayments.

EBITDA margin represents EBITDA in relation to revenue.

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 pledged and time deposits.

Net financial obligations is net debt plus lease liabilities.

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 (last 12 months) EBITDA after leases, pro forma for acquisitions and disposals 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 EBITDA less cash capex, spectrum paid, working capital and other non-cash items and taxes paid.

Equity free cash flow (EFCF) is OFCF less finance charges paid (net), lease interest payments, lease principal payments and advances for dividends to non-controlling interests, plus cash repatriation from joint ventures and associates.

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, 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, and investments and non-controlling interests), less assets and liabilities held for sale.

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 from other industry participants.

Non-IFRS reconciliations

Reconciliation from Reported Growth to Organic Growth for the Group

	Revenue		Service Revenue		EBITDA		OCF	
($ millions)	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
A- Current period	5,624	4,261	5,171	3,997	2,228	1,517	1,255	595
B- Prior year period	4,261	3,805	3,997	3,604	1,517	1,362	595	614
C- Reported growth (A/B)	32.0 %	12.0 %	29.4 %	10.9 %	46.8 %	11.4 %	111.0 %	(3.1) %
D- Perimeter	32.2 %	3.0 %	29.4 %	2.3 %	49.2 %	1.9 %	104.4 %	0.7 %
E- FX and other	(3.5) %	1.9 %	(3.5) %	1.6 %	(3.5) %	3.0 %	(1.8) %	(2.6) %
F- Organic Growth (C-D-E)	3.3 %	7.1 %	3.5 %	7.0 %	1.2 %	6.5 %	8.4 %	(1.2) %

Reconciliation from Reported Growth to Organic Growth for the Group's main markets

Service Revenue* ($ millions)	FY 2022	FY 2021	Organic	FX & Others	Reported
Guatemala	1,373	1,365	0.8 %	(0.2) %	0.6 %
Colombia	1,253	1,319	6.6 %	(11.7) %	(5.0) %
Paraguay	530	526	4.2 %	(3.1) %	0.9 %
Honduras	549	548	2.0 %	(1.9) %	0.1 %
Bolivia	608	612	(0.6) %	— %	(0.6) %
Panama	624	608	2.7 %	— %	2.7 %
El Salvador	429	398	7.7 %	— %	7.7 %
Nicaragua	235	225	6.7 %	(1.9) %	4.6 %
Costa Rica	137	139	2.8 %	(4.1) %	(1.4) %

**Accounting and perimeter changes do not applied and as such have been removed. FX and others have been combined as the "others" changes are related to exchange rate related movements.*

EBITDA* ($ millions)	FY 2022	FY 2021	Organic	FX & Others	Reported
Guatemala	857	857	0.1 %	(0.2) %	— %
Colombia	404	441	3.0 %	(11.4) %	(8.4) %
Paraguay	245	242	4.2 %	(3.1) %	1.0 %
Honduras	262	259	3.0 %	(1.9) %	1.1 %
Bolivia	242	249	(3.0) %	— %	(3.0) %
Panama	298	281	6.2 %	— %	6.2 %
El Salvador	176	162	8.3 %	— %	8.3 %
Nicaragua	109	105	6.6 %	(1.9) %	4.5 %
Costa Rica	45	44	7.3 %	(4.2) %	3.1 %

**Accounting and perimeter changes do not applied and as such have been removed. FX and others have been combined as the "others" changes are related to exchange rate related movements.*

Reconciliation Net Financial Obligations to EBITDA December 31, 2022, and December 31, 2021.

Debt Information - 31 December 2022	Financial obligations			EBITDA	Leverage
$ millions	Gross	Cash	Net		
Millicom Group (IFRS)	7,820	1,039	6,780	2,228	3.04x

Debt Information - 31 December 2021	Financial obligations			EBITDA			
$ millions	Gross	Cash	Net		Adjustments*	EBITDA	Leverage
Millicom Group (IFRS)	8,911	930	7,981	1,639	747	2,385	3.34x

**Related to Guatemala acquisition completed on November 12, 2021.*

One-off Summary - Items Above EBITDA

	2022		
($ millions)	Revenue	EBITDA	Comments
Panama	—	5	
Colombia	—	(4)	
Corporate	—	(7)	
Group Total	—	(7)	

	2021		
($ millions)	Revenue	EBITDA	Comments
Paraguay	(4)	(4)	
Group Total	(4)	(4)	

ARPU Reconciliations

Group - Mobile ARPU Reconciliation	2022	2021
Mobile service revenue ($m)	2,957	2,933
*Mobile service revenue ($m) from non Tigo customers ($m) **	(43)	(30)
Mobile service revenue ($m) from Tigo customers (A)	2,914	2,903
Mobile customers - end of period (000)	40,576	39,802
Mobile customers - average (000) (B) **	40,041	38,393
Mobile ARPU (USD/Month) (A/B/number of months)	6.1	6.3

**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.*

Group - Home ARPU Reconciliation	2022	2021
Home service revenue ($m)	1,555	1,590
*Home service revenue ($m) from non Tigo customers ($m) **	(33)	(29)
Home service revenue ($m) from Tigo customers (A)	1,522	1,561
Customer relationships - end of period (000) **	4,811	4,704
Customer relationships - average (000) (B) ***	4,765	4,575
Home ARPU (USD/Month) (A/B/number of months)	26.6	28.4

**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.*

OCF (EBITDA - Capex) Reconciliation

	FY 2022	FY 2021
EBITDA	2,228	1,517
(-) Capex (Ex. Spectrum)	973	922
OCF	1,255	595

CAPEX Reconciliation

Capex Reconciliation

Consolidated:	FY 2022	FY 2021
Additions to property, plant and equipment	823	787
Additions to licenses and other intangibles	345	164
Of which spectrum and license costs	195	29
Total consolidated additions	1,167	951
Of which capital expenditures related to corporate offices	14	10

Foreign Exchange Rates

		Average FX rate (vs. USD)			End of period FX rate (vs. USD)		
		2022	**2021**	**YoY**	**2022**	**2021**	**YoY**
Bolivia	BOB	6.91	6.91	— %	6.91	6.91	— %
Colombia	COP	4,254	3,756	(11.71) %	4,810	3,981	(17.24) %
Costa Rica	CRC	650	625	(3.81) %	602	645	7.19 %
Guatemala	GTQ	7.75	7.74	(0.20) %	7.85	7.72	(1.70) %
Honduras	HNL	24.56	24.12	(1.80) %	24.66	24.43	(0.93) %
Nicaragua	NIO	35.87	35.17	(1.96) %	36.23	35.52	(1.96) %
Paraguay	PYG	7,008	6,790	(3.11) %	7,346	6,886	(6.26) %

Equity Free Cash Flow Reconciliation

Cash Flow Data	**FY 2022**	**FY 2021**
Net cash provided by operating activities	**1,284**	**956**
Purchase of property, plant and equipment	(800)	(740)
Proceeds from sale of property, plant and equipment	21	11
Purchase of intangible assets	(179)	(98)
Purchase of spectrum and licenses	(93)	(37)
Finance charges paid, net	530	491
Operating free cash flow *	**765**	**582**
Interest (paid), net	(530)	(491)
Lease Principal Repayments	(157)	(137)
Free cash flow	**77**	**(46)**
Repatriation from joint ventures and associates	88	62
Dividends paid to non-controlling interests	(4)	(6)
Equity free cash flow	**161**	**10**
Equity free cash flow - Africa	(10)	(2)
Equity free cash flow - excluding Africa **	**171**	**12**

**Operating free cash flow is now calculated including spectrum and licenses.*

*** As a result of the disposal of our Africa operations in 2022, we have removed the effect of Africa from the Equity free cash flow.*

Financial Statements

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Audited Consolidated Financial Statements of Millicom International Cellular S.A. at December 31, 2022 and 2021 and for the Years Ended December 31, 2022, 2021 and 2020

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 215, which comprise the consolidated statement of financial position as at December 31, 2022, 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, 2022, 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 ("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 as adopted for Luxembourg by the CSSF 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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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. Similarly, the recoverability of the carrying amount of the deferred tax assets is assessed periodically and in particular the capacity to generate sufficient taxable profits to utilize these deferred tax assets and other tax credits as such recoverability assessment is highly judgmental.

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 and the recoverability of the deferred tax assets and other tax credits.
- 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 tested also controls over management's evaluation of the significant assumptions used in their fiscal projections to assess the recoverability of the Group's deferred tax assets and other tax credits.
- 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 inspected the business plans used in the Group's analysis of the tax assets' recoverability, comparing the plans to those used in other areas of the audit and evaluating the methodology used.
- 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 4,059 million as of December 31, 2022, 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.

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 115 and the accompanying corporate governance statement on pages 68 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, 2022, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 11 years.

The consolidated management report on page 115 is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 68 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, 2022 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, 2022, identified as tigo-2022-12-31-en, 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, February 28, 2023

Consolidated statement of income for the years ended December 31, 2022, 2021 and 2020

	Notes	2022(ii)	2021(i)	2020(i)
			(US$ millions)	
Revenue	B.1.	5,624	4,261	3,805
Cost of sales	B.2.	(1,506)	(1,197)	(1,060)
Gross profit		**4,118**	**3,063**	**2,745**
Operating expenses	B.2.	(1,890)	(1,546)	(1,383)
Depreciation	E.2.2., E.3.	(999)	(804)	(810)
Amortization	E.1.3.	(345)	(310)	(309)
Share of profit in joint ventures	A.2.	32	210	171
Other operating income (expenses), net	B.2.	(2)	5	(12)
Operating profit	**B.3.**	**915**	**619**	**402**
Interest and other financial expenses	C.3.3., E.3.	(617)	(495)	(560)
Interest and other financial income	C.3.1.	18	23	13
Revaluation of previously held interests in Guatemala	A.1.2.	—	670	—
Other non-operating (expenses) income, net	B.5., C.7.3.	(78)	(49)	(107)
Profit (loss) from other joint ventures and associates, net	A.3.	—	(40)	(1)
Profit (loss) before taxes from continuing operations		**238**	**728**	**(252)**
Tax (charge), net	B.6.	(222)	(158)	(72)
Profit (loss) from continuing operations		**16**	**570**	**(325)**
Profit (loss) from discontinued operations, net of tax	E.4.2.	113	(28)	(60)
Net profit (loss) for the period		**129**	**542**	**(385)**
Attributable to:				
Owners of the Company		177	590	(344)
Non-controlling interests	A.1.4.	(48)	(48)	(41)
Earnings (loss) per common share for profit (loss) attributable to the owners of the Company				
Basic ($ per share)(iii)		1.27	4.59	(2.68)
Diluted ($ per share)(iii)		1.27	4.57	(2.67)

(i) Re-presented for discontinued operations (see note A.4.)

(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. As a result, numbers might not be directly comparable with previous years' figures.

(iii) 2021 and 2020 comparatives have been restated as a result of the completion of the rights offering (see note B.7.).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the years ended December 31, 2022, 2021 and 2020

	2022	2021	2020
		(US$ millions)	
Net profit (loss) for the year	129	542	(385)
Other comprehensive income (to be reclassified to statement of income in subsequent periods), net of tax:			
Exchange differences on translating foreign operations	19	(51)	(19)
Change in value of cash flow hedges, net of tax effects	9	17	(1)
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	(2)	1	(2)
Total comprehensive income (loss) for the period	**155**	**509**	**(407)**
Attributable to:			
Owners of the Company	204	566	(360)
Non-controlling interests	(49)	(57)	(48)
Total comprehensive income (loss) for the period arises from:			
Continuing operations	42	536	(345)
Discontinued operations	113	(27)	(62)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position at December 31, 2022 and 2021

	Notes	December 31, 2022	December 31, 2021(i)
		(US$ millions)	
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net	E.1.	7,361	7,558
Property, plant and equipment, net	E.2.	2,989	3,382
Right of use assets, net	E.3.	884	1,024
Investments in joint ventures	A.2.	590	596
Investments in associates	A.3.	—	22
Contract costs, net	F.5.	10	8
Deferred tax assets	B.6.	204	180
Derivative financial instruments	D.1.2.	19	21
Amounts due from non-controlling interests, associates and joint ventures	G.5.	—	24
Other non-current assets		76	74
TOTAL NON-CURRENT ASSETS		**12,133**	**12,890**
CURRENT ASSETS			
Inventories	F.2.	53	63
Trade receivables, net	F.1.	379	405
Contract assets, net	F.5.	77	69
Amounts due from non-controlling interests, associates and joint ventures	G.5.	15	42
Prepayments and accrued income		117	166
Current income tax assets		111	104
Supplier advances for capital expenditure		21	35
Other current assets		197	269
Restricted cash	C.5.	57	203
Cash and cash equivalents	C.5.	1,039	895
TOTAL CURRENT ASSETS		**2,065**	**2,251**
TOTAL ASSETS		**14,198**	**15,141**

(i) Restated after the finalization of the Guatemala purchase accounting. See note A.1.2. for further details.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position at December 31, 2022 and 2021

	Notes	December 31, 2022	December 31, 2021 (i)
		(US$ millions)	
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium	C.1.	1,343	628
Treasury shares		(47)	(60)
Other reserves	C.1.	(559)	(594)
Retained profits		2,691	2,019
Net profit for the year attributable to equity holders		177	590
Equity attributable to owners of the Company		**3,605**	**2,583**
Non-controlling interests	A.1.4.	29	157
TOTAL EQUITY		**3,634**	**2,740**
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt and financing	C.3.	6,624	5,904
Lease liabilities	C.4.	853	996
Derivative financial instruments	D.1.2.	53	1
Payables and accruals for capital expenditure	F.4.3.	473	435
Provisions and other non-current liabilities	F.4.2.	295	364
Deferred tax liabilities	B.6.	148	214
TOTAL NON-CURRENT LIABILITIES		**8,445**	**7,914**
CURRENT LIABILITIES			
Debt and financing	C.3.	180	1,840
Lease liabilities	C.4.	163	171
Put option liability	C.7.4.	—	290
Payables and accruals for capital expenditure		428	452
Other trade payables		400	347
Amounts due to non-controlling interests, associates and joint ventures	G.5.	58	74
Accrued interest and other expenses		412	539
Current income tax liabilities		86	128
Contract liabilities	F.5.	88	97
Provisions and other current liabilities	F.4.1.	305	548
TOTAL CURRENT LIABILITIES		**2,119**	**4,487**
TOTAL LIABILITIES		**10,565**	**12,401**
TOTAL EQUITY AND LIABILITIES		**14,198**	**15,141**

