



CORPORATE GOVERNANCE REPORT 2020

# Millicom International Cellular S.A.

# Growing our connections and impact.

## Chairman's Report

Millicom's Board of Directors ("the Board") and its committees dealt with many significant strategic, operational and compliance matters in 2019. These included:

- Enhancing and adapting our governance structures, and strengthening our controls and processes in connection with the listing of Millicom's shares on the Nasdaq Stock Market in the U.S.
- Acquiring and integrating mobile businesses in Central America
- Overseeing capital allocation and our strategic focus on mobile and cable businesses in Latin America

### Role of the Board

The Board is responsible for approving Millicom's strategy, financial objectives, and operating plans, as well as for overseeing risk and governance. The Board also plans for CEO succession and reviews plans for other senior management positions.

### Board Changes

In January we welcomed Ms. Pernille Erenbjerg and Mr. James Thompson to the Board. Both are also members of the Audit Committee. Ms. Erenbjerg, who is Deputy Chairman of the Board, brings years of experience from operating a converged provider of communication and entertainment services, as well as from driving transformational processes in complex organizations, both organically and through M&A. Mr. Thompson brings extensive investment management experience to the Board and will contribute significantly to discussions on Millicom's long-term strategy and capital allocation.

In May 2019 we welcomed Ms. Mercedes Johnson to the Board. Ms. Johnson brings significant experience gained at technology-oriented multinational U.S. listed companies in various capacities including Board and Committee roles and as a Chief Financial Officer.

I would like to thank the Board members who stepped down during 2019:

- Mr. Tom Boardman, who served as Chairman from May 2016 until January 2019, for his significant contributions to the Board and its Committees over this time

- Mr. Anders Jensen, who served the Board and its Compensation Committee from May 2017 to January 2019
- Mr. Roger Solé Rafols, who served the Board from May 2017 to May 2019.

### Strength through Diversity, Teamwork and Sharing

The diverse people in our operating countries, offices, and headquarters comprise a key strength for Millicom. We value different perspectives, encourage the sharing of alternate viewpoints, and promote equal opportunity. These remain core elements that contribute of Millicom's corporate culture.

We are proud of our success in fostering strong workplace environments and the accolades received in this respect.

### Compliance and Business Ethics

During 2019, we continued building and refining our compliance program and culture with support from our Executive Team and Ethics and Compliance team.

On behalf of the Board, I would like to reaffirm our commitment to a culture of doing the right things in the right way, encompassed by "Sangre Tigo", which builds our strength and success. We are proud to be a leader on ethics and compliance in our markets. We look forward to engaging with you and thank you for being part of the Millicom journey.

**José Antonio Ríos García**

*Chairman of the Board of Directors*

# Corporate Governance Framework

## Background

Millicom International Cellular S.A. (“Millicom” or the “Company”) is a public limited liability company (société anonyme) governed by the Luxembourg law of August 10, 1915 on Commercial Companies (as amended), incorporated

on June 16, 1992, and registered with the Luxembourg Trade and Companies’ Register (Registre du Commerce et des Sociétés de Luxembourg) under number B 40 630. The Millicom Group comprises Millicom and its subsidiaries, joint ventures and associates.

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

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

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

Millicom governance deviated in 2019 in relation to the Swedish Code in the following areas:

Code requirement	Millicom practice	Explanation
1.5—A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify and sign the minutes of the shareholders’ meeting.	Minutes are signed by the chairman of the shareholders’ meeting (who is not a member of the Board or an employee of the Company), the meeting Secretary and an appointed Scrutineer.	While this represents a deviation from the Swedish Code, Millicom follows Luxembourg Law in connection with procedures and rules for its shareholders’ meetings.
9.7—Vesting of share-related incentive programs to be no less than three years.	Deferred share incentive plans contain vesting of 16.5–30% of granted shares after one year, 16.5–30% after two years, and 40–67% after three years.	The Company believes that this vesting schedule ensures alignment between the interests of the Company’s shareholders and its employees.

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

## Swedish Corporate Governance Code

The Swedish Corporate Governance Code (the “Swedish Code”) promotes positive development of corporate

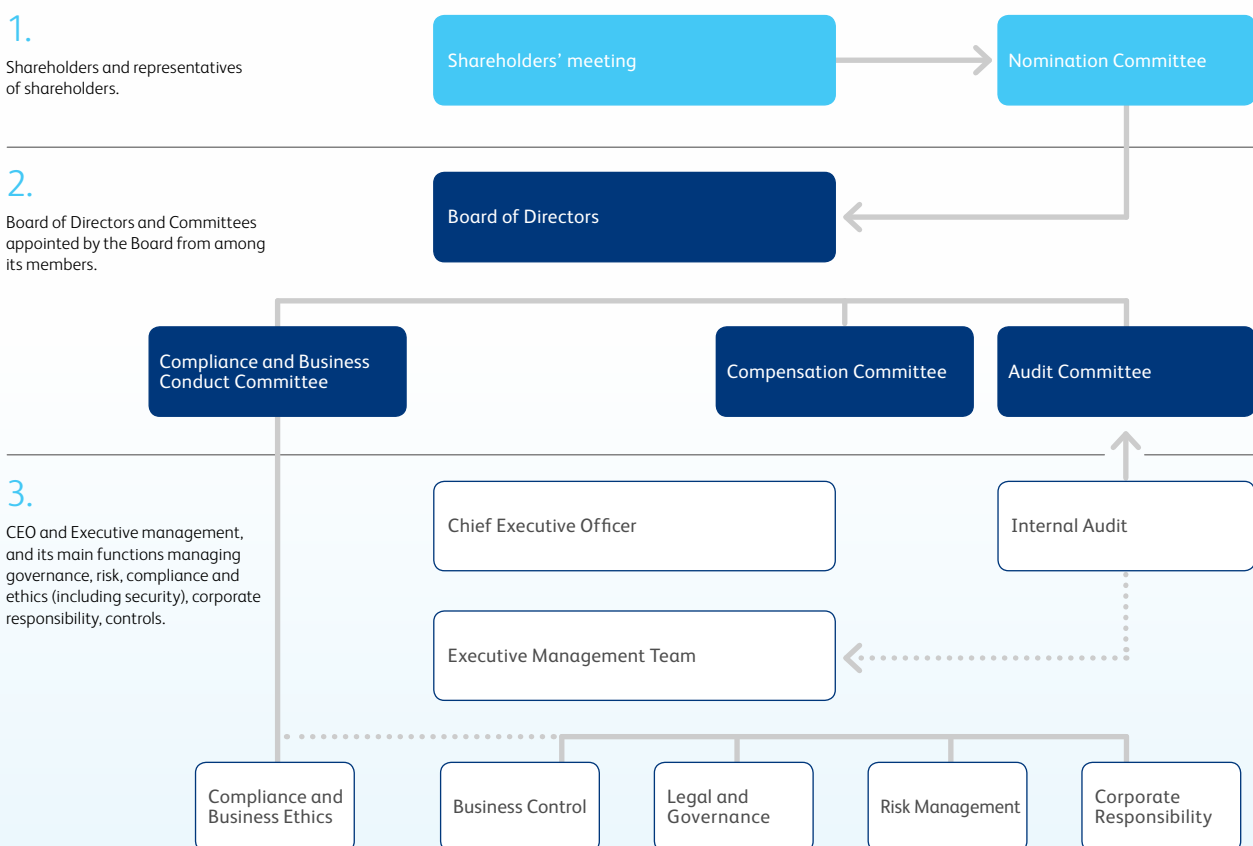
governance. The Code complements laws and regulations and sets its good practice level above regulatory requirements. The Swedish Corporate Governance Board states that self-regulation is often preferable to mandatory legislation and therefore allows companies to deviate from its rules, following a “comply or explain” philosophy.

## Compliance with Applicable Stock Exchange Rules

Neither the Nasdaq Stockholm’s disciplinary committee nor the Swedish Securities Council reported any infringement of applicable stock exchange rules or breach of good practice on the securities market by Millicom in 2019.

## Corporate Governance Structure

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



### 1. Shareholders and shareholders' meeting

The shareholders' meeting is Millicom's highest decision-making body and a forum for shareholders to exercise influence. Each shareholder has the right to participate in the shareholders' meeting and to vote according to the number of shares owned. Shareholders unable to attend in person may exercise their rights by proxy/vote in writing.

Millicom's articles of association (consolidated as at amended on January 7, 2019) (the "Articles of Association") set the Annual General Meeting of Shareholders ("AGM") to be held in Luxembourg within six months of the close of the financial year.

Millicom's Articles of Association are available in the governance section of our website at [www.millicom.com/our-company/governance/governance-reports/](http://www.millicom.com/our-company/governance/governance-reports/). Unless otherwise required

under Luxembourg law, an extraordinary general meeting ("EGM") must be convened to amend the Articles of Association.

At the 2019 AGM, held on May 2, 2019, shareholders decided the following key items:

- Approval of the 2018 Consolidated Financial Statements and the distribution of a dividend of \$2.64 per share
- Election and re-election of the Directors until the date of the 2020 AGM
- Reappointment of Ernst & Young ("EY") as the external auditor
- Approval of remuneration to the Board and auditor and procedures for the Nomination Committee

- Approval of guidelines for the remuneration of senior management
- Approval of a Share Repurchase Plan

At the EGM, held on January 7, 2019, shareholders decided the following key items:

- Resignation and election of two directors
- Amendment of the Articles of Association regarding the procedure for nomination of directors

## Nomination Committee

Member	On behalf of:	Position
Mr. John Hernander	Nordea Investment Funds	Chairman
Mr. Dan Sievers	Fiduciary Management Ltd	Member
Mr. Peter Guve	AMF Pensionsförsäkring AB	Member
Ms. Juanjuan Niska	Wellington Management	Member

The Nomination Committee is appointed by the major shareholders of Millicom and is not a Board committee. Its role is to propose decisions to the shareholders' meeting in a manner that promotes all shareholders' common interests. Nomination Committee members' term of office typically begins at the time of the announcement of the interim report covering the period January to September of each year and ends when a new Nomination Committee is formed.

At the January 7, 2019 EGM, shareholders resolved that the Articles of Association be amended to 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 Board of Directors of the Company, as long as such compliance does not conflict with applicable mandatory law, or regulation or the mandatory rules of any stock exchange on which the Company's shares are listed.

Nomination Committee proposals to the AGM include:

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

Under the terms of the Nomination Committee charter, the committee consists of at least three members, with a majority representing the larger shareholders of the Company. The current Nomination Committee was formed in October 2019, in consultation with larger shareholders of the Company at May 31, 2019 and in accordance with the resolution of the 2019 AGM.

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 stock at December 31, 2019.

Shareholder	Number of shares	% Shareholding
Dodge & Cox	9,380,493	9.2
Swedbank Robur Fonder AB	5,276,526	5.2

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

## Promoting Board Diversity

Millicom's Nomination Committee recognizes the importance of diversity for promoting strong corporate governance, competitive advantage, and effective decision-making. The Nomination Committee is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board candidate based on the Company's needs and the current

Board composition. This determination will include knowledge, experience, and skills in areas that are critical to understanding the Company and its business; richness of views brought by different personal attributes such as gender, race, age, and nationality; and 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.

## 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

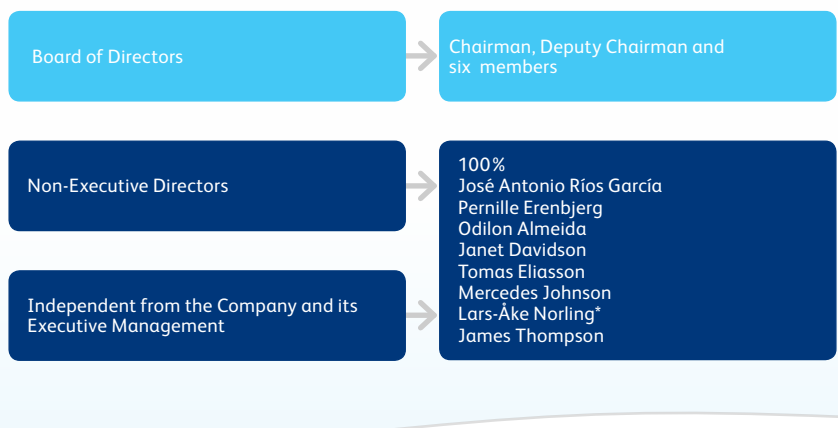
The Board is responsible for approving Millicom's strategy, financial objectives, and operating plans, and for oversight of governance. The Board also plans for succession of the CEO and reviews other senior management positions.

As set forth in the Company's Articles of Association, the Board must be composed of at least six members. The 2019 AGM set the number of Directors at eight, comprising a Chairman, a Deputy Chairman and six members (none of whom are Executive Directors).

The Board selects the CEO, who is charged with the 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".

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

### Independence of the Board



\* From September 2019 Mr. Norling is no longer an employee of Kinnevik AB, and in November 2019 Kinnevik AB distributed its 37.2% shareholding in Millicom to its own shareholders.

### 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 can be elected for a maximum period of six years before either being re-elected or ending their service. Directors are typically elected annually. There are no restrictions on the maximum continuous period that a Director can serve. Directors hold office until a successor is elected.

**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 shall 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 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.

If any Director or officer of the Company should have any personal interest in any transaction of the Company, the Director shall make known to the Board such personal interest and shall not consider or vote on any such transaction. The transaction and the Director's or officer's interest therein shall be reported at the next general meeting of shareholders.

### Share Ownership Requirements

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

### Roles

#### **Chairman of the Board**

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

#### **Deputy Chairman of the Board**

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

#### **Corporate Secretary**

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

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

#### **Chief Executive Officer**

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

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

#### **Board Membership, Balance and Independence**

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

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

The Board has adopted the qualification guidelines of an "independent director" as defined by the Swedish Code, and with consideration of the specific independence requirements within the Nasdaq Stock Market rules. A director's independence is determined by a general assessment of all factors that may give cause to question the individual Director's independence of the Company or its Executive Management.

Such factors include whether the individual:

- is the CEO, or has been the CEO, of the Company or a closely related company within the past five years

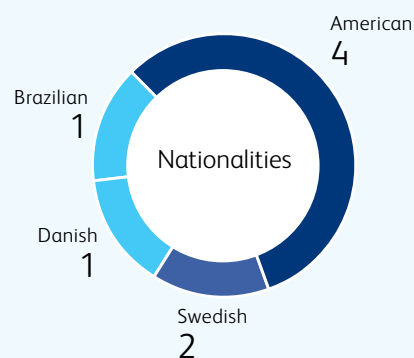
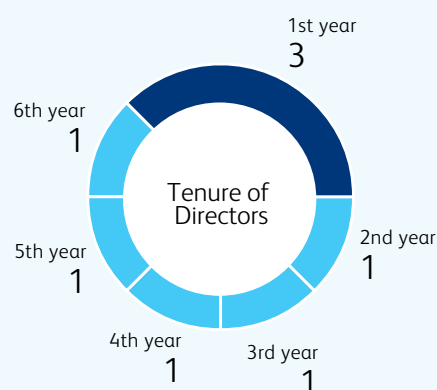
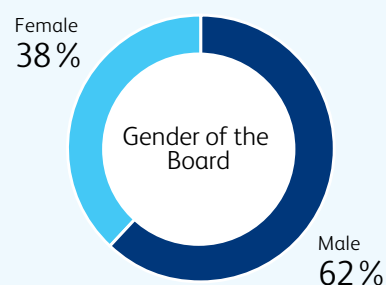
- is employed, or has been employed, by the Company or a closely related company, within the last three years
- receives a not insignificant remuneration for advice or other services beyond the remit of the Board position from the Company, a closely related company or a person in the executive management of the Company
- has, or has within the last year, had a significant business relationship or other significant financial dealings with the Company or a closely related company as a client, supplier or partner, either individually or as a member of the executive management team, a member of the Board or a major shareholder in a company with such a business relationship with the Company
- 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
- 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
- has a close family relationship with a person in the executive management 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 is not to be regarded as independent.

