MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Tigo Guatemala Companies

For the years ended December 31, 2021 and 2020

Management´s discussion and analysis of financial condition and results of operations

The following discussion of our financial condition and results of operations should be read in conjunction with the Combined Financial Statements and the notes thereto of Comcel and the other Note Guarantors presented in accordance with IFRS, included elsewhere in this offering memorandum, as well as the information presented under "Presentation of Financial and Other Information," and "Selected Financial Information."

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Overview

We are the leading provider of mobile and fixed communications services in Guatemala, providing mobile, Cable TV, broadband internet and MFS (as defined below) services under the Tigo brand across the most extensive 2G, 3G, 4G, HFC, WTTx and DTH networks in the country. With 11.8 million subscribers, we estimate our market share in Guatemala to be at approximately 64.1% for mobile users, 37.8% for Cable TV and 42.9% for Fixed Broadband. Comcel was established in 1990 as the first mobile operator in Guatemala, and we have maintained a market-leading position since 2007, following the entry of additional mobile operators in 1999. We are evolving beyond traditional mobile communications and data services to offer a combination of corporate solutions, fixed-line, Cable TV, broadband services and mobile financial services, or MFS, to retail and business customers in Guatemala.

Our Controlling Shareholder: We are owned by Millicom, which, since November 12, 2021, indirectly holds a 100% ownership interest in Comcel and each of the other Note Guarantors. Millicom is a global telecommunications group offering mobile and fixed-line telephony, cable and broadband businesses in 9 countries in Central America and South America. Until recently, Millicom owned a 55% equity interest in us. However, on November 12, 2021, Millicom acquired the remaining 45% equity interest for US$2.2 billion in cash.

We offer our products through four business units:

- Tigo Mobile. This business unit provides Tigo Mobile services for both individuals and companies. This business unit is serviced by Distribuidora Central de Comunicaciones, S.A., Distribuidora de Comunicaciones de Occidente, S.A., Comunicaciones Celulares, S.A. and Servicios Especializados en Telecomunicaciones, S.A.;

- Tigo Home. This business unit includes Tigo home residential services, Cable TV and Broadband. This business unit is serviced by Servicios Innovadores de Comunicación y Entretenimiento, S.A. and Distribuidora Internacional de Comunicaciones, S.A.;

- Tigo Corporate. This business unit provides the following services to multinational corporations, large businesses, entrepreneurs and home offices as well as government institutions in Guatemala: fixed-line, broadband, multi cloud, cybersecurity, SDWAN and unified communications for corporate clients, among others. This business unit is serviced by Comunicaciones Celulares, S.A., Navega.com, S.A. and Cloud2Nube, S.A.; and

- MFS. This business unit includes Tigo Money and Tigo Pay, and is serviced by Distribuidora de Comunicaciones de Oriente, S.A. and Comunicaciones Corporativas, S.A.

Tigo Mobile: As of December 31, 2021, we had approximately 11.8 million mobile customers, which we estimate represented approximately 64.1% of the total mobile customer base in Guatemala. Our network comprised 5,215 cell sites and covered 89% of the country's total population with 2G technology and 76% with 3G/4G/LTE. According to world class coverage simulation tools in combination with georeferenced population maps, our networks provide the most extensive coverage and highest reliability in our market, which has reached a mobile penetration rate of approximately 89%. We have developed an extensive distribution network for the sale of our products and services across the country, see —"Competitive Strengths" for more detail.

In order to maintain our leading market share and enhance our profitability in a market with high penetration, we tailor our mobile service offerings to meet the communications needs of our targeted customer segments and offer a comprehensive range of prepaid and postpaid service plans. We target customer segments by classifying them by, among other factors, projected ARPU, preferred activities, education level, budget, region, age, type of device and gender. As of December 31, 2021, 93.3% of our mobile customers (10.9 million) received our services on a prepaid basis and 6.7% of our customers (789,653) received our services on a postpaid basis. Our prepaid customers generated 74.4% of our mobile revenue (which is composed by prepaid revenue, postpaid revenue, incoming local and international traffic revenue, roaming revenue and telephone and equipment) for the twelve months ended December 31, 2021. Our postpaid customers, who have a higher ARPU and tend to use data and more value-added services that we have introduced to the Guatemalan market, such as music and video streaming subscriptions, generated 25.6% of our mobile revenue for the same period. While ARPU among our prepaid customers is lower, these customers have lower acquisition cost and can be serviced at a lower cost than our postpaid customers.

