MILLICOM
THE DIGITAL LIFESTYLE

Millicom International Cellular S.A.

Société Anonyme

Audited annual accounts
as at and for the year ended
December 31, 2021

2, rue du Fort Bourbon
L-1249 Luxembourg
R.C.S. Luxembourg: B 40 630

We believe in better.
We believe in tigo

What’s inside this report

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Directors' report and Management responsibility statement

Principal activities and background

Millicom International Cellular S.A. (the "Company" or "MIC SA"), a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the "Group" or "Millicom") is a leading provider of cable and mobile services dedicated to emerging markets. Through our main brands Tigo and Tigo Business™, we provide a wide range of digital services in nine countries in Latin America and two countries in Africa, including high-speed data, cable TV, direct-to-home satellite TV ("DTH" and when we refer to DTH together with cable TV, we use the term "pay-TV"), mobile voice, mobile data, SMS, MFS, fixed voice, and business solutions including value-added services ("VAS"). We provide services on both a business-to-consumer ("B2C") and a business-to-business ("B2B") basis, and we have used the Tigo brand in all our markets since 2004.

We offer the following principal categories of services:

Mobile, including mobile data, mobile voice, and MFS to consumer, business and government customers;

Cable and other fixed services, including broadband, pay-TV, content, and fixed voice services for residential (Home) customers, as well as voice, data and VAS and solutions to business and government customers.

In Latin America, our principal region, we provide both mobile and cable services in eight countries—Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay. In addition, we provide cable services in Costa Rica. In Africa, we provide mobile services in Tanzania, which is currently in the process of being disposed of, pending some regulatory approvals.

On November 12, 2021, Millicom announced that it has closed the previously-announced agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala"). As a result, Millicom owns 100% equity interest in Tigo Guatemala and fully consolidates it since that date.

Millicom also holds small minority investments in businesses such as micro-insurance (Milvik).

The Company's shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol TIGO SDB (formerly MIC SDB) and on the Nasdaq Stock Market in the U.S. under the ticker symbol TIGO.

The Company has its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

Group performance

In 2021, total revenue for the Group was US$4,617 million and gross profit was US$3,316 million, a margin of 71.8%. 2021 figures also include additional revenue from the Guatemala operations since their consolidation from November 12, 2021.

Operating expenses represented 36.3% of revenue, a slight increase compared with the 36.1% in 2020 as a result of increased sales and marketing costs to support robust customer growth, as compared with 2020 when strict lockdowns significantly curtailed commercial activity.

Operating profit was up 47.5% to US$659 million, a 14.3% margin, affected by strong operational performance and by the consolidation of our operations in Guatemala. Depreciation was also higher last year due to network modernization activities of older infrastructure.

Net financial expenses were US$507 million, a decrease of US$104 million compared with last year. The decrease was mainly due to lower debt levels, following repayment activity over the last year.

The revaluation of our previously held interest in Guatemala generated a gain of US$670 million in 2021.

Profit before taxes was US$732 million, reflecting the higher operating profit, lower interest expense and the effect of the revaluation gain described above, partially offset by other non-operating expenses of US$50 million mainly related to foreign exchange losses.

The net tax charge was US$189 million, leaving a net profit from continuing operations of US$543 million for the year.

As a result, our net profit for the year, after discontinued operations, was US$542 million. The share of losses of non-controlling interests was US$48 million, reflecting our partners' share of net results in our subsidiaries in Colombia and Panama.

The net profit for the year attributable to Millicom owners was US$590 million, an earnings per share of US$5.84.

Share Capital

As at December 31, 2021, Millicom had 101.7 million issued and paid up common shares of par value US$1.50 each, of which approximately 1,538,257 were held by the Company as treasury shares (2020: approximately 526,135). During the year, the Company acquired 1,369,284 shares through its share repurchase program. It issued approximately 434,204 shares to management and employees under the share-based plans, and issued approximately 24,737 shares to Directors as part of their annual remuneration.

Directors' Report and Management Responsibility Statement—*Continued*

Distribution to Shareholders and Proposed Distributions

Our shareholders-approved the proposal from the Board not to pay a dividend in 2021. No dividend was paid in 2020.