In accordance with the Swedish Code:

- The majority of Millicom's Board must be independent from the Company and its executive management team (all Millicom Directors meet this criterion)
- 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)
- Not more than one member of the Board may be part of the executive management team of the Company or any of its subsidiaries (no Millicom Board members are part of the executive management team).
- 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.
- 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.

In addition, in accordance with Nasdaq Stock Market rules:

- The Audit Committee must have at least three members, all of whom meet the Nasdaq Stock Market and the U.S. Securities and Exchange Commission definitions of independence.





## Board Profile: Skills and Experience



**Mr. José Antonio Ríos García**  
(Venezuelan and American)

Chairman, Non-Executive Director  
(FIRST APPOINTED: MAY 2017)

Mr. José Antonio Ríos García was re-elected as Chairman of the Board in May 2019.

Mr. Ríos (1945), a U.S. citizen, is Chairman and CEO of Celistics Holdings, a leading provider of distribution and intelligent logistics solutions for the consumer technology industry in Latin America. Prior to joining Celistics in 2012, he was the International President of Global Crossing, the telecommunications company later acquired by Level 3 Communications.

Between 1999 and 2001, Mr. Ríos served on the Global Management Committee of Telefónica and as President and CEO of Telefónica Media. Prior to joining Telefónica he served as Vice President of Hughes Electronics Corporation, was the founding President and CEO of Galaxy Latin America (DirecTV Latin America), and served as Chief Operating Officer and Corporate Vice President at the Cisneros Group of Companies for 14 years.

Mr. Ríos brings to the Millicom Board his significant experience in leading a variety of consumer technology businesses in Latin America, including those in the telecommunications and electronics industries.

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 5,814 shares.



**Ms. Pernille Erenbjerg**  
(Danish)

Deputy Chairman, Non-Executive Director  
(FIRST APPOINTED: JANUARY 2019)

Ms. Pernille Erenbjerg was re-elected as Deputy Chairman of the Board in May 2019. She is Chairman of the Compensation Committee, and a member of the Audit Committee.

Ms. Erenbjerg (1967), a Danish citizen, until December 2018 served as President and Group Chief Executive Officer of TDC, the leading provider of integrated communications and entertainment solutions in Denmark and Norway. Previously, she served as TDC's Chief Financial Officer and as Executive Vice President of Corporate Finance. Ms. Erenbjerg also serves on the Boards of Nordea, the largest financial services group in the Nordic region, and Genmab, a Danish international biotechnology company. She holds an MSc in Business Economics and Auditing from Copenhagen Business School.

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

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 3,320 shares.



**Mr. Odilon Almeida**  
(Brazilian)

Non-Executive Director  
(FIRST APPOINTED: MAY 2015)

Mr. Odilon Almeida was re-elected to the Board in May 2019. He is a member of the Compliance and Business Conduct Committee.

Mr. Almeida (1961), a citizen of Brazil, was recently appointed as President and Chief Executive Officer, of ACI Worldwide Inc, effective March 9, 2020 and will also be appointed the Board of ACI. Mr. Almeida joins ACI having most recently served as an Operating Partner at Advent International, supporting business development at the fund's portfolio companies. Previously Mr. Almeida served as President of Western Union Global Money Transfer, where he led Western Union's global consumer omnichannel business across more than 200 countries and territories. His global business leadership and board experience at Western Union, Millicom, BankBoston (now Bank of America), The Coca-Cola Company and Colgate-Palmolive give him deep knowledge of corporate governance, general management, technology platforms, regulatory and compliance issues and consumer insights in developed and emerging nations.

Mr. Almeida holds a Bachelor of Civil Engineering from the Maua Engineering School in São Paulo, Brazil, a Bachelor of Business Administration from the University of São Paulo, and an MBA with specialization in Marketing from the Getulio Vargas Foundation in São Paulo. He further advanced his education at IMD Lausanne, The Wharton School, and Harvard Business School.

Mr. Almeida strengthens the Millicom Board with decades of experience in the financial services and fintech sectors, and a leadership style anchored in growth acceleration and business turnarounds involving retail and digital transformation, organic growth and successful M&A.

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 5,086 shares.

## Board Profile: Skills and Experience—continued



**Ms. Janet Davidson**  
(American)

*Non-Executive Director*

(FIRST APPOINTED: MAY 2016)

Ms. Janet Davidson was re-elected to the Board in May 2019. She is the Chairman of the Compliance and Business Conduct Committee.

Ms. Davidson (1956), a U.S. citizen, is a Supervisory Board member of STMicroelectronics and a Director at AES Corporation. She held various managerial positions in Alcatel Lucent from 1979 to 2011, including Chief Strategy Officer, Chief Compliance Officer, and Executive Vice President of Quality & Customer Care.

Ms. Davidson was appointed to the Board of AES Corporation in February 2019 and serves on its Financial Audit Committee, Compensation Committee, and Innovation and Technology Committee. She has served on the Supervisory Board of STMicroelectronics since June 2013 and is a member of its Audit Committee and Strategy Committee. Working Woman Foundation presented Ms. Davidson with one of its first Women Enabling Science and Technology awards in 2001. In 1999, she was inducted into the Academy of Women Achievers of the YWCA of the City of New York.

She brings to Millicom's Board her long experience in the telecommunications and IT sectors.

Ms. Davidson received a Bachelor of Science in physics from Lehigh University, a Master of Science in Electrical Engineering from Georgia Tech, and a Master of Science in Computer Science through Bell Laboratories.

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 4,431 shares.



**Mr. Tomas Eliasson**  
(Swedish)

*Non-Executive Director*

(FIRST APPOINTED: MAY 2014)

Mr. Tomas Eliasson was re-elected to the Board in May 2019. He is the Chairman of the Audit Committee.

Mr. Eliasson (1962), a Swedish citizen, is Executive Vice President and Chief Financial Officer at Sandvik.

Previously Mr. Eliasson served as Chief Financial Officer and Senior Vice- President at Electrolux, a Swedish appliances manufacturer. Mr. Eliasson has also held various management positions in Sweden and abroad, including at ABB Group, Seco Tools AB and Assa Abloy AB.

He holds a Bachelor of Science in Business Administration and Economics from the University of Uppsala.

Mr. Eliasson brings to the Millicom Board his significant experience as a 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.

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 5,703 shares.



**Mr. Lars-Åke Norling**  
(Swedish)

*Non-Executive Director*

(FIRST APPOINTED: MAY 2018)

Mr. Lars-Åke Norling was re-elected to the Board in May 2019. He is a member of the Compensation Committee and a member of the Compliance and Business Conduct Committee.

Mr. Norling (1968), a Swedish citizen, became CEO of Nordnet in September 2019 and previously served as an Investment Director and Sector Head of TMT at Kinnevik. Prior to that, Mr. Norling was CEO of Total Access Communications (dtac) in Thailand where he executed a digital transformation and led a turnaround of the company's financial performance. He also served as EVP of Developed Asia at Telenor, CEO of DigiTelecommunications Malaysia and CEO of Telenor Sweden.

Mr. Norling holds an MBA from Gothenburg School of Economics, an MSc in Engineering Physics from Uppsala University, and an MSc in Systems Engineering from Case Western Reserve University.

He brings to Millicom's Board his extensive experience in leading telecommunications and media businesses and digital transformation in emerging markets.

**INDEPENDENT** from the Company and its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 2,836 shares.

## Board Profile: Skills and Experience—continued



**Ms. Mercedes Johnson**  
(American)

*Non-Executive Director*

(FIRST APPOINTED: MAY 2019)

Ms. Mercedes Johnson joined the Board in May 2019 and is a member of the Audit Committee.

Ms. Johnson (1954) is a U.S. citizen and currently serves on the Boards of three other NASDAQ or NYSE listed technology companies: Synopsys, a provider of solutions for designing and verifying advanced silicon chips; Teradyne, a developer and supplier of automated semiconductor test equipment; and Maxim Integrated Products, an integrated circuits designer and producer.

Previously she served as Chief Financial Officer of Avago Technologies (now Broadcom) and Chief Financial Officer at LAM Research Corporation. Ms. Johnson holds a degree in Accounting from the University of Buenos Aires.

She brings to the Millicom Board years of experience at technology-oriented multinational U.S. listed companies in various capacities

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 1,748 shares.



**Mr. James Thompson**  
(American)

*Non-Executive Director*

(FIRST APPOINTED: JANUARY 2019)

Mr. James Thompson was re-elected to the Board in May 2019. He is a member of the Audit Committee and the Compensation Committee.

Mr. Thompson (1961), a U.S. citizen, is a Managing Principal at Kingfisher Family Office, where he manages a portfolio focused on value-oriented investment strategies. He is also a Non-Executive Director at C&C Group plc and serves on its Audit Committee. Previously, he was a Managing Principal at Southeastern Asset Management, where he was responsible for the operations of the firm and was a senior member of the team responsible for firm-wide investment decisions. Between 2001 and 2006, Mr. Thompson opened and managed Southeastern Asset Management's London research office. He holds an MBA from Darden School at the University of Virginia and a Bachelor's degree in Business Administration from the University of North Carolina.

Mr. Thompson brings extensive investment management experience to the Millicom Board and contributes significantly to the Board's discussions of Millicom's long-term strategy and capital allocation.

**INDEPENDENT** from the Company, its Executive Management, and its major shareholders.

**MILLICOM SHAREHOLDING AT JANUARY 31, 2020:** 9,155 shares.

# Board Program

## The Board's annual program includes:

1 Company strategy and strategic direction;	2 Operating and financial performance review;	3 Governance and compliance matters;
4 External affairs;	5 Corporate culture;	6 External financial reporting;
7 Risk management;	8 Dividend policy;	9 Acquisitions and divestments;
10 Evaluation of CEO and self-evaluation; and	11 Human Resource matters, including compensation, health, safety, and well-being.	

## Summary of Board Activities in 2019

The Board of Directors has 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 which are added to the program of the Board; some of these are handled by specific Board committees.

## Summary of Areas of Focus in 2019

Activity/issues covered	Board actions
Reports of committees	<ul style="list-style-type: none"> <li>Regularly reviewed reports from its Audit, Compliance and Business Conduct, and Compensation Committees on recent activities</li> <li>Discussed Nomination Committee Director appointment proposals</li> </ul>
Operational review	<ul style="list-style-type: none"> <li>Discussed priorities and challenges for each of the Latin American and African businesses, including development of cable and mobile data businesses, efficiency measures, and capital expenditure allocation</li> <li>Discussed and approved the 2020 budget</li> <li>Reviewed and approved spectrum acquisition, including in Colombia in December 2019</li> </ul>
Strategic review	<ul style="list-style-type: none"> <li>Discussed, reviewed and approved the strategy</li> <li>Discussed with the Executive Team industry and geographic trends and the operational and financial strategy for each region, including the portfolio strategy</li> </ul>
Organizational structure and culture	<ul style="list-style-type: none"> <li>Participated in performance reviews of the Executive Team, and of the management organizational and reporting structures</li> <li>Reviewed cultural initiatives including 'Sangre Tigo'</li> </ul>
Review and approval of capital structure and dividend	<ul style="list-style-type: none"> <li>Approved issuance of the \$750 million bond to partly finance acquisition of the Telefonica businesses in Central America</li> <li>Approval of additional financing and refinancing for both the Group and operating companies in several markets</li> <li>Approval of additional financing and refinancing for in several markets</li> <li>Recommended the dividend of \$2.64 per share to the 2019 AGM</li> <li>Approved issuance of SEK 2 billion Sustainability Bond</li> </ul>
Review and approval of corporate governance	<ul style="list-style-type: none"> <li>Revisions to the Corporate Policy Manual (including Board and Committee charters)</li> <li>Updated the authority matrix</li> <li>Elected the Deputy Chairman and Committee members</li> </ul>
Mergers, acquisitions, disposals, and joint ventures	<ul style="list-style-type: none"> <li>Discussed acquisition and disposal developments across the Group, including approval of transactions such as acquisition of the Telefonica business in Central America and the disposition of the business in Chad</li> </ul>
Review and approval of financial reports	<ul style="list-style-type: none"> <li>2018 Annual Report including the 2018 Consolidated Financial Statements of the Group, and interim consolidated financial statements</li> <li>Standalone financial statements of Millicom International Cellular S.A. (the parent company)</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Reviewed the key risks facing the Group and its approach to managing risks</li> <li>Set the risk appetite of the Group</li> </ul>
External affairs	<ul style="list-style-type: none"> <li>Reviewed the external affairs strategic framework, and implementation activities</li> <li>Periodically reviewed the political situation by market with a specific focus on election periods and advice on related risk management requirements</li> <li>Reviewed regulatory and engagement challenges with advice from the Board on best-practice engagement strategy</li> <li>Reviewed the state of government relations in our markets and internationally</li> </ul>
Non-financial performance	<ul style="list-style-type: none"> <li>Reviewed the main non-financial performance and trends, including corporate responsibility</li> <li>Recommendations for continued focus in line with existing non-financial focus areas</li> </ul>
Shareholder structure	<ul style="list-style-type: none"> <li>Support Kinnevik AB in the divestiture of its shareholding in Millicom</li> </ul>

### 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 Management Team, and through ongoing dissemination of information.

Millicom provides training on topics such as anti-bribery and corruption, ethics, independence, and insider trading. The Board regularly receives

detailed reports on specific areas that support their understanding of Millicom's business and operating environment.

Directors also participate in at least one annual visit to Millicom's operations (Colombia and Panama in 2019) 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.

### 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 those of its various committees.

In 2019, 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.

### Board Meetings/Attendance at regularly scheduled meetings of the Board in the 2019 financial year

Director	Meeting Attendance	%
Mr. José Antonio Rios Garcia	7/7	100
Mr. Odilon Almeida	7/7	100
Ms. Janet Davidson	6/7	86
Mr. Tomas Eliasson	7/7	100
Ms. Pernille Erenbjerg	6/7	86
Ms. Mercedes Johnson	4/4	100
Mr. Lars-Åke Norling	7/7	100
Mr. James Thompson	7/7	100
<b>Attendance</b>	<b>50/52</b>	<b>96</b>
<b>Former Directors (until May 2019)</b>		
Mr. Roger Solé Rafols	3/3	100
<b>Overall attendance</b>	<b>53/55</b>	<b>96</b>

## 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/](http://www.millicom.com/our-company/governance/board-committees/). Details of Board roles and responsibilities, activities in 2019, and Directors' emoluments are set out on the following pages.