Tigo Home: We are present in all departments of Guatemala through HFC, DTH and WTTx technology, mainly in cities and their high-density surrounding areas. In all territories, we operate under the "Tigo" brand, which allows us to offer "triple-play" bundles (combining digital and HD Cable TV, broadband internet (BBI) and fixed telephony). In areas where we have recently acquired smaller cable networks, we provide services under transitional brands while we work on upgrading the network to the level required to enable the commercial deployment of our bundles. As of December 31, 2021, Tigo Home serviced 674,678 households, which we estimate represents approximately 32% of Guatemala's addressable market which we estimate consists of approximately 2.1 million households that have the purchasing power to acquire our services. We are market leaders in fixed broadband with a market share of 42.8% and Cable TV with 37.8% in the total video market. This segment has two major players that operate nationwide: (i) Claro, controlled by América Móvil, S.A.B de C.V. ("América Móvil"), and (ii) Tigo. We also compete with several small players focused in rural areas.

Tigo Corporate: Through this business unit we offer an array of corporate and productivity solutions. This business unit provides services to the Guatemalan operations of multinational corporations, large businesses, Entrepreneurs, and home offices as well as government institutions in Guatemala. These services include fixed-line, broadband, Multi Cloud, Cybersecurity, SDWAN, and unified communications, as well as other digital services. This business unit's differentiating proposition is to provide an end-to-end and innovative solution including customer service in a market where many businesses have limited experience and resources to maintain IT infrastructure. As of December 31, 2021, Tigo Business had approximately 34.9k customers, which we estimate represents approximately 39.4% of the total corporate market in Guatemala (including mobile corporate customers).

MFS (Tigo Money and Tigo Pay): Through our Mobile Financial Services business unit, we offer the Tigo Money and Tigo Pay products to our mobile customers including mobile top-ups, peer-to-peer, payments to merchants, bulk payments, bill payment to Tigo Mobile, Tigo Home and Tigo Corporate and several other third parties including utility companies and local and international remittances. We believe that MFS products offer a significant untapped opportunity in Guatemala to generate incremental revenue largely by using our existing products and infrastructure and for our products and services to become further embedded in our customers' lives. Our mobile subscribers who use our MFS services tend to generate higher ARPU and churn less frequently. As of December 31, 2021, our MFS products had more than 704,884 active users. As part of our growth strategy for this unit, we are focusing on increasing transactional volume through growth Digital Users and incorporating new micro credits for unbanked users and SOHOs, micro-insurances and increasing our customers in the informal segment. MFS products are available for any mobile users in Guatemala, supporting financial inclusion and contributing to a cashless experience for example by creating interoperability between banked and unbanked users with a method other than cash. Also, we are developing commercial alliances with companies in the financial sector such as banks, insurance companies, microfinance companies and fintech to launch new products for different segments in market.

Non-Consolidation of Subsidiaries of the Note Guarantors

Our Combined Financial Statements only include subsidiaries located in Guatemala and therefore do not consolidate other subsidiaries outside Guatemala that are not material over which the Company exerted control as of, and for, the periods presented. We do not intend to consolidate any other subsidiaries that may exist from time to time in future Combined Financial Statements of Tigo Guatemala Companies, including those prepared for purposes of "Description of the Notes—Covenants of the Note Guarantors—Provision of Financial Information."

