

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

**Tigo Guatemala Companies  
For the years ended December 31, 2023 and 2022**

## 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 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, Pay 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, FTTH, 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, Pay 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, whose ultimate holding company is Millicom International Cellular S.A., which is a global telecommunications group that provides a wide range of digital services in nine countries in Latin America, including high-speed data, Pay 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:

- Mobile. This business unit includes 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.
- Home. This business unit includes Tigo home residential services, Pay 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, SD-WAN and unified communications for corporate clients, among others. This business unit is serviced by Navega.com, S.A. and Cloud2Nube, S.A.; and
- MFS (Mobile Financial Services). This business unit is serviced by Distribuidora de Comunicaciones de Oriente, S.A. and Comunicaciones Corporativas, S.A.

*Mobile:* As of December 31, 2023, we had approximately 11.7 million mobile customers, which we estimate represented approximately 63.6% of the total mobile customer base in Guatemala. Our network comprised 5,430 cell sites and covered 95% of the country's total population with 2G technology, 79% 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, 2023, 91.4% of our mobile customers (10.7 million) received our services on a prepaid basis and 8.6% of our customers (1.0 million) received our services on a postpaid basis. Our prepaid customers generated 70.1% 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

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ended December 31, 2023. 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 29.9% 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.

*Home:* We are present in all regions 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 Pay-TV, broadband internet (BBI) and fixed telephony). As of December 31, 2023, our Home business served 719,805 households. We are market leaders in fixed broadband with a market share of 42.4% and Pay TV with 37.0% (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, SD-WAN, 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 for any mobile users in Guatemala including mobile top-ups, peer-to-peer, payments to merchants, loans, bulk payments, bill payment to Tigo Mobile, Tigo Home and Tigo Business and several other third parties including utility companies and local, international remittances and loans. 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 launch new app version, incorporating pre-approved nano-credits and special value added for Tigo users. MFS products are supporting financial inclusion and contributing to a cashless experience for example by creating interoperability between banked and unbanked users using e-money. Also, we are developing commercial alliances with companies in the financial to deliver new use cases for our customers.

### 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 buoyed by steadily growing remittances which help underpin an exchange rate that has sustained its value and exhibited very low volatility compared to the U.S. dollar over the past two decades. We continuously monitor regulation and tax policies for their potential impact on our business.

#### *Taxes*

Our effective tax rate for the years ended December 31, 2023 and 2022 was 17.5% and 13.9%, respectively. The lower tax rate observed during 2022 was due to a deferred tax asset benefit. For information on tax claims see note 26 of Combined Financial Statements.

#### *Interconnection Rates*

Our operations depend on interconnection agreements with other providers, which give our customers access to third-party networks. Interconnection is required to complete calls that originate on our networks but terminate

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outside our networks, or that originate outside our networks and terminate on our networks. Interconnection rates have remained stable in recent years.

### *Revenue*

We generate 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, Pay 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, 16.5% and 17.3% for the years ended December 31, 2023 and 2022 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, Pay TV, advertising and MFS products to retail and business customers in Guatemala.

### *Customer Base and Churn*

The number of customers we serve is dependent on the number of new customers we obtain and the number of customers that churn, or terminate our service. Our total mobile customer base decreased from approximately 11.8 million customers as of December 31, 2022 to approximately 11.7 million customers as of December 31, 2023, a reduction of approximately 0.7%. Our principal competitor, Claro, may have captured some of these customers through price aggressiveness and commercial incentives in prepaid business, but we estimate that our market share of mobile users in Guatemala remained stable at approximately 63% during this period. Our policy is to terminate prepaid customers after 60 days of inactivity.

To manage churn, we undertake focused customer loyalty activities, such as balance promotions, retention subsidy promotions and a loyalty program. We also focus on sustaining the superior quality attribute 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.

### *Equipment, programming and other direct costs*

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.

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### *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. We are focused on identifying efficiency initiatives to reduce operating expenses and improve margins.

### **Results of Operations**

#### *Year ended December 31, 2023 and 2022*

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

	Year Ended December 31,		Variation	Percent change
	2023	2022		
(in thousands of USD, except percentages, subscribers, employees and ARPU)				
Revenue	1,564,568	1,618,337	-53,769	-3.3%
Equipment, programming and other direct costs	-383,575	-384,299	724	-0.2%
Operating expenses (4)	-398,974	-377,049	-21,925	5.8%
Depreciation and amortization	-225,045	-238,866	13,821	-5.8%
Other operating income (expenses), net	-223	-4,557	4,334	-95.1%
<b>Operating profit</b>	<b>556,751</b>	<b>613,566</b>	<b>-56,815</b>	<b>-9.3%</b>
Interest expense	-100,031	-95,629	-4,402	4.6%
Interest and other financial income	49,496	41,657	7,839	18.8%
Foreign exchange gain (loss), net	-4,334	802	-5,136	-640.4%
<b>Profit before taxes</b>	<b>501,882</b>	<b>560,396</b>	<b>-58,514</b>	<b>-10.4%</b>
Charge for taxes, net	-87,697	-78,017	-9,680	12.4%
<b>Net profit for the period</b>	<b>414,185</b>	<b>482,379</b>	<b>-68,194</b>	<b>-14.1%</b>

