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

Tigo Guatemala Companies
For the years ended December 31, 2022 and 2021

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The following discussion of our financial condition and results of operations should be read in conjunction with the Tigo Guatemala Companies Combined Financial Statements (and the notes thereto) presented in accordance with IFRS.

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 Mobile Financial Services (or "MFS", as defined below) under the Tigo brand across the most extensive 2G, 3G, 4G, 5G, HFC, FWA and DTH networks in the country. Tigo Guatemala 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 Ultimate Controlling Shareholder: We are owned by the Millicom Group, which, since November 12, 2021, indirectly holds a 100% ownership interest in Tigo Guatemala Companies, after the 45% equity interest acquisition in Tigo Guatemala from Miffin. The Millicom Group, whose ultimate holding company is Millicom International Cellular S.A., is a global telecommunications group that provides a wide range of digital services in nine countries in Latin America, including high-speed data, cable TV, direct-to-home satellite TV ("DTH"), mobile voice, mobile data, SMS, MFS, fixed voice, and business solutions including value-added services.

We offer our products through four business units:

- Tigo Mobile. This business unit includes 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 Business. This business unit provides the following services to multinational corporations, government, enterprises & small businesses in Guatemala: fixed-line, broadband, multi cloud, cybersecurity, SDWAN and unified communications for corporate clients, among others. This business unit is serviced by Navega.com, S.A. and Cloud2Nube, S.A.; and

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

Tigo Mobile: As of December 31, 2022, we had approximately 11.8 million mobile customers, which we estimate represented approximately 63.3% of the total mobile customer base in Guatemala. Our network comprised 5,306 cell sites and covered 89% of the country's total population with 2G technology, 78% with 3G/4G/LTE, and 8% with 5G. In 2022, we were the first operator to launch 5G technology services to our users, providing our customers with a faster and more robust network experience. 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 87%. We have developed an extensive distribution network for the sale of our products and services across the country.

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, 2022, 92.6% of our mobile customers (10.9 million) received our services on a prepaid basis and 7.4% of our customers (0.9 million) received our services on a postpaid basis. Our prepaid customers generated 73.3% 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 year ended December 31, 2022. 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 26.7% 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 FTTH, HFC, DTH and FWA 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, 2022, Tigo Home serviced 722,575 households. We are market leaders in fixed broadband with a market share of 44.4% 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 Business: 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, SOHOs and home offices 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.

MFS (Tigo Money): Through our Mobile Financial Services business unit, we offer the Tigo Money 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 Business 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 part of our growth strategy for this unit, we are focusing on increasing transactional volume through incorporating new micro credits for unbanked users and SOHOs, micro-insurances, access card (debit card linked to MFS wallet) 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.

Factors Affecting our Results of Operations

Our operating results are primarily affected by the following factors:

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 2023. 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. 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, 2022, 2021 and 2020 was 13.9%, 19.6% and 19.2%, respectively. The decrease observed during 2022 in effective tax rate is due to deferred tax asset impact because of changing Servicios Innovadores de Comunicación y Entretenimiento, S.A. tax regime from tax regime based on income to base on profit during 2022. For information on tax claims see note 26 of Combined Financial Statements.

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 FWA), 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.

A substantial proportion of our revenue, 17.3% and 18.6% for the years ended December 31, 2022 and 2021 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 & connectivity, fixed-line telephone, cyber security, cloud services, 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 11.75 million customers as of December 31, 2021 to approximately 11.79 million customers as of December 31, 2022, an annual growth rate of approximately 0.3%. During this period, we also saw our market share of mobile users in Guatemala decrease by approximately 0.9 basis points mainly driven by Claro commercial aggressiveness in prepaid business (change in offer, decrease in handset prices, incentives in point of sales and Network improvement). 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 manage 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, value-added services and programming cost.

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.

Results of Operations

Year ended December 31, 2022 and 2021

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

	Year Ended December 31,			
	2022	**2021**	**Variation**	**Percent change**
	(in thousands of USD, except percentages, subscribers, employees and ARPU)			
Revenue (1)	1,618,337	1,600,579	17,758	1.1%
Cost of sales	-384,299	-362,518	-21,781	6.0%
Gross profit	**1,234,038**	**1,238,061**	**-4,023**	**-0.3%**
Operating expenses	-377,049	-380,835	3,786	-1.0%
Depreciation and amortization	-238,866	-238,216	-650	0.3%
Other operating income (expenses), net	-4,557	-2,003	-2,554	127.5%
Operating profit	**613,566**	**617,007**	**-3,441**	**-0.6%**
Interest expense	-95,629	-51,912	-43,717	84.2%
Interest and other financial income	41,657	8,422	33,235	394.6%
Foreign exchange gain (loss), net	802	-1,282	2,084	-162.6%
Profit before taxes	**560,396**	**572,235**	**-11,839**	**-2.1%**
Charge for taxes, net	-78,017	-112,237	34,220	-30.5%
Net profit for the period	**482,379**	**459,998**	**22,381**	**4.9%**
Operating Data:				
Number of customers				
Mobile Postpaid	877,688	789,653	88,035	11.15%
Mobile Prepaid	10,915,387	10,964,120	(48,733)	(0.4%)
Home HHs (all tech) (1)	722,575	674,678	47,897	7.10%
Home RGUs (2)	1,146,261	1,024,591	121,670	11.88%