Factors Affecting our Results of Operations

Our operating results are primarily affected by the following factors:

Management´s discussion and analysis of financial condition and results of operations

The State of the Guatemalan Economy

We derive most of our revenue from Guatemala, an emerging market. Inflation rates, rates of GDP growth and remittance levels affect our business, financial condition and results of operations. Guatemala is a country with stable macroeconomics and dependent on remittances, which have grown consistently in the last years and are expected to have a steady but lesser increase in 2022. Inflation rate increases may shift consumption to basic goods such as food, housing, transport and utilities, which should not have a material impact on our business. Guatemalan GDP grew during 2021 in 7.5%, our prepaid consumption business grew in line 7.4%. We continuously monitor GTQ/USD exchange rate and exposure, along with monetary and tax policies and their impact on our business.

Taxes

Our effective tax rate for the years ended December 31, 2021 and 2020, was 19.6%, 19.2% respectively. These variations on our tax rate have been mainly due to an increase in our tax charge, net derived from an adjustment to deferred tax by US$25.7 million (expense effect) due to change in regime in Sicesa (7% over revenue to 25% over EBIT) and increase in tax expenses by $10.6 million due to growth in revenue and EBIT. Additionally, an adjustment of US$7.3 million due to a 3% stamp tax expense recorded in 2020.

On December 31, 2021, Navega.Com, S.A. is disputing through an administrative process an adjustment made by the Tax Authorities in regards with the goodwill amortization of approximately $21.9 million related with business combinations completed in 2011 with an effective date on January 1, 2012. Even though the administrative process has been initiated at the Supreme Court, the tax authority has requested that the attorney general's office investigate this matter through a criminal prosecution. Although this resolution could be appealed by the tax authorities, due to the favourable resolution from the criminal court and the Company's current assessment of the case, no provision has been deemed necessary at December 31, 2021.

In 2007, the tax authorities made an adjustment regarding the stamp tax on dividend distributions made by Comunicaciones Celulares, S.A., to its shareholders in that year. The tax position resulting from the adjustment has been resolved in different ways by the courts, sometimes in favor of the taxpayers, however recently it has solved in favor of the tax authorities. Based on the latest jurisprudence, management decided to recognize in June 2020 a provision for $7.3 million. Such provision includes the total adjustment plus a portion of fines and interest and represents management's best estimate of the outcome. This case is in the judicial phase at the Guatemalan Supreme Court.

Interconnection Rates

Interconnection rates and terms are not subject to specific regulation in Guatemala and are thus set by private contract. Our operations are dependent upon interconnection agreements with other providers, which give our customers access to networks other than our own. Interconnection is required to complete calls that originate on our networks but terminate outside our networks, or that originate outside our networks and terminate on our networks. Interconnection rates have not varied significantly over recent years, with the domestic interconnection rate being unchanged since 1998.

Revenue

We generate our revenue mainly from the provision of services to our customers primarily through monthly subscription fees, airtime sales (voice, data and value added services), roaming fees, interconnection fees, installation fees, fees from the provision of broadband internet, fixed line telephony, VoIP, data transmission, fees on mobile money transfer, electronic payments, collection, Cable TV (HFC and DTH), LTE broadband (Fixed Wireless WTTx), advertising, sale of content, tower rental, cyber security services, cloud services, manage services, enterprise VoIP, IP video surveillance, IP-PBX and equipment and telephone handsets and equipment sales. We generally seek to increase our revenue through the growth of our customer base and through the introduction of new products and value-added services. Our results of operations are therefore dependent on the size of our customer base, the introduction of new products and value-added services, and the number of distribution points that offer our products and services. Due to our high market share, our revenue is also impacted by interconnection rates between communications operators, including interconnection fees charged for a call originating from a competitor's network and terminating on our network.

Management´s discussion and analysis of financial condition and results of operations

A substantial proportion of our revenue, 18.6% and 19.5% for the twelve months ended December 31, 2021 and the years ended December 31, 2020, respectively, was denominated in US dollars. We generate US dollar-denominated revenue from, among others, roaming, interconnect and other fees and from the sale of airtime credits through international distributors.

Consistent with broader industry trends, revenue derived from voice and SMS services has been declining as a result of the increasing popularity of data-capable devices and the development of mobile applications, such as WhatsApp that generally reduce demand for voice and SMS services. We expect this trend will continue in the future. In response, we have begun to diversify our sources of revenue through the development of a growing number of value-added services in our mobile operations and by our expansion into corporate solutions, fixed-line broadband, fixed-line telephone, cyber security, Cable TV, advertising and MFS products to retail and business customers in Guatemala.