(i) Restated after the finalization of the Guatemala purchase accounting. See note A.1.2. for further details.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the years ended December 31, 2022, 2021 and 2020

	Notes	2022	2021(i)	2020(i)
			(US$ millions)	
Cash flows from operating activities (including discontinued operations)				
Profit (loss) before taxes from continuing operations		238	728	(252)
Profit (loss) before taxes from discontinued operations	E.4.2.	116	3	(31)
Profit (loss) before taxes		**354**	**731**	**(283)**
Adjustments to reconcile to net cash:				
Interest expense on leases		131	131	156
Interest expense on debt and other financing		497	400	468
Interest and other financial income		(18)	(23)	(13)
Adjustments for non-cash items:				
Depreciation and amortization	E.1., E.2., E.3.	1,364	1,196	1,208
Share of profit in joint ventures	A.2.	(32)	(210)	(171)
(Gain) loss on disposal and impairment of assets, net	B.2., E.4.2.	(122)	(6)	20
Share-based compensation	C.1.	29	17	24
Revaluation of previously held interest in Guatemala	A.1.2.	—	(670)	—
Profit (loss) from other joint ventures and associates, net	A.3.	—	39	1
Other non-cash non-operating (income) expenses, net	B.5.	77	50	106
Changes in working capital:				
Decrease (increase) in trade receivables, prepayments and other current assets, net		(104)	(93)	(43)
Decrease (increase) in inventories		5	9	(6)
Increase (decrease) in trade and other payables, net		(37)	6	40
Increase (decrease) in contract assets, liabilities and costs, net		(14)	(5)	8
Total changes in working capital		**(151)**	**(81)**	**(2)**
Interest paid on leases		(128)	(140)	(151)
Interest paid on debt and other financing		(411)	(355)	(411)
Interest received		8	4	11
Taxes paid		(316)	(127)	(142)
Net cash provided by operating activities		**1,284**	**956**	**821**
Cash flows from (used in) investing activities (including discontinued operations):				
Acquisition of subsidiaries, joint ventures and associates, net of cash acquired	A.1.	(283)	(2,000)	10
Financing exit from the Ghana joint venture	A.2.2.	—	(37)	—
Proceeds from the disposal of subsidiaries and associates		152	30	10
Purchase of spectrum and licenses		(93)	(37)	(101)
Purchase of other intangible assets	E.1.4.	(179)	(98)	(101)
Purchase of property, plant and equipment	E.2.3.	(800)	(740)	(622)
Proceeds from sale of property, plant and equipment	E.2.	21	11	9
Proceeds from disposal of equity investments, net of costs	C.7.3.	—	163	197
Dividends and dividend advances received from joint ventures and associates	A.2.2.	10	13	71
Settlement of derivative financial instruments		11	—	—
Transfer (to) / from pledge deposits, net	C.5.3.	33	(33)	—
Loans granted within the MFS lending activity		(3)	—	—

	Notes	2022	2021(i)	2020(i)
Cash (used in) provided by other investing activities, net	D.1.2.	25	26	32
Net cash used in investing activities		**(1,104)**	**(2,703)**	**(495)**
Cash flows from financing activities (including discontinued operations):				
Proceeds from debt and other financing	C.6.	1,570	3,113	1,470
Repayment of debt and other financing	C.6.	(2,127)	(1,335)	(1,744)
Loan repayment from (advance to) joint venture		—	193	(193)
Lease capital repayment	C.6.	(157)	(137)	(116)
Proceeds from the rights offering, net of costs	C.1.	717	—	—
Advances and dividends paid to non-controlling interests	A.1./A.2.	(4)	(6)	(5)
Share repurchase program		—	(50)	(10)
Dividends paid to owners of the Company	C.2.	—	—	—
Net cash from (used in) financing activities		**(1)**	**1,777**	**(598)**
Exchange impact on cash and cash equivalents, net		(11)	(10)	(17)
Net increase (decrease) in cash and cash equivalents		**168**	**20**	**(289)**
Cash and cash equivalents at the beginning of the year		895	875	1,164
Effect of cash in disposal group held for sale	E.4.2.	(24)	—	—
Cash and cash equivalents at the end of the year		**1,039**	**895**	**875**

((i) Re-presented for discontinued operations (see note A.4.).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the years ended December 31, 2022, 2021 and 2020

	Number of shares (000's)(iv)	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, 2020	**101,739**	**(581)**	**153**	**480**	**(51)**	**2,372**	**(544)**	**2,409**	**271**	**2,680**
Total comprehensive income for the period	—	—	—	—	—	(344)	(15)	(360)	(48)	(407)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	(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 to non controlling interest	—	—	—	—	—	—	—	—	(3)	(3)
Purchase of treasury shares	—	(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(vii)	—	—	—	—	—	(5)	—	(5)	—	(5)
Balance on December 31, 2021	**101,739**	**(1,538)**	**153**	**476**	**(60)**	**2,609**	**(594)**	**2,583**	**157**	**2,740**
Total comprehensive income for the year	—	—	—	—	—	177	27	204	(49)	155
Effects of rights offering(ix)	70,357	—	106	611	—	—	—	717	—	717
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	(2)	(2)
Purchase of treasury shares(vi)	—	(93)	—	—	(4)	1	—	(3)	—	(3)
Share based compensation(v)	—		—	—	—	—	25	25	1	26
Issuance of shares under share-based payment schemes	—	419	—	(2)	16	4	(17)	1	—	1
Effect of the buy-out of non-controlling interests in Panama (viii)	—	—	—	—	—	78	—	78	(78)	—
Balance on December 31, 2022	**172,096**	**(1,213)**	**258**	**1,085**	**(47)**	**2,868**	**(559)**	**3,605**	**29**	**3,634**

(i) Share capital and share premium – see note C.1.

(ii) Retained profits – includes profit for the year attributable to equity holders, of which $472 million (2021: $486 million; 2020: $310 million) are not distributable to equity holders.

(iii) Other reserves – see note C.1.

(iv) The authorized share capital amounts to $300 million divided into 200 million shares with a par value of $1.50 each following the extraordinary general meeting held on February 28, 2022.

(v) Share-based compensation – see note C.1.

(vi) During the year ended December 31, 2022, Millicom withheld approximately 93,413 shares for the settlement of tax obligations on behalf of employees under share-based compensation plans (2021: 1,369,284 shares repurchased in connection with the Group's share purchase program and 101,591 shares were withheld))

(vii) 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.

(viii) Resulting from the exercise of the put option in Panama, see note A.1.2.

(ix) See note C.1.

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).

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 February 24, 2023, 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).

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 markets.

Our Group Segment include our Honduras joint venture as if it were fully consolidated, as this reflects the way management reviews and uses internally reported information to make decisions (see note B.3. Segmental information). The Group Segment figures also include our operations in Guatemala fully consolidated for comparative periods. 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.

Millicom also provides Mobile Financial Services (MFS) and holds small minority investments in other businesses such as micro-insurance (Milvik).

Current macroeconomic environment

Inflation in many countries globally has been rising for the past several months due to a variety of factors, including significant disruptions to the global production and distribution of energy and food commodities caused by Russia’s invasion of Ukraine as well as the global response to that invasion. As a result, global economic prospects have been severely affected, including in our Latin America markets. During the last semester of 2022, the Group took meaningful steps to mitigate the impact of rising inflation, including the implementation of numerous price increases and establishing cost savings initiative programs, which will position it to sustain healthy service revenue growth and margins going forward.

Although the macro-economic backdrop has become more challenging, business and financial performance through 2022 is broadly in line with our plans.

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

When it comes to COVID-19, as of December 31, 2022, and for the year ended December 31, 2022, management did not identify any significant adverse accounting effects as a result of the pandemic.

Climate-related risks

As already publicly announced and discussed elsewhere in our external reporting, our goal is to raise the bar on the Group’s contribution on environmental, societal and governance matters. In particular, we have committed to short-term goals validated by the Science Based Targets initiative (SBTi). We are also committed to the long-term goal of net zero emissions by or before 2050. Although there is no single explicit standard on climate-related matters under IFRS, climate risk and other climate-related matters may impact a number of areas of accounting. Up to now, the Group has not been significantly impacted by climate change, and, currently, Management has not considered the climate-related risks as part of the Group's top twelve key risks. Nevertheless, Management will continue monitoring every year the potential risks resulting from the effects of climate change in the form of natural disasters, such as extreme weather events affecting our 'Networks and infrastructure resilience'. So far, Management has not identified nor considered any material impacts of climate change on assumptions used (e.g. for impairment tests, fair value measurement, etc.) and on the Group's financial reporting (e.g. provisions, fixed assets, etc.).

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, 2022, 2021 and 2020 and the average rates for the years ended December 31, 2022, 2021 and 2020.

Exchange Rates to the US Dollar	Functional Currency	2022 Year-end Rate	2021 Year-end Rate	Change %	2022 Average Rate	2021 Average Rate	Change %	2020 Average Rate
Bolivia	Boliviano (BOB)	6.91	6.91	— %	6.91	6.91	— %	6.91
Colombia	Peso (COP)	4,810	3,981	(17.2)%	4,254	3,756	(11.7)%	3,695
Costa Rica	Costa Rican Colon (CRC)	602	645	7.2 %	650	625	(3.8)%	590
El Salvador	US dollar	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Guatemala	Quetzal (GTQ)	7.85	7.72	(1.7)%	7.75	7.74	(0.2)%	7.73
Honduras	Lempira (HNL)	24.66	24.43	(0.9)%	24.56	24.12	(1.8)%	24.65
Luxembourg	Euro (EUR)	0.93	0.88	(5.9)%	0.95	0.85	(10.6)%	0.87
Nicaragua	Cordoba (NIO)	36.23	35.52	(2.0)%	35.87	35.17	(2.0)%	34.34
Panama	Balboa (B/.) (i)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paraguay	Guarani (PYG)	7,346	6,886	(6.3)%	7,008	6,790	(3.1)%	6,758
Sweden	Krona (SEK)	10.43	9.05	(13.2)%	10.07	8.59	(14.7)%	9.16
United Kingdom	Pound (GBP)	0.83	0.74	(10.7)%	0.81	0.73	(9.9)%	0.77

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

- 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 or after January 1, 2023 that are not expected to have a significant impact on the Group consolidated financial statements:

- Amendments to IAS 1, 'Disclosure of Accounting Policies' that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
- IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.
- Amendments to IAS 12, 'Income Taxes: Deferred tax related to Assets and liabilities arising from a Single Transaction' - These amendments clarify that the initial recognition exception does not apply to the initial recognition of leases and decommissioning obligations. These amendments apply prospectively to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, an entity should apply the amendments for the first time by recognizing deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented. The Group has been applying the so-called "Linked transaction approach" in the calculation of deferred taxes related to leases and asset retirement obligation (ARO) since the adoption of IFRS 16 (in compliance with these amendments). Therefore, the adoption of these amendments will not have an impact for the Group.

The following changes to standards are effective for annual periods starting on January 1, 2024 and their potential impact on the Group consolidated financial statements is currently being assessed by Management:

- Amendments to IFRS 16 'Leases: Lease Liability in a Sale and Leaseback' (not yet endorsed by the EU) - The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
- Amendments to IAS 1, 'Presentation of Financial Statements' (not yet endorsed by the EU): These amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

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, such as current macro-economic challenges. 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.

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, 2022 % holding	December 31, 2021 % holding	December 31, 2020 % holding
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
Telecomunicaciones Digitales, S.A. (formerly Cable Onda S.A.) (i).	Panama	Cable, Pay-TV, Internet, DTH, Fixed-line	100	80	80
Grupo de Comunicaciones Digitales, S.A. (formerly Telefonica Moviles Panama, S.A.)(ii)	Panama	Mobile	100	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	100	55
Navega.com S.A. (iv) (v)	Guatemala	Cable, DTH	100	100	55
Millicom International Operations S.A.	Luxembourg	Holding Company	100	100	100
Millicom International Operations B.V.	Netherlands	Holding Company	100	100	100
Millicom Telecommunications S.A.	Luxembourg	Holding Company	100	100	100
InfraCo S.A.	Luxembourg	Holding Company	100	na	na
Millicom LIH S.A.	Luxembourg	Holding Company	100	100	100
MIC Latin America 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

** Also reflects the voting interest, except in Colombia where voting interest is 50% + 1 share for each of the three entities.*

(i) *Acquisition completed on December 13, 2018. Telecomunicaciones Digitales, S.A. (formerly 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 2022

As of June 14, 2022, the Group received the formal notification from the minority shareholders of Telecomunicaciones Digitales, S.A (formerly Cable Onda S.A.) confirming the exercise of their put option right to sell their remaining 20% shareholding to Millicom for an amount of approximately $290 million. The transaction was closed on June 29, 2022 and the payment was applied against the already recorded put option liability of $290 million. As a result, the non-controlling interests' carrying value of $78 million have been transferred to the Group's equity.

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.).

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 2021 statement of income under the line "Revaluation of previously held interests" and is included in the goodwill calculation.

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.

Finalization of Purchase Accounting

During the first half of 2022, Millicom has finalized the purchase accounting and determined the fair values of Tigo Guatemala's identifiable assets and liabilities. Comparative figures as of December 31, 2021, have been restated accordingly. The finalization of the purchase accounting had an effect on the following financial position line items previously reported as of December 31, 2021:

	December 31, 2021	**Impact of the finalization of the purchase accounting of Guatemala**	**December 31, 2021**	**Reason for the change**
$ millions	**As reported**		**As restated**	
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Intangible assets, net	7,721	(163)	7,558	(i)
Property, plant and equipment, net	3,198	184	3,382	(ii)
Right-of-use asset (non-current), net	1,008	17	1,024	(iii)
Prepayments and accrued income	168	(2)	166	
Other current assets	302	(33)	269	
LIABILITIES				
Provisions and other current liabilities	546	2	548	

(i) Impact on intangibles resulting from the adjustments explained below.

(ii) See updated fair values section below. It mainly relates to property, plant and equipment step up.

(iii) See updated fair values section below. It relates to remeasurement of the right of use assets.

The impact of the finalization of Tigo Guatemala's purchase accounting on the 2021 Group statement of income is immaterial. Therefore, no adjustments were made in that respect on comparative figures.

The table below shows the changes in fair values compared to the values reported as of December 31, 2021.