### I. Audit Committee

2019 was a very active year for the Audit Committee, with specific attention paid to enhancing and expanding Millicom's internal control

environment in the context of the first year of its compliance with the Sarbanes-Oxley Act. We provided oversight over implementation projects of new accounting standards, regular reporting, internal control, risk management, and internal audit activities. The Committee convened eight scheduled meetings during the year and covered internal audit and internal control activities during all meetings. We held another six meetings to review the requirements of the Sarbanes-Oxley Act and the progress of the Group on this program.

The committee also reviewed and discussed actions and activities related

to the important regulatory updates and upcoming changes in financial reporting, treasury, tax, risk management, revenue assurance and compliance. We continue to standardize and implement best practices both in controls and assurance across the Group's footprint.

I would like to thank my fellow Committee members for their dedication and commitment to the activities of the Audit Committee. I look forward to continuing our mandate through to the 2020 AGM.

Mr. Tomas Eliasson  
Chairman of the Audit Committee

### Audit Committee membership and attendance at regularly scheduled meetings in 2019

Audit Committee	Position	First appointment	Meeting Attendance	%
Mr. Tomas Eliasson	Chairman*	May 2014	8/8	100
Ms. Pernille Erenbjerg	Member	January 2019	6/8	75
Ms. Mercedes Johnson	Member	May 2019	5/5	100
Mr. James Thompson	Member	January 2019	8/8	100
<b>Overall attendance</b>			<b>29/31</b>	<b>94</b>

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

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

### Appointment and role of the Audit Committee

The Audit Committee is composed solely of non-executive Directors, all of whom were independent Directors in 2019. 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 Committee is also satisfied that it has the expertise and resources available for it 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, 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, procedure for dealing with certain other types of complaints or concerns, and compliance with related laws and regulations.

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

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

The Chief Executive Officer, Chief Financial Officer, Group Financial

Controller, Head of Internal Audit, Head of Business Controls, Head of Risk Management, and representatives from EY, the Company's external auditor, are invited to attend Committee meetings.

The Audit Committee Chairman prepares the meeting agenda in conjunction with the Chief Financial Officer. Each meeting includes a private session, 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, the Head of Internal Audit, the Head of Business Controls, and the Head of Risk Management. Additional reports from 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 2019

Governance	<ul style="list-style-type: none"> <li>Reviewed and amended the Audit Committee Charter</li> </ul>
Financial reporting	<ul style="list-style-type: none"> <li>Reviewed key accounting and reporting issues at each meeting</li> <li>Reviewed and approved each quarter's earnings release, the 2018 annual earnings release and summary financial statements, and the 2019 half-year earnings release and interim financial statements</li> <li>Reviewed status of the finance onboarding of the acquisitions made in 2018 and 2019</li> <li>Reviewed and discussed transition impact of IFRS 16 ("Leases") and other changes in the financial reporting landscape and accounting policy changes/ updates</li> </ul>
External auditor	<ul style="list-style-type: none"> <li>Received reports from the external auditor at each meeting covering important financial reporting, accounting and audit issues</li> <li>Received reports from the external auditor in compliance with EU regulations</li> <li>Reviewed and approved all non-audit services rendered by the external auditors</li> <li>Approved the 2019 external audit strategy and fees</li> <li>Considered the results of control testing performed by the external auditor and feedback on preparedness for the first Sarbanes-Oxley attestation</li> <li>Considered the performance of the external auditor and independence, including monitoring of the nature and value of non-audit services, as well as approved the related fees</li> <li>Received reports and updates on SEC rules and developments</li> </ul>
Internal audit activities	<ul style="list-style-type: none"> <li>Approved the 2020 Internal Audit plan</li> <li>Oversaw the appointment of a new Head of Internal Audit</li> <li>Reviewed Internal Audit findings arising from the delivery of the 2019 audit plan</li> </ul>
Financing, treasury and tax	<ul style="list-style-type: none"> <li>Reviewed the Group's tax strategy and structure and approved the tax policy</li> <li>Approved the updated Group treasury and related policies, including the policy on financial risk management</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Provided guidance and oversight over risk management processes</li> <li>Reviewed alignment of top risks with strategy</li> <li>Reviewed regular risk reports and remediation plans</li> </ul>
Internal controls	<ul style="list-style-type: none"> <li>Reviewed the remit and activities of the Business Controls team</li> <li>Reviewed the Group's Sarbanes-Oxley implementation plan related to the U.S. listing and received regular progress reports from the implementation team and external advisors</li> <li>Received, reviewed findings and monitored progress in the design and operating effectiveness of internal controls over financial reporting</li> </ul>
Fraud management	<ul style="list-style-type: none"> <li>Reviewed fraud policies and quarterly fraud reports, as well as proposed actions to remediate identified cases</li> </ul>
Revenue assurance	<ul style="list-style-type: none"> <li>Received quarterly updates on revenue assurance activities</li> <li>Reviewed trends and actions taken to minimize loss and revenue leakage</li> </ul>
Related party transactions	<ul style="list-style-type: none"> <li>Reviewed related party transactions that were performed at each meeting</li> </ul>

### 2019 Meetings

The Audit Committee held eight regular meetings that mainly coinciding with key dates in Millicom's external reporting:

#### Financial reporting

The Audit Committee reviewed earnings releases for each quarter and financial statements, having received reports from management and the external auditor. In 2019, the committee mainly focused on:

- Significant accounting issues where judgment has been applied
- The review of the effectiveness of internal financial control and the Group's Sarbanes-Oxley implementation plan and progress
- The acquisitions and integration plans of Cable Onda and the Telefonica assets in Central America

- The transition impacts of the new lease standard, IFRS 16
- The appropriateness of and application of the Group's accounting policies and practices
- Compliance with financial reporting standards and other financial reporting requirements
- The completeness and compliance of all structural disclosures made in the financial statements
- Financial reporting and other implications of the U.S. listing

A summary of all related party transactions was reviewed and approved at each quarterly meeting.

Significant issues considered by the Audit Committee in relation to the financial statements for the year ended December 31, 2019 included:

- Acquisition of the Telefonica assets in Central America and finalization of the purchase accounting of Cable Onda—refer to note A.1.2. of the consolidated financial statements

The Group completed the acquisitions of Telefonía Celular de Nicaragua ("Nicaragua") and Telefonía Moviles Panama, S.A. ("Panama") on May 16 and August 29, 2019, respectively, for a total cash consideration of \$1.02 billion. The provisional goodwill for both acquisitions amount to \$646 million. The purchase accounting of Cable Onda has been finalized during 2019 and the final goodwill amounts to \$504 million. The acquisition of Telefonía de Costa Rica



TC, S.A. (“Costa Rica”) remains subject to regulatory approvals as of December 31, 2019.

2. Application of IFRS 16 ‘Leases’—refer to Introduction note and notes C.4. and E.3. of the consolidated financial statements

The Group had to change its accounting policies as a result of adopting IFRS 16 Leases. On adoption, on January 1, 2019, an additional lease liability of \$545 million was recognized. The application of the new standard decreased operating expenses by \$149 million, respectively, as compared to what our results would have been if we had continued to follow IAS 17 for the three and twelve months ended December 31, 2019.

3. Africa divestment—refer to note A.1.3. of the consolidated financial statements

On June 26, 2019, the Group completed the disposal of its operations in Chad for a cash consideration of \$110 million. On the same date, Chad was deconsolidated and a net gain of \$69,547 million has been recognized in the Group’s statement of income.

4. Effect of listing of the shares held by the Group in Jumia Technologies AG and Helios Towers Plc—refer to notes C.7.3. of the consolidated financial statements

Jumia Technologies AG and Helios Towers Plc became listed in April and October 2019, respectively. On listing dates, the Group recognized these investments at fair value with a corresponding total gain of \$242 million. As at December 31, 2019, the fair value of these investments amounts to \$371 million.

5. Impairment testing—refer to note E.1.6. of the consolidated financial statements

In 2019, the Group did not recognize any goodwill impairment losses, but disclosed potential impairment for our operations in Nicaragua that would have to be recorded in case of certain reasonable changes in key assumptions.

6. 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.

There are a number of matters therefore relating to tax contingencies which require judgment as to the likely probability of cash outflow or the potential amount of any outflow. The Audit Committee therefore 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. Analysis of judgmental tax matters was also presented by the external auditor.

7. Revenue recognition—refer to note B.1. of the consolidated financial statements

Judgment is required in assessing the application of revenue recognition principles. This includes the application of revenue between multiple deliverables, such as the sale of a handsets with service in a bundled package, or managed services contracts that have complex contractual agreements. The Audit Committee received regular updates on revenue recognition matters.

8. Capitalization and assets useful lives—refer to notes E.1.1. and E.2.1. of the consolidated financial statements

The assessment and timing of whether assets meet the capitalization criteria set out in the relevant accounting standards, the estimation of appropriate useful economic lives and the assessment of whether any impairment indicators are present, such as redundant assets, as well as the identification of leases, all require judgment. In addition, Management regularly review and benchmark its assets useful lives with peers. Once a year, Management presents its conclusions to the Audit Committee.

#### **Management Disclosure Committee**

To assist with all matters related to earnings releases and financial statement disclosures, Millicom has a Disclosure Committee comprising senior management from Finance, Legal, 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 and other information.

#### **Risk management**

The Audit Committee received regular reports on the Group’s risk

management framework and process, including the formation and operation of a Management Risk Committee, as well as reports on changes to significant risks at both operational and Group level and how these risks are managed. Further information is set out in the risk management section of this Annual Report.

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

#### **Internal control**

As a consequence of the U.S. listing, the Company commenced a program in 2018 to comply with the internal control over financial reporting requirements of the U.S. Sarbanes-Oxley Act. The Group Head of Business Controls, together with the Group’s external advisors, delivered progress reports on the Sarbanes-Oxley program.

The Audit Committee reviewed the Company’s internal control framework and the enhancements required as part of the internal control requirements of Sarbanes-Oxley. The planned scope of the program was discussed and agreed. Regular reports on the results of management testing of key internal controls and the progress made to address any control gaps identified were received.

At the meeting of February 2020, the Committee received the final results of management’s testing of key controls together with the results of testing by the external auditors. Management concluded that the Group had maintained effective internal controls over financial reporting.

Those involved provided regular updates on the Group’s program of Internal Control Self-Assessment and the status of ongoing control improvement projects.

#### **Internal Audit**

Execution of the 2019 Internal Audit Plan provided the Executive Management Team and the Audit Committee an independent view on 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 across multiple

geographies and functions, external audit findings and Internal Audit's knowledge of the business.

In December 2019, the Audit Committee approved the Internal Audit Plan for 2020, which included reviews focusing on Mobile and B2B revenue streams, information security, IT and network resilience, key financial processes, compliance and ethics activities—including the anti-money laundering ("AML") program—and management and governance supporting outsourced service contracts.

We also built follow-up audits into the Internal Audit Plan to provide independent assurance that management actions from previous audits had been addressed effectively. The plan was primarily executed by the in-house Internal Audit team based in London, Luxembourg and Miami, with support from specialists at one of the "Big 4" accounting firms. At each meeting, the Audit Committee received an update on Internal Audit activities, progress against the plan and results of the audits completed in the period, including associated recommendations and management action plans where findings had been identified.

In December 2019 a new Head of Internal Audit joined the Company. The Audit Committee oversaw the recruitment and transition process.

#### **Fraud risk and whistleblowing**

The Audit Committee received and reviewed quarterly fraud reports in accordance with the Group's Fraud policy. The Group provides an ethics helpline that is administered by an independent third party and is available to all employees, contractors and third parties.

#### **External Audit effectiveness**

The quality and effectiveness of the external audit matters 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.

We assess audit quality by referring to the standard of the reports received by the Audit Committee, the caliber of senior members of the audit team and the level of challenge provided to Executive Management. Also, management provides feedback to the Audit Committee. In addition, management regularly reviews the performance of the external auditors both centrally and in each of Millicom's operating countries. This feedback allows the Committee to monitor and assess the performance of the external auditor as part of making a recommendation to the Board regarding the auditor's appointment.

#### **Auditor independence**

The Audit Committee has established 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, these can be approved by management when requested (following an established authority matrix) and then presented 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 engagements with the external auditor is reviewed at each meeting.

For the year ended December 31, 2019, the Audit Committee approved fees for audit and audit related services of \$8.1 million, together with fees for non-audit work of \$0.7 million.

In compliance with independence rules, the previous audit partner rotated off the audit in 2019 and the current audit

partner will rotate off for 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 to occur in 2022 (ten years after initial appointment).

## **II. Compliance and Business Conduct Committee**

The Compliance and Business Conduct Committee oversees the Group's Ethics & Compliance Program, and reports on the Program's status and development to the full Board of Directors.

During 2019, we continued building and refining our Ethics & Compliance Program, supported by the Executive Team's relentless commitment to maintain our culture, Sangre Tigo, which is centered around doing business the right way, with the application of ethics and compliance in our everyday interactions. Our Sangre Tigo signifies high integrity and 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 with our customers as well as our stakeholders by making it happen the right way.

#### **Ms. Janet Davidson**

Chairman of the Compliance and Business Conduct Committee

## **Compliance and Business Conduct Committee Membership and Attendance 2019**

<b>Committee</b>	<b>Position</b>	<b>First appointment</b>	<b>Meeting Attendance</b>	<b>%</b>
Ms. Janet Davidson	Chairman	May 2016	3/4	75
Mr. Lars-Åke Norling	Member	May 2018	4/4	100
Mr. Odilon Almeida	Member	November 2015	3/4	75
<b>Overall attendance</b>			<b>10/12</b>	<b>83</b>

In addition, the Chairman of the Board, Mr. José Antonio Rios Garcia, attended three of the four regularly scheduled 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 and makes recommendations to the Board regarding the Group's compliance programs and standards of business conduct. More specifically, the Compliance and Business Conduct Committee:

- Monitors the Group's Compliance program, including the activities performed by the 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

Management representatives invited to attend the Compliance and Business Conduct Committee include the Group CEO, Chief Compliance and Ethics Officer, General Counsel, Group CFO, Chief External Affairs Officer, Head of Internal Audit and Head of Risk Management.

### Summary of Committee Activities in 2019

The Committee Chairman prepares the agenda in conjunction with the Chief Ethics and Compliance Officer. During meetings, the Committee reviews the status of the Ethics & Compliance Program, compliance-related issues, Strategic Responses (such as investigations) to any alleged violations of law or policy, (AML) initiatives, information security topics, and any Internal Audit Reports and remediation plans that concern the Ethics & Compliance Program.