Customer Base and Churn

The number of customers we have is dependent upon the number of new customers we obtain and the number of customers that terminate our service, or churn. Our total mobile customer base grew from approximately 11.4 million customers as of December 31, 2020 to approximately 11.8 million customers as of December 31, 2021, an annual growth rate of approximately 3.0%. During this period, we also saw our market share of mobile users in Guatemala increase by approximately 0.6 basis points. Our average churn rate per month for the year ended December 31, 2020 and the twelve months to Decemeber 31, 2021 was approximately 3.44% and 3.49%, respectively. Our policy is to terminate prepaid customers after 60 days of inactivity. We believe the measurement of churn may be overstated by our existing customers who migrate from being prepaid customers to postpaid customers and in some cases disconnect their old telephone numbers and are therefore included in the churn calculation.

To reduce our churn rate we undertake focused customer loyalty activities, such as balance promotions, retention subsidy promotions and a loyalty program. We are also focused on improving the quality of our network. Our primary retention activity, however, is the day-to-day maintenance of brand value and high-quality customer service that we offer to our customers.

Cost of Sales

The primary components of our cost of sales are interconnection costs, telephone handset and equipment costs, roaming costs, costs of leasing lines to connect the switches and main base stations, other transmission and bandwidth costs, value-added services costs, programming and content costs, bad debt provisioning, inventory obsolescence provisioning and other direct costs.

As we add customers, we continue to seek new ways to control our cost of sales in order to continue to improve our operating margins and to seek new ways to reduce our overall general and administrative cost base. We try to reduce our support costs by identifying synergies with our parent and affiliate companies, such as sharing branding, human resources and global supply arrangements. We have sought to implement various cost-saving and cost-reduction initiatives, including reducing the average handheld subsidy per user and renegotiating the fees we pay for interconnection and value-added services.

Gross Margins

We expect that future gross margin percentages will be primarily affected by pricing, international incoming traffic declining, an increase in the cost of sales, and the mix of revenue generated from the level of telephone and equipment sales, voice, SMS services, value-added services, broadband internet, Cable TV and data traffic exclusively within our networks and those between our networks and other networks. Calls made exclusively within our networks have a higher gross margin because we do not incur interconnection charges to access other networks.

Operating Expenses

Operating expenses are primarily comprised of commissions to dealers for the sale of prepaid reloads, the sale of handsets and other equipment, smartphone subsidies aimed at obtaining and maintaining customers, as well as general advertising and promotion costs, point of sale materials for our retail outlet sites and network maintenance charges, billing and collection, and employee-related costs.

Management´s discussion and analysis of financial condition and results of operations

Results of Operations

Twelve months ended December 31, 2021 and 2020

The following table sets forth certain income statement items and operating information at or for the periods and dates indicated:

US$ '000	Notes of FS	2021	2020
Revenue from contracts with customers……...……………	5	**1,600,579**	**1,502,514**
Cost of sales………………………………………….……....……		(362,518)	(359,889)
Gross profit………………………………………………..….….	5	**1,238,061**	**1,142,625**
Operating expenses………………………………. ……….……		(380,835)	(364,749)
Depreciation & amortization.…………………………………….		(238,216)	(237,064)
Other operating income (expenses), net……….………. ….….		(2,003)	(3,566)
Operating profit………………………………….…...…...……	5	**617,007**	**537,246**
Interest expense (i)…….……………………………………...….…	17	(51,912)	(114,296)
Interest and other financial income.……………..………......…		8,422	18,951
Foreign exchange gain (loss), net…….……………......………		(1,282)	(8,199)
Profit before taxes…………………………….…...……...…		**572,235**	**433,702**
Charge for taxes, net……………………………….……..………	7	(112,237)	(83,231)
Net profit for the period…………………………..…….…………		**459,998**	**350,471**