At acquisition date - November 12, 2021 (in millions of U.S. dollars)	**Provisional fair values (100%) ($ millions)**	**Final fair values (100%) ($ millions)**	**Changes**
Intangible assets (excluding goodwill)(i)	1,294	1,917	623
Property, plant and equipment(ii)	547	731	184
Right of use assets(iii)	189	205	17
Other non-current assets	5	5	—
Current assets (excluding cash)	210	210	—
Trade receivables(iv)	42	42	—
Cash and cash equivalents	199	199	—
Total assets acquired	**2,486**	**3,309**	**823**
Lease liabilities(iii)	205	205	—
Other debt and financing	417	417	—
Other liabilities	281	281	—
Total liabilities assumed	903	903	—
Fair value of assets acquired and liabilities assumed, net - A	**1,583**	**2,406**	**823**
Purchase consideration (45%) - B	2,195	2,195	—
Implied fair value (100% of business) - C	4,877	4,877	—
Carrying value of our investment in joint venture at acquisition date - D	2,013	2,013	—
Goodwill arising on change of control - B+D-A=E	2,625	1,802	(823)
Revaluation of previously held interests - C-B-D=F(v)	670	670	—
Total goodwill - E+F=G	**3,295**	**2,472**	**(823)**

(i) Fair value step-up have been recognized mainly on the following intangible assets:

a) the customer lists for an amount of $514 million, with estimated weighted average useful lives of 9.3 years.

b) the spectrum and licenses held by Tigo Guatemala for $51 million, with a remaining useful life of 11 years.

c) the trademarks and brand held and operated by Tigo Guatemala for $62 million, bringing its carrying value to $910 million. Management determined that the latter have indefinite useful lives.

(ii) A fair value step-up of $184 million has been recognized on property, plant and equipment, mainly on the core network, network equipment and owned towers. The weighted average remaining useful live is estimated at 6 years.

(iii) The Group measured the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date. The right-of-use assets have been adjusted by $17 million to be measured at the same amount as the lease liabilities.

(iv) The fair value of trade receivables acquired approximate their carrying value of $42 million.

(v) 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; 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 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
Trademark	Income approach - Relief from royalty method	Discount rate: 8.5%	Royalty rate: 5%	Indefinite life
Customer lists	Income approach - Multi-Period Excess Earnings Method	Discount rate: 10%	Attrition rates: • Mobile prepaid: Forecasted period average 38.9%, 36.9% afterwards • Mobile Postpaid: Forecasted period average 20.5%, 16.6% afterwards • B2B: 13% • Home: Forecast Period average: 27.3%, 27.9% afterwards	ARPU: • Mobile prepaid: Forecasted period average $5.7, $5.1 afterwards • Mobile Postpaid: Forecasted period average $28.7, $29.8 afterwards • B2B: Forecasted period average $348.4, $383.5 afterwards • Home: Forecast Period average: $38, $41.1 afterwards
Spectrum	Market approach - Comparable transactions multiple based	Discount rate: 8%	Fair value of each license is based on selected market price (USD/MHz/capital/year), as well as the remaining period, bandwidth and population coverage under each license	n/a
Property, plant and equipment	Land – Sales comparison approach Building and site improvements – Cost approach Leasehold improvements – Indirect cost approach Machinery and equipment – Indirect cost approach Tower assets – Direct cost approach	Various asset class specific indices considered, from the bureau of labor statistics, to estimate the reproduction cost new ("RCN"), e.g.: • Core network, HW core, CPE, antennas, EQ HW BTS, HW BTS, network security equipment and routers: PPI industry data for Communications equipment (BLS) • Wire working machinery, fiber optics cable, fiber ring equipment, RF components and telecommunication jumper: PPI industry data for Communication & energy wire & cable (BLS) • Components for information technology, computer equipment, handsets and security surveillance equipment: PPI industry group data for Computer & peripheral equipment (BLS) • Tower civil works and leasehold improvements: Building cost index (MVS 2022)	RCN of tower assets based on current prices depending on the tower category (guyed, monopole, self supported or rooftop), construction type (concrete, lattice, steel, etc.) and height	Economic useful lives considered, according to the American Society of Appraisers: • Buildings: 35 to 40 years • Leasehold improvements, towers, tower civil works, fiber ring post, lifting equipment, measuring and observing/testing instruments, wire working machinery, generators, air conditioned, antennas and fiber optic cable: 12 to 15 years • Core network, HW core, mobile messaging platforms, fire protection, security surveillance equipment, battery, CPE, EQ HW BTS, RF components, routers, telecommunication jumper, vehicles and industrial trucks: 5 to 10 years • Network security equipment and IT equipment: 3 years

Scope changes 2020

There were no material acquisitions in 2020.

A.1.3. Disposal of subsidiaries

Tanzania

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

On April 5, 2022, Millicom completed the sale for an initial cash consideration of approximately $101 million (subject to final price adjustment). As per the sale agreement, the initial sale price is adjusted to consider some outstanding tax and legal contingencies which management believes is sufficient to cover any future claims on pre-closing matters. Should the price adjustments not be sufficient, Millicom might be liable and need to make additional provisions that are not covered by the latter. In addition, the agreement also provides an IPO(i) adjustment clause valid until April 5, 2024, whereby Millicom would reimburse the buyer for any negative difference between the share price per share on the IPO date and the one implied by this sale. As of December 31, 2022, no additional provisions have been made by management in respect of the aforementioned items.

(a) The net assets de-consolidated on the date of the disposal, as well as the gain on disposal, were as follows:

Details of the sale of the subsidiary ($ millions)	**April 5, 2022**
Carrying amount of net assets sold (A)	(79)
Initial sale consideration (B)	101
Gross gain on sale (B) - (A)	**180**
Other operating expenses linked to the disposal	(11)
Other operating income/expenses, net	(5)
Gain on sale before reclassification of foreign currency translation reserve	**165**
Reclassification of foreign currency translation reserve	(56)
Net gain on sale	**109**

(i) 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 ´Tanzania Communications Regulatory Authority´ (TCRA) ordered the Tanzanian operations to complete such public offering by December 31, 2025, at the latest.

(b) The operating results and cash flows of the discontinued operation for the years ended December 31, 2022, December 31, 2021 and December 31, 2020 are set out below. The figures shown below are after inter-company eliminations.

Results from Discontinued Operations (in millions of U.S. dollars)	**Twelve months ended December 31, 2022**	**Twelve months ended December 31, 2021**	**Twelve months ended December 31, 2020**
Revenue	88	357	366
Cost of sales	(26)	(104)	(111)
Operating expenses	(27)	(131)	(126)
Depreciation and amortization	(21)	(83)	(89)
Other operating income (expenses), net	4	1	(9)
Gain/(loss) on disposal of discontinued operations	120	—	—
Other expenses linked to the disposal of discontinued operations	(11)	—	(1)
Operating profit (loss)	**127**	**39**	**32**
Interest income (expense), net	(12)	(36)	(64)
Other non-operating (expenses) income, net	—	(1)	1
Profit (loss) before taxes	**116**	**3**	**(31)**
Credit (charge) for taxes, net	(3)	(31)	(29)
Net profit/(loss) from discontinued operations	**113**	**(28)**	**(60)**

Cash flows from discontinued operations (in millions of U.S. dollars)	**Twelve months ended December 31, 2022**	**Twelve months ended December 31, 2021**	**Twelve months ended December 31, 2020**
Cash from operating activities, net	18	87	69
Cash from (used in) investing activities, net	(10)	(46)	(43)
Cash from (used in) financing activities, net	(9)	(35)	(34)
Net cash inflows (outflows)	**(1)**	**5**	**(8)**

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 2020 statement of income.

Other disposals

For the years ended December 31, 2022, 2021 and 2020, Millicom did not dispose of any other significant investments.

A.1.4. Summarized financial information relating to significant subsidiaries with non-controlling interests

Statement of Financial Position – non-controlling interests

	December 31,	
	2022(i)	2021
	(US$ millions)	
Colombia	28	83
Panama	—	74
Others	1	—
Total	**29**	**157**

Profit (loss) attributable to non-controlling interests

	2022(i)	2021	2020
		(US$ millions)	
Colombia	(52)	(40)	(23)
Panama	4	(7)	(18)
Others	—	(1)	—
Total	**(48)**	**(48)**	**(41)**

(i) On June 29, 2022, we purchased the remaining 20% shareholding of our operations Panama (see note A.1.2.).

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

	2022	2021	2020
		(US$ millions)	
Revenue	**1,335**	**1,414**	**1,346**
Total operating expenses	(492)	(509)	(470)
Operating profit	**64**	**100**	**129**
Net (loss) for the year	(104)	(80)	(46)
50% non-controlling interest in net (loss)	**(52)**	**(40)**	**(23)**
Total assets (excluding goodwill)	1,942	2,336	2,589
Total liabilities	1,890	2,158	2,303
Net assets	**52**	**178**	**286**
50% non-controlling interest in net assets	26	89	143
Consolidation adjustments	2	(6)	(10)
Total non-controlling interest	**28**	**83**	**133**
Dividends and advances paid to non-controlling interest	(2)	(5)	(4)
Net cash from operating activities	250	272	370
Net cash from (used in) investing activities	(289)	(295)	(311)
Net cash from (used in) financing activities	(133)	30	(47)
Exchange impact on cash and cash equivalents, net	(5)	(10)	(15)
Net increase (decrease) in cash and cash equivalents	**(178)**	**(2)**	**(3)**

Panama

	2022(i)	2021 (US$ millions)	2020
Revenue	**651**	**633**	**585**
Total operating expenses	(207)	(207)	(197)
Operating profit	**106**	**7**	**(60)**
Net profit (loss) for the year	29	(37)	(89)
20% non-controlling interest in net profit (loss)	**4**	**(7)**	**(18)**
Total assets (excluding Millicom's goodwill in Cable Onda)	1,719	1,717	1,734
Total liabilities	1,318	1,347	1,327
Net assets	**401**	**371**	**407**
20% non-controlling interest in net assets	—	74	81
Total non-controlling interest	**—**	**74**	**81**
Net cash from operating activities	148	179	193
Net cash from (used in) investing activities	(117)	(118)	(100)
Net cash from (used in) financing activities	(93)	(43)	(69)
Net increase (decrease) in cash and cash equivalents	**(63)**	**17**	**24**

(i) From January 1 to June 29, 2022, until the purchase of the remaining 20% shareholding of our operations Panama (see note A.1.2.).

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, 2022, the equity accounted net assets of our joint venture in Honduras totaled $401 million (December 31, 2021: $406 million). These net assets do not necessarily represent statutory reserves available for distribution as these include consolidation adjustments (such as goodwill and identified assets and assumed liabilities recognized as part of the purchase accounting). Out of these net assets, $3 million (December 31, 2021: $3 million) represent statutory reserves that are unavailable to be distributed to the Group. During the year ended December 31, 2022, Millicom's joint venture in Honduras repatriated cash of $85 million in the form of management fees, dividend advances and repayment of a shareholder loan. For the same period last year, Millicom's joint ventures in Guatemala and Honduras repatriated cash of $62 million, out of which $13 million corresponding to other operating receivables remain outstanding.

Our main joint ventures are as follows:

Entity	**Country**	**Activity**	**December 31, 2022 % holding**	**December 31, 2021 % 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
Bharti Airtel Ghana Holdings B.V.	Netherlands	Holding Company	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.

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 had been provided for in the statement of income under the line "Profit (loss) from other joint ventures and associates, net". Millicom still owns 50% of the holding company 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

	2022	**2021**
	(US$ millions)	
Honduras operations (i)	590	596
Total	**590**	**596**

(i) Includes all the companies under the Honduras groups.

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

	Honduras (i) (US$ millions)
Opening balance at January 1, 2021	**610**
Results for the year	27
Dividends declared during the year	(34)
Currency exchange differences	(7)
Closing balance at December 31, 2021	**596**
Capital increase	3
Results for the year	32
Dividends declared during the year	(35)
Currency exchange differences	(7)
Closing balance at December 31, 2022	**590**

(i) Share of profit is recognized under 'Share of profit in joint ventures' in the statement of income for the year ended December 31, 2022.

At December 31, 2022 and 2021 the Group had not incurred obligations, nor made payments on behalf of the Honduras 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 – Honduras, Guatemala and Ghana operations

Summarized financial information of the Honduras, Guatemala (until acquisition the remaining 45% equity interest, see note A.1.2.) and Ghana (until disposal in 2021) operations is as follows. This information is based on amounts before inter-company eliminations.

Honduras

	2022	2021	2020
		(US$ millions)	
Revenue	**586**	**589**	**552**
Depreciation and amortization	(112)	(124)	(132)
Operating profit	**111**	**99**	**77**
Financial income (expenses), net	(29)	(34)	(24)
Profit before taxes	**80**	**62**	**58**
Charge for taxes, net	(31)	(22)	(19)
Profit for the year	**49**	**40**	**39**
Net profit for the year attributable to Millicom	**32**	**27**	**27**
Dividends and advances paid to Millicom	9	—	24
Total non-current assets (excluding goodwill)	404	473	461
Total non-current liabilities	384	362	533
Total current assets	182	176	300
Total current liabilities	220	305	236
Total net assets	(17)	(18)	(8)
Group's share in %	66.7 %	66.7 %	66.7 %
Group's share in USD millions	(12)	(12)	(5)
Goodwill and consolidation adjustments	601	608	615
Carrying value of investment in joint venture	590	596	610
Cash and cash equivalents	27	39	60
Debt and financing – non-current	334	267	390
Debt and financing – current	23	73	10
Net cash from operating activities	162	166	151
Net cash from (used in) investing activities	(109)	(89)	(145)
Net cash from (used in) financing activities	(64)	(98)	14
Net (decrease) increase in cash and cash equivalents	**(12)**	**(21)**	**20**

Guatemala

	2021 (ii)	2020(i)
	(US$ millions)	
Revenue	**1,379**	**1,503**
Depreciation and amortization	(282)	(323)
Operating profit	**462**	**452**
Financial income (expenses), net (i)	(40)	(95)
Profit before taxes	**432**	**347**
Charge for taxes, net	(99)	(83)
Profit for the year	**333**	**264**
Net profit for the year attributable to Millicom	**183**	**144**
Dividends and advances paid to Millicom	13	47
Cash and cash equivalents	N/A	188
Debt and financing – non-current	N/A	619
Debt and financing – current	N/A	24
Net cash from operating activities	611	598
Net cash from (used in) investing activities	(192)	(289)
Net cash from (used in) financing activities	(406)	(308)
Exchange impact on cash and cash equivalents, net	1	(2)
Net increase (decrease) in cash and cash equivalents	**13**	**(1)**

(i) In 2020, Financial expenses included a $18 million charge related to early redemption of bonds.