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

## Summary of Areas of Focus and Action Items in 2019

### Program elements reviewed

- Refined third party management through a centralized due diligence program
- Anti-corruption program policies and automated procedures including those covering new and emerging areas of risk and strengthening of the overall program
- Revision of compliance policies and procedures, and communication to the whole organization
- Training completion rates on company compliance policies as part of select managers' KPIs
- Results of continuing review of the compliance framework by Internal Audit as well as remediation actions and status
- Improved communication campaigns on various compliance subjects
- Compliance Risk Assessment—established proactive compliance risk management process. Regularly monitor, collect and analyze data to identify and remediate gaps
- Resources: hired three new compliance officers.
- A number of GMs were given a set of compliance KPIs to meet during the year for year-end bonus award
- Integration of compliance program in newly acquired entities in Central America
- Incentives program—Compliance factors were incorporated into executives' incentives program for the second consecutive year. Bonus awards are now tied to achievement of all compliance KPIs

### Reporting & Investigations

- "SpeakUp" Campaign—continued to encourage employees to use the system to report issues of perceived non-compliance with our policies and values
- Strengthened investigations team, and further developed investigations resources centrally and in the 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 enhanced country review methodology with the implementation of a new Country Review Sheet
- Completed implementation of new monitoring systems in Honduras and El Salvador, with Bolivia and Paraguay in progress. Enhanced monitoring tool in Tanzania in progress.
- Deployed updated AML training and AML campaign
- Created and hired a new AML Risk Management position
- Conducted external assessments of central and operations, and continued to implement recommendations based on the results of the assessment

### III. Compensation Committee

In 2019, the Compensation Committee continued to focus on reviewing Millicom's reward strategy to ensure that senior management compensation closely reflects company performance.

The design of our employee and executive compensation programs supports three main goals:

1. Attract and retain great talent
2. Support our culture of entrepreneurship and performance, with an increased focus on pay based on geographical / line-of-business accountability
3. Align employee and shareholder interests

We pay employees competitively compared with other opportunities they might have in their respective local markets. We also offer competitive benefits to promote the health and happiness of our employees and create a fun and invigorating work culture. Our compensation program plays a key role in promoting our company's operating

and financial success and provides incentives for our management team to execute our financial and operational goals creating a supportive environment around pay for performance.

We achieved much this year, re-listing on NASDAQ in the U.S., acquiring new assets in Latin America, and selling one of our African operations, and we consider these and other developments in our shareholder base and the external marketplace in the setting of remuneration philosophy and practices.

The Compensation Committee regularly reviews best practices in executive compensation and governance and revises our policies and practices when appropriate. For example, in 2019 we revised our change in control agreements for eligible executives to include "double-trigger" provisions, which require an involuntary termination (in addition to change in control) for accelerated vesting of awards.

An important portion of compensation is tied to performance for all senior

management, including at each of our operations. The proportion of overall pay tied to performance is higher for employees at more senior levels in the organization, reflecting their opportunity for broader impact on company performance. We use equity awards to align employee and shareholder interests. We have share ownership requirements for our top 50 roles and track the status of each role annually. This encourages our top leaders to take a longer-term view on positive business performance in alignment with company and shareholder interests.

I would like to thank my fellow members for their dedication and commitment to the activities of the Compensation Committee and look forward to continuing our mandate through to the 2020 AGM.

Ms. Pernille Erenbjerg

Chairman of the Compensation Committee

### Compensation Committee Membership and Attendance in 2019

Committee	Position	First appointment	Meeting Attendance	%
Ms. Pernille Erenbjerg	Chairman	January 2019	5/5	100
Mr. Lars-Ake Norling	Member	May 2019	4/5	80
Mr. James Thompson	Member	January 2019	5/5	100
<b>Overall attendance</b>			<b>14/15</b>	<b>93</b>

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

### Appointment and Role of the Compensation Committee

The Compensation Committee reviews and makes recommendations to the Board of Directors regarding the compensation of the CEO and other senior managers as well as management succession planning.

The Board, based on guidelines by the Compensation Committee, proposes the remuneration of senior management. The guidelines ensure that Millicom can attract, motivate and retain executives, within the context of Millicom's international talent pool, which primarily consists of telecom, media, and FMCG companies. Remuneration of the CEO

requires Board approval. Guidelines for remuneration of senior management and for employees' share-based incentive plans are approved by the shareholders at the AGM.

The Compensation Committee monitor and evaluate programs for variable remuneration to the senior management, both ongoing programs and those that have ended during the year and monitor and evaluate the application of the guidelines for remuneration to the board and senior management that the shareholders' meeting has established, as well as the current remuneration structures and levels in the Company.

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. The Board considered that the CEO provided strong leadership for the Company during 2019. The Chairman of the Board conveyed the results of the review and evaluation to the CEO.

### Main Activities of the Committee during 2019

The Compensation Committee met five times in 2019.

## Summary of Areas of Focus and Action Items in 2019

<b>Bonus and performance reports</b>	<ul style="list-style-type: none"> <li>Received and reviewed senior executive 2018 performance reports and Executive Committee individual payouts STI/LTI (cash /equity)</li> <li>Reviewed and approved the 2019 variable compensation target and performance results</li> </ul>
<b>Compensation review</b>	<ul style="list-style-type: none"> <li>Approved all payments for Executive Committee members, including base pay increases</li> <li>Reviewed executive remuneration and governance trends and developments</li> <li>Conducted a review of gender equity across all operations</li> <li>Reviewed and approved the peer group for executive benchmarking</li> <li>Approved changes to CEO and Executive Committee compensation elements based on market competitiveness</li> </ul>
<b>Share-based incentive plans</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the 2019 Share Plan Rules</li> <li>Approved the 2016 LTI (PSP) vesting</li> <li>Reviewed and approved all equity grants</li> <li>Reviewed the treasury shares' balance reserved for share-based incentive plans and the period they cover</li> <li>Reviewed shared ownership guidelines and the compliance of each covered executive</li> <li>Reviewed performance and projections of outstanding LTI plans</li> </ul>
<b>Global reward strategy and executive remuneration review</b>	<ul style="list-style-type: none"> <li>Reviewed Remuneration/C&amp;B Philosophy &amp; Strategy</li> </ul>
<b>Variable pay design</b>	<ul style="list-style-type: none"> <li>Reviewed and approved incorporation of M&amp;A financials into the ongoing STI and LTI</li> <li>Implemented 2020 STI metrics—IFRS 16</li> <li>Discussed and approved STI/LTI design for 2019</li> <li>Reviewed and approved STI and LTI performance measures for 2020</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Following U.S. best practices implemented a double-trigger change in control</li> <li>Reviewed and approved exceptional items, new hire equity grants, etc</li> <li>Approved LTI retirement eligibility approach</li> <li>Reviewed GSMT severance plan payout</li> <li>Reviewed budget for the upcoming year</li> <li>Discussed diversity and Inclusion Strategy</li> </ul>
<b>Compensation Committee governance</b>	<ul style="list-style-type: none"> <li>Reviewed and updated Compensation Committee Remit and Obligations</li> <li>Review and approved the Compensation Committee annual meeting cycle and calendar</li> <li>Reviewed the Compensation Committee charter</li> <li>Updated Executive Compensation dashboard</li> <li>Reviewed of composition of the Compensation Committee</li> <li>Reviewed and approved an external compensation consultant</li> </ul>

### Remuneration Guidelines

The Board proposes to the AGM guidelines for remuneration and other employment terms for senior management. The annual base salary and other benefits of the CEO is proposed by the Compensation Committee and approved by the Board.

### Remuneration Policy

Remuneration packages for members of the Executive Team at Millicom comprise 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. to the consolidated financial statements) are based on actual performance. Share-based compensation is granted once a year by the Compensation Committee.

**Base salary:** The Executives' base salaries are competitive and based on each individual Executive's responsibilities and performance.

**Variable STI (Short-Term Incentive) cash remuneration:** The Executives may receive variable remuneration in addition to base salary. The maximum target variable remuneration in any

Executive's contract is 100% of the base salary and, in case of exceptional business and personal performance, up to two times that target. The variable amounts or percentages are considered to be competitive within market standards at total compensation levels. The variable remuneration is based on performance of the Executives in relation to established goals and targets along with Millicom's financial performance (see table below).

Use and relative weighting of financial performance target measures under the variable compensation rules are equal to all employees regardless of seniority.

**Variable STI share-based remuneration:** A portion of the STI is paid in the form of deferred shares with a three-year pro-rated vesting, strengthening our pay for performance and retention incentives.

**Long-term share-based incentive plans ("LTIPs"):** The aim of the LTIPs is to support Millicom's long-term business view and strategy. The plans and the amounts need to be competitive in order to attract and retain key executives. These incentives are targeted toward a selected group of employees only,

approximately the top 50 roles and have a three-year cliff vesting.

**Other benefits:** These can include a car allowance, medical coverage, and in cases of expatriate assignments, a housing allowance, school fees, home leave, and other travel expenses.

**Pension:** The Executives are eligible to participate in a global pension plan, in accordance with market standards. The global pension plan is secured through premiums paid to reputable insurance companies.

**Deviations from the guidelines:** In special circumstances, the Board may deviate from the above guidelines, such as additional variable remuneration in the case of exceptional performance. In these instances, the Board of Directors will explain the reason for the deviation at the following AGM.

**Payment for loss of office:** In the event of a company-initiated termination, other than for cause, of someone on our Executive Team (e.g., the CEO and his/her direct reports), a notice period of up to 12 months potentially applies.

Bonus measurements	Rationale	Weighting
Personal performance	The individual goals and objectives of Millicom management and employees are critical in achieving its financial objectives and in long-term value creation.	30%
Service Revenue	Recurring revenue is a key growth measure used by the Group as it seeks to monetize opportunities in all countries and all business units.	20%
EBITDA	EBITDA is used as a measurement of ongoing earning power/value creation in the Group and of how well management controls the operational cost of growing revenue.	20%
Operating Free Cash Flow	Operating Free Cash Flow is OCF (EBITDA less Capex) less changes in working capital and other non-cash items and taxes paid. It is used to measure how efficiently management are generating cash flow.	20%
Net Promoter Score	The Net Promoter Score is an index that measures the willingness of customers to recommend a company's products or services to others.	10%
<b>Total</b>		<b>100%</b>

## Executive Team Remuneration

Compensation of the Executive Team 2019	CEO	CFO	Executives (8 members)
<b>Cash Compensation (\$ '000)*</b>			
Base salary	1,167	654	3,498
Bonus (for 2019 performance)	1,428	626	2,098
Pension	279	98	798
Other benefits*	50	260	1,521
Termination benefits	0	0	863
<b>Total salary and benefits</b>	<b>2,924</b>	<b>1,639</b>	<b>8,779</b>
<b>Equity Compensation (number of shares)</b>			
Performance share plan <sup>(i)</sup>	40,565	20,030	55,756
Deferred share plan <sup>(ii)</sup> (for 2019 performance)	31,126	13,657	41,285
<b>Total shares (number)</b>	<b>71,691</b>	<b>33,687</b>	<b>97,041</b>
<b>Value of shares<sup>(iii)</sup> (\$ '000)</b>	<b>3,383</b>	<b>1,592</b>	<b>4,582</b>

(i) Vesting amounts relating to the 2017 performance share plan based on the estimated performance over the three year period. The value of shares is based on the closing market value of Millicom shares at December 31, 2019 of \$48.23. These shares will vest on March 2020. Final performance metrics will be approved by the Remuneration Committee in March 2020.

(ii) Amounts to be granted relating to the 2020 deferred share plan (awarded in 2020 based on 2019 results). The value of shares is based on the average Q4 2019 closing market value of Millicom shares of \$45.86. These shares will vest over three years from the award date with a vesting schedule 30%/30%/40%, dependent on continued service of the employee.

(iii) The value is calculated on the basis described above which differs from the value calculated for the IFRS financial statements.

\* 'Other Benefits' for 'Other Executives' include medical and dental insurance for former CHRO.

Compensation of the Executive Team 2018	CEO	CFO	Other Executives (9 members)
<b>Cash Compensation (\$ '000)*</b>			
Base salary	1,112	673	3,930
Bonus (for 2018 performance)	1,492	557	2,445
Pension	247	101	962
Other benefits	66	63	805
Termination benefits	0	0	301
<b>Total salary and benefits</b>	<b>2,918</b>	<b>1,393</b>	<b>8,444</b>
<b>Equity Compensation (number of shares)*</b>			
Performance share plan <sup>(i)</sup>	34,154	17,716	41,710
Deferred share plan <sup>(ii)</sup> (for 2017 performance)	25,011	9,339	40,988
<b>Total shares (number)</b>	<b>59,165</b>	<b>27,055</b>	<b>82,698</b>
<b>Value of shares<sup>(iii)</sup> (\$ '000)</b>	<b>3,628</b>	<b>1,665</b>	<b>5,053</b>

(i) Amounts relating to the 2016 performance share plan based on the estimated performance over the three year period. The value of shares is based on the closing market value of Millicom shares in \$ at 28 December 2018 of \$62.53. These shares will vest on 1 March 2019. Final performance metrics will be approved by the Remuneration Committee on March 5, 2019.

(ii) Amounts relating to the 2019 deferred share plan (awarded in 2019 based on 2018 results). The value of shares is based on the average Q4 closing market value of Millicom shares of \$59.65. These shares will vest over three years from the award date with a vesting schedule 30%/30%/40%, dependent on continued service of the employee.

(iii) The value is calculated on the basis described above which differs from the value calculated for the IFRS financial statements.

\* 'Other Executives' includes compensation related to former EVP strategy and former EVP CHRO.

\*\* 'Other Benefits' include relocation support when applicable with an average amount of \$25K.

## Share-based Incentive Plans

The share-based incentive plans currently consist of a Deferred Share Plan (DSP) and a Performance Share Plan ("PSP").

The 2020 DSP represents the portion of the STI (based on 2019 performance) that will be granted in deferred shares in Q1 2020. The 2019 PSP (LTIP) represents the grant of performance shares in Q1 2019, linked to performance for the period from 2019-2021 and vesting in Q1 2022.

Shares granted under the 2020 DSP are based on personal and corporate performance in 2019 and vest over three years (30% after one

year, 30% after two years and 40% after three years). Shares granted under the 2019 PSP vest at the end of a three-year period, whereby vesting is subject to certain company performance conditions.

The CEO and CFO participate in the Group's 2019 PSP, with target opportunities as per the table below. For the 2019 year, we offered equity-based incentive plans to the CEO, the CFO, members of the executive management, other senior management, and high-potential employees and employees in key roles (by nomination

exception) under the plans set out in the following table.

In addition, the rules of the plans set out certain criteria and conditions in which new employees can receive sign-on awards. In countries where Millicom has a local partner, in certain cases, the same eligibility and rules apply for the incentive plans, except that instead of being granted awards denominated in Millicom shares, the executives receive deferred cash awards.

LTIP	Eligibility	Participants	Maximum shares awarded for 2019	Basis for calculating award	Comment
2020 Deferred Share Plan (DSP)	CEO, CFO, other executives and other global senior management	245	377,578	20–100% of base salary	
2019 Performance Share Plan (PSP)	CEO, CFO, other executives and other global senior management	44	257,601	400% 175% 50%–160% of base salary, as per 01.01.19	CEO CFO Global senior management team

\*A limited number of high-potential employees and employees in key roles can be nominated by exception.

Specific rules of each plan are set out below. Vesting under all plans is conditional upon the participant remaining employed by the Group at each vesting date. Additional vesting criteria are noted under each plan.