	Year Ended December 31,			
	2022	2021	Variation	Percent change
	(in thousands of USD, except percentages, subscribers, employees and ARPU)			
Home HHs (all tech) (2)	1.77%	1.71%	0.05p.p.	(3.16%)
Total monthly Mobile ARPU (3)	7.15	7.41	(0.26)	(3.49%)
Home HHs (all tech) (2)	25.03	25.08	(0.05)	-0.19%
Total average number of permanent employees	3,086	3,168	(82)	(2.6%)

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

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

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

Revenue

Revenue for the year ended December 31, 2022 amounted to US$1,618.3 million, up 1.1% from US$1,600.6 million for the year ended December 31, 2021 mostly due to the 3.5% growth of postpaid mobile service revenue (driven by Bring Your Own Device plans), a 10.3% growth of home revenue (growth driven by RGUs growth and World Cup Advertising revenue and subscriptions) and a corporate (Fixed + mobile + digital) revenue growth of 5.7%.

Analyzing our revenue by business unit, Tigo Mobile revenue decreased 0.6%, to US$1,315.7 million, for the year ended December 31, 2022 compared to the year ended December 31, 2021 of US$1,323 million, primarily due to a decreased 2.6% in mobile prepaid revenue, 5.5% growth of postpaid revenue and a mobile corporate growth of 2.9%. Tigo Home revenue grew by 10.3%, to US$225.1 million, for the year ended December 31, 2022 compared to the year ended December 31, 2021 of US$204 million, primarily as a result of growth in the number of homes connected and the penetration of digital services in existing customers and FIFA World Cup revenue. Tigo Business revenue grew 7.3%, to US$74.6 million, for the year ended December 31,2022 compared to the year ended December 31, 2021, of US$69.5 million, 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.

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 6% for the year ended December 31, 2022, to US$384.3 million from US$362.5 million for the year ended December 31, 2021, as a result of an increase bad debt cost (during 2021 we collected receivables generated during 2020 due to the COVID-19 pandemic), increase of interconnection costs for outgoing international calls due to change in commercial prepaid plans which includes more x-net minutes, growth in Tigo Home and Tigo Business services.

As a result of the foregoing, gross profit margin decreased to 76.3% for the year ended December 31, 2022 from 77.4% for the year ended December 31, 2021.

Operating Expenses

Operating expenses decreased by 1% for the year ended December 31, 2022 to US$377.0 million from US$380.8 million for the year ended December 31, 2021. This decrease is the result of an increased advertising and promotion expenses to compete with aggressive commercial campaigns by our competitors, 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) and diesel price per gallon increase mainly driven by inflation and a decrease in employee related costs due to our performance during the period and efficiency project.

Operating profit

Operating profit decreased by 0.6% for the year ended December 31, 2022 to US$613.6 million from US$617.0 million for the year ended December 31, 2021. Our operating margin decreased -0.6 pp, from 38.5% for the year ended December 31, 2021 to 37.9% for the year ended December 31, 2022. This decrease was mainly a result of our Gross Profit margin decrease of -1.1pp.

Net finance cost

Net finance cost, which includes interest expense, net of interest income, increased by 24% from US$43.5 million for the year ended December 31, 2021 to US$53.9 million for the year ended December 31, 2022 due to an increase in interest paid as a result of the issuance of Senior Notes on January 27, 2022 in the amount of US$900 million due 2032 bearing interests at 5.125% in semiannual installments and additional acquired debt in Quetzales with local banks (US$188 million).

Foreign exchange gain (loss), net

Net foreign exchange loss increase by 162.6% from -$1.2 million for the year ended December 31, 2021 to $0.8 million for the year ended December 31, 2022.

Charge for taxes, net

Our charge for taxes decreased by 30.5% for the year ended December 31, 2022 to US$78.0 million from US$112.6 million for the year ended December 31, 2021, due to deferred tax asset recognition on 2022. The decrease observed during 2022 in effective tax rate is due to deferred tax asset impact because of changing Servicios Innovadores de Comunicación y Entretenimiento, S.A. tax regime from tax regime based on income to base on profit during 2022.

Net profit for the period

As a result of the foregoing, net profit for the year ended December 31, 2022 increased by 4.9% to US$482.4 million compared to a net profit of US$460.0 million for the year ended December 31, 2021.

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 2020, 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 year ended December 31, 2022 and 2021 amounted to US$197.1 million and US$196.8 million, respectively. The main driver for capital expenditures is network expansion in coverage and capacity for mobile massive market (aligned to changes in commercial offer due) 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$576.7 million for the years ended December 31, 2022, 2023, 2024 through cash from operations.