(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.

AirtelTigo Ghana

Our joint investment in AirtelTigo Ghana has been disposed of in 2021. The only material effect for 2021 year's statement of income is the loss recognized on the exit financing which is further explained in note A.2.. Therefore, only 2020 financial information is disclosed in the table below.

	2020
	(US$ millions)
Revenue	**132**
Depreciation and amortization	(42)
Operating loss	**(30)**
Financial income (expenses), net	(41)
Loss before taxes	**(85)**
Charge for taxes, net	—
Loss for the period	**(85)**
Net loss for the period attributable to Millicom	**0**
Cash and cash equivalents	1
Debt and financing – non-current	289
Debt and financing – current	40
Net cash from (used in) operating activities	(8)
Net cash from (used in) investing activities	—
Net cash from (used in) financing activities	4
Net decrease in cash and cash equivalents	**(4)**

A.2.3. Impairment of investment in joint ventures

While no impairment triggers were identified for the Group's investments in joint ventures in 2022, 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% (2021: 1%). Discount rate used in determining recoverable amount was 14.2% (2021: 8.9%).

For the year ended December 31, 2022 and 2021, and as a result of the impairment testing described above, management concluded that the Group's investments for its joint ventures in Honduras should not 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, 2022 % holding	December 31, 2021 % holding
Africa				
West Indian Ocean Cable Company Limited (WIOCC) (i)	Republic of Mauritius	Telecommunication carriers' carrier	—	9.1
Latin America				
MKC Brilliant Holding GmbH (LIH)	Germany	Online marketplace, retail and services	35.0	35.0
Unallocated				
Milvik AB (ii)	Sweden	Other	—	9.0

(i) Divested as a result of the disposal of our Tanzanian operations (see note A.4.).
(ii) In December 2022, Millicom relinquished its seat at the board of directors of Milvik AB ("Milvik") and therefore lost its significant influence in accordance with IAS 28. As a result, the Group stopped equity accounting for its investment in Milvik and classified it as a financial asset measured at fair value in accordance with IFRS 9.

At December 31, 2022 and 2021, the carrying value of Millicom's main associates was as follows:

Carrying value of investments in associates at December 31

	2022	2021
	(US$ millions)	
Milvik AB	—	8
West Indian Ocean Cable Company Limited (WIOCC)	—	14
Total	**—**	**22**

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 2022 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 former businesses in Tanzania and Chad had been classified as discontinued operations. For further details on Assets held for sale, refer to note E.4.

In accordance with IFRS 5, financial information relating to discontinued operations for the years ended December 31, 2022, 2021 and 2020 is set out below. Figures shown below are after intercompany eliminations.

Results from discontinued operations

		December 31	
	2022	2021	2020
		(US$ millions)	
Revenue	88	357	366
Cost of sales	(26)	(104)	(111)
Operating expenses	(27)	(131)	(126)
Other expenses linked to the disposal of discontinued operations	(11)	—	(1)
Depreciation and amortization	(21)	(83)	(89)
Other operating income (expenses), net	4	1	(9)
Gain/(loss) on disposal of discontinued operations	120	—	—
Operating profit (loss)	**127**	**39**	**32**
Interest income (expense), net	(12)	(36)	(64)
Other non-operating (expenses) income, net	—	(1)	1
Profit (loss) before taxes	**116**	**3**	**(31)**
Credit (charge) for taxes, net	(3)	(31)	(29)
Net profit/(loss) from discontinued operations	**113**	**(28)**	**(60)**

Cash flows from discontinued operations

		December 31	
	2022	2021	2020
		(US$ millions)	
Cash from operating activities, net	18	87	69
Cash from (used in) investing activities, net	(10)	(46)	(43)
Cash from (used in) financing activities, net	(9)	(35)	(34)

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

	2022	2021	2020
		(US$ millions)	
Mobile	2,957	2,000	1,759
Cable and other fixed services	2,145	1,938	1,794
Other	69	60	51
Service revenue	**5,171**	**3,997**	**3,604**
Telephone and equipment	454	263	201
Total revenue	**5,624**	**4,261**	**3,805**

Revenue from continuing operations by country or operation

	2022	2021	2020
		(US$ millions)	
Colombia	1,335	1,414	1,346
Paraguay	556	555	544
Bolivia	621	623	584
El Salvador	474	445	389
Nicaragua	247	238	220
Costa Rica	137	141	140
Panama	650	632	585
Guatemala (i)	1,614	223	—
Other operations	2	2	3
Eliminations	(12)	(13)	(5)
Total	**5,624**	**4,261**	**3,805**

(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.

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), such as commissions on peer to peer transfers, is generally recognized once the primary service has been provided to the customer. Revenue from interest earned on loans granted to customers are recognised over the period of the loan and are based on effective interest rates. Loan origination fees are treated as an adjustment to the effective interest rate.

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 on a straight-line basis 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

	2022	2021	2020
		(US$ millions)	
Direct costs of services sold	(941)	(841)	(748)
Cost of telephone, equipment and other accessories	(441)	(270)	(207)
Bad debt and obsolescence costs	(124)	(86)	(106)
Cost of sales	**(1,506)**	**(1,197)**	**(1,060)**

Operating expenses, net

	2022	2021	2020
		(US$ millions)	
Marketing expenses	(570)	(450)	(349)
Site and network maintenance costs	(310)	(233)	(214)
Employee related costs (B.4.)	(494)	(474)	(453)
External and other services	(251)	(164)	(163)
Other operating expenses	(266)	(224)	(204)
Operating expenses, net	**(1,890)**	**(1,546)**	**(1,383)**

The other operating income and expenses incurred by the Group can be summarized as follows:

Other operating income (expenses), net

	Notes	2022	2021	2020
			(US$ millions)	
Impairment of intangible assets and property, plant and equipment	E.1., E.2.	(7)	(6)	—
Gain (loss) on disposals of intangible assets and property, plant and equipment		1	5	—
Impairment of AirtelTigo's receivable	G.5.	—	—	(45)
Reverse earn-out in respect of Zantel's acquisition (i)		2	11	—
Gain (loss) on disposal of equity investments	C.7.3.	—	(15)	25
Other income (expenses) (ii)		2	10	9
Other operating income (expenses), net		**(2)**	**5**	**(12)**

(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 2021 statement of income.

(ii) In 2021, 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 Millicom Group's risks and rates of return for its operations were predominantly affected by operating in different geographical regions. Until the divestiture of our Tanzania business, as discussed above, the Millicom Group had businesses in two main regions, Latin America and Africa, which constituted our two reportable segments. As a result of the sale of the Tanzania business and its classification as a discontinued operation, we no longer report an Africa segment in our financial statements and will no longer report it for future periods. The Group now only operates in a single region, Latin America.

As a result, the Group now reports a single segment, called the "Group Segment," which includes the results of our Latin American operations, and regional and central corporate costs. Group Segment figures will continue to include our Honduras joint venture as if it was fully consolidated, as this reflects the way management reviews and uses internally reported information to make decisions about operating matters and to provide increased transparency to investors on those operations. Group Segment figures also include our operations in Guatemala as if they were fully consolidated for all comparative periods, for the same reasons. On November 12, 2021, we acquired the remaining 45% equity interest in our Guatemala joint venture business, and we now fully consolidate our operations in Guatemala. Prior to this date, we held a 55% stake in our operations in Guatemala and accounted for it using the equity method of accounting, along with our operations in Honduras.

Revenue, operating profit (loss), EBITDA and other segment information for the years ended December 31, 2022, 2021 and 2020, were as follows:

	Group Segment (viii)	Honduras (vii)	Eliminations and transfers	Group
		(US$ millions)		
Year ended December 31, 2022				
Mobile revenue	3,392	(436)	1	2,957
Cable and other fixed services revenue	2,247	(108)	7	2,145
Other revenue	73	(5)	—	69
Service revenue (i)	5,712	(549)	8	5,171
Telephone and equipment revenue	491	(37)	—	454
Revenue	**6,203**	**(586)**	**8**	**5,624**
Operating profit (loss)	**1,004**	**(121)**	**32**	**915**
Add back:				
Depreciation and amortization	1,454	(112)	1	1,344
Share of profit in joint ventures	—	—	(32)	(32)
Other operating expenses (income), net	(1)	3	(1)	2
EBITDA (ii)	**2,457**	**(230)**	**1**	**2,228**
EBITDA from discontinued operations	24	—	—	24
EBITDA incl discontinued operations	**2,482**	**(230)**	**1**	**2,252**
Capital expenditure (iii)	(1,042)	85	—	(957)
Spectrum paid	(93)	—	—	(93)
Changes in working capital and others (iv)	(95)	(26)	—	(121)
Taxes paid	(365)	49	—	(316)
Operating free cash flow (v)	**887**	**(122)**	**1**	**765**
Total Assets (vi)	**14,543**	**(1,004)**	**660**	**14,198**
Total Liabilities	**11,097**	**(603)**	**70**	**10,565**

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

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

(iii) *Excluding spectrum and licenses.*

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

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

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

(vii) *Including eliminations for Guatemala (prior to acquisition) and Honduras as reported in the Group Segment.*

(viii) *As further explained above, Group Segment numbers include Guatemala (until acquisition in November 2021) and Honduras as if they were fully consolidated, and excludes Africa.*

	Group Segment (viii)	Guatemala and Honduras (vii)	Eliminations and transfers	Group
		(US$ millions)		
Year ended December 31, 2021				
Mobile revenue	3,372	(1,372)	—	2,000
Cable and other fixed services revenue	2,273	(334)	—	1,938
Other revenue	68	(8)	—	60
Service revenue (i)	5,712	(1,715)	—	3,997
Telephone and equipment revenue	503	(240)	—	263
Revenue	**6,216**	**(1,955)**	**—**	**4,261**
Operating profit (loss)	**983**	**(574)**	**210**	**619**
Add back:				
Depreciation and amortization	1,516	(403)	—	1,113
Share of profit in joint ventures	—	—	(210)	(210)
Other operating expenses (income), net	(5)	—	—	(5)
EBITDA (ii)	**2,494**	**(977)**	**—**	**1,517**
EBITDA from discontinued operations	121	—	—	121
EBITDA incl discontinued operations	**2,615**	**(977)**	**—**	**1,638**
Capital expenditure (iii)	(1,065)	238	—	(827)
Spectrum paid	(59)	22	—	(37)
Changes in working capital and others (iv)	(51)	(13)	—	(65)
Taxes paid	(271)	143	—	(127)
Operating free cash flow (v)	**1,169**	**(587)**	**—**	**582**
Total Assets (vi)	**15,484**	**(6,432)**	**6,088**	**15,141**
Total Liabilities	**12,934**	**(1,763)**	**1,229**	**12,401**

	Group Segment (viii)	Guatemala and Honduras (vii)	Eliminations and transfers	Group
		(US$ millions)		
Year ended December 31, 2020				
Mobile revenue	3,220	(1,461)	—	1,759
Cable and other fixed services revenue	2,096	(302)	—	1,794
Other revenue	58	(6)	—	51
Service revenue (i)	5,374	(1,769)	—	3,604
Telephone and equipment revenue (i)	466	(266)	—	201
Revenue	**5,840**	**(2,035)**	**—**	**3,805**
Operating profit (loss)	**763**	**(536)**	**175**	**402**
Add back:				
Depreciation and amortization	1,572	(453)	—	1,119
Share of profit in joint ventures	—	—	(171)	(171)
Other operating expenses (income), net	19	(3)	(4)	12
EBITDA (ii)	**2,354**	**(992)**	**—**	**1,362**
EBITDA from discontinued operations	129	—	—	129
EBITDA incl discontinued operations	**2,483**	**(992)**	**—**	**1,491**
Capital expenditure (iii)	(973)	258	—	(714)
Spectrum paid	(6)	—	—	(6)
Changes in working capital and others (iv)	65	(43)	—	22
Taxes paid	(273)	131	—	(142)
Operating free cash flow (v)	**1,297**	**(645)**	**—**	**651**
Total Assets (vi)	**14,266**	**(5,116)**	**(859)**	**12,422**
Total Liabilities	**11,563**	**(2,044)**	**(987)**	**10,148**

Revenue from contracts with customers from continuing operations:

$ millions	Timing of revenue recognition	Twelve months ended December 31, 2022 Group	Twelve months ended December 31, 2021 Group	Twelve months ended December 31, 2020 Group
Mobile	Over time	2,916	1,963	1,727
Mobile Financial Services	Point in time	40	37	32
Cable and other fixed services	Over time	2,145	1,938	1,794
Other	Over time	69	60	51
Service Revenue		**5,171**	**3,997**	**3,604**
Telephone and equipment	Point in time	454	263	201
Revenue from contracts with customers		**5,624**	**4,261**	**3,805**

B.4. People

Number of permanent employees

	2022	2021	2020
Subsidiaries (i)	18,534	19,749	16,955
Joint ventures (ii)	912	938	4,464
Total	**19,446**	**20,687**	**21,419**

(i) Emtelco (subsidiary of EPM) 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) Only Honduras for 2022 and 2021. Includes also Guatemala and Ghana for 2020.