On July 29, 2021, the Group announced the launch of a share repurchase program of up to the lower of SEK 870 million (approximately $100 million) in aggregate purchase price, or 5 million Swedish Depositary Receipts. The purpose of the repurchase program is to reduce Millicom's share capital, or to use the repurchased shares to meet obligations arising under Millicom´s employee-share-based incentive programs. Under this repurchase program, Millicom repurchased 1,369,284 shares in 2021, for a total amount of approximately $50 million, paid in cash.

On December 17, 2021, the Group announced the conclusion of this share repurchase program as it works towards a rights offering planned for Q1 2022 to fund the Guatemala transaction. See 'Share Capital' section for further details on this year's activity.

Risks and Uncertainty Factors

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

Further information on these and other key risks faced by the Group are set out in the Risk Management section on pages 26–29 in the Group Annual Report.

Financial Risk Management Objectives and Policies

Millicom's financial risk management policies and objectives, together with a description of the various risks and hedging activities undertaken by the Group, are set out in Section D Financial risk management of the consolidated financial statements in the Group Annual Report at the following link: https://www.millicom.com/investors/reporting-center/.

Internal controls and additional information on the preparation of the Annual Report are set out in the Corporate Governance section of the Group Annual Report.

Non-Financial Information

Non-financial information, such as environmental, social and governance are integrated in the section of the Corporate Responsibility Performance Review. The composition of administrative, management and supervisory bodies (including their committees) and the way in which these bodies operate, are described in the Group Annual Report.

Management and Employees

In recent years, the Group has developed many key functions and improved support to local operations, including the areas of procurement, network development, marketing, IT, HR, compliance and finance.

At December 31, 2021 and December 31, 2020, the Group's headcount from continuing operations reached approximately 21,000.

Outlook for the Group[1]

In 2022, we plan to accelerate expansion of our fixed network to reach one million additional homes, of which over half are expected to be deployed using fiber-to-the-home (FTTH) technology. We expect the cost of this accelerated network deployment will be more than offset by a moderation of our investments in our mobile networks, as we are now in the final stages of significant modernization and expansion projects undertaken over the past 24 months.

Over the next three years, we aim to grow operating cash flow by approximately 10% per year on average, and we are targeting cumulative equity free cash flow generation after leases and after spectrum of between $800 million and $1.0 billion.

Subsequent events

On January 27, 2022, our principal subsidiary in Guatemala, Comcel, completed the issuance of a new 10-year US$900 million Bond with a coupon of 5.125%. Proceeds from this bond as well as cash were used to repay a significant portion of the bridge financing that was used to fund the acquisition of the remaining 45% equity interest in our Tigo Guatemala operations. As of February 8, 2022, a balance of US$450 million remained unpaid under the initial US$2.15 billion bridge loan agreement.

On January 13, 2022, we completed the issuance of a new 5-year sustainability bond raising SEK 2.25 billion (approximately US$252 million) at a fully swapped rate of SOFR plus 3.496%. Proceeds will be used to fund investments in accordance with the Company's sustainability framework. This bond has been fully hedged against foreign exchange fluctuations.

On February 28, 2022, the extraordinary general meeting of shareholders of Millicom resolved to authorize the Board of Directors of Millicom to increase the authorized share capital of the Company from $199,999,800 divided into 133,333,200 shares, with a par value of $1.50 per share, to $300,000,000 divided into 200,000,000 shares, with a par value of $1.50 per share.

José Antonio Ríos García

Chairman of the Board of Directors
Luxembourg, March 1, 2022

[1] Our outlook includes references to non-GAAP measures which are further defined and described in the Group's Annual Report.

MANAGEMENT RESPONSIBILITY STATEMENT

We, Mauricio Ramos, Executive Director and Chief Executive Officer, and Tim Pennington, Chief Financial Officer, confirm, to the best of our knowledge, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and that the Directors' report includes a fair review of the development and performance of the business and the position of Millicom International Cellular S.A., together with a description of the principal risks and uncertainties that Millicom International Cellular S.A. faces.