#### **Operating Data:**

##### **Number of customers**

Mobile Postpaid.....	1,011,164	877,688	133,476	15.21%
Mobile Prepaid .....	10,704,085	10,915,387	(211,302)	(1.93%)
Home HHs (all tech) (1).....	719,805	722,575	(2,770)	(0.38%)
Home RGUs (2).....	1,162,703	1,146,261	16,442	1.43%
Total monthly Mobile ARPU (3) .....	7.48	7.7	(0.22)	(2.87%)
Home HHs ARPU (all tech) (2) .....	25.49	28.62	(3.13)	(10.9%)
Total average number of permanent employees .....	2,837	3,086	(249)	(8.1%)

(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 (individual and corporate subscribers) ARPU is individually calculated by reference to our aggregate prepaid and postpaid customers.

(4) Operating Expenses include Corporate Fees (US\$28.6 million)

### *Revenue*

Revenue for the year ended December 31, 2023 decreased 3.3% to US\$1,564.6 million, from US\$1,618.3 million for the year ended December 31, 2022, mostly driven by prepaid revenue decrease 4.6% (US\$31.6 million), incoming revenue (mainly international) decrease 17.5% (US\$22 million) and T&E revenue decrease of 8.1% (US\$19.8 million) due to competitor aggressiveness in price and point of sales activities. Meanwhile mobile postpaid revenue grew 6.4% (US\$16.9 million) driven by Bring Your Own Device plans.

Analyzing our revenue by business unit, Mobile revenue decreased 4.2%, to US\$1,259.9 million, for the year ended December 31, 2023 compared to the year ended December 31, 2022 of US\$1,315.7 million. Home revenue

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decreased by 1.1%, to US\$222.6 million, for the year ended December 31, 2023 compared to the year ended December 31, 2022 of US\$225.1 million. Tigo Business (Fixed) revenue grew 6.2%, to US\$79.2 million, for the year ended December 31, 2023 compared to the year ended December 31, 2022, of US\$74.6 million.

### *Equipment, programming and other direct costs*

The primary equipment, programming and other direct costs 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 Tigo Business cost from Cloud and Cybersecurity services.

Equipment, programming and other direct costs decreased by 0.2% for the year ended December 31, 2023, to US\$383.6 million from US\$384.3 million for the year ended December 31, 2022, as a result of an increase in Home programming costs, growth in Tigo Business services and decreased T&E Cost in line with revenue.

### *Operating Expenses*

Operating expenses increased by 5.8% for the year ended December 31, 2023 to US\$399 million from US\$377.0 million for the year ended December 31, 2022. This increase is the result of an increase in VCF (Value Creation Fees) to Millicom of \$26 million and a decrease operating expenses of US\$4 million. Operating expenses excluding VCF decreased due to less T&E revenue (subsidy and commissions) and efficiency initiatives.

### *Operating profit*

Operating profit decreased by 9.3% for the year ended December 31, 2023 to US\$556.8 million from US\$613.6 million for the year ended December 31, 2022. Our operating margin decreased 2.3 p.p., from 37.9% for the year ended December 31, 2022 to 35.6% for the year ended December 31, 2023. Operating profit decreased by US\$56.8 million, driven by the revenue decrease (US\$53.8 million), the VCF increase (US\$26 million), lower depreciation and amortization (due to change in useful life of fixed assets US\$13.8 million) and other operating income.

### *Net finance cost*

Net finance cost, which includes interest expense net of interest income, decreased by 6% from US\$53.9 million for the year ended December 31, 2022 to US\$50.5 million for the year ended December 31, 2023. This decrease in net finance cost is mainly driven by additional interest income (US\$7.8 million) paid by Millicom from shareholders loans.

### *Foreign exchange gain (loss), net*

Net foreign exchange loss increased by 640.4% from a gain of US\$0.8 million for the year ended December 31, 2022 to a loss of US\$4.3 million for the year ended December 31, 2023, a year in which the annual average foreign exchange rate increased (depreciated) by approximately 1% from 7.75 in 2022 to 7.84 in 2023.

### *Charge for taxes, net*

Our charge for taxes increased by 12.4% for the year ended December 31, 2023 to US\$87.7 million from US\$78.1 million for the year ended December 31, 2022, due to a deferred tax asset benefit in 2022.

### *Net profit for the period*

As a result of the foregoing, net profit for the year ended December 31, 2023 decreased by 14.1% to US\$414.2 million compared to a net profit of US\$482.3 million for the year ended December 31, 2022.