As of December 31, 2022, we had commitments to purchase, within one year, network equipment, land and buildings and other fixed assets for an aggregate consideration equal to US$90 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 monthly 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 resolve and approve the amount of dividends, if any, that should be paid to the shareholders or 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 2022, the Combined Group declared dividends of US$469 million compared to US$366 million in 2021.

Cash Flows

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

	Year Ended December 31,	
	2022	**2021**
(In thousands of USD)		
Net cash provided by operating activities	704,807	731,570
Net cash used by investing activities	(199,491)	(225,416)
Net cash used by financing activities	(494,947)	(541,548)
Net increase/(decrease) in cash and cash equivalents	**9,137**	**(35,584)**
Cash and cash equivalents at the end of the period/year........	162,095	152,958

Year Ended December 31, 2022 and 2021

For the year ended December 31, 2022, net cash provided by operating activities was US$704.8 million compared to US$731.6 million for the year ended December 31, 2021. The decrease in cash from operating activities is driven by less profit before taxes for US$12 million and additional interest expense related to the issuance of new Senior Notes in the amount of US$900 on January 2022 bearing a 5.125% interest with the first installment paid in August 2022.

Net cash used in investing activities was US$199.5 million for the year ended December 31, 2022, compared to US$225.4 million for the year ended December 31, 2021. The decrease is mainly attributable to a US$25.9 million decrease in investments on property, plant, and equipment.

Net cash used in financing activities was US$494.9 million for the year ended December 31, 2022, compared to US$541.5 million for the year ended December 31, 2021. Proceeds received from Senior Notes issuance destined to repay a significant portion of the bridge loan contracted at Millicom Group to fund the acquisition of the remaining 45% equity interest of Tigo Guatemala operation. Repayment of US$18.8 million (2.1% of the US$ 900 million of the Senior Notes issued), executed in November 2022 through a voluntary tender offer.

The net increase in cash and cash equivalents for the year ended December 31, 2022, was US$9.1 million compared to the US$35.6 million decrease for the year ended December 31, 2021. We had closing cash and cash equivalents of US$162.1 million as of December 31, 2022, compared to US$152.9 million as of December 31, 2021.

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.

Financing

Our current total debt amounts to US$1,465.4 million as of December 31, 2022, with US$594.9 million of bank credits in local currency and US$870.5 million from Senior Notes issuance due 2032.

On January 27, 2022, the Company completed the issuance of Senior Notes due in 2032 for US$900 million bearing interest at 5,125%. The proceeds were used to partially repay Millicom Group contracted debt to completely acquire the equity interest of Tigo Guatemala

On November 4, 2022, the Company announced a voluntary tender offer with a final settlement of US$18.8 million of the principal amount settled below market par value.

On April 27, 2022, the Company contracted a new local currency loan with Banco Del Desarrollo Rural – Banrural- for US$156.9 million with a 5-year term and a fixed interest rate of 6.00%. The proceeds were used to repay local currency loans with Banco Industrial for US$156.9 million with an interest range rate of 6.20% and 7.20%.

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.

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, 2022.

	Within 1 year	Within 2-5 years	After 5 years	Total
	(in thousands of US$)			
Debt and other financing	7,960	587,031	870,487	1,465,478
Lease liabilities	35,989	115,845	42,005	193,839
Future interest commitments	94,313	297,208	197,117	588,638
Total	**138,262**	**1,000,084**	**1,109,609**	**2,247,955**

Capital commitments

As of December 31, 2022, we had fixed commitments to purchase network equipment, land and buildings and other fixed assets for US$90 million, compared to US$63.4 million as of December 31, 2021, from various suppliers.

Financing

Our total outstanding indebtedness and other financing for the years ended December 31, 2020, December 31, 2021 and December 31, 2022 was US$413.4 million, US$605.2 million and US$1,465.million, respectively.

Our interest expense for the years ended December 31, 2021 and December 31, 2022 was US$51.9 million and US$95.6 million respectively.

Bond financing

In January 2022, CT Trust was established with Walkers Fiduciary Limited, acting as trustee for the purpose of issuing Senior Notes under 144A rule, in the amount of US$900 million due 2032 with an interest rate of 5.125% listed in the Luxembourg Stock Exchange with the final purpose of the repayment of existing corporate indebtedness. Senior Notes are guaranteed by the Company

On November 4, 2022, Comunicaciones Celulares, S.A. announced a voluntary tender offer to purchase for cash up to $90 million in aggregate principal amount of the Senior Notes. On November 20, 2022, Comunicaciones Celulares, S.A. announced that $18.8 million in principal amount of the mentioned Notes, have been accepted and settled.

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$594.9 million as of December 31, 2022.

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 Events

Potential acquisition

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

Labor Claim

During the first quarter of 2023, we were notified with respect to certain labor claims from former executives of the Combined Group, which are at the first judicial stage before a Guatemalan court and pending the initial hearing. These claims are in the process of strategical analysis by our legal advisors since not all the rationales seem to be viable. Accordingly, currently the Combined Group nor the legal advisors are able to estimate any potential losses or future cash out lays, if any.