	Twelve Month Ended December 31,		Impact on comparative results for period	
	2021	2020	Amount of variation	Percent change
	(in thousands of USD, except percentages, subscribers, employees and ARPU)			
Operating Data:				
Number of customers...				
Mobile Postpaid..	789,653	749,317	40,336	5.38%
Mobile Prepaid	10,964,120	10,667,125	296,995	2.78%
Home HHs (all tech) (2)	674,678	606,320	68,358	11.27%
Home RGUs (3)..	1,024,591	890,323	134,268	15.08%
Monthly churn % (4)..				
Mobile Postpaid	2.77%	2.79%	0.46p.p.	-0.93%
Mobile Prepaid	3.59%	3.55%	0.12p.p.	1.25%
Total monthly Mobile Churn (5)..	3.49%	3.44%	0.08p.p.	1.48%
Home HHs (all tech) (2)	1.71%	1.97%	0.37p.p.	-13.11%
Total monthly Mobile ARPU (6)..	7.40	7.59	(0.19)	-2.46%
Home HHs (all tech) (2)	25.28	24.04	1.24	5.16%
Number of Employees (7)...	3,723	3,794	(71)	(1.9%)

1) Revenue refers to "Revenue from contracts with customers" in our Combined Financial Statements.

(2) HH: Households, defined as, unique customers determined by household.

(3) RGU includes Tigo services (units) that generate revenue. A household can have up to 3 RGUs: TV, broadband internet and fixed lines.

(4) Termination of our services by our customers is referred to as "churn." Churn is calculated by dividing the net disconnection of customers during the period by the average number of customers for the period. The monthly average number of customers is calculated by dividing the sum of the opening customer balance for the period and the closing customer balance for the period by two.

(5) Our total Monthly average Churn is individually calculated by reference to our aggregate prepaid and postpaid customers.

(6) Our total Monthly average Mobile ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

(7) Employees includes Staff and Outsourced personal

Management´s discussion and analysis of financial condition and results of operations

Revenue

Revenue for the twelve months ended December 31, 2021 amounted to US$1,600.6 million, up 6.5% from US$1,502.5 million for the twelve months ended December 31, 2021 mostly due to the 7.3% growth of outgoing prepaid Mobile revenue, a 25.9% growth of home revenue and a corporate revenue growth of 4%. These variations where mostly due to growth in our subscriber base, with prepaid mobile subscribers increasing by 296,995 and our house holds increasing by 68,358 as of December 31, 2021, compared to the amount of such customers as of December 31, 2020.

Analyzing our revenue by business unit, Tigo Mobile revenue increased 4.2%, to US$1,323 million, for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020, primarily due to a 7.3% growth of outgoing prepaid Mobile revenue and a Mobile corporate growth of 9.3%, in each case, due to an increase in the amount of our customer base in those lines of business. Tigo Home revenue grew by 25.9%, to US$204 million, for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020, primarily as a result of growth in the number of homes connected and the penetration of digital services in existing customers. Tigo Corporate Fixed revenue grew 4%, to US$69.5 million, for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020, primarily due to an increase in revenue from Cloud and Cybersecurity services due to an increase in our customer base in such line of business. MFS and other services (including tower rental) revenue grew -1%, to US$4 million, for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020.

Cost of sales

The primary components of our cost of sales are interconnection costs, telephone handset and equipment costs, roaming costs, costs of leasing lines to connect the switches and main base stations, other transmission and bandwidth costs, value-added services costs, programming and content costs, bad debt provisioning, inventory obsolescence provisioning and other direct costs.

Cost of sales increased by 0.7% for the twelve months ended December 31, 2021, to US$362.5 million from US$359.9 million for the twelve months ended December 31, 2020, as a result of a decrease in bad debt for US$8.9 million (collections impacted during 2020 due to de pandemic), decrease in interconnection costs for outgoing international and local calls for US$ 2.2 million, an increase in programming cost for US$ 3.7 million in line with cable revenue growth, and a increase in telephone and equipment for US$8.7 million in line with higher sales.

As a result of the foregoing, gross profit margin increased to 77.4% for the twelve months ended December 31, 2021 from 76% for the twelve months ended December 31, 2020.