LTIP	Additional vesting criteria (terms and conditions)	Vesting period		
		1 year	2 years	3 years
2020 Deferred Share Plan (DSP)	0	30.0%	30.0%	40%
2019 Performance Share Plan (PSP)	Achievement of Service Revenue CAGR, Operating Free Cash Flow CAGR and Relative Total Shareholder Return targets measured over the three-year vesting period.	0	0	100%

Measurements used for PSP performance measure	Weighting
Operating Free Cash Flow (OFCF) with a specific 3-year CAGR target	50%
Service Revenue with a specific 3-year CAGR target	25%
Relative Total Shareholder Return (RTSR) vis-vis a peer group of companies (no award is made for performance below peer group median. Achieving TSR performance at media of pre-determined peer triggers 25% of the relative TSR component)	25%



### CEO Compensation

The 2019 components of the CEO remuneration package were:

- An annual base salary of \$1.173 million;
- Variable cash remuneration with a target of 100% of base salary;
- Participation in Millicom’s share-based compensation plans and;
- Other standard benefits, as described under the senior management remuneration principles earlier in this report.

### CEO Earnings Opportunity from 2019 Award Levels

The tables below provide estimates of the potential future remuneration for the CEO based on the remuneration opportunity granted in the 2019 financial year. Potential outcomes are based on different performance scenarios.

Assumptions underlying each scenario are described below.

#### Fixed

- Fixed income consists of base salary, employment benefits and company pension contributions.
- Base salary is at December 31, 2019.
- Benefits and pension are valued using the figures in the total remuneration for the 2019 financial year table detailed below.
- Pension contributions are made at 15% of base salary as at December of the preceding year.

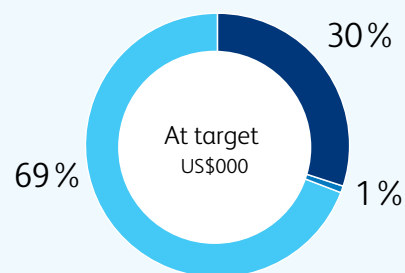
	Base (\$ '000)	Benefits (\$ '000)	Pension (\$ '000)	Total Fixed (\$ '000)
Mauricio Ramos	1,173	50	279	1,502

#### Variables on target

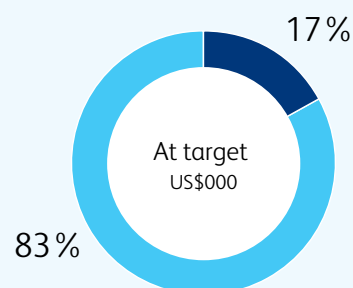
- Values are based on what the CEO would receive if performance were to align with Incentive Performance Targets.
- The target award opportunity for the annual cash bonus is 100% of base salary.
- The target award opportunity for the Deferred Share Plan (DSP) is 100% of base salary for the CEO.
- The target award opportunity for the Performance Share Plan (PSP) is 400% of base salary for the CEO, assuming Relative TSR performance is at peer group median and the CAGR for both Service Revenue and OCF are at target.

#### Variables at maximum

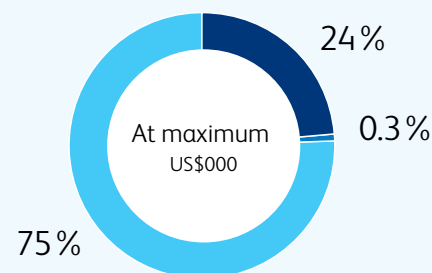
- Maximum award opportunity under the annual cash bonus is 200% of base salary.
- Maximum award for performance under the DSP is 200% of base salary.
- Maximum award for performance under the PSP is 800% of base salary.
- The maximum award would be achieved when relative total shareholder return (“RTSR”) outperforms the peer group median by 20% and the CAGR for both Service Revenue and OCF are at 120% of target.



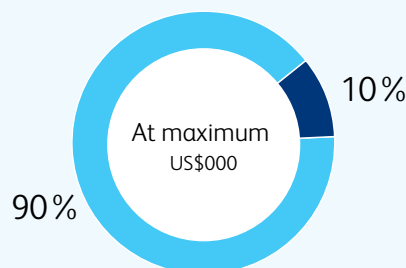
• Cash \$2,562 + • Benefits \$51 + • Shares \$5,750  
TOTAL \$8,363



• Fixed \$1,463 + • Variable \$6,900  
TOTAL \$8,363



• Cash \$ 3,712 + • Benefits \$51 + • Shares \$11,500  
TOTAL \$15,263



• Fixed \$ 1,463 + • Variable \$13,800  
TOTAL \$15,263

### Details of Share Purchase and Sale Activity

During 2019, Millicom's CEO, Mr. Mauricio Ramos, acquired 45,000 Millicom shares.

### Shareholding Requirements

Millicom's share ownership policy sets out the Compensation Committee's requirements on Global Senior Managers to retain and hold a personal

holding of common shares in the Company in order to align their interests with those of our shareholders. All Share Plan participants in the Global Senior Management Team (including all Executives) are required to own Millicom shares to a value of a percentage of their respective base salary as of January of the calendar year.

	2019
<b>Global Senior Management Level</b>	<b>%</b>
CEO	400
CFO	200
EVPs	100
General managers and VPs	50

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

### Share ownership and unvested share awards granted from company equity plans

(number of shares)	CEO	CFO and EVPs	Total
December 31, 2019			
Share ownership (vested from equity plans and otherwise acquired)	190,577	136,306	326,883
Share awards not vested	236,211	334,193	570,404
December 31, 2018			
Share ownership (vested from equity plans and otherwise acquired)	122,310	84,782	207,092
Share awards not vested	172,485	339,726	512,211

### 2019 Remuneration for the Chairman, Deputy Chairman and Non-Executive Directors

Decisions on annual remuneration of Directors ("tantièmes") are reserved by the Articles of Association to the general meeting of shareholders. Directors are therefore prevented from

voting on their own compensation. The Nomination Committee reviews and recommends the Directors' fees, which are approved by the shareholders at the AGM or EGM. Fees are set based on the role (Chairman, Deputy Chairman), and for participation in and roles of Chairman of the Audit Committee, the

Compliance and Business Conduct Committee, and Compensation Committee.

The remuneration of Directors comprises an annual fee and shares denominated in U.S. dollars (USD). Director remuneration for the period is as follows:

Board and committees	Remuneration 2019 USD 000s <sup>(i)</sup>	Remuneration 2018 USD 000s <sup>(ii)</sup>
<b>Directors</b>		
Mr. José Antonio Rios Garcia (Chairman)	366	124
Ms. Pernille Erenbjerg (Deputy Chairman)	350	—
Mr. Odilon Almeida	173	121
Ms. Janet Davidson	186	125
Mr. Tomas Eliasson	211	144
Ms. Mercedes Johnson	173	—
Mr. Lars-Åke Norling	206	87 <sup>(iii)</sup>
Mr. James Thompson	242	—
<b>Former Director (until May 2019):</b>		
Mr. Roger Solé Rafols	16	98
<b>Former Directors (until January 2019):</b>		
Mr. Tom Boardman (former Chairman)	—	169 <sup>(iv)</sup>
Mr. Anders Jensen	—	75 <sup>(iv)</sup>
<b>Total (\$ '000)<sup>(i)</sup></b>	<b>1,923</b>	<b>943</b>

(i) Remuneration covers the period from January 7, 2019 to the date of the AGM in May 2020 as resolved at the shareholder meetings on January 7, 2019 and May 2, 2019 respectively. Share based compensation for the period from May 2, 2019 to May 2020 based on the market value of Millicom shares on May 6, 2019 (in total 16,607 shares). Net remuneration for the period from May 2, 2019 to May 2020 comprised 73% in shares and 27% in cash (2018: 51% in shares and 49% in cash).

(ii) Cash compensation was denominated in SEK in 2018 and was converted from SEK to USD at exchange rates on payments dates each year.

(iii) From the period from September 1, 2018 to the 2019 AGM on May 2, 2019.

(iv) From the period from the 2018 AGM to the date of the EGM in January 2019.

## Millicom CEO and Executive Team

CEO	Position	Role and responsibilities
<b>Mr. Mauricio Ramos</b>	CEO	<ul style="list-style-type: none"> <li>Leading the development and execution of the Company's strategy.</li> <li>Day-to-day activities and management decisions, both operating and financial.</li> <li>Liaison between the Board and Management of the Company.</li> <li>Leading the Executive Team.</li> </ul>



**Mr. Mauricio Ramos**  
Chief Executive Officer

Mauricio Ramos, born in 1968, joined Millicom in April 2015 as CEO. Previously he was President of Liberty Global's Latin American division from 2006 until February 2015.

Mauricio held several leadership roles at Liberty Global, including Chairman and CEO of VTR in Chile, Chief Financial Officer of Liberty's Latin American division and President of Liberty Puerto Rico.

Mauricio is also a Member of the Board of Directors of Charter Communications (U.S.).

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

**MILlicom SHAREHOLDING AT  
JANUARY 31, 2020:** 190,577 shares

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

Executive	Team	Role Responsibilities
<b>Mr. Tim Pennington</b>	<b>Chief Financial Officer</b>	Finance and financial planning. Reporting financial performance, including external financial reporting. Budgeting and forecasting, monitoring expenditures and costs. Implementation and enhancement of related controls. Risk management. Oversight of the African businesses.
<b>Mr. Esteban Iriarte</b>	<b>Chief Operating Officer–Latam</b>	Operations and development of the Latin American businesses.
<b>Mr. Xavier Rocoplan</b>	<b>Chief Technology and Information Officer</b>	Networks, information technology and procurement within the Group.
<b>Ms. Rachel Samrén</b>	<b>Chief External Affairs Officer</b>	Government relations, regulatory affairs, corporate communications, corporate responsibility and corporate security..
<b>Mr. Salvador Escalón</b>	<b>General Counsel</b>	Legal and corporate governance matters including oversight, identification, and management of legal issues and cases of the Group, as well as legal aspects of mergers and acquisitions and other corporate transactions.
<b>Ms. Susy Bobenrieth</b>	<b>Chief Human Resources Officer</b>	Human resource matters including talent acquisition and management, compensation, diversity, and inclusion.
<b>Ms. Cara Viglucci</b>	<b>Interim Head of Ethics and Compliance Officer</b>	Compliance matters including ethics, anti-bribery, anti-corruption, anti-money laundering, and related compliance programs. Also information security.

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



**Mr. Tim Pennington**

*Executive Vice President,  
Chief Financial Officer*

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

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

Tim is also a Member of the Board of Directors of Euromoney Institutional Investor plc.

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

**MILlicom SHAREHOLDING AT  
JANUARY 31, 2020:** 28,378 shares



**Mr. Esteban Iriarte**

*Executive Vice President,  
Chief Operating Officer, Latin America*

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

Previously, Esteban was General Manager of Millicom's Colombian businesses where, in 2014, he led the merger and integration of Tigo and the fixed-line company UNE.

Prior to leading Tigo Colombia, Esteban was head of Millicom's regional Home and B2B divisions.

From 2009 to 2011, he was CEO of Amnet, a leading service provider in Central America for broadband, cable TV, fixed line, and data services, which Millicom acquired in 2008.

In 2016, Esteban joined the Board of Directors of Sura Asset Management, one of Latin America's leading financial groups.

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

**MILlicom SHAREHOLDING AT  
JANUARY 31, 2020:** 29,657 shares



**Mr. Xavier Rocoplan**

*Executive Vice President, Chief Technology  
and Information Officer*

Xavier Rocoplan started at Millicom in 2000 and joined the Executive Team as Chief Technology and Information Technology Officer in December 2012.

Xavier currently leads all mobile and fixed network and IT and procurement and supply chain activities across the Group.

Xavier initially served as Millicom's CTO in Vietnam and subsequently in 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) as well as numerous spectrum acquisitions and license renewal processes in Africa and in Latin America.

Xavier is a French national, holds Masters degrees in engineering from Ecole Nationale Supérieure des Télécommunications de Paris and in economics from Université Paris IX Dauphine.

**MILlicom SHAREHOLDING AT  
JANUARY 31, 2020:** 38,533 shares



**Ms. Rachel Samrén**  
Executive Vice President,  
Chief External Affairs Officer

Rachel joined Millicom in July 2014 and manages the group's Government Relations, Regulatory Affairs, Corporate Communications, Corporate Responsibility, and Security & Crisis Management functions.

Her focus is on developing and driving Millicom's global engagement with particular responsibility for special situation strategies.

Rachel's background is in the risk management consulting sector including serving as Head of Business Intelligence at The Risk Advisory Group plc. Previously, she worked for Citigroup as well as non- governmental and governmental organizations.

Rachel currently serves on the Board of MIC Tanzania Limited. She holds a BSc in International Relations from the London School of Economics and an MLitt in International Security Studies from the University of St Andrews.

**MILlicom SHAREHOLDING AT JANUARY 31, 2020:** 10,309 shares



**Mr. Salvador Escalón**  
Executive Vice President,  
General Counsel

Salvador Escalón became Millicom's General Counsel in March 2013 and Executive Vice President in July 2015. He leads Millicom's legal team and advises the Board of Directors and senior management on legal and governance matters.

Salvador joined Millicom as Associate General Counsel Latin America in April 2010. In this role, he led legal negotiations for the merger of Millicom's Colombian operations with UNE-EPM Telecomunicaciones S.A., as well as the acquisition of Cablevision Paraguay.

As Senior Counsel at Chevron Corporation from January 2006 to March 2010, Salvador oversaw 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, 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, 2020:** 28,940 shares



**Ms. Susy Bobenrieth**  
Executive Vice President,  
Chief Human Resources Officer

Susy Bobenrieth, a global human resource professional, joined Millicom with over 25 years of experience in major multi-national companies that include Nike Inc., 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 is passionate about building great businesses and winning with high- performing teams.

Susy is one of eight children raised in the U.S. by Chilean immigrant parents. She has deep international experience having lived and worked in Mexico, the U.S., Brazil, the Netherlands, and Spain. She holds a degree from the University of Maryland, University College in 1989.

**MILlicom SHAREHOLDING AT JANUARY 31, 2020:** no shares



### Management Governance

The Group seeks to embed governance activities in the daily operations of all businesses and in the Group's corporate functions. The role of the Group's governance functions is to set policies and procedures in accordance with our obligations and international best practices. These functions then ensure policies and procedures are embedded in our businesses and serve to monitor compliance.

Each function has clear reporting lines through to the Executive Management Team and the CEO. Functions are reported to the Board committees, as previously described, based on the responsibilities of each committee. For instance, the Chief Ethics and Compliance Officer reports directly to the relevant Board committee with a dotted-line report to the CEO.

In addition, 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.

### Business Control

The Board is responsible for the Group's system of internal control, which is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. This system can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognizes that the cost of control procedures should not exceed the expected benefits.

Responsibility for maintaining effective internal controls is delegated to the CEO and the Executive Team with oversight provided by the Audit Committee. The Executive Team are 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.