	Notes	2022	2021	2020
		(US$ millions)		
Wages and salaries		(372)	(361)	(337)
Social security		(69)	(66)	(62)
Share based compensation	B.4.1.	(29)	**(16)**	**(23)**
Pension and other long-term benefit costs	B.4.2.	(2)	(6)	(4)
Other employees related costs		(22)	(25)	(27)
Total		**(494)**	**(474)**	**(453)**

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

	2022	2021	2020
	(US$ millions)		
2018 incentive plans	—	—	(2)
2019 incentive plans	—	3	(8)
2020 incentive plans	(3)	(3)	(13)
2021 incentive plans	(11)	(17)	—
2022 incentive plans	(15)	—	—
Total share based compensation	**(29)**	**(17)**	**(24)**

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 January 1 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, for LTI 2021 plan, Millicom had added a time vesting Restricted Stock Units ("RSU's") representing 35% of the total award. The RSU's will be vesting at the end of three years depending on satisfactory service condition. RSU's have been removed from the plan rules from 2022. 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 (LTI 2022: 30%; LTI 2021: 15%) and Operating Cash Flow after Leases ("OCFaL") (LTI 2022: 50%; LTI 2021: 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 2022 (Relative TSR)	2.01	0.00	47.94	2.80	29.12
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

	2022 plans		2021 plans		2020 plans		2019 plans	
	PSP	DSP	PSP	DSP	PSP	DSP	PSP	DSP
					(number of shares)			
Initial shares granted	306,641	865,862	451,363	536,890	341,897	370,131	257,601	297,856
Additional shares granted(i)	—	47,588	—	5,824	—	5,928	—	43,115
Effect of the Right Offering(ii)	83,926	227,947	115,575	93,375	20,862	32,526	—	—
Revision for forfeitures	—	(21,990)	(25,938)	(28,130)	(265,632)	(34,857)	(257,293)	(32,253)
Revision for cancellations	—	—	—	(9,250)	—	(4,996)	—	—
Total before issuances	390,567	1,119,407	541,000	598,709	97,127	368,732	308	308,718
Shares issued in 2019	—	—	—	—	—	—	(150)	(24,294)
Shares issued in 2020	—	—	—	—	—	(3,571)	(17)	(96,629)
Shares issued in 2021	—	—	(1,121)	(5,760)	—	(113,653)	—	(87,141)
Shares issued in 2022	—	(13,957)	(2,071)	(160,596)	—	(100,362)	(141)	(100,654)
Performance conditions not met	—	—	—	—	(97,127)	—	—	—
Shares still expected to vest	390,567	1,105,450	537,808	432,353	—	151,146	—	—
Estimated cost over the vesting period (US$ millions)	7	20	16	19	4	15	na	na

(i) Additional shares granted represent grants made for new joiners and/or as per CEO contractual arrangements.

(ii) In 2022, as per plan rules, additional shares have been granted to all participants for unvested plans as a result of the effect of the right offering (see note C.1.).

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 was determined on the basis of a share price at inception of $33.83 for Tranche 2022 and $36.90 for Tranche 2023 (targets consider that Millicom share price at grant date - $30.75 - will appreciate 10% for Tranche 2022 and 20% for tranche 2023 from the grant price). The aforementioned share prices and number of units granted have been amended as a result of the effect of the right offering (see note C.1.). 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, 2022 and 2021, the fair value of the liability amounts to $2 million and $3 million, respectively, and was determined by using Millicom's share price (using a Black-Scholes model would not result in material differences). The related cost for the years ended December 31, 2022 and 2021, amounts to a credit of $1 million (as a result of the share price decrease over the year) and an expense of $3 million, respectively.

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, 2022, the defined benefit obligation liability amounted to $37 million (2021: $42 million) and payments expected in the plans in future years totals $77 million (2021: $81 million). The average duration of the defined benefit obligation at December 31, 2022 is 4 years (2021: 5 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 non-executive Directors of the Board (gross of withholding tax)

	2022	2021 (US$ '000)	2020
Chairperson	315	300	300
Other non-executive directors of the Board	1,408	1,338	1,188
Total (i)	**1,723**	**1,638**	**1,488**

Shares beneficially owned by the non-executive Directors

	2022	2021
	(number of shares)	
Chairperson	43,891	18,634
Other non-executive directors of the Board	152,298	61,022
Total (i)	**196,189**	**79,656**

(i) Cash compensation is denominated in USD. Share based compensation is based on the market value of Millicom shares on the corresponding AGM date (2022: in total 41,167 shares; 2021: in total 24,737 shares; 2020: in total 32,358 shares. Net remuneration comprised 73% in shares and 27% in cash (SEK) (2021: 73% in shares and 27% in cash; 2020: 71% in shares and 29% 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

	Mr. Mauricio Ramos	Mr. Sheldon Bruha	Mr. Tim Pennington	Other Executive Team Members (5 members)
		(US$ '000)		
2022				
Base salary	1,216	598	581	2,883
Bonus	1,650	541	—	2,044
Pension	287	144	87	663
Other benefits	82	67	40	312
MSU (v)	373	—	67	174
Termination benefits	—	—	877	—
Total before share based compensation	**3,608**	**1,351**	**1,653**	**6,076**
Share based compensation(i)(ii) in respect of 2022 LTIP (iv)	5,567	688	888	4,927
Total	**9,175**	**2,039**	**2,540**	**11,004**

	Mr. Mauricio Ramos	Mr. Tim Pennington	Other Executive Team Members (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 2020 LTIP (iv)	7,914	1,652	5,383
Total	**12,626**	**3,679**	**12,872**

	Mr. Mauricio Ramos	Mr. Tim Pennington	Other Executive Team Members (5 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 2019 LTIP (iv)	7,114	1,834	3,796
Total	**9,955**	**3,151**	**9,210**

(i) *See note B.4.1.*

(ii) *290,049 and 338,171 were awarded in 2022 under the 2019 LTIPs to Mauricio Ramos and the Executive Team (2021: 196,904 and 211,578, respectively; 2020: 153,894 and 135,269, respectively).*

(iii) *'Other Executives' includes compensation paid in 2020 to Rachel Samren former Chief External Affairs Officer (departed on August 31, 2020) and to HL Rogers former Chief Ethics and Compliance Officer (departed on 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 the year.*

Share ownership and unvested share awards granted from Company equity plans to the Executive team

	CEO	Executive team	Total
		(number of shares)	
2022			
Share ownership (vested from equity plans and otherwise acquired)	426,607	297,061	723,668
Share awards not vested	519,006	593,765	1,112,771
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

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	December 31 2022	 2021	 2020
		(US$ millions)		
Change in fair value of derivatives	C.7.2.	12	3	(11)
Change in fair value in investment in Milvik (i)		(6)	—	—
Change in fair value in investment in Jumia (vi)		—	—	(18)
Change in fair value in investment in HT (ii)	C.7.3.	—	18	(16)
Change in value of call option asset and put option liability (iii)	C.7.4.	(1)	(31)	5
Exchange gains (losses), net		(84)	(42)	(69)
Other		1	2	2
Total other non-operating (expenses) income, net		**(78)**	**(49)**	**(107)**

(i))(Milvik) *Please see note A.3.*

(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"

(iii) Until June 29, 2022, date on which the non-controlling shareholders of Tigo Panama exercised their put option right to sell their remaining 20% *shareholding to Millicom (see note A.1.2.).*

(vi) 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".

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 (2021: 10% to 35%; 2020: 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

	2022	2021	2020
		(US$ millions)	
Income tax (charge) credit			
Withholding tax	(70)	(56)	(83)
Other income tax relating to the current year	(165)	(106)	(60)
Adjustments in respect of prior years(i)	(39)	(13)	(12)
Total	**(274)**	**(175)**	**(155)**
Deferred tax (charge) credit			
Origination and reversal of temporary differences	168	72	95
Effect of change in tax rates	—	29	(5)
Tax income (expense) before valuation allowances	168	101	90
Effect of valuation allowances	(114)	(81)	(15)
Total	**54**	**20**	**75**
Adjustments in respect of prior years	(2)	(3)	8
	52	**17**	**83**
Tax (charge) credit on continuing operations	(222)	(158)	(72)
Tax (charge) credit on discontinuing operations	(3)	(31)	(29)
Total tax (charge) credit	**(225)**	**(189)**	**(101)**

(i) Mainly due to the adherence to a tax amnesty in one of our operations for a total cash outflow of $40 million, out of which $34 million have been provided for in 2022 and the rest in previous years.

Reconciliation between the tax expense and tax at the weighted average statutory tax rate is as follows:

Income tax calculation

	2022			2021			2020		
	Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
					(US$ millions)				
Profit before tax	238	116	354	728	3	731	(252)	(31)	(283)
Tax at the weighted average statutory rate	(47)	(27)	(74)	(153)	(1)	(154)	76	9	85
Effect of:									
Items taxed at a different rate	37	—	37	9	—	9	1	—	1
Change in tax rates on deferred tax balances	—	—	—	29	—	29	(5)	—	(5)
Expenditure not deductible and income not taxable	1	26	27	83	(4)	79	(99)	(7)	(106)
Unrelieved withholding tax	(68)	—	(68)	(55)	—	(55)	(83)	—	(83)
Accounting for associates and joint ventures	9	—	9	41	—	41	42	—	42
Movement in deferred tax on unremitted earnings	1	—	1	(15)	—	(15)	15	—	15
Unrecognized deferred tax assets	(114)	(2)	(116)	(138)	(6)	(144)	(23)	(4)	(27)
Recognition of previously unrecognized deferred tax assets	—	—	—	57	—	57	8	—	8
Adjustments in respect of prior years	(41)	—	(41)	(16)	(20)	(36)	(4)	(27)	(31)
Total tax (charge) credit	**(222)**	**(3)**	**(225)**	**(158)**	**(31)**	**(189)**	**(72)**	**(29)**	**(101)**
Weighted average statutory tax rate	19.7%		20.9%	21.0%		21.1%	30.2%		30.0%
Effective tax rate	93.3%		63.6%	21.7%		25.9%	(28.6)%		(35.7)%

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, 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)**
(Charge)/credit to income statement	23	(27)	(15)	16	—	(3)
Change in scope	(9)	—	—	3	—	(6)
Charge to Other Comprehensive Income	—	—	—	(1)	—	(1)
Exchange differences	(2)	(4)	—	(6)	—	(12)
Balance at December 31, 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)**
Transfers to Assets Held for Sale	57	—	—	(9)	—	48
(Charge)/credit to income statement	29	(131)	1	153	—	52
Charge to Other Comprehensive Income	—	—	—	1	—	1
Exchange differences	—	(3)	—	(8)	—	(11)
Balance at Balance at 31 December 2022	**(44)**	**22**	**(25)**	**103**	**—**	**56**
Deferred tax assets	109	22	—	104	(31)	204
Deferred tax liabilities	(153)	—	(25)	(1)	31	(148)
Balance at December 31, 2022	**(44)**	**22**	**(25)**	**103**	**—**	**56**

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, 2022	90	5,535	71	**5,696**
At December 31, 2021	117	4,856	103	**5,076**

Unrecognized tax losses carryforward related to continuing operations expire as follows:

	2022	2021 (US$ millions)	2020
Expiry:			
Within one year	—	1	3
Within one to five years	3	2	3
After five years	1,598	1,232	1,089
No expiry	3,934	3,621	3,573
Total	**5,535**	**4,856**	**4,668**

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, 2022, Millicom had $640 million of unremitted earnings of Millicom operating subsidiaries for which no deferred tax liabilities were recognized (2021: $725 million; 2020: $621 million). Except for intragroup dividends to be paid out of 2022 profits in 2023 for which deferred tax of $25 million (2021: $26 million; 2020 $11 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

	2022	2021(ii) (iii)	2020(ii) (iii)
		(US$ millions)	
Basic and Diluted			
Net profit (loss) attributable to equity holders from continuing operations	64	618	(284)
Net profit (loss) attributable to equity holders from discontinued operations	113	(28)	(60)
Net profit (loss) attributable to all equity holders to determine the profit (loss) per share	177	590	(344)
in thousands			
Weighted average number of ordinary shares for basic and diluted earnings per share	139,049	128,571	128,625
Potential shares as a result of long term incentive plans	640	549	355
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution (i)	139,690	129,120	128,980
		(U.S. dollars)	
Basic			
Earnings (loss) per common share for profit (loss) from continuing operations attributable to owners of the Company	0.46	4.81	(2.21)
Earnings (loss) per common share for profit (loss) from discontinued operations attributable to owners of the Company	0.81	(0.22)	(0.47)
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company	1.27	4.59	(2.68)
Diluted			
Earnings (loss) per common share for profit (loss) from continuing operations attributable to owners of the Company	0.46	4.79	(2.20)
Earnings (loss) per common share for profit (loss) from discontinued operations attributable to owners of the Company	0.81	(0.22)	(0.47)
Earnings (loss) per common share for profit (loss) for the period attributable to owners of the Company	1.27	4.57	(2.67)

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

(ii) Re-presented for discontinued operations (see note A.4.).

(iii) As required by IAS 33 'Earnings per share' the impact of the bonus element included within the rights offering (see note C.1.) has been included in the calculations of the basic and diluted earnings per share for the current year/period and comparative figures have been re-presented accordingly.

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

	2022 (i)	2021
Authorized and registered share capital (number of shares)	200,000,000	133,333,200
Subscribed and fully paid up share capital (number of shares)	172,096,305	101,739,217
Par value per share	1.50	1.50
Share capital (US$ millions)	258	153
Share premium (US$ millions)	1,085	476
Total (US$ millions)	**1,343**	**628**

(i) On December 13, 2021, in the view of the upcoming right offering, Millicom's Board of Directors proposed to increase the authorized share capital of the Company to $300 million divided into 200 million 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.

On May 18, 2022, the Board of Directors of Millicom resolved on a rights offering (the "Rights Offering") granting preferential subscription rights to existing holders of shares and Swedish Depositary Receipts ("SDRs") to subscribe for up to 70,357,088 shares in aggregate.

Those who were registered as holders of shares/SDR register on May 23, 2022, received one subscription right for each share ("Share Right") or SDR ("SDR right") held in Millicom. 10 share rights entitled a holder thereof to subscribe for 7 new shares in Millicom and 10 SDR Rights entitled a holder thereof to subscribe 7 new SDRs in Millicom. The subscription price was set at SEK 106 per new SDR and $10.61 per new share. The subscription price in SEK was determined based on the subscription price in U.S dollars as resolved by Millicom, $10.61 per new share, using the SEK-U.S dollar exchange rate published by the Swedish Central Bank on May 17, 2022.

The record date for participation in the Rights Offering was May 23, 2022. The subscription period ran from May 27, 2022 up to June 13, 2022.

The result of the Rights Offering showed that 68,822,675 shares, including those represented by SDRs, have been subscribed for by the exercise of basic subscription rights. The remaining 1,534,413 shares, including those represented by SDRs, were allotted to those investors who subscribed for them pursuant to over subscription privileges. The Rights Offering was thus fully subscribed, and Millicom received proceeds amounting to approximately $717 million after deducting underwriting commissions and other offering expenses of $28 million.

The Rights Offering resulted in the issuance of 70,357,088 new shares, which increased the number of outstanding shares in Millicom from 101,739,217 to 172,096,305. As a result, the share capital increased by $106 million to $258 million from $153 million. The remaining $611 million have been allocated to the Group's share premium account.