Luxembourg, March 1, 2022

Mauricio Ramos
Executive Director and Chief Executive Officer

Tim Pennington
Chief Financial Officer

Independent auditor's report

To the Shareholders of
Millicom International Cellular S.A.
2, rue du Fort Bourbon
L-1249 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Millicom International Cellular S.A. ("the Company"), which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the " Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements " section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements in Luxembourg, and we have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Impairment of Shares in affiliated undertakings and impairment of Loans owed by Affiliated Undertakings*

Risk identified

Millicom International Cellular S.A., as ultimate holding of the group, holds a number of shares in and loans to affiliated undertakings, which are operating mainly in emerging markets in the telecommunication sector. As described in Note 5 shares in affiliated undertakings are valued at cost less any durable impairment in value which as at December 31, 2021 amounts to US$6,367 million representing 84% of the total assets. As described in Note 6 loans to affiliated undertakings are valued at cost less any durable impairment in value which as at December 31, 2021 amounts to US$379 million representing 5% of the total assets. At least annually, the Company evaluates the carrying value of the investments and the nominal value of the loans. Impairment losses are measured and recorded based on the difference between the estimated recoverable amount and the carrying amount of the asset. Impairment of shares in and loans to affiliated undertakings is considered a significant risk due to historical impairment, business industry and locations of these investments.

Our answer

Our audit procedures over the valuation of the shares in affiliated undertakings included, among others:

- Obtaining and reading the latest financial statements/trial balances of material investments in order to identify whether any going concern issue or liquidity issue exist at the investment level and ultimately if the investment is recoverable.
- Assessing the valuation model prepared by the Management and its impairment test for the determination of the recoverable amount of the investments.
- Recomputing the fair value of equity interests of the investments prepared by the Management and comparing the carrying value of the investments to the fair market value of equity interests in order to determine whether an impairment exists.
- Assessing the valuation of the guarantees provided by the Company to direct or indirect affiliated companies.

Our audit procedures over the valuation of the loans granted to affiliated undertakings included, among others:

- Obtaining the loan agreements to confirm the nominal value of the loans and the movement of the year.
- Obtaining and reading the latest financial statements/trial balances of the affiliated undertakings in order to identify whether any going concern issue or liquidity issue exist and ultimately if the loan is recoverable.
- Assessing the valuation model prepared by Management for the determination of the recoverable amount of the loans.
- Recomputing the recoverable amount of the loans prepared by Management and comparing the carrying value of the loans to their recoverable value in order to determine whether an impairment exists.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on impairment as disclosed in Note 2.2.6 and 2.2.7 of the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on May 4, 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is nine years.

The management report, which is disclosed from pages 1 to 3 and which is the responsibility of the Board of Directors, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, as published on the Company's website http://www.millicom.com/our-responsibility/, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young

Société anonyme

Cabinet de révision agréé

Bruno di Bartolomeo

Luxembourg, March 1, 2022

MILLICOM INTERNATIONAL CELLULAR S.A.
BALANCE SHEET AS AT DECEMBER 31, 2021

	Notes	31-Dec 2021 USD	31-Dec 2020 USD
ASSETS			
Fixed assets			
Intangible assets	3		
Concessions, patents, licenses, trade marks and similar rights and assets , if they were acquired for valuable consideration and need not be shown under C.I.3		16,471,595	20,759,256
Payments on account and intangible fixed assets under development		7,669,756	1,529,339
Tangible assets	4		
Other fixtures and fittings, tools and equipment		1,279,299	1,543,248
Payments on account and tangible assets in the course of construction		3,384,412	1,631,598
Financial assets	5		
Shares in affiliated undertakings		6,366,697,489	4,141,631,637
		6,395,502,550	**4,167,095,078**
Current assets			
Debtors	6		
Amounts owed by affiliated undertakings			
becoming due and payable within one year		419,502,151	146,672,308
becoming due and payable after more than one year		379,036,220	612,552,655
Amounts owed by undertakings with which the company is linked by virtue of participating interests			
becoming due and payable within one year		178,688	3,912,945
Other debtors		6,867,505	23,807,108
Investments			
Own shares	7	43,763,430	20,403,533
Cash at bank and in hand		247,972,074	280,664,826
		1,097,320,069	**1,088,013,375**
Prepayments	8	49,115,308	34,183,753
TOTAL ASSETS		**7,541,937,927**	**5,289,292,206**