Operating Expenses

Operating expenses increased by 4.4% for the twelve months ended December 31, 2021 to US$380.8 million from US$364.7 million for the twelve months ended December 31, 2020. This increase is mainly driven by an increased advertising and promotion expenses to compete with aggressive commercial campaigns by our competitors, an increase in commissions to dealers in line with an increase in prepaid revenue and telephone and equipment sales due to the increase in our customer base, an increase in network costs mainly due to an increase in electricity fares mainly due to an increase of equipment for our mobile and fixed networks, employee related costs due to our performance during the period and consultancy fees relating to an efficiency project with the Boston Consulting Group.

Operating profit

Operating profit increased by 14.8% for the twelve months ended December 31, 2021 to US$617.0 million from US$537.2 million for the twelve months ended December 31, 2020. Our operating margin increased from 35.8% for the twelve months ended December 31, 2020 to 38.5% for the twelve months ended December 31, 2021. This increase was mainly a result of our revenue growing 6.5%, with our costs of sales increased 0.7% and our operating expenses growing 4.4%.

Net finance cost

Net finance cost, which includes net of interest expense and interest income, decreased by 54.4% from US$95.3 million for the twelve-month period ended on December 31st 2020 to US$ 43.5 million for the twelve-month period ended on December 31, 2021 mainly due to the prepayment of the 6.875% Senior Notes due 2024 (the "2024 Notes") in November 2020 reflected in less interest paid in 2021.

Foreign exchange gain (loss), net

Net foreign exchange loss decreased by 84.4% from US$8.1 million for the twelve months ended December 31, 2020 to US$1.3 million for the twelve months ended December 31, 2021, primarily due to a decrease in our outstanding USD denominated debt during the period as a consequence of the prepayment of the 2024 Notes in November 2020.

Charge for taxes, net

Our charge for taxes increased by 34.8% for December 31, 2021 to US$112 million from US$83 million for December 31, 2020, due to an increase in our profit before taxes resulting primarily from an increase in our home business, mainly related with WTTx and residential services, the reversal of Sicesa's deferred income tax due to a change in regime and the withholdings made by foreign customers. Our effective tax rate for 2021 was 19.6% compared to 19.2% for 2020 resulting primarily the reversal of Sicesa's deferred income tax due to a change in regime and the withholdings made by foreign customers (US$27 million).

Net profit for the period

As a result of the foregoing, net profit for the twelve months ended December 30, 2021 increased by 31.3% to US$460.0 million compared to a net profit of US$350.5 million for the twelve months ended December 31, 2020.

Trend Information

Our strategy is to continue to achieve a digital transformation of our customers as key part or the value proposition in the market, resulting in a better customer experience. In the past two years, the COVID-19 pandemic accelerated digital adoption across all industries and gave us the opportunity to position ourselves as a top digital operator for mobile, fixed, and corporate customers. For upcoming years, the digital adoption for all our customer care and sales transactions will help us improve our profitability while strengthening our brand and market leadership.

Liquidity and Capital Resources

Historically we have relied, and in the future we intend to continue to rely, primarily on cash from operations and external financings to fund our operations, capital expenditures and working capital requirements.

Our sources of liquidity, internal and external, are sufficient for our present and near future requirements. We intend to continue to focus on investments in property, systems and equipment (fixed assets) and working capital management, including timely collection of accounts receivable and efficient management of accounts payables and inventory levels.

Capital Expenditures

Our operating capital expenditures on network equipment, land and buildings and other (excluding M&A and spectrum). For the years ended December 31, 2021, 2020 and 2019 amounted to US$196.8 million, US$180.6 million and US$172.6 million, respectively. The main driver for capital expenditures is network expansion in coverage and capacity for mobile massive market and for residential BBI. The investment related to capacity was aimed at supporting the incremental traffic in areas already covered and the investment related to coverage was aimed at enabling new markets opportunities for mobile and residential BBI.

We expect to finance our expected aggregate capital expenditures of US$591 million for the years ended December 31, 2022, 2023, 2024 through cash from operations.