Other equity reserves

	Legal reserve	Equity settled transaction reserve	Hedge reserve	Currency translation reserve	Pension obligation reserve	Total
			(US$ millions)			
As of January 1, 2020	**16**	**52**	**(18)**	**(593)**	**(2)**	**(544)**
Share based compensation	—	24	—	—	—	24
Issuance of shares – 2015, 2016, 2017 LTIPs	—	(26)	—	—	—	(26)
Remeasurements of post-employment benefit obligations	—	—	—	—	(2)	(2)
Cash flow hedge reserve movement	—	—	(1)	—	—	(1)
Currency translation movement	—	—	0	(12)	—	(12)
As of December 31, 2020	**16**	**50**	**(19)**	**(605)**	**(4)**	**(562)**
Share based compensation	—	18	—	—	—	18
Issuance of shares –2016, 2017, 2018 LTIPs	—	(25)	—	—	—	(25)
Remeasurements of post-employment benefit obligations	—	—	—	—	2	2
Cash flow hedge reserve movement	—	—	14	—	—	14
Currency translation movement	—	—	1	(41)	—	(41)
As of December 31, 2021	**16**	**43**	**(3)**	**(646)**	**(3)**	**(593)**
Share based compensation	—	25	—	—	—	25
Issuance of shares –2017, 2018, 2019 LTIPs	—	(17)	—	—	—	(17)
Remeasurements of post-employment benefit obligations	—	—	—	—	(2)	(2)
Cash flow hedge reserve movement	—	—	8	—	1	9
Currency translation movement	—	—	—	20	—	20
As of December 31, 2022	**16**	**51**	**5**	**(626)**	**(4)**	**(559)**

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 2021 or 2022 as the 10% minimum level was reached in 2011, a further allocation will be needed in 2023 as a result of the recent capital increase.

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 with functional currencies different to US dollar, 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

No dividend distributions were made in the last three years as the Group pivoted its shareholder's remuneration strategy to share buybacks.

In addition, 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, 2022, $472 million (December 31, 2021: $486 million; December 31, 2020: $310 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	2022	2021
		(US$ millions)	
Debt and financing due after more than one year			
Bonds	C.3.1.	4,879	4,030
Banks	C.3.2.	1,776	1,851
Other financing (ii)		30	36
Total non-current financing		6,686	5,916
Less: portion payable within one year		(61)	(12)
Total non-current financing due after more than one year		**6,624**	**5,904**
Debt and financing due within one year			
Bonds	C.3.1.	101	61
Banks	C.3.2.	18	1,768
Total current debt and financing		**119**	**1,828**
Add: portion of non-current debt payable within one year		61	12
Total		**180**	**1,840**
Total debt and financing		**6,804**	**7,744**

(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

	2022	2021
	(US$ millions)	
Millicom International Cellular S.A. (Luxembourg)	2,573	4,020
Guatemala	1,465	605
Colombia	605	802
Paraguay	678	751
Bolivia	260	310
Panama	773	846
Tanzania	—	188
Costa Rica	128	121
El Salvador	173	100
Nicaragua	147	—
Total debt and financing	**6,804**	**7,744**

Debt and financing 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. 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 %	2022	2021
					(US$ millions)	
SEK Variable Rate Notes	1	Luxembourg	2024	STIBOR (i) + 2.350%	191	220
SEK Variable Rate Notes	1	Luxembourg	2027	STIBOR (i) + 3.000%	214	—
USD 4.500% Senior Notes	2	Luxembourg	2031	4.500 %	779	777
USD 6.625% Senior Notes	3	Luxembourg	2026	6.625 %	147	147
USD 6.250% Senior Notes	4	Luxembourg	2029	6.250 %	670	670
USD 5.125% Senior Notes	5	Luxembourg	2028	5.125 %	446	445
USD 5.875% Senior Notes	6	Paraguay	2027	5.875 %	508	556
PYG 8.750% Notes (tranche A)	6	Paraguay	2024	8.750 %	16	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 %	3	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 %	13	14
PYG 6.700% Notes (tranche I)	6	Paraguay	2028	6.700 %	19	21
PYG 7.500% Notes (tranche J)	6	Paraguay	2031	7.500 %	22	23
BOB 5.800% Notes	7	Bolivia	2026	5.800 %	35	50
BOB 4.850% Notes	7	Bolivia	2023	4.850 %	14	28
BOB 3.950% Notes	7	Bolivia	2024	3.950 %	14	21
BOB 4.600% Notes	7	Bolivia	2024	4.600 %	41	40
BOB 4.300% Notes	7	Bolivia	2029	4.300 %	15	17
BOB 4.300% Notes	7	Bolivia	2022	4.300 %	—	11
BOB 4.700% Notes	7	Bolivia	2024	4.700 %	21	25
BOB 5.300% Notes	7	Bolivia	2026	5.300 %	8	9
BOB 5.000% Notes	7	Bolivia	2026	5.000 %	48	54
UNE Bond 2 (tranches A and B)	8	Colombia	2023	CPI + 4.76%	31	38
UNE Bond 3 (tranche A)	8	Colombia	2024	9.350 %	33	40
UNE Bond 3 (tranche B)	8	Colombia	2026	CPI + 4.15%	53	64
UNE Bond 3 (tranche C)	8	Colombia	2036	CPI + 4.89%	26	32
UNE Bond 6.600%	8	Colombia	2030	6.600 %	31	38
UNE Bond 4 (tranche A)	8	Colombia	2028	5.560 %	24	29
UNE Bond 4 (tranche B)	8	Colombia	2031	CPI + 2.61%	59	71
UNE Bond 4 (tranche C)	8	Colombia	2036	CPI + 3.18%	18	21
USD 4.500% Senior Notes	9	Panama	2030	4.500 %	589	587
USD Comcel Senior Notes 5.125%	10	Guatemala	2032	5.125 %	870	—
Total bond financing					**4,980**	**4,090**

(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 "2024 SEK bond"). The bond carries a floating coupon of 3-month Stibor+235bps. Costs of issuance of $2.4 million is amortized over the five year life of the bond (the effective interest rate is 2.6%)

On January 10, 2022, Millicom placed another SEK 2.2 billion floating rate senior unsecured sustainability bond due on 2027 (the "2027 SEK bond") and carrying a floating coupon priced at 3-month Stibor+300bps. Costs of issuance of $2.4 million is amortized over the five year life of the bond (the effective interest rate is 3.23%)

Millicom has been using the proceeds 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. The latter are listed on the Nasdaq Stockholm sustainable bond list.

The 2024 SEK bond is swapped with various banks to hedge its principal and interest rate exposure, pursuant to which it will effectively pay fixed-rate coupons in US dollars between 4.990% and 4.880%. The 2027 SEK bond is swapped to US dollars to hedge the exchange risk of its principal and interest payments (see D.1.2.).

(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 6.04%). 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. On November 4, 2022, Telecel announced a tender offer (early tender consideration for $927.5 for each $1,000 principal amount of notes) to purchase for cash up to $55 million in aggregate principal amount of the Senior Notes. On November 20, 2022, Telecel announced that approximately $47 million in principal amount of the mentioned Notes, have been accepted and settled on November 21, 2022. Late tender expired on December 6, 2022 with no further tendered Notes. Total consideration amounted to approximately $44 million with a net financial income impact of $3 million given the Notes were repurchased below their par value.

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 $41 million using December 31, 2022 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 $54 million using December 31, 2022 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 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 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%).

Guatemala

(10) (2032) USD 5.125% Senior Notes

On January 27, 2022, our principal subsidiary in Guatemala, Comunicaciones Celulares, S.A. ("Comcel"), completed the issuance of 10-year $900 million Senior Notes with a coupon of 5.125% per annum. The proceeds from this bond 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 the Tigo Guatemala operations (see note A.1.2.).

On November 4, 2022, Comcel announced a tender offer (early tender consideration for $822.5 for each $1,000 principal amount of notes) to purchase for cash up to $90 million in aggregate principal amount of the Senior Notes. On November 20, 2022, Comcel announced that approximately $19 million in principal amount of the mentioned Notes, have been accepted and settled on November 21, 2022. Late tender expired on December 6, 2022 with no further tendered Notes. Total consideration amounted to approximately $16 million with a net financial income impact of $3 million given the Notes were repurchased below their par value.

C.3.2. Bank and Development Financial Institution financing

	Note	Country	Maturity range	Interest rate	2022	2021
					(US$ millions)	
Fixed rate loans						
PYG Long-term loans	1	Paraguay	2023-2026	Fixed	76	94
USD - Long-term loans	2	Panama	2025-2026	Fixed	185	259
BOB Long-term loans	3	Bolivia	2023-2026	Fixed	64	54
GTQ Long-term loans	8	Guatemala	2025-2027	Fixed	595	605
Variable rate loans						
USD Long-term loans	4	Costa Rica	2026	Variable	32	33
CRC Long-term loans	4	Costa Rica	2026	Variable	96	88
USD Long-term loans		Tanzania	2022-2025	Variable	—	150
TZS Long-term loans		Tanzania	2022-2025	Variable	—	38
COP Long-term loans	5	Colombia	2025-2030	Variable	280	322
USD Long-term loans	5	Colombia	2024	Variable	50	148
USD Credit Facility / Senior Unsecured Term Loan Facility	6	El Salvador	2026-2027	Variable	173	99
USD Long-term loans	6	Nicaragua	2027	Variable	147	—
USD Revolving Credit Facility(i)	7	Luxembourg	2025	Variable	(3)	(4)
USD Bridge Loan	7	Luxembourg	2022	Variable	—	1,632
USD DNB Bilateral	7	Luxembourg	2026	Variable	99	99
Total Bank and Development Financial Institution financing					**1,794**	**3,618**

(i) Relates to the amortized costs of the undrawn RCF that the Company entered into in October 2020 - see point 7 below.

Below are some further details on the facilities disclosed in the table above. When applicable, local currency amounts are translated in USD using the exchange rate at the time of obtaining them. Otherwise specify the date

1. *Paraguay*

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 December 2020, Telecel executed a credit agreement with Banco Continental S.A.E.C.A for PYG 200,000 million (approximately $29 million) with a duration of 2.5 years. Main aim was to refinance outstanding bank loans with maturities from 2021 to 2025.

In December 2021, Telecel entered into a new loan of PYG 50,000 million (approximately $7 million) with GNB to refinance an outstanding bank loan with Banco Itaú. This loan bears fixed interest and will mature in 2024.

2. *Panama*

In August 2019, Telecomunicaciones Digitales, S.A. (formerly 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. On July 29th, 2022 the $75 million loan with The Bank of Nova Scotia was repaid.

In December 2020, Telecomunicaciones Digitales, 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, Telecomunicaciones Digitales, S.A. 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 bearing fixed interest rate.

In July 2022, Tigo Bolivia signed two new loan agreements for a total amount of approximately $8 million and a repayment period of five years, bearing fixed interest rate.

4. Costa Rica

On October 25, 2021, Millicom Cable Costa Rica S.A. executed 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.

5. 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 $94 million at the December 31, 2022 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.

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 Agreement, fixing the exchange and interest rates (see note D.1.2.).

On January 21, 2022, Colombia Movil S.A. repaid $100 million of the outstanding amount of the aforementioned Syndicated Loan Agreement. On January 19, 2022, the respective cross currency swaps with Bancolombia and JP Morgan for $25 million, each, were terminated. This resulted in a gain and cash settlement of $11 million (see note B.5.).

As of December 31, 2022, there is still $50 million outstanding under the Syndicated Loan Agreement, which is covered by cross currency and interest rate swaps.

On October 5, 2022 UNE EPM Telecomunicaciones S.A. entered into a credit loan with Bancolombia for COP 85,000 million loan (approximately $18 million) with a variable rate at IBR+margin and a maturity of 1 year.

6. El Salvador and Nicaragua

On December 26, 2021, Telemovil El Salvador S.A. ("Telemovil") 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.

On September 12, 2022, Telefonia Celular de Nicaragua, S.A. ("Nicaragua") and Telemovil entered into a new Credit and Guaranty Agreement with Bank of Nova Scotia as Administrative Agent and Citigroup and Bladex as Joint Lead Arrangers, and with the Company as Guarantor for $225 million Unsecured Term Loan with a 5-year maturity. The allocated portion for Telemovil is $75 million and the allocated portion for Nicaragua is $150 million. The proceeds have been used to partially repay loans with other companies within the Group. The interest rate for this loan is SOFR based plus a margin.

7. Luxembourg

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 was not drawdown so far and could be used for financing of working capital or for general corporate purposes, if needed.

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 bore a variable interest rate with a step up every three months and had a maturity period of 6 months, extendable for an additional 6 months. The initial costs of issuance amounted to $28 million and were 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. On April 13, 2022, Millicom repaid $100 million of the Bridge Loan with the proceeds received from the disposal of our operations in Tanzania. The remaining balance of $350 million has been repaid in June 2022 with the proceeds of the rights offering (see note C.1.).

8. 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 $413 million) 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) 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) which bear a fixed interest rate and mature in December 2026.

On March 31, 2022, Comcel executed a new 5-year $150 million loan agreement with Banco de Desarrollo Rural, S.A.. Proceeds were disbursed on April 27, 2022 and were used to refinance some of the credit agreements Comcel had with Banco Industrial.

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 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		
	2022	2021	2020
	(US$ millions)		
Interest expense on bonds and bank financing	(434)	(329)	(369)
Interest expense on leases	(124)	(113)	(112)
Early redemption charges	—	(5)	(15)
Others	(59)	(47)	(64)
Total interest and other financial expenses	**(617)**	**(495)**	**(560)**

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, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
	Outstanding and Maximum exposure		Outstanding and Maximum exposure	
0-1 year	13	71	2	82
1-3 years	70	6	—	—
3-5 years	418	223	—	—
Total	**501**	**300**	**2**	**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, 2022, 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 $501 million (December 31, 2021: $300 million). At December 31, 2022 and December 31, 2021 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.

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, 2022, there were no breaches of financial covenants.

C.4. Lease liabilities

At December 31, 2022, lease liabilities are presented in the statement of financial position as follows:

	December 31, 2022	December 31, 2021
	(US$ millions)	
Current	163	171
Non-Current	853	996
Total Lease liabilities	**1,016**	**1,167**

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 and are as follows:

	2022	2021
	(US$ millions)	
Expense relating to short-term leases (included in cost of sales and operating expenses)	**0**	**0**

The total cash outflow for leases in 2022 was $285 million (2021: $277 million). Lease liabilities split by maturity and future cash outflows are disclosed in note D.5..