Millicom continued investing significantly in 2019 to further strengthen its internal control framework in particular in relation to controls over financial reporting to prepare for the first Sarbanes-Oxley

attestation as at December 31, 2019. An extensive work program was undertaken to assess the existing Millicom control framework and develop it further to meet the requirements of Sarbanes-Oxley. We designed and implemented a process for management testing of key financial controls during the year. The updated control framework and management testing program was rolled out across our largest markets, headquarters and our shared service functions and represents a significant further investment in our Internal Controls capabilities.

In order to support our Sarbanes Oxley program, we established a Group Steering Committee comprising members of the Executive Team and other senior management in order to oversee the program, evaluate the findings of management testing and ensure the availability of appropriate resources.

### Monitoring Systems

Aligned with our Sarbanes-Oxley program, we implemented a program of management testing of key financial controls. Eight management testing cycles were run during the year for our largest markets covering both business processes and IT general controls. The results, including remediation actions where required, were reported and discussed with the Executive management, the Sarbanes-Oxley Steering Committee and with the Audit Committee.

We also invested in a new Governance, Risk and Compliance ("GRC") tool to manage and monitor internal control compliance and reporting. The scope of the GRC tool will be expanded in 2020 to other assurance functions.

We also have an established process of internal control self-assessment which requires self-certification of the design and operation of key controls. Self-certified responses are then subject to review and challenge by the Group Business Controls team and Global Process Owners. We use internal control self-assessment for our smaller markets, excluding those acquired during the year, which are not directly within Sarbanes-Oxley scope.

### Fraud Management and Reporting

Business Control is responsible for fraud risk management. We continued our education activities, including an awareness campaign aligned with International Fraud Awareness Week in November 2019.

Each operation prepares a quarterly fraud report and a summary of this is presented to the Audit Committee along with the key actions taken. Quantitative and qualitative thresholds govern the reporting of individual fraud incidents to the Group CFO, CEO, and Audit Committee.

### Internal Control over Financial Reporting

The management of Millicom is responsible for establishing and maintaining adequate internal control over financial reporting. The process of internal control over financial reporting 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 its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements.

In May 2019, the Company completed its acquisition of 100 percent of the shares of Telefonía Celular de Nicaragua, S.A. In August 2019, Cable Onda S.A. acquired 100 percent of the shares of Telefonía Móviles Panamá, S.A. The Company is engaged in refining and harmonizing the internal controls and processes of the acquired businesses with those of the Company.

Management has assessed the effectiveness of internal control over financial reporting as of December 31, 2019 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.

### Risk Management

The risk function identifies, analyzes, measures, and monitors Millicom's risks. The Chief Risk Officer is responsible for providing risk owners at the central functional and country levels with a methodology and tools needed to balance risk with return. A Management Risk Committee, comprising members of the Executive Team and functions responsible for key risk meets on a regular basis to provide oversight on the evolution of risk and the approach taken to manage risk. The Chief Risk Officer also reports to the Executive Team and the Audit Committee. The Audit Committee, on behalf of the Board, oversees risk management activities.



Our risk assessment processes, and the principal risks managed by the Group are set out in the Risk Management section of this annual report.

### **Ethics and Compliance**

Our Corporate Ethics & 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 capable of detecting and correcting misconduct and wrongdoing. We measure the actual impact of this program on our employees, customers, stakeholders, and communities in the countries where we operate.

Our Ethics and Compliance function consists of global resources responsible for the Group's Anti-Corruption, Anti-Money Laundering, and Information Security Programs, as well as having a Compliance Officer in each market.

### **Management and Governance of Compliance Activities**

Millicom has set the goal of building 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. To measure progress, our Great Places to Work ("GPTW") annual survey now includes questions to evaluate the culture of compliance in the Company. Millicom has used the GPTW survey with all employees to measure our workplace culture since 2015. We enhanced Ethics and Compliance knowledge through consolidated training provided in English and Spanish. All employees receive mandatory training on the Code of Conduct, Anti-Corruption, and AML policies in order to reinforce the most important compliance concepts, influence employee behavior and prevent misconduct through practice examples.

Our Compliance Communication Plan for 2019 included weekly newsletters that highlighted latest corporate enforcement actions, lessons learned, monthly campaigns on various compliance policies, and the celebration of the annual Corporate & Ethics Compliance Week in November 2019.

Aligned with our motto, #IntegrityStartsWithYou, and for the second year in a row, executive financial

incentives and rewards include compliance goals and clear performance KPIs are built into the remuneration package of our General Managers in each operation.

### **Speak Up Policy and Issue Management**

Continuing with our compliance education program, we reinforced our Speak Up Policy and launched a new Ethics Line Campaign. The Executive Team and the Compliance & Business Conduct Committee of the Board received regular updates on cases raised through the Ethics Line or through other channels.

### **Corporate Responsibility**

This is the fourth year that Millicom has integrated corporate responsibility-related performance data and information into our annual report to demonstrate how managing responsible growth and key risks support the successful delivery of our business strategy.

Millicom's Corporate Responsibility ("CR") team sets CR strategy, drives best-in-class policies and processes for CR governance, guides and coordinates CR performance across business functions, and publishes CR-related performance data and information in the annual report. Our integrated report continues to promote transparency towards investors and other key stakeholders on CR risks and opportunities.

The CR team constantly engages with internal and external stakeholders to ensure Millicom understands and addresses CR issues that are important to our business and relevant to our stakeholders.

Stakeholder engagement occurs through a biennial materiality analysis and through ongoing interaction with our key stakeholders. In addition to anticipating and better preparing for risks, the CR function also adds value by seeking responsible leadership opportunities to assess where the Group can make the greatest positive impact on society, the environment and to our business.

### **Corporate Responsibility Governance**

The Board oversees the Government Relations, Regulatory Affairs and CR functions, which fall under the umbrella of External Affairs. This structure signifies the depth and materiality of these topics and the importance of monitoring their interconnected risks and opportunities. The Director of Corporate Responsibility reports to the Executive Vice President ("EVP") Chief External Affairs Officer, who

reports directly to the CEO and is accountable for delivering updates on the CR strategy to the Board. We also report progress on CR strategy implementation and issues management to the Executive Team on a monthly basis, either through the EVP Chief External Affairs Officer or directly in specific cases.

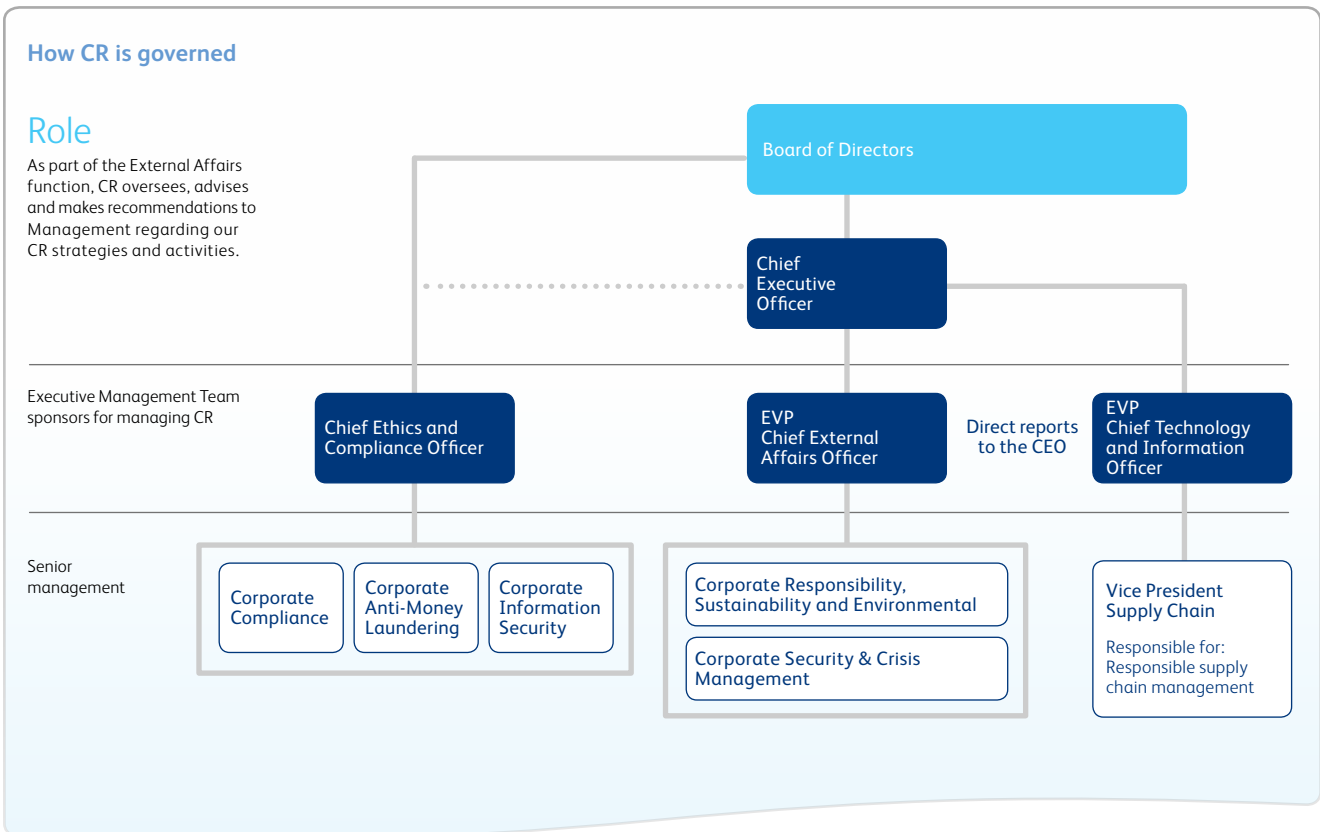
### **Health, Safety & Environment Integrated Services**

The global Integrated Services ("IS") team continues to develop and mature its compliance and risk mitigation controls. Country-specific IS teams have transitioned well throughout the year from the previous OHSAS 18001 health and safety standard to the new international ISO 45001 standard. Millicom agreed to complete the transition within a two-year period, although we are allowed 3 years to switch between certifications. To date, operations across Africa and Central America have not only transitioned but also achieved certification to the new standard. This is a remarkable result for the local countries and Millicom. The remainder of our Latin American operations along with the Group, completed the gap analysis and certification reviews during Q4 2019. We expect to have all country operations certified by the end of Q2 2020.

IS oversees the implementation of policy and Group standards in health, safety and environment as well as facilities management, fleet management, and fuel and energy resources. Teams responded quickly and professionally to several major incidents and events during 2019, including the successful evacuation of staff and families during a cyclone in Tanzania. Teams also provide effective and efficient solutions to support the Group Carbon Disclosure Program ("CDP") and environmental energy efficiency plan.

Throughout 2019 we prevented any employee fatalities or major losses to the Group. Unfortunately there were 6 fatalities in our contracted services.

In September 2019, Millicom hired a Chief Security and Crisis Management Officer to oversee physical security, asset protection and crisis management. We created this role to prepare for our increased footprint in the Latin American region through acquisitions of the Telefonica and Cable Onda businesses as well as to establish a clear distinction between the health and safety and information security management roles. The Chief Security and Crisis



Management Officer leads our global Crisis Management Team and reports to the Chief External Affairs Officer.

The Vice President of Compliance Strategic Response oversees the IS team and reports to the EVP Chief Ethics & Compliance Officer.

**Business Continuity and Crisis Management**

We designed our global and operational business continuity and crisis management system to address any significant disruption that might affect critical day-to-day activities. This system continues to mature but has already responded to events such as extreme weather, civil unrest, and criminal and political activities in some of the countries where we operate.

Risk assessment is a continuous process that starts with a business impact analysis of all critical services and business 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 and our reputation, together with continuous and reliable delivery of service to customers, while also maintaining contractual, legal, and regulatory compliance.

In parallel, Millicom has physical security and loss prevention standards that set minimum acceptable levels of critical site protection, as defined by industry best practice. All activities undergo monitoring and compliance activities.

**Information Security**

At Millicom, our Global Chief Information Security Officer (“CISO”) manages the information security

program and reports to the EVP Chief Ethics & Compliance Officer. The CISO is responsible for identifying, managing and mitigating technology-centric risks throughout the entire company.

The CISO oversees regional information security teams to ensure the confidentiality, integrity, and availability of all business-critical systems and assets. Other responsibilities include identifying potentially detrimental threats and risks and safeguarding proprietary and personal customer information. Additionally, the regional teams work closely with Millicom business and technology leaders to ensure compliance with corporate policies and regional information security-related regulatory requirements within the various countries where we conduct business.

The CISO meets regularly with the Compliance and Business Conduct Committee and Audit Committee to ensure appropriate risks are elevated and addressed.





Over the past year, the following critical initiatives were undertaken:

- Formalization of the Global Information Security Office (“GISO”): This office is charged with strategy, tactics, and oversight of all security efforts with the broader Millicom environment. The GISO is divided up into four critical pillars: Risk Management, Security Engineering, Vulnerability Management, and the Global Security Operations Center (“GSOC”). Lead by the CISO, the GISO strategy, budget, and activities are overseen by the Millicom Information Security Steering Committee. This committee comprises various Millicom executives, technical resources, and business personnel who meet monthly to discuss projects, approaches, and engagement across the company.

- Development of a Global Security Operations Center (GSOC): During 2019, all operations moved to a consolidated, centralizing security operations center. The Millicom Information Security teams integrated business-critical environments to be monitored around the clock by the GSOC, with alerts being delivered in a near real-time manner. The teams are focused on continuing the migration over the upcoming year, with a goal to have all identified environments fully monitored by year-end.
- Development of a Global Vulnerability Management program: Due to differences in maturity levels around operational security, the global program will identify, report, and track risks and vulnerabilities within all operations to provide a

better insight into the technical security risks of the company. We completed our roll-out of the program in Q3 2019.

- Development of a Global Identity and Access Management program: In order to effectively manage user access, especially with respect to U.S. regulatory requirements, we have centralized all business and critical access provisioning into a central solution. Phase one of this effort addressed all regulatory requirements by the end of Q3 2019 and the remaining deployment schedule will continue through mid-2020.



## Directors' Financial and Operating Report

### Group Performance

In 2019, total revenue for the Group was \$4,336 million, and gross profit was \$3,135 million, a margin of 72.3 percent.

Operating expenses represented 37% of revenue, a decrease compared to last year, mainly due to the adoption of IFRS 16 'Leases' which reduced operating expenses by \$149 million, partially offset by the additions of our acquisitions in Panama and Nicaragua.

Our operating profit amounted to \$575 million, a 13.3 percent margin impacted negatively mainly by lower gain on tower deals in El Salvador, Colombia, and Paraguay, higher amortization expenses due to acquisitions, as well as the impact of IFRS 16 additional depreciation expense of \$124 million.

Net financial expenses were \$544 million, higher by \$198 million compared to last year mainly due to higher levels of gross debt to fund recent acquisitions, and from the impact of IFRS 16.

Profit before taxes at \$218 million included the effects of the decrease in operating profit and interest expense described above, but positively affected by an increase in value of our equity investment in Helios Towers.

The Group net tax charge in 2019 was \$120 million, leaving a net gain for the year from continuing operations at \$97 million. The gain of \$57 million from discontinued operations mainly reflected the disposal of our business in Chad.