The accompanying notes are an integral part of these annual accounts

MILLICOM INTERNATIONAL CELLULAR S.A.
BALANCE SHEET AS AT DECEMBER 31, 2021—*Continued*

EQUITY AND LIABILITIES	Notes	31-Dec 2021 USD	31-Dec 2020 USD
Capital and reserves	**7**		
Subscribed capital		152,608,826	152,608,826
Share premium account		412,499,006	435,858,902
Reserves			
Cash flow hedge reserve		(7,411,889)	(12,204,114)
Legal reserve		16,357,968	16,357,968
Reserve for own shares		43,763,429	20,403,533
Profit brought forward		1,722,331,795	1,666,265,694
Profit for the financial year		204,806,298	56,066,101
		2,544,955,431	**2,335,356,910**
TOTAL EQUITY			
Provisions	**9**		
Other provisions		26,876,917	23,983,466
Creditors			
Debenture loans			
Non-convertible loans	**10**	1,650,000,000	—
becoming due and payable after more than one year	**11**	2,453,763,766	2,543,093,117
Amounts owed to affiliated undertakings	**12**		
becoming due and payable within one year		782,443,486	310,962,444
becoming due and payable after more than one year		2,000,000	900,000
Amounts owed to undertakings with which the company is linked by virtue of participating interests			
becoming due and payable within one year	**13**	59,096	994,717
Other creditors			
Tax authorities		5,476	12,287
Social security authorities		31,130	101,504
Other creditors	**14**		
becoming due and payable within one year		80,294,416	72,029,715
becoming due and payable after more than one year		996,372	1,260,906
		4,969,593,743	**2,929,354,690**
Deferred income		511,836	597,140
TOTAL LIABILITIES		**4,996,982,496**	**2,953,935,296**
TOTAL EQUITY AND LIABILITIES		**7,541,937,927**	**5,289,292,206**

The accompanying notes are an integral part of these annual accounts

MILLICOM INTERNATIONAL CELLULAR S.A.
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	31-Dec 2021 USD	31-Dec 2020 USD
Other operating income	15	202,336,287	209,140,702
Staff costs	16		
Wages and salaries		(44,699,146)	(43,377,596)
Social Security costs		(1,323,060)	(940,909)
Other staff costs		(588,333)	(309,781)
Value adjustments			
In respect of formation expenses and of tangible and intangible assets	3,4	(6,391,568)	(5,667,351)
In respect of current assets	6	—	1,173,500
Other operating charges	17	(191,147,163)	(167,367,802)
Income from participating interests	18		
derived from affiliated undertakings		410,283,096	863,607,203
Other interest and similar income			
derived from affiliated undertakings		30,432,178	33,870,002
other interest and similar income	19	(22,530,409)	3,845,912
Value adjustments in respect of financial assets and of investments held as current assets	20	(2,427,563)	(618,550,315)
Adjustments of other taxes and duties		(376,038)	24,919
Interest payable and similar expenses			
Concerning affiliated undertakings		(4,258,726)	(10,132,293)
Other interest and similar expenses	21	(148,512,806)	(198,281,620)
Tax on profit or loss	22	(15,990,450)	(10,968,470)
Profit after taxation		204,806,298	56,066,101
Profit for the financial year		**204,806,298**	**56,066,101**

The accompanying notes are an integral part of these annual accounts

MILLICOM INTERNATIONAL CELLULAR S.A.
NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2021

NOTE 1 – GENERAL INFORMATION

Millicom International Cellular S.A. (the "Company" or "MIC SA"), is a Luxembourg Société Anonyme, and its subsidiaries, joint ventures and associates (the "Group" or "Millicom") a leading provider of cable and mobile services dedicated to emerging markets. Through our main brands Tigo and Tigo Business™, we provide a wide range of digital services in nine countries in Latin America and two countries in Africa, including high-speed data, cable TV, direct-to-home satellite TV ("DTH" and when we refer to DTH together with cable TV, we use the term "pay-TV"), mobile voice, mobile data, SMS, MFS, fixed voice, and business solutions including value-added services ("VAS"). We provide services on both a business-to-consumer ("B2C") and a business-to-business ("B2B") basis, and we have used the Tigo brand in all our markets since 2004.