## **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. 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.

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### 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 financing 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 planned investments in property, systems, and equipment (fixed assets) and a strong focus in 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, 2023 and 2022 amounted to US\$182.9 million and US\$197.1 million, respectively. The main driver for capital expenditures is network expansion in coverage and capacity for the mobile market (aligned to changes in commercial offer due) and for residential BBI. The investment related to capacity was aimed at supporting the incremental users and traffic in areas already covered and the investment related to coverage was aimed at enabling new markets opportunities for mobile and residential BBI.

As of December 31, 2023, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$58 million (2022: \$90 million), from various suppliers.

#### *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 from 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 2023, the entities of the Combined Group declared dividends of US\$429 million compared to US\$469 million in 2022.

#### *Cash Flows*

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

	Year December 31,	
	2023	2022
(In thousands of USD)		
Net cash provided by operating activities .....	630,410	704,807
Net cash used by investing activities .....	(249,125)	(199,491)
Net cash used by financing activities .....	(399,330)	(494,947)
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>(17,392)</b>	<b>9,137</b>
Cash and cash equivalents at the end of the year .....	144,703	162,095

#### *Year Ended December 31, 2023 and 2022*

For the year ended December 31, 2023, net cash provided by operating activities was US\$630.4 million compared to US\$704.8 million for the year ended December 31, 2022. The decrease in cash from operating activities is driven by less profit before taxes for US\$58.1 million.

Net cash used in investing activities was US\$249.1 million for the year ended December 31, 2023, compared to US\$199.5 million for the year ended December 31, 2022. On May 8, 2023, Comunicaciones Celulares, S.A.

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("Comcel") acquired 120 MHz of radio spectrum in the 2.5 GHz for a total cash consideration of approximately \$33 million. On October 2, 2023, Comcel paid approximately \$43 million to acquire 2x10 MHz of nationwide spectrum in the 700 MHz band.

Net cash used in financing activities was US\$399.3 million for the year ended December 31, 2023, compared to US\$494.9 million for the year ended December 31, 2022. The main driver for the decrease in cash for financing activities is less shareholders loans distribution of US\$100 million compared to 2022 because we used this cash to fund spectrum acquisitions.

The net decrease in cash and cash equivalents for the year ended December 31, 2023, was US\$17.4 million compared to the US\$9.1 million increase for the year ended December 31, 2022. We had closing cash and cash equivalents to US\$144.7 million as of December 31, 2023, compared to US\$162.1 million for the year ended December 31, 2022.

### ***Investments and Acquisitions***

We expect to continue to invest in our existing mobile, internet and Pay 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 total debt amounts to US\$1,462.8 million as of December 31, 2023, with US\$640.0 million of bank credits in local currency and US\$822.8 million from Senior Notes 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 used to increase its ownership in Tigo Guatemala to 100%.

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. The proceeds were used to repay local currency loans with Banco Industrial for US\$156.9 million.

On April 24, 2023, the debt outstanding with Banco Industrial, S.A. for \$184.4 initially due on 2025 was extended to October 31, 2028.

On June 13, 2023, Comunicaciones Celulares, S.A. executed a new 7-year with Banco Industrial, S.A. in local currency up to the equivalent of US\$50 million to finance the acquisition of spectrum 2.5 GHz band and the 700 MHz spectrum.

In November and December 2023, Comcel repurchased some of these Senior Notes on the open market for a total amount of \$42 million. The difference with their carrying value of \$49 million has been recognized as financial income. The corresponding Notes have subsequently been cancelled.

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### ***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.

On May 8, 2023, Comunicaciones Celulares, S.A. ("Comcel") acquired 120 MHz of radio spectrum in the 2.5 GHz and on October 2, 2023, Comcel acquire 2x10 MHz of nationwide spectrum in the 700 MHz band. Both usufruct titles are for 20 years.

### **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, 2023.

	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>After 5 years</u>	<u>Total</u>
(in thousands of US\$)				
Debt and other financing .....	7,989	581,023	873,779	1,462,790
Lease liabilities.....	38,587	97,425	40,519	176,531
Future interest commitments .....	92,001	235,682	192,450	520,133
<b>Total</b> .....	<b>138,577</b>	<b>914,130</b>	<b>1,106,748</b>	<b>2,159,454</b>

### **Capital commitments**

As of December 31, 2023, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$58 million (2022: \$90 million), from various suppliers.

### ***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***

#### **Bond repurchase**

Since January 1, 2024 up to date of these combined financial statements, the Combined Group has continued to repurchase bonds in the secondary markets for total amount of \$87.7 million of the USD Comcel Senior notes USD 5.125%.

#### **Tax litigation**

On April 15th 2024, the Secretariats of the Presidency of Guatemala published the intention not to concede exoneration requests on fines and interests for tax litigations and thus, changing the practice of how this was performed before that date. The potential impact of this decision corresponds to approximately USD10Mn in fines and interests as of today, regarding the stamp tax litigation process.