As a result, the net profit for the year was \$154 million. The share of gains of non-controlling interests was \$5 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 \$149 million. Earnings per share was \$1.48.

### Share Capital

At December 31, 2019, Millicom had 101.7 million issued and paid up common shares of par value \$1.50 each, of which 580 thousand were held by the Company as treasury shares (2018: 914 Thousand). During the year, the company acquired approximately 132 thousand shares and issued around 465 thousand shares to management and employees under the LTIP remuneration plans and approximately 19 thousand shares to Directors as part of their annual remuneration.

### Distribution to Shareholders and Proposed Distributions

On May 2, 2019, at the Annual General Meeting of shareholders, a dividend distribution of \$2.64 per share was approved, and subsequently paid to shareholders in equal portions in May and November.

On February 24, 2020, Millicom's Board approved to the Annual General Meeting of the shareholders a share buyback program to repurchase at least \$500 million over the next three years. The current shareholder authorization, which expires on May 5, 2020, allows for the repurchase of up to 5% of the outstanding share capital. In addition, the Board approved to the Annual General Meeting of the shareholders a dividend distribution of \$1.00 per share to be paid in 2020. The Annual General Meeting to vote these matters is scheduled to May 5, 2020.

On February 25, 2020, Millicom announced a three year \$500 million share repurchase plan and on 28th February 2020 it initiated the first phase of this program comprising the purchase of not more than 350,000 shares and not more than a maximum total amount of SEK 107 million (approximately \$11 million). The purpose of the repurchase program is to reduce Millicom's share capital, or to use the repurchased shares for meeting obligations arising under Millicom's employee share based incentive programs. The repurchase program may take place during the period between February 28, 2020 and May 5, 2020. Payment for the shares will be made in cash.

### 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 Governance section from pages 57–91.

### Non-Financial Information

Non-financial information, such as environmental, social, human rights, and the fight against corruption, are integrated throughout this report, and in the Appendix.

### Management and Employees

Over 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, 2019, the Group's headcount from continuing operations reached approximately 22,000, up from around 21,000 at December 31, 2018, the increase being mainly related to the acquisitions in Panama and Nicaragua.

### Outlook for the Group

Although many of the macroeconomic and competitive challenges we faced in 2019 may continue to impact our performance in the near term, we continue to invest to capture the long term growth opportunity before us. In 2020, we expect to make meaningful progress toward our medium term goal to deliver mid-single-digit organic service revenue growth, mid-to-high single-digit organic EBITDA growth, and around 10% OCF (EBITDA less Capex) organic growth for the Latam segment.



Statements included in this report that are not historical facts, including without limitation outlook, 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. Additional information on these and other key risks faced by the Group are set out in the Risk Management section on pages 22–25. A further list and description of risks, uncertainties and other matters can be found in Millicom's Annual Report on Form 20-F, including those outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at [www.sec.gov](http://www.sec.gov).

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

### **Risks and Uncertainty Factors**

The Group operates in an industry and in markets which are characterized by rapid change and subject to macroeconomic, competitive and political uncertainty. This change creates both opportunities and at the same time a degree of risk. Many of the inherent underlying risks in these markets, including regulatory change (including tariff controls and taxation), currency fluctuations, and underlying macroeconomic conditions, impact on the level of disposable income and consumers' attitudes and demand for our products and services.

### **Subsequent Event**

On January 28, 2020, Millicom's wholly-owned subsidiary Telefónica Celular del Paraguay S.A.E ("Telecel"), closed a \$250 million re-tap to its senior unsecured notes due 2027, representing an additional issuance of Telecel's outstanding \$300 million 5.875% Senior Notes due 2027 issued on April 5, 2019. The New notes will be treated as a single class with the Initial Notes, and they were priced at 106.375 for an implied yield to maturity of 4.817%.

### **José Antonio Ríos García**

Chairman of the Board of Directors  
Luxembourg, February 28, 2020

### **Management Responsibility Statement**

We, Mauricio Ramos, Chief Executive Officer, and Tim Pennington, Chief Financial Officer, confirm, to the best of our knowledge, that these 2019 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, and that the Directors' report includes a fair review of the development and performance of the business and 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 they face.

Luxembourg, February 28, 2020

### **Mauricio Ramos**

Chief Executive Officer

### **Tim Pennington**

Chief Financial Officer



# Disclaimer and Non-IFRS Reconciliations



# Disclaimer

## 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. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including pricing pressures, the ability to connect to other operators' networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- relationships with key suppliers and costs of handsets and other equipment;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, 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](http://www.sec.gov).

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

## Non-IFRS Reconciliations—continued

### Non IFRS Measures

This press release 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, the adoption of new accounting standards such as IFRS 16, and are proforma for material changes in perimeter due to acquisitions and divestitures. The non-IFRS financial measures are presented in this press release as Millicom’s management believes they provide investors with an 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, and Millicom’s financial results calculated in accordance with IFRS and reconciliations to those financial statements should be carefully evaluated.

### Financial Measure Descriptions

*Service revenue* is revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services 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.

*Proportionate EBITDA* is the sum of the EBITDA in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom’s ownership stake in each country, less corporate costs that are not allocated to any country and inter-company eliminations.

*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 Gross debt less cash and pledged and term deposits.

*Net financial obligations* is Net debt plus lease obligations.

*Proportionate net financial obligations* is the sum of the net financial obligations in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom’s ownership stake in each country.

*Leverage* is the ratio of net financial obligations over LTM (last twelve month) EBITDA, proforma for acquisitions made during the last twelve months.

*Proportionate leverage* to EBITDA is the ratio of proportionate net debt over LTM proportionate EBITDA, proforma for acquisitions made during the last twelve months.

*Capex* is balance sheet capital expenditure excluding spectrum and license costs and finance lease capitalizations from tower sale and leaseback transactions.

*Cash Capex* represents the cash spent in relation to capital expenditure, excluding spectrum and licenses costs and lease capitalizations from tower sale and leaseback transactions.

*Operating Cash Flow (OCF)* is EBITDA less Capex.

*Operating Free Cash Flow* is OCF less changes in working capital and other non-cash items and taxes paid.

*Equity Free Cash Flow* is Operating Free Cash Flow less finance charges paid (net), less advances for dividends to non-controlling interests, plus dividends received from joint ventures.

*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 to and is defined as Operating Profit After Tax, including Guatemala and Honduras as if fully consolidated, divided by the average invested Capital during the period.

*Average Invested Capital* is the capital invested in the company operation throughout the year and is calculated with the average of opening and closing balances of the total assets minus current liabilities (excluding debt, joint ventures, accrued interests, deferred and current tax, cash as well as investments and non-controlling interests), less assets and liabilities held for sale.

*Underlying measures*, such as *Underlying service revenue*, *Underlying EBITDA*, *Underlying equity free cash flow*, *Underlying net debt*, etc, include Guatemala and Honduras, as if fully consolidated.

\*This non-IFRS measure is not used in this annual report as this is not directly reconcilable with IFRS measures.

## Non-IFRS Reconciliations

### Reconciliation from Reported Growth to Organic Growth for the Latam and Africa segments<sup>i</sup>

Latam Segment (\$ millions)	Revenue		Service Revenue		EBITDA		OCF	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
<b>A- Current period</b>	5,964	5,485	5,514	5,069	2,443	2,077	1,442	1,124
<b>B- Prior year period</b>	5,485	5,441	5,069	5,078	2,077	2,022	1,124	1,116
<b>C- Reported growth (A/B)</b>	8.7%	0.8%	8.8%	(0.2)%	17.6%	2.7%	28.3%	0.7%
<b>D- Accounting change impact</b>	—	2.4%	0.0%	1.0%	8.2%	0.8%	16.5%	1.4%
<b>E- Change in Perimeter impact</b>	11.0%	—	11.6%	—	11.9%	—	11.2%	—
<b>F- FX impact</b>	(5.2)%	(5.1)%	(5.2)%	(5.3)%	(5.0)%	(1.1)%	(9.2)%	(3.1)%
<b>G- Other</b>	0.1%	(0.1)%	0.1%	(0.2)%	0.4%	(0.4)%	1.5%	(0.7)%
<b>F- Organic Growth (C-D-E-F-G)</b>	2.8%	3.5%	2.2%	4.3%	2.1%	3.5%	8.3%	3.2%

<sup>i</sup>Please refer to Note 5 of our Unaudited Interim Condensed Consolidated Financial Statements for more details on our segments.

Africa Segment (\$ millions)	Revenue		Service Revenue		EBITDA	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
<b>A- Current period</b>	382	399	382	398	122	102
<b>B- Prior year period</b>	399	385	398	385	102	98
<b>C- Reported growth (A/B)</b>	(4.2)%	3.5%	(4.2)%	3.5%	19.4%	4.3%
<b>D- Accounting change impact</b>	—	(0.2)%	—	(0.2)%	33.8%	(0.4)%
<b>E- Change in Perimeter impact</b>	—	—	—	—	—	—
<b>F- FX impact</b>	(1.4)%	(1.7)%	(1.4)%	(1.7)%	(1.8)%	(0.9)%
<b>G- Other</b>	0.1%	(0.4)%	0.1%	(0.4)%	7.3%	(2.1)%
<b>F- Organic Growth (C-D-E-F-G)</b>	(2.9)%	5.7%	(2.9)%	5.8%	(19.9)%	7.7%



## Non-IFRS Reconciliations—continued

### Reconciliation from Reported Growth to Organic Growth for the main Latam markets

Service Revenue (\$ millions)	FY 2019	FY2018	Organic	FX	Perimeter	Other	Reported
<b>Guatemala</b>	1,234	1,200	5.3%	-2.5%	—	—	2.8%
<b>Colombia</b>	1,432	1,553	2.8%	-10.5%	—	-0.2%	-7.8%
<b>Paraguay</b>	575	632	-1.2%	-7.9%	—	—	-9.0%
<b>Honduras</b>	551	555	1.7%	-2.5%	—	—	-0.8%
<b>Bolivia</b>	624	597	4.5%	—	—	—	4.5%
<b>Panama</b>	468	17	0.4%	—	NM	9.8%	NM
<b>El Salvador</b>	348	371	-6.2%	—	—	—	-6.2%
<b>Nicaragua, Costa Rica, Eliminations &amp; Corporate Costs</b>	284	145	NM	NM	NM	NM	NM
<b>Latam*</b>	<b>5,514</b>	<b>5,069</b>	<b>2.2%</b>	<b>-5.2%</b>	<b>11.6%</b>	<b>0.1%</b>	<b>8.8%</b>

\* Perimeter impact on Latam segment reflects acquisition of Cable Onda and using service revenue as reported by the company to the Panama Stock Exchange. Panama performance in Q4 2018 reflects only the results of the last two weeks of the month of December 2018.

EBITDA (\$ millions)	FY 2019	FY 2018	Organic	FX	Accounting	Perimeter	Other	Reported
<b>Guatemala</b>	748	689	4.7%	-2.5%	6.4%	—	—	8.6%
<b>Colombia</b>	510	494	3.0%	-10.4%	10.8%	—	-0.2%	3.2%
<b>Paraguay</b>	294	332	-5.6%	-7.7%	1.7%	—	0.2%	-11.5%
<b>Honduras</b>	280	268	0.5%	-2.4%	6.1%	—	—	4.2%
<b>Bolivia</b>	257	232	6.3%	—	4.7%	—	—	11.0%
<b>Panama</b>	223	4	9.1%	—	NM	NM	NM	NM
<b>El Salvador</b>	140	133	-4.4%	—	9.5%	—	—	5.1%
<b>Nicaragua, Costa Rica, Eliminations &amp; Corporate Costs</b>	-8	-75	NM	NM	NM	NM	NM	NM
<b>Latam*</b>	<b>2,443</b>	<b>2,077</b>	<b>2.1%</b>	<b>-5.0%</b>	<b>8.2%</b>	<b>11.9%</b>	<b>0.4%</b>	<b>17.6%</b>

\* Perimeter impact on Latam segment reflects acquisition of Cable Onda and using EBITDA as reported by the company to the Panama Stock Exchange. Panama performance in Q4 2018 reflects only the results of the last two weeks of the month of December 2018.



## Non-IFRS Reconciliations—continued

### ARPU reconciliations

Latam Segment Mobile ARPU Reconciliation	2019	2018
Mobile service revenue (\$m)	3,258	3,214
Mobile Service revenue (\$m) from non Tigo customers (\$m)*	(65)	(58)
Mobile Service revenue (\$m) from Tigo customers (A)	3,192	3,156
Mobile customers—end of period (000)	39,846	33,691
Mobile customers—average (000) (B)**	36,636	33,186
Mobile ARPU (USD/Month) (A/B/number of months)	7.3	7.9

\* Refers to TV advertising, 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 QoQ for the quarterly view and for 9M view it is the average of the last four quarters to minimize the impact of seasonality.

Latam Home ARPU Reconciliation	2019	2018
Home service revenue (\$m)	1,530	1,244
Home service revenue (\$m) from non Tigo customers (\$m)*	(40)	(33)
Home service revenue (\$m) from Tigo customers	1,490	1,210
Customer Relationships—end of period (000)**	4,341	4,118
Customer Relationships—average (000)***	4,242	3,587
Home ARPU (USD/Month) (A/B/12)	29.3	28.1

\* 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 QoQ for the quarterly view and for 9M view it is the average of the last four quarters to minimize the impact of seasonality.

\*\*\*\* 2019 includes Panama Cable Onda.

## Non-IFRS Reconciliations—continued

### Foreign Exchange rates used to support FX impact calculations in the above Organic Growth reconciliations

		Average FX rate (vs. USD)			End of period FX rate (vs. USD)		
		Q4 19	Q4 18	YoY	Q4 19	Q4 18	YoY
<b>Bolivia</b>	BOB	6.91	6.91	0.0%	6.91	6.91	0.0%
<b>Colombia</b>	COP	3,413	3,166	(7.2)%	3,277	3,250	(0.8)%
<b>Costa Rica</b>	CRC	578	599	3.7%	576	608	5.6%
<b>Guatemala</b>	GTQ	7.71	7.72	0.1%	7.70	7.74	0.5%
<b>Honduras</b>	HNL	24.72	24.29	(1.7)%	24.72	24.42	(1.2)%
<b>Nicaragua</b>	NIO	33.70	33.12	(1.7)%	33.84	32.33	(4.5)%
<b>Paraguay</b>	PYG	6,434	5,946	(7.6)%	6,453	5,961	(7.6)%
<b>Chad</b>	XAF	588	588	(0.1)%	588	580	(1.4)%
<b>Ghana</b>	GHS	5.53	4.85	(12.3)%	5.73	4.82	(15.9)%
<b>Tanzania</b>	TZS	2,297	2,294	(0.1)%	2,299	2,299	0.0%

### Reconciliation Net debt to EBITDA to Proportionate net debt to EBITDA as of December 31, 2019 and December 31, 2018

#### Debt Information - December 31, 2019

\$ millions	Gross Debt	Cash	Net Debt	EBITDA	Proforma Adjustments*	Proforma EBITDA	Leverage
<b>Millicom Group (IFRS)</b>	<b>7,036</b>	<b>1,166</b>	<b>5,870</b>	<b>1,530</b>	—	—	—
Plus: Guatemala	1,172	189	983	748	—	—	—
Plus: Honduras	423	40	383	280	—	—	—
Less: Corporate Costs	—	—	—	(36)	—	—	—
<b>Underlying Millicom Group (Non-IFRS)</b>	<b>8,631</b>	<b>1,395</b>	<b>7,236</b>	<b>2,522</b>	<b>95</b>	<b>2,617</b>	<b>2.76x</b>
Less: 50% Minority Stake in Colombia	(606)	(107)	(499)	(255)	—	—	—
Less: 45% Minority Stake in Guatemala	(528)	(85)	(442)	(337)	—	—	—
Less: 33% Minority Stake in Honduras	(141)	(13)	(128)	(93)	—	—	—
Less: 20% Minority Stake in Panama	(201)	(12)	(189)	(45)	(13)	—	—
Less: 1.5% Minority Stake in Tanzania	(6)	—	(6)	(2)	—	—	—
<b>Proportionate Millicom Group (Non-IFRS)</b>	<b>7,149</b>	<b>1,177</b>	<b>5,973</b>	<b>1,791</b>	<b>82</b>	<b>1,873</b>	<b>3.19x</b>

\* Proforma adjusted EBITDA related to mobile acquisitions in Nicaragua and Panama.