Management´s discussion and analysis of financial condition and results of operations

As of December 31, 2021, we had commitments to purchase, within one year, network equipment, land and buildings and other fixed assets for an aggregate consideration equal to US$63.4 million. We expect to meet these commitments from our current cash balances and cash generated from operations.

Shareholder Distributions

Our shareholder distribution practice has been to distribute to our shareholders the free cash generated after repaying any amounts due under our outstanding debt and paying for all other operational and financial obligations and funding any other reserve. Historically, we have extended loans to our shareholders on a monthly basis from such free cash which have been offset upon the distribution of dividends for the applicable period.

After analyzing our results of operations, our board of directors makes a recommendation to our shareholders on the amount of dividends, if any, that should be paid. The shareholders then resolve in a shareholders' meeting the amount of dividends, if any, that should be paid to shareholders. At the same time our board of directors decides whether the amount not paid as dividends should be retained as retained results of the Company or directed to a legal reserve account.

Our ability to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions and the ability to repatriate funds.

During 2021, we distributed US$366 million in dividends, compared to US$363 million in 2020.

Cash Flows

The table below sets forth our cash flows for the periods indicated

	Twelve months ended December 31	
	2021	**2020**
Net cash provided by operating activities ……………………………………	731,570	606,835
Net cash used by investing activities…………………………………………	(225,416)	(287,385
Net cash used by financing activities ……………………………………...	(541,548)	(312,686)
Net increase/(decrease) in cash and cash equivalents……………………..	**(35,584)**	**(588)**
Cash and cash equivalents at the end of the period/year……………………...	152,958	188,542

Twelve months Ended December 31, 2021 and 2020

For the twelve months ended on December 31, 2021 net cash provided by operating activities was US$731.6 million compared to US$606.8 million for the twelve months ended December 31, 2020. The changes in net cash provided by operating activities in both periods were mainly attributable to the decrease in interest payment as a result of the redemption of the 2024 Notes executed in November 2020. Working capital reflects efficient collection results.

Net cash used in investing activities was US$ 225.4 million for the twelve months ended December 31, 2021 compared to US$287.4 million for the twelve months ended December 31, 2020. The decrease is mainly attributable to a US$60.7 million less in investments on intangible assets related to spectrum and the reduction on investments in property plant and equipment for US$1.1 million.

Net cash used in financing activities was of US$541.5 million for the twelve months ended December 31, 2021 compared to US$312.7 million for the twelve months ended December 31, 2020. The higher net cash used for financing activities for the twelve months ended December 31, 2020 was mainly due to US$ 227.6 million increase in loans granted to shareholders compared between the two periods.

The net decrease in cash and cash equivalents for the twelve months ended December 31, 2021 was US$35.5 million compared to US$0.6 million for the twelve months ended December 31, 2020. We had closing cash and cash equivalents of US$152.9 million as of December 31, 2021 compared to US$188.5 million as of December 31, 2020.

Investments and Acquisitions

We expect to continue to invest in our existing mobile, internet and Cable TV businesses, where we believe we can generate attractive returns. In addition, we may pursue new license or acquisition opportunities where we determine there is potential for synergies related to our existing core businesses. We may also attempt to expand our footprint through acquisitions or greenfield projects in areas similar to our existing core businesses.

If we do consummate any acquisition, it could be material to our business and require us to incur additional debt. There can be no assurance that additional financing will be available when required or, if available, that it will be on terms satisfactory to us.

Other Debt and Financing

On December 10, 2021, we contracted new loans with local banks for US$187.6 million (Q1,450 million using GTQ/USD exchange rate of 7.73/1) with terms ranging from four to five years and with an effective fixed interest rate of 6%. Such interests are monthly payable. Throughout 2021 the outstanding loan balance of $350 million with related parties was fully paid.

Derivative Transactions

Historically, we have not entered into derivative transactions for hedging, speculative or other purposes and do not currently intend to do so in the future. However, we cannot assure you that this will continue to be the case and we may enter into hedging transactions in the future, including with respect to our obligations under the Notes.