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In Latin America, our principal region, we provide both mobile and cable services in eight countries—Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay. In addition, we provide cable services in Costa Rica. In Africa, we provide mobile services in Tanzania, which is currently in the process of being disposed of pending some regulatory approvals.

On November 12, 2021, Millicom announced that it has closed the previously-announced agreement to acquire the remaining 45% equity interest in its joint venture business in Guatemala (collectively, "Tigo Guatemala"). As a result, Millicom owns 100% equity interest in Tigo Guatemala and fully consolidates it since that date.

Millicom also holds small minority investments in businesses such as micro-insurance (Milvik).

The Company's shares are traded as Swedish Depositary Receipts on the Stockholm stock exchange under the symbol TIGO SDB (formerly MIC SDB) and on the Nasdaq Stock Market in the U.S. under the ticker symbol TIGO.

In order to align the Millicom Group's legal structure with its operational model in the United States, Millicom's management decided to formally establish its U.S. operations in a way that recognizes two main focal points. The first focus is the development, enhancement, maintenance, and protection of MIC S.A.'s valuable intangible property performed by a branch of MIC S.A. in the United States. The second focus is the provision of services by Millicom International Services LLC supporting MIC S.A. itself and Millicom's operating companies. As of December 31, 2021, MIC S.A.'s branch in the United States ("IP Branch") has a total of 16 employees.

The Company has its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B 40 630.

The Company prepares consolidated annual accounts, which are published in Luxembourg and are available at the registered office of the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention, except for the use of the fair value option for financial derivative instruments and transferable securities.

Accounting policies and valuation rules are, besides those prescribed by the Law of December 19, 2002, as amended subsequently, determined and applied by the Board of Directors. The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The principal accounting policies applied in the preparation of these annual accounts are set out below. These policies have been consistently applied to all years presented.

2.2.1 Going concern

Management is not aware of anything that would prevent the company from continuing as a going concern. Therefore, the going concern basis of accounting is applied in preparing these annual accounts.

2.2.2 Foreign currency translation

These annual accounts are expressed in US Dollars ($). The translation at the balance sheet is made according to the following principles:

Monetary items are converted at the exchange rates effective at the balance sheet date whereas non-monetary items are converted at the exchange rate effective at the time of the transaction. The realized and unrealized exchange losses are recorded in the profit and loss account, whereas the realized exchange gains are recorded in the profit and loss account at the moment of their realization. Unrealized gains resulting from the fair valuation of derivatives held for trading are recognized under the caption "other interest and similar income".

Financial liabilities and assets, which are hedged by derivative instruments are translated at closing rate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*Continued*

2.2.3 Intangible assets

Intangible fixed assets are valued at purchase price including the expenses incidental thereto. Intangible fixed assets are depreciated over their estimated useful economic lives, as follows:

• Licenses and trademarks rights	5 years or the contract term if less
• Rights of use (IRUs) (note 2.2.4)	12 or 13 years term of the underlying contract
• Software	3 years or the contract term if less

Depreciation is calculated on a straight line basis.

Where the Company considers that an intangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Indefeasible rights of use

There is no universally-accepted definition of an indefeasible rights of use (IRU). These agreements come in many forms. However, the key characteristics of a typical arrangement include:

- The right to use specified network infrastructure or capacity;
- For a specified term (often the majority of the useful life of the relevant assets);
- Legal title is not transferred;
- A number of associated service agreements including operations and maintenance (O&M) and co-location agreements. These are typically for the same term as the IRU; and
- Any payments are usually made in advance.

IRUs are accounted for either as a lease, or service contract based on the substance of the underlying agreement.

IRU arrangements will qualify as a lease if, and when:

- The purchaser has an exclusive right for a specified period and has the ability to resell (or sublet) the capacity; and
- The capacity is physically limited and defined; and
- The purchaser bears all costs related to the capacity (directly or not) including costs of operation, administration and maintenance; and
- The purchaser bears the risk of obsolescence during the contract term.