## Non-IFRS Reconciliations—continued

### Debt Information—December 31, 2018

\$ millions	Gross Debt	Cash	Net Debt	EBITDA	Proforma Adjustments*	Proforma EBITDA	Leverage
<b>Millicom Group (IFRS)</b>	<b>4,580</b>	<b>529</b>	<b>4,051</b>	<b>1,254</b>	—	—	—
Plus: Guatemala	927	221	706	689	—	—	—
Plus: Honduras	383	25	358	268	—	—	—
Less: Corporate Costs	—	—	—	(35)	—	—	—
<b>Underlying Millicom Group (Non-IFRS)</b>	<b>5,890</b>	<b>775</b>	<b>5,116</b>	<b>2,176</b>	<b>166</b>	<b>2,342</b>	<b>2.18</b>
Less: 50% Minority Stake in Colombia	(508)	(89)	(419)	(247)	—	—	—
Less: 45% Minority Stake in Guatemala	(417)	(99)	(318)	(310)	—	—	—
Less: 33% Minority Stake in Honduras	(128)	(8)	(119)	(89)	—	—	—
Less: 20% Minority Stake in Panama	(52)	(1)	(51)	(1)	(33)	—	—
Less: 15% Minority Stake in Zantel	(13)	(1)	(12)	(1)	—	—	—
<b>Proportionate Millicom Group (Non-IFRS)</b>	<b>4,772</b>	<b>576</b>	<b>4,197</b>	<b>1,527</b>	<b>133</b>	<b>1,660</b>	<b>2.52</b>

\* Proforma adjusted EBITDA related to Cable Onda acquisition. EBITDA has not been adjusted for disposal of Chad.

### Equity Free Cash Flow

	Year ended December 31,	
	2019	2018
Net cash provided by operating activities	801	792
Purchase of property, plant and equipment	(736)	(632)
Proceeds from sale of property, plant and equipment	24	154
Proceeds from sale of towers part of tower sale and leaseback transactions	(22)	(142)
Purchase of intangible assets	(171)	(148)
Proceeds from sale of intangible assets	—	—
Purchase of spectrum and licenses	59	61
Finance charges paid, net	470	298
Operating free cash flow	425	383
Interest (paid), net	(470)	(298)
Free cash flow	(45)	85
Dividends received from joint ventures (Guatemala and Honduras)	237	243
Dividends paid to non-controlling interests	(13)	(2)
Equity free cash flow	179	326

## Non-IFRS Reconciliations—continued

### Fully consolidated P&L reconciliation for IFRS 16 implementation (unaudited)

(\$millions)	FY 2019	IFRS16 Impact	FY 2019 before IFRS 16	FY 2018	% change
<b>Revenue</b>	<b>4,336</b>	<b>—</b>	<b>4,336</b>	<b>3,946</b>	<b>9.9%</b>
Cost of sales	(1,201)	—	(1,201)	(1,117)	7.5%
<b>Gross profit</b>	<b>3,135</b>	<b>—</b>	<b>3,135</b>	<b>2,829</b>	<b>10.8%</b>
Operating expenses	(1,604)	148	(1,753)	(1,616)	8.4%
<b>EBITDA</b>	<b>1,530</b>	<b>148</b>	<b>1,382</b>	<b>1,213</b>	<b>13.9%</b>
Depreciation	(825)	(109)	(716)	(662)	8.1%
Amortization	(275)	—	(275)	(140)	95.9%
Share of net profit in Guatemala and Honduras	179	(6)	185	154	20.0%
Other operating income (expenses), net	(34)	1	(35)	75	NM
<b>Operating profit</b>	<b>575</b>	<b>35</b>	<b>540</b>	<b>640</b>	<b>(15.6)%</b>
Net financial expenses	(544)	(72)	(472)	(346)	36.3%
Other non-operating income (expenses), net	227	(4)	231	(39)	NM
Gains (losses) from other JVs and associates, net	(40)	—	(40)	(136)	(70.3)%
<b>Profit (loss) before tax</b>	<b>218</b>	<b>(41)</b>	<b>259</b>	<b>119</b>	<b>116.9%</b>
Net tax credit (charge)	(120)	—	(121)	(112)	7.6%
<b>Profit (loss) for the period from continuing ops.</b>	<b>97</b>	<b>(40)</b>	<b>138</b>	<b>7</b>	<b>NM</b>
Non-controlling interests	(5)	5	(9)	16	NM
Profit (loss) from discontinued operations	57	—	57	(33)	NM
<b>Net profit (loss) for the period</b>	<b>149</b>	<b>(36)</b>	<b>185</b>	<b>(10)</b>	<b>NM</b>

### IFRS 16 impact by country

EBITDA (\$ millions)	FY 2019 Revenue	FY 2019 EBITDA	IFRS 16 impact	EBITDA excluding IFRS 16	FY 2019 EBITDA Margin	FY 2019 EBITDA Margin excluding IFRS 16	IFRS 16 impact on margin
<b>Guatemala</b>	1,434	748	44	704	52.2%	49.1%	3.1pt
<b>Colombia</b>	1,532	510	53	457	33.3%	29.8%	3.5pt
<b>Paraguay</b>	610	294	6	288	48.2%	47.2%	0.9pt
<b>Honduras</b>	594	280	16	263	47.1%	44.4%	2.8pt
<b>Bolivia</b>	639	257	11	246	40.2%	38.5%	1.7pt
<b>Panama</b>	475	223	12	210	46.9%	44.3%	2.5pt
<b>El Salvador</b>	387	140	13	128	36.2%	33.0%	3.3pt
<b>Nicaragua, Costa Rica, Eliminations &amp; Corporate Costs</b>	293	(8)	16	(24)	NM	NM	NM
<b>Latam</b>	<b>5,964</b>	<b>2,443</b>	<b>171</b>	<b>2,273</b>	<b>41.0%</b>	<b>38.1%</b>	<b>2.9pt</b>



## Non-IFRS Reconciliations—continued

### Capex Reconciliation

Capex Reconciliation	FY 2019	FY 2018
<b>Consolidated:</b>		
Additions to property, plant and equipment	719	698
<i>Of which (finance) lease capitalizations from tower sale and leaseback transactions</i>	—	25
Additions to licenses and other intangibles	202	158
<i>Of which spectrum and license costs</i>	101	66
<b>Total consolidated additions</b>	<b>921</b>	<b>856</b>
<i>Of which is capital expenditures related to the corporate offices</i>	13	5

Latin America Segment	FY 2019	FY 2018
Additions to property, plant and equipment	879	840
<i>Of which (finance) lease capitalizations from tower sale and leaseback transactions</i>	—	22
Additions to licenses and other intangibles	240	200
<i>Of which spectrum and license costs</i>	117	64
Latin America Segment total additions (Underlying)	1,119	1,040
<b>Capex excluding spectrum and lease capitalizations</b>	<b>1,002</b>	<b>954</b>

Africa Segment	FY 2019	FY 2018
Additions to property, plant and equipment	42	30
<i>Of which (finance) lease capitalizations from tower sale and leaseback transactions</i>	—	—
Additions to licenses and other intangibles	12	—
<i>Of which spectrum and license costs</i>	12	—
Africa Segment total additions	54	30
<b>Capex excluding spectrum and lease capitalizations</b>	<b>42</b>	<b>30</b>

## Non-IFRS Reconciliations—continued

### Operating Free Cash Flow Reconciliation

Cash Flow Data	FY 2019	FY 2018
<b>Net cash provided by operating activities</b>	801	792
Purchase of property, plant and equipment	(736)	(632)
Proceeds from sale of property, plant and equipment	24	154
Purchase of intangible assets and licenses	(171)	(148)
Proceeds from sale of intangible assets	—	—
<b>Net purchase/proceeds for property, plant and equipment and intangible assets</b>	<b>(882)</b>	<b>(626)</b>
(Less) Proceeds from sale of towers part of tower sale and leaseback transactions	(22)	(142)
(Less) Purchase of spectrum and licenses	59	61
(Less) Finance charges paid, net	470	298
<b>Operating free cash flow</b>	<b>425</b>	<b>383</b>

### OCF (EBITDA- Capex) Reconciliation

Latam OCF Underlying	FY 2019	FY 2018
<b>Latam EBITDA</b>	2,443	2,077
(-) Capex (Ex. Spectrum)	1,002	954
<b>Latam OCF</b>	<b>1,442</b>	<b>1,124</b>

Africa OCF	FY 2019	FY 2018
<b>Africa EBITDA</b>	122	102
(-) Capex (Ex. Spectrum)	42	30
<b>Africa OCF</b>	<b>80</b>	<b>72</b>

## Non-IFRS Reconciliations—continued

### Underlying financial information

Until 2015, Millicom group results included Guatemala and Honduras on a 100% consolidation basis. Since 2016, these businesses are treated as joint ventures and are consolidated using the equity method. To aid investors to better track the evolution of the company's performance over time, we provide the following indicative unaudited financial statement data for the Millicom group on an underlying basis which include our Guatemala and Honduras joint ventures as if they had been fully consolidated.

Income statement data FY 2019 (\$millions)	Millicom (IFRS)	Guatemala and Honduras JVs	Eliminations	Underlying (non-IFRS)
<b>Revenue</b>	<b>4,336</b>	<b>2,009</b>	—	<b>6,345</b>
Cost of sales	(1,201)	(469)	—	(1,670)
<b>Gross profit</b>	<b>3,135</b>	<b>1,540</b>	—	<b>4,675</b>
Operating expenses	(1,604)	(549)	—	(2,153)
<b>EBITDA</b>	<b>1,530</b>	<b>992</b>	—	<b>2,522</b>
<b>EBITDA margin</b>	<b>35.3%</b>	<b>49.4%</b>	—	<b>39.8%</b>
Depreciation & amortization	(1,100)	(444)	—	(1,544)
Share of net profit in joint ventures	179	—	(179)	—
Other operating income (expenses), net	(34)	(8)	—	(43)
<b>Operating profit</b>	<b>575</b>	<b>540</b>	<b>(179)</b>	<b>936</b>
Net financial expenses	(544)	(102)	—	(647)
Other non-operating income (expenses), net	227	(12)	—	215
Gains (losses) from associates	(40)	—	—	(40)
<b>Profit (loss) before tax</b>	<b>218</b>	<b>426</b>	<b>(179)</b>	<b>464</b>
Net tax credit (charge)	(120)	(100)	—	(220)
<b>Profit (loss) for the period</b>	<b>97</b>	<b>326</b>	<b>(179)</b>	<b>244</b>
Profit (loss) from discontinued operations	57	—	—	57
Non-controlling interests	(5)	(147)	—	(152)
<b>Net profit (loss) for the period</b>	<b>149</b>	<b>179</b>	<b>(179)</b>	<b>149</b>

## Non-IFRS Reconciliations—continued

Balance Sheet data (\$ millions)	Millicom IFRS	Guatemala and Honduras JVs	Underlying (non-IFRS)
<b>ASSETS</b>			
Intangible assets, net	3,219	2,851	6,069
Property, plant and equipment, net	2,883	929	3,811
Right of Use Assets	977	302	1,279
Investments in joint ventures and associates	2,822	(2,797)	25
Other non-current assets	310	172	482
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,210</b>	<b>1,456</b>	<b>11,666</b>
Inventories, net	32	38	70
Trade receivables, net	371	76	447
Other current assets	919	333	1,252
Restricted cash	155	14	169
Cash and cash equivalents	1,164	229	1,393
<b>TOTAL CURRENT ASSETS</b>	<b>2,641</b>	<b>689</b>	<b>3,330</b>
Assets held for sale	5	—	5
<b>TOTAL ASSETS</b>	<b>12,856</b>	<b>2,145</b>	<b>15,001</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Company	2,410	(41)	2,369
Non-controlling interests	271	589	859
<b>TOTAL EQUITY</b>	<b>2,680</b>	<b>548</b>	<b>3,228</b>
Debt and financing	6,753	1,535	8,288
Other non-current liabilities	1,017	(188)	829
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,770</b>	<b>1,347</b>	<b>9,117</b>
Debt and financing	283	60	343
Other current liabilities	2,124	190	2,313
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,406</b>	<b>250</b>	<b>2,656</b>
Liabilities directly associated with assets held for sale	—	—	—
<b>TOTAL LIABILITIES</b>	<b>10,176</b>	<b>1,597</b>	<b>11,773</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,856</b>	<b>2,145</b>	<b>15,001</b>



*Non-IFRS Reconciliations—continued*

Cash Flow Data—FY 2019 (\$millions)	Millicom IFRS	Guatemala and Honduras JVs	Underlying (non-IFRS)
<b>Profit (loss) before taxes from continuing operations</b>	<b>218</b>	<b>247</b>	<b>464</b>
<b>Profit (loss) for the period from discontinued operations</b>	59	—	59
<b>Profit (loss) before taxes</b>	<b>276</b>	<b>247</b>	<b>523</b>
<b>Net cash provided by operating activities (incl. discontinued ops)</b>	<b>801</b>	<b>782</b>	<b>1,583</b>
<b>Net cash used in investing activities (incl. discontinued ops)</b>	<b>(1,502)</b>	<b>(544)</b>	<b>(2,046)</b>
<b>Net cash from (used by) financing activities (incl. discontinued ops)</b>	<b>1,355</b>	<b>(251)</b>	<b>1,104</b>
<b>Exchange impact on cash and cash equivalents, net</b>	(8)	—	(8)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>645</b>	<b>(12)</b>	<b>633</b>
<b>Cash and cash equivalents at the beginning of the period</b>	528	241	769
<b>Effect of cash in disposal group held for sale</b>	(9)	—	(9)
<b>Cash and cash equivalents at the end of the period</b>	<b>1,164</b>	<b>229</b>	<b>1,393</b>