Research and Development, Patents and Licenses

In December 2012, new regulations came into effect in Guatemala that granted telecommunications operators the right to apply for automatic 20-year extensions of all existing rights. We successfully applied to extend our radio frequency usufructs through at least December 2032 or December 2033, depending on the original expiration date of the particular usufruct.

At this time, we do not engage in research and development and we do not own any patents. We depend on Millicom for a significant portion of the technology and "know-how" we utilize in our business. See "Risk Factors" and "Certain Relationships and Related Party Transactions."

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of December 31, 2021 and 2020 and have not entered into any since then.

Indebtedness Contractual obligations

We have various contractual obligations to make future payments. The following table summarizes our obligations under these contracts, due by period as of December 31, 2021.

	Within 1 year	Within 2-5 years	After 5 years	Total
	(in thousands of US$)			
Debt and other financing	-	482,179	123,071	605,250
Lease liabilities	28,589	117,101	57,377	203,067
Future interest commitments on debt	37,527	124,183	5,773	167,483
Future interest commitments on leases	16,288	39,842	15,848	71,978
Total	**82,404**	**763,305**	**202,069**	**1,047,778**

Commitments to purchase network equipment, land, buildings and other fixed assets described below are not included on the table above.

Capital commitments

As of December 31, 2021, we had fixed commitments to purchase network equipment, land and buildings and other fixed assets for US$63.4 million, compared to US$93 million as of December 30, 2020, from various suppliers.

Bank financing

We have entered into a series of fixed, variable and adjusted rate loans with local banks for an aggregate principal amount outstanding of US$605.3 million as of December 31, 2021. The terms of such loans are the following:

						Repayment				
Lender	Borrower	Interest Rate	Rate Type	Maturity	Amount (in USDm)	2023	2024	2025	2026	2027
Banco Industrial, S.A	Comunicaciones Celulares, S.A.	6.20%	Fixed	2025	204.7			204.7		
Banco Industrial, S.A	Comunicaciones Celulares, S.A.	7.20%	Fixed	2025	22.6			22.6		
Banco De America Central, S.A	Comunicaciones Celulares, S.A.	6.00%	Variable	2023	32.4	8.1	8.1	8.1	8.1	
Banco Agromercantil de Guatemala S.A	Comunicaciones Celulares, S.A.	5.75%-6.50%	Adjusted	2027	50.2			25.1		25.1
Banco G&T Continental, S.A	Comunicaciones Celulares, S.A.	6.00%	Fixed	2025	64.8			64.8		
Banco G&T Continental, S.A.	Comunicaciones Celulares, S.A.	6.00%	Fixed	2026	29.1				29.1	
Banco Agromercantil de Guatemala S.A	Navega.com, S.A.	5.75%-6.50%	Adjusted	2027	50.2			25.1		25.1
Banco Industrial, S.A	Servicios Innovadores de Com y Ent, S.A.	6.20%	Fixed	2025	60.5			60.5		
Banco G&T Continental, S.A.	Servicios Innovadores de Com y Ent, S.A.	6.00%	Fixed	2026	35.6				35.6	
Banco Industrial, S.A	Servicios Especializados en Telecom. S.A.	7.20%	Fixed	2025	55.1			55.1		
	Totals				**605.3**	**8.1**	**8.1**	**466.1**	**72.8**	**50.2**

Qualitative and Quantitative Information about Market Risk

Exposure to interest rate, foreign currency, non-repatriation, liquidity and credit risks arise in our normal course of business. Financial risk management is performed at the Millicom level, where each of these risks are analyzed individually on a Millicom consolidated level as well as on an interconnected basis. Millicom defines and implements strategies to manage the economic impact on Millicom's performance in line with its financial risk management policy. Millicom's risk management strategies may include the use of derivatives. Millicom's policy prohibits the use of such derivatives in the context of speculative trading as presented in its financial statements.

Subsequent event

On January 27, 2022, Comunicaciones Celulares S.A., announced the issuance of $900 million Senior Notes, bearing interest at 5,125% and due in 2032, with JP Morgan Chase Bank, N.A. as the Lender and the Bank of New York Mellon as administrative agent for the Lender.