If all of these criteria are not met, the IRU is treated as a service contract.

An IRU of network infrastructure (cables or fiber) is accounted for as a right of use asset (see note 3), while capacity IRU (wavelength) is accounted for as an intangible asset.

The costs of an IRU recognized as service contract is recognized as prepayment and amortized in the statement of income as incurred over the duration of the contract.

Usage of the Company's controlled IRUs are charged to the local operations of the Group. These recharges are presented as revenue in the Company's profit and loss account under the caption "Other operating income".

2.2.5 Tangible assets

Tangible fixed assets are valued at purchase price including the expenses incidental thereto. Tangible fixed assets are depreciated over their estimated useful economic lives. All repairs and maintenance expenditures are expensed as incurred.

The depreciation rates and methods applied are as follows:

- Computer equipment: 3 years
- Other equipment: 4 to 10 years

Depreciation is calculated on a straight-line basis.

Where the Company considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.6 Financial assets

Shares in affiliated undertakings, participating interest and loans to affiliated undertakings are valued at purchase price and at nominal value including the expenses incidental thereto, less any durable impairment in value.

The recoverability of the Company's shares in affiliated undertakings, participating interest and loans to affiliated undertakings is subject to the future profitability of the underlying operations and the evolution of the business in accordance with plans. In evaluating the recoverability of its assets, the value and future benefits of the underlying operations are periodically reviewed by management based on technological, regulatory and market conditions.

Annually, or when certain operational and financial factors indicate an impairment of value, the Company evaluates the carrying value of the investments and the nominal value of the loans, in relation to the operating performance and future cash flows of the underlying assets. When indicated, the impairment losses are measured based on the difference between the estimated recoverable amount and the carrying amount of the asset. Management's estimates of recoverable amounts are based on the net present values of estimated future cash flows and valuations based on market transactions in similar circumstances. Impairment losses are reversed when the reasons for which the impairment has been created no longer exist.

2.2.7 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments when their recovery is compromised.

2.2.8 Prepayments

Prepayments include expenditures incurred during the current year but relating to a subsequent financial year, as well as debenture loans origination and further amendments costs which are amortized on a straight line basis over remaining estimated debt periods based on the maturity of the financing agreements.

2.2.9 Debenture Loans

Debenture loans are recorded at their reimbursement value. The debt origination and further amendments costs are included in prepayments (note 2.2.8).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*Continued*

2.2.10 Cash at bank and in hand

Highly liquid investments with an original maturity of three months or less are considered to be cash at bank and in hand.

2.2.11 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise. See also note 2.2.16.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for taxation corresponding to the difference between the tax liability estimated by the Company and the advance payments for the financial years for which the tax return has not yet been filed are recorded under the caption "Tax authorities".

2.2.12 Share-based compensation

Share awards under Long-Term Incentive Plans (LTIP) are granted to the directors, management and key employees. The cost of the LTIP awards is recognized on the date of issuance of the shares to the employees together with a corresponding increase in share premium. The cost is based on the market value of the shares at grant date. If shares are issued from treasury shares, the difference between the value of the shares issued and the acquisition cost of the treasury shares is recorded in the profit and loss account as an adjustment to the value of the treasury shares. Value of the shares issued are reported in the "Wages and Salaries" caption upon issuance of the shares related to the share awards plans.

2.2.13 Expense recognition

Expenses are charged in the year they are incurred and they are stated on an accrual basis.

2.2.14 Other operating income

The Company's income is disclosed gross of withholding tax and principally comprises of consultancy, royalty and technical fees charged to affiliated companies. The Company is financing its various subsidiaries and also charging them for business support services, brand fees, management fees and recharging certain costs incurred on behalf of these subsidiaries. Income is recognized as earned.

2.2.15 Leases

While Luxembourg legal and regulatory requirements are not specific as to how leases should be accounted for, the Group elected to apply the requirements defined in IFRS 16 'Leases'. As a result, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the reduction of the liability and finance cost. The finance cost is charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use are recognized under caption "intangible assets" in the balance sheet and is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. As it is generally impracticable to determine that rate, the Company uses the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied can have a significant impact on the net present value of the lease liability recognized under the new accounting policy for leases.