At December 31, 2022, 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.

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

	2022	2021
	(US$ millions)	
Cash and cash equivalents in USD	820	526
Cash and cash equivalents in other currencies	220	369
Total cash and cash equivalents	**1,039**	**895**

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

	2022	2021
	(US$ millions)	
Mobile Financial Services	50	197
Others	6	7
Restricted cash	**57**	**203**

Cash held with banks related to MFS which is restricted in use due to local regulations is denoted as restricted cash. The decrease is in mainly related to the sale of our operations in Tanzania.

C.5.3. Pledged deposits

Pledged deposits represented 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, 2022, there was nil pledged deposits (2021: $35 million).

C.6. Net financial obligations

Net financial obligations

	2022	2021
	(US$ millions)	
Total debt and financing	6,804	7,744
Lease liabilities	1,016	1,167
Gross financial obligations	**7,820**	**8,911**
Less:		
Cash and cash equivalents	(1,039)	(895)
Pledged deposits	—	(35)
Net financial obligations at the end of the year	**6,780**	**7,981**
Add (less) derivatives related to debt (note D.1.2.)	34	(20)
Net financial obligations including derivatives related to debt	**6,814**	**7,961**

	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, 2021	**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**
Cash flows	179	(35)	(557)	(157)	(858)
Scope changes	—	—	—	—	—
Recognition / Remeasurement	—	—	—	251	251
Interest accretion	—	—	9	—	9
Foreign exchange movements	(11)	—	(197)	(63)	(249)
Transfers to/from assets held for sale	(24)	—	(189)	(184)	(349)
Transfers	—	—	1	2	4
Other non-cash movements	—	—	(8)	—	(8)
Net financial obligations as at December 31, 2022	**1,039**	**—**	**6,804**	**1,016**	**6,780**

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).

c) Hedges of a net investment in a foreign operation (net investment hedges).

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.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within Other non-operating (expenses) income, net. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

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.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in 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,

		Carrying value		Fair value	
	Note	**2022**	**2021**	**2022**	**2021**
		(US$ millions)			
Financial assets					
Derivative financial instruments		19	21	19	21
Other non-current assets		76	74	76	74
Trade receivables, net		379	405	379	405
Amounts due from non-controlling interests, associates and joint venture partners	G.5.	15	65	15	65
Prepayments and accrued income		117	166	117	166
Supplier advances for capital expenditures		21	35	21	35
Other current assets		197	269	197	269
Restricted cash	C.5.2.	57	203	57	203
Cash and cash equivalents	C.5.1.	1,039	895	1,039	895
Total financial assets		**1,920**	**2,134**	**1,920**	**2,134**
Current		1,825	2,015	1,825	2,015
Non-current		95	119	95	119
Financial liabilities					
Debt and financing (i)	C.3.	6,804	7,744	6,327	7,817
Trade payables		400	347	400	347
Payables and accruals for capital expenditure		428	452	428	452
Derivative financial instruments		53	1	53	1
Put option liability	C.7.4.	—	290	—	290
Amounts due to non-controlling interests, associates and joint venture partners	G.5.	58	74	58	74
Accrued interest and other expenses		412	539	412	539
Other liabilities		658	814	658	814
Total financial liabilities		**8,812**	**10,260**	**8,335**	**10,334**
Current		1,601	3,858	1,601	3,858
Non-current		7,210	6,403	6,733	6,476

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

C.7.3. Equity investments

As at December 31, 2022 and 2021, Millicom has no material investments in equity instruments.

Helios Towers plc ("HT")

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. The changes in fair value were previously 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. As previously explained in note A.1.2., on June 14, 2022, the Group received the formal notification from the minority shareholders of Telecomunicaciones Digitales, S.A. (formerly Cable Onda S.A.) confirming the exercise of their put option right to sell their remaining 20% shareholding to Millicom for a cash amount of approximately $290 million. The call option expired at the same time.

As of December 31, 2021, the put option liability was valued at $290 million. The call option value was immaterial.

Up to the exercise of the put option, the changes in value of the call option asset and put option liability were recorded in the Group's statement of income under "Other non-operating (expenses) income, net" (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 October 2022. As part of the annual review of the above mentioned risks, the Group targets a strategy with respect to the use of derivatives and natural hedging instruments ranging from raising debt in local currency (where the Company targets to maintain 40% of debt in local currency) to maintaining at least a 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, 2022 and 2021 fair value of derivatives held by the Group can be summarized as follows:

	2022	**2021**
	(US$ millions)	
Derivatives		
Cash flow hedge derivatives	(34)	20
Net derivative asset (liability)	**(34)**	**20**

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 a 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, 2022, approximately 82% 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 (2021: 64%).

D.1.1. Fixed and floating rate debt

Financing at December 31, 2022

	Amounts due within:						
	1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
				(US$ millions)			
Fixed rate financing	131	383	501	376	718	3,466	5,574
Floating rate financing	49	12	63	402	404	300	1,230
Total	**180**	**394**	**564**	**777**	**1,122**	**3,766**	**6,804**
Weighted average nominal interest rate	7.68 %	5.71 %	6.11 %	7.46 %	6.49 %	5.88 %	6.22 %

Financing at December 31, 2021

	Amounts due within:						
	1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
				(US$ millions)			
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%

A 100 basis point fall or rise in market interest rates for all currencies in which the Group had borrowings at December 31, 2022 would increase or reduce profit before tax from continuing operations for the year by approximately $12 million (2021: $28 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 Group Treasury 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 2024 SEK 2 billion senior unsecured sustainability bond and the foreign currency risk in relation to the 2027 SEC 2.2 billion senior unsecured sustainability bond (issued in May 2019 and January 2022, corresponding to $207.6 million and $252.3 million, respectively, using the exchange rate at the time of the issuance of each bond - see 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 bonds. Their maturity date is May 2024 and January 2027, respectively. The hedging relationship is highly effective and related fluctuations are recorded through other comprehensive income. At December 31, 2022, the fair values of the swaps amount to a liability of $53 million. (December 31, 2021: an asset of $6 million).

Our operations in Colombia and El Salvador, entered into several swap agreements in order to hedge foreign currency and interest rate risks on certain long-term debts. These swaps are accounted for as cash flow hedges and related fair value changes are recorded through other comprehensive income. As of December 31, 2022, the fair value of the swaps from our operations in El Salvador amount to a liability of nil (December 31, 2021: a liability of $1 million) and the fair value of the swaps from our operations in Colombia amounts to an asset of $19 million (December 31, 2021: an asset of $15 million). On January 19, 2022, a portion of the cross-currency swaps with Bancolombia and JP Morgan were settled in cash in favor of Colombia for $8 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, 2022.

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

	2022	2021
	(US$ millions)	
Debt denominated in US dollars	**4,100**	**4,827**
Debt denominated in currencies of the following countries:		
Guatemala	595	605
Colombia	605	699
Tanzania	—	38
Bolivia	260	310
Paraguay	171	195
El Salvador(i)	173	99
Panama(i)	773	846
Luxembourg (COP denominated)	30	36
Costa Rica	96	88
Total debt denominated in other currencies	**2,704**	**2,917**
Total debt	**6,804**	**7,744**

(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).

At December 31, 2022, 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 $20 million (2021: $38 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 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 23% of its gross financing (2021: 41%), bonds 64% (2021: 46%) and leases 13% (2021: 13%).

Maturity profile of net financial liabilities at December 31, 2022

	Less than 1 year	1 to 5 years	>5yrs	Total
		(US$ millions)		
Outstanding debt and financing	(181)	(2,880)	(3,813)	(6,875)
Outstanding amortized costs undiscounted	1	23	47	71
Lease liability	(163)	(478)	(374)	(1,016)
Cash and equivalents	1,039	—	—	1,039
Derivative financial instruments	—	(34)	—	(34)
Net cash (debt) including derivatives related to debt	**697**	**(3,370)**	**(4,141)**	**(6,814)**
Future interest commitments related to debt and financing	(416)	(1,349)	(111)	(1,877)
Future interest commitments related to leases	(106)	(290)	(135)	(531)
Trade payables (excluding accruals)	(689)	—	—	(689)
Other financial liabilities (including accruals)	(867)	—	—	(867)
Trade receivables	379	—	—	379
Other financial assets	232	71	—	303
Net financial liabilities	**(770)**	**(4,938)**	**(4,387)**	**(10,095)**

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)
Outstanding amortized costs undiscounted				
Lease liability	(171)	(591)	(404)	(1,167)
Cash and equivalents	895	—	—	895
Pledged deposits (related to back borrowings)	35	—	—	35
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)	(1,143)	0	—	(1,143)
Put option liability	(290)	—	—	(290)
Trade receivables	405	—	—	405
Other financial assets	310	98	—	408
Net financial liabilities	**(2,907)**	**(4,234)**	**(4,291)**	**(11,431)**

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, 2022, 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	**2022**	**2021**
		(US$ millions)	
Net financial obligations (i)	C.6.	6,780	7,981
EBITDA	B.3.	2,228	1,517
Net financial obligations to EBITDA (ii)		3.04	5.26

(i) 'Net financial obligations' is debt and lease liabilities less cash and pledged and time deposits.

(ii) The ratio is above 3.0x on an IFRS basis. However, according to the terms of our indentures, this ratio is calculated on a different basis, 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 had 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	**2022**	**2021**
		(US$ millions)	
Net financial obligations	C.6.	6,780	7,981
Equity attributable to Owners of the Company	C.1.	3,605	2,583
Net financial obligations and equity		10,386	10,564
Gearing ratio		0.65	0.76

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

Movements in intangible assets in 2022

	Goodwill	Licenses	Customer Lists	IRUs	Trademark	Other (i)	Total
				(US$ millions)			
Opening balance, net	**4,098**	**1,120**	**970**	**71**	**920**	**379**	**7,558**
Additions	—	195	—	1	—	150	345
Amortization charge	—	(96)	(106)	(14)	(1)	(130)	(345)
Impairment (ii)	—	—	—	—	—	(6)	(6)
Disposals, net	—	(9)	—	—	—	—	(9)
Transfer to/from held for sale	(12)	(18)	—	(17)	(10)	(2)	(57)
Transfers	—	(7)	—	3	—	28	24
Exchange rate movements	(26)	(91)	—	(4)	—	(25)	(147)
Closing balance, net	**4,059**	**1,094**	**864**	**40**	**910**	**394**	**7,361**
Cost or valuation	4,059	1,786	1,199	158	1,237	1,133	9,573
Accumulated amortization and impairment	—	(692)	(335)	(118)	(327)	(740)	(2,212)
Net	**4,059**	**1,094**	**864**	**40**	**910**	**394**	**7,361**

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.)	2,472	370	605	2	910	25	4,384
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	(33)	(67)	(1)	(5)	—	(15)	(121)
Closing balance, net	**4,098**	**1,120**	**970**	**71**	**920**	**379**	**7,558**
Cost or valuation	4,098	1,778	1,209	206	1,251	1,059	9,602
Accumulated amortization and impairment	—	(658)	(239)	(135)	(331)	(681)	(2,044)
Net	**4,098**	**1,120**	**970**	**71**	**920**	**379**	**7,558**

(i) Other includes mainly software costs

(ii) During the year ended December 31, 2022, Millicom early terminated an IT software contract and also decommissioned the existing software. As a result, Millicom recorded a settlement provision of $7 million under operating expenses and recorded a decommissioning cost of this software for a total amount of $12 million, as accelerated amortization and impairment charges.

E.1.4. Cash used for the purchase of intangible assets

Cash used for intangible asset additions

	2022	2021	2020
		(US$ millions)	
Additions	258	127	419
Change in accruals and payables for intangibles	(79)	(29)	(315)
Cash used for additions	**179**	**98**	**101**

E.1.5. Goodwill and indefinite useful life trademarks

Allocation of Goodwill to cash generating units (CGUs)

	2022	2021
	(US$ millions)	
Guatemala (see note A.1.2.)	2,470	2,472
Panama	907	907
El Salvador	194	194
Costa Rica	118	110
Paraguay	44	47
Colombia	123	149
Tanzania	—	12
Nicaragua	199	203
Bolivia	3	3
Total	**4,059**	**4,098**

Allocation of indefinite useful life trademarks to cash generating units (CGUs)

	2022	2021
	(US$ millions)	
Guatemala	910	910
Tanzania	—	10
Total	**910**	**920**

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, 2022

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. Management validates the reasonableness of the results of the test by comparing the share price implied by the 'sum of the parts' with the market share price. Any gap is reviewed, analyzed and documented. 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, 2022, management concluded that no impairment should be recorded in the Group consolidated financial statements.

Impairment testing at December 31, 2021

For the year ended December 31, 2021, 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 2022 and 2021 impairment test are shown below:

CGU	Average EBITDA margin (%) (i)		Average CAPEX intensity (%) (i)		Perpetual growth rate (%)		WACC rate after tax (%)	
	2022	2021	2022	2021	2022	2021	2022	2021
Bolivia	41.2	42.7	15.2	16.6	1.0	1.0	9.8	11.6
Colombia	36.0	36.1	17.2	17.4	2.0	2.0	11.4	8.9
Guatemala	51.2	54.7	11.6	12.3	1.0	1.0	10.1	8.4
Costa Rica	37.5	35.5	15.5	15.1	2.0	2.0	11.8	11.1
El Salvador	41.0	39.3	13.0	12.9	1.0	1.0	14.1	14.7
Nicaragua	46.8	45.9	14.5	16.0	2.5	3.0	15.0	12.5
Panamá	46.9	47.0	14.9	17.2	1.0	1.0	8.8	7.0
Paraguay	44.5	42.6	14.9	15.4	1.0	1.0	10.0	8.3
Tanzania	n/a	38.0	n/a	12.5	n/a	1.0	n/a	13.2

(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	2022	2021
WACC rates	+/- 2	+/-1
Perpetual growth rates	+/-1	+/-1
Operating variables		
EBITDA margin	+/-2	+/-2
CAPEX intensity	+/-1	+/-1

At December 31, 2022, the sensitivity analysis shows a comfortable headroom between the recoverable amounts and the carrying values for all CGUs, except for Colombia and Nicaragua.

If the assumptions used in the impairment test were changed to a greater extent than as presented in the following table, the changes would, in isolation, trigger a potential impairment loss being recognised in the year ended December 31, 2022.

Change required for carrying value to equal recoverable amount	CGU	
	Colombia	Nicaragua
Financial variables		
WACC rate	+82bps	+117bps
Perpetual growth rates	n/a	n/a
Operating variables		
Average EBITDA margin	-107bps	n/a
CAPEX intensity	+13bps	n/a

At December 31, 2021the sensitivity analysis shows a comfortable headroom between the recoverable amounts and the carrying values for all CGUs.

E.2. Property, plant and equipment

E.2.1. Accounting for property, plant and equipment

Items of property, plant and equipment are stated at 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 2022

	Network Equipment	Land and Buildings	Construction in Progress	Other(i)	Total
			(US$ millions)		
Opening balance, net	**2,691**	**200**	**428**	**63**	**3,382**
Additions	157	3	655	9	823
Impairments/reversal of impairment, net	—	—	—	1	—
Disposals, net	(16)	(5)	(8)	—	(29)
Depreciation charge	(791)	(21)	—	(28)	(840)
Asset retirement obligations	17	—	—	—	18
Transfers	577	22	(632)	12	(21)
Transfer from/(to) assets held for sale (see note E.4)	(141)	(6)	(13)	(6)	(166)
Exchange rate movements	(153)	(12)	(11)	(2)	(178)
Closing balance, net	**2,340**	**180**	**418**	**50**	**2,989**
Cost or valuation	8,071	348	418	345	9,183
Accumulated depreciation and impairment	(5,731)	(168)	—	(296)	(6,194)
Net at December 31, 2022	**2,340**	**180**	**418**	**50**	**2,989**

Movements in tangible assets in 2021

	Network equipment	Land and buildings	Construction in progress	Other(i)	Total
			(US$ millions)		
Opening balance, net	**2,175**	**185**	**308**	**87**	**2,755**
Change in Scope (see note A.1.2.)	657	35	29	6	727
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)
Exchange rate movements	(114)	(10)	(7)	(2)	(133)
Closing balance, net	**2,691**	**200**	**428**	**63**	**3,382**
Cost or valuation	8,512	358	428	385	9,683
Accumulated depreciation and impairment	(5,821)	(158)	—	(322)	(6,301)
Net at December 31, 2021	**2,691**	**200**	**428**	**63**	**3,382**

(i) Other mainly includes office equipment and motor vehicles.

Borrowing costs capitalized for the years ended December 31, 2022, 2021 and 2020 were not significant.

E.2.3. Cash used for the purchase of tangible assets

Cash used for property, plant and equipment

	2022	2021	2020
		(US$ millions)	
Additions	823	787	649
Change in advances to suppliers	(3)	(6)	(4)
Change in accruals and payables for property, plant and equipment	(20)	(40)	(22)
Other	—	(1)	(1)
Cash used	**800**	**740**	**622**

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 2022

Right-of-use assets	Land and buildings	Sites rental	Tower rental	Other network equipment	Capacity	Other	Total
			(US$ millions)				
Opening balance, net	**169**	**201**	**587**	**25**	**29**	**13**	**1,024**
Additions	23	23	77	2	—	2	127
Modifications	11	18	104	1	—	1	135
Impairments	(1)	—	—	—	—	—	(1)
Disposals	(3)	(1)	(5)	—	—	—	(9)
Depreciation	(38)	(42)	(83)	(4)	(5)	—	(173)
Asset retirement obligations	—	2	—	1	—	—	3
Transfer to/from held for sale	(3)	(2)	(158)	—	—	—	(163)
Transfers	—	(14)	17	(7)	3	—	(2)
Exchange rate movements	(16)	(4)	(34)	—	—	—	(54)
Closing balance, net	**142**	**181**	**505**	**16**	**28**	**13**	**884**
Cost of valuation	249	325	780	28	39	22	1,442
Accumulated depreciation and impairment	(107)	(144)	(275)	(11)	(11)	(9)	(558)
Net at 31 December 2022	**142**	**181**	**505**	**16**	**28**	**13**	**884**

Apart from the impact of the disposal of our operations in Tanzania, there have been no unusual significant events affecting lease liabilities (and right-of-use assets) during the year ended December 31, 2022.

Movements in right of use assets in 2021

Right-of-use assets	**Land and buildings**	**Sites rental**	**Tower rental**	**Capacity**	**Other network equipment**	**Other**	**Total**
		(US$ millions)					
Opening balance, net	**147**	**93**	**607**	**14**	**31**	**2**	**895**
Change in scope	16	107	48	17	3	13	204
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)	(1)	(4)	(2)	(145)
Asset retirement obligations	1	—	—	—	—	—	—
Transfers	—	4	(17)	(1)	(5)	—	(18)
Exchange rate movements	(9)	(1)	(24)	—	—	—	(34)
Closing balance, net	**169**	**201**	**587**	**29**	**25**	**13**	**1,024**
Cost of valuation	254	317	908	34	40	21	1,573
Accumulated depreciation and impairment	(85)	(116)	(320)	(5)	(14)	(8)	(549)
Net at 31 December 2021	**169**	**201**	**587**	**29**	**25**	**13**	**1,024**

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

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

As of December 31, 2022 and 2021 no assets qualified as assets held for sale.

For further details on assets held for sale and discontinued operations, please refer to note A.4.

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.

	2022	**2021**
	(US$ millions)	
Gross trade receivables	694	722
Less: provisions for expected credit losses	(315)	(316)
Trade receivables, net	**379**	**405**

Aging of trade receivables

	Neither past due nor impaired	Past due (net of impairments) 30–90 days	 >90 days	Total
		(US$ millions)		
2022:				
Telecom operators	7	13	5	25
Own customers	211	54	39	304
Others	39	7	5	51
Total	**257**	**74**	**48**	**379**
2021:				
Telecom operators	18	3	4	25
Own customers	210	59	34	303
Others	58	12	8	77
Total	**286**	**74**	**46**	**405**

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

	2022	2021
	(US$ millions)	
Telephone and equipment	39	43
SIM cards	4	5
Other	10	15
Inventory at December 31,	**53**	**63**

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, 2022, is recognized in 'Trade payables' for an amount of $17 million (2021: $38 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

	2022	2021
	(US$ millions)	
Deferred revenue	93	110
Customer deposits	13	15
Current legal provisions	9	24
Tax payables	61	88
Customer and MFS distributor cash balances	47	194
Withholding tax on payments to third parties	15	11
Other current liabilities(i)	66	106
Total	**305**	**548**

(i) Includes $8 million (2021: $25 million) of tax risk liabilities not related to income tax.

F.4.2. Non-current provisions and other liabilities

Non-current

	2022	2021
	(US$ millions)	
Non-current legal provisions	16	22
Long-term portion of asset retirement obligations	155	177
Long-term portion of deferred income on tower sale and leasebacks recognized under IAS 17	32	46
Long-term employment obligations	37	56
Other non-current liabilities	55	63
Total	**295**	**364**

F.4.3. Non-current payables and accruals for capital expenditure

Non-current payables and accruals for capital expenditure include an amount of $414 million (December 31, 2021: $402 million) in relation to spectrum and license payables in Colombia. The major part of this payable is related to the acquisition, in December 2019, of licenses granting the right to use a total of 40 MHz in the 700 MHz band. This 20-year license will expire in 2040. During the same auction, Tigo Colombia also acquired 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, 2022 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.

F.5. Assets and liabilities related to contract with customers

Contract assets, net

	2022	2021
	(US$ millions)	
Long-term portion	21	18
Short-term portion	61	54
Less: provisions for expected credit losses	(5)	(4)
Total	**77**	**69**

Contract liabilities

	2022	2021
	(US$ millions)	
Long-term portion	2	2
Short-term portion	87	95
Total	**88**	**97**

The Group recognized revenue for $91 million in 2022 (2021: $86 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, 2022 is $81 million ($81 million is expected to be recognized as revenue in the 2023 financial year and the remaining $1 million in the 2024 financial year or later). 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)

	2022	2021
	(US$ millions)	
Net at January 1	**8**	**5**
Change in scope	—	2
Contract costs capitalized	5	2
Amortization of contract costs	(3)	(1)
Net at December 31	**10**	**8**

(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

	2022	2021	2020
		(US$ millions)	
Audit fees	5.1	5.2	5.8
Audit related fees	1.3	1.4	0.5
Tax fees	0.2	0.1	0.1
Other fees	0.2	0.4	0.1
Total	**6.8**	**7.1**	**6.4**

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, 2022, the Company and its subsidiaries had fixed commitments to purchase network equipment, other fixed assets and intangible assets of $406 million of which $259 million are due within one year (December 31, 2021: $761 million of which $428 million were due within one year). The Group's share of commitments from the joint ventures is $29 million, of which $29 million are due within one year (December 31, 2021: $41 million, all of which were due within one year).

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, 2022, the total amount of claims brought against Millicom and its subsidiaries is $239 million (December 31, 2021: $246 million). The Group's share of the comparable exposure for its joint venture in Honduras is $13 million (December 31, 2021: $13 million).

As at December 31, 2022, $25 million has been provisioned by its subsidiaries for these risks in the consolidated statement of financial position (December 31, 2021: $36 million). The Group's share of provisions made by the joint venture in Honduras was $1 million (December 31, 2021: $1 million). While it is not possible to ascertain the ultimate legal and financial liability with respect to these claims and risks, the ultimate outcome is not anticipated to have a material effect on the Group's financial position and operations.

On May 25, 2020, as a result of the termination of the Costa Rica acquisition, 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, 2022, 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, 2022, the tax risks exposure of the Group's subsidiaries is estimated at $221 million, for which provisions of $38 million have been recorded in tax liabilities; representing the probable amount of eventual claims and required payments related to those risks (2021: $342 million of which provisions of $69 million were recorded). The decrease compared to December 31, 2021 mainly relates to the sale of our operations in Tanzania as well as the adherence to a tax amnesty in one of our operations. The Groups' share of comparable tax exposure and provisions in its joint ventures amounts to $97 million (2021: $68 million) and $7 million (2021: $3 million), respectively.

G.4. Non-cash investing and financing activities

Non-cash investing and financing activities from continuing operations

	Note	2022	2021	2020
			(US$ millions)	
Investing activities				
Acquisition of property, plant and equipment	E.2.2.	(23)	(47)	(27)
Acquisition of lease right of use assets obtained in exchange of lease liabilities	E.3.	127	106	92
Asset retirement obligations	E.2.2.	18	32	19
Financing activities				
Share based compensation	B.4.1.	29	17	24

G.5. Related party balances and transactions

The Group’s significant related parties are:

- 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 Miffin ceased to be a related party, as 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 Tigo Panama (see note A.1.2.), until June 29, 2022, date on which Cable Onda Partners ceased to be a related party as the non-controlling shareholders of Tigo Panama exercised their put option right to sell their remaining 20% shareholding to Millicom.

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. Transactions with EPM represent mainly purchases in the form of leases.

Miffin Associates Corp (Miffin)

As mentioned above, Miffin ceased to be a related party to the Group from November 12, 2021. Transactions with Miffin represented recurring commercial operations such as purchase of handsets, and sale of airtime.

Cable Onda Partners

As mentioned above, our prior partners in Panama ceased to be a related party to the Group from June 29, 2022. Our prior partners in Panama were, until June 29, 2022, the non-controlling shareholders of Tigo Panama and owned 20% of the company, and indirectly 20% of Grupo de Comunicaciones Digitales S.A. (formerly Telefónica Móviles Panamá, S.A.), which was acquired by Tigo Panama in August 2019. Transactions and balances with Tigo Panama Partners companies are disclosed under 'Other' in the tables below given their individual immateriality.

The Company had the following transactions with related parties:

Expenses	**2022**	**2021**	**2020**
		(US$ millions)	
Purchases of goods and services from Miffin (i)	—	(165)	(216)
Purchases of goods and services from EPM	(45)	(39)	(37)
Other expenses	(18)	(16)	(57)
Total	**(63)**	**(220)**	**(310)**

Income and gains	**2022**	**2021**	**2020**
		(US$ millions)	
Sale of goods and services to Miffin (i)	—	299	327
Sale of goods and services to EPM	11	14	15
Other revenue	1	2	2
Total	**11**	**314**	**343**

(i) Miffin entities are not considered as related parties since November 12, 2021.

The Company had the following balances with related parties:

	December 31	
	2022	**2021**
Liabilities	**(US$ millions)**	
Payables to Honduras joint venture(iii)	48	69
Payables to EPM	39	38
Payables to Panama non-controlling interests (ii)	—	1
Other accounts payable	2	2
Total	**88**	**110**

(ii) The non-controlling shareholders in Tigo Panama are not considered as related parties since June 29, 2022 (see note A.1.2.to our audited consolidated financial statements).

(iii) Mainly dividends.

	December 31	
	2022	2021
Assets	**(US$ millions)**	
Receivables from EPM	2	2
Receivables from Honduras joint venture (i)	13	62
Receivables from Panama non-controlling interests (ii)	—	1
Other accounts receivable	—	5
Total	**15**	**70**

(i) 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 was payable in several installments with an expected final settlement in November 2023. During 2022, our operations in Honduras early repaid the related outstanding amount in its entirety.

(ii) The non-controlling shareholders in our Panama operations are not considered as related parties since June 29, 2022 (see note A.1.2. to our audited consolidated financial statements).

H. Subsequent Events

Potential acquisition

On January 25, 2023, Millicom confirmed that a potential acquisition of all outstanding shares in Millicom is being discussed with Apollo Global Management and Claure Group. There is no certainty that a transaction will materialize nor as to the terms, timing or form of any potential transaction.

Colombia financing

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

Corporate Information

BOARD OF DIRECTORS

José Antonio Ríos García
Chairman, Director

Pernille Erenbjerg
Deputy Chair, Director

Odilon Almeida
Director

Bruce Churchill
Director

Tomas Eliasson
Director

Lars-Johan Jarnheimer
Director

Mercedes Johnson
Director

Mauricio Ramos
Director

James Thompson
Director

EXECUTIVE TEAM

Mauricio Ramos
Chief Executive Officer

Sheldon Bruha
Executive Vice President,
Chief Financial Officer

Esteban Iriarte
Executive Vice President,
Chief Operating Officer

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

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Société anonyme
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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:

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Shareholder Services
1-877-830-4936
1-720-378-5591
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SWEDISH CUSTODIAN

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ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders is scheduled to be held on May 4, 2023 in Luxembourg.

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