The Company determines the incremental borrowing rate by country and by considering the risk-free rate, the country risk, the industry risk, the credit risk, the currency risk and the asset specific risk, as well as the lease and payment terms and dates.

The Company is also exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is adjusted against the right-of-use asset by discounting the revised lease payments using either the initial discount rate or a revised discount rate. The initial discount rate is used if future lease payments are reflecting market or index rates or if they are in substance fixed. The discount rate is revised, if a change in floating interest rates occurs.

The Company reassesses the variable payment only when there is a change in cash flows resulting from a change in the reference index or rate and not at each reporting date.

Lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate if the lessee is reasonably certain not to exercise that option. The assessment of such options is performed at the commencement

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*Continued*

of a lease. As part of the assessment, Millicom introduced the 'time horizon concept': the reasonable term under which the company expects to use a leased asset considering economic incentives, management decisions, business plans and the fast-paced industry Millicom operates in. The assessment must be focused on the economic incentives for Millicom to exercise (or not) an option to early terminate/extend a contract. The Company has decided to work on the basis that the lessor will generally accept a renewal/forego on the early termination of a contract, as there is an economic incentive to maintain the contractual relationship.

Millicom has considered the specialized nature of most of its assets under lease, the remote likelihood that the lessor can find a third party to substitute Millicom as a lessee and past practice to conclude that, the lease term can go beyond the notice period when there is more than an insignificant penalty for the lessor not to renew the lease. This analysis requires judgment and has a significant impact on the lease liability recognized under the new accounting policy for leases.

Millicom has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are rather recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs

Finally, the Company has taken the additional following decisions when adopting the Group accounting policy on leases:

- Non-lease components are capitalized
- Intangible assets are out of scope for the new lease rules.

2.2.16 Derivative financial instruments

The Company may enter from time to time into derivative financial instruments in order to hedge certain financial risk at Company or Group level.

The Company opted to use the fair value model as described by the Law of December 19 2002, as amended subsequently, art. 64bis. Derivative financial instruments used for hedging purposes are measured at fair value based on their market value (Mark to Market) at the reporting date and they are recorded under either 'other provisions' (when fair value is negative) or 'other debtors' (when fair value is positive). The profit and loss impact is presented under "other interests and similar income" (unrealized gain) or in "other interests and similar expenses" (unrealized losses).

For hedge accounting purposes, hedges are classified as either:

- Fair value hedges, when they hedge exposure to a change in the fair value of a recognized asset or liability, or of a firm commitment (except for currency risk); or
- Cash-flow hedges, when they hedge exposure to a change in cash flow arising from a specific risk associated with a recognized asset or liability, a highly probable future transaction or a currency risk on a firm commitment.

The "effective" part of the cash flow hedge instrument is recognized in "cash flow reserve" in equity, while the "non-effective" part is recognized in the profit and loss account under the caption "other interests and similar expenses" (loss) or under the caption "other interest and similar income" (gain). Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit and loss. The cash flow hedge reserve is non-distributable.

To avoid any accounting mismatch, unrealized exchange losses and/or gains on financial assets and liabilities, being hedged with these derivative financial instruments, are also recognized in the profit and loss account.

Changes in the fair value of derivatives that are designated and qualify as fair value hedge are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.2.17 Own shares

Own shares are initially measured at acquisition cost and recognized as an asset with a corresponding non-distributable reserve created from share premium and retained earnings. Own shares are subsequently re-measured at the lower of cost or market value using the average cost. Transferred or cancelled shares are valued using the average cost method. They are subject to value adjustments where their recovery is compromised. These value adjustments are reversed when the reasons for which the value adjustments were made have ceased to apply.

2.2.18 Other investments (transferable securities)

Transferable securities are valued at fair value. The fair value of these financial instruments corresponds to the latest available quote. The changes in fair value of transferable securities are recorded in the profit and loss account.

NOTE 3 – INTANGIBLE ASSETS

The movements of the year in intangible fixed assets are as follows:

US$	Software	IRU's	Other	Work in Progress	Total
As at As at January 1, 2021					
Cost	34,150,649	11,267,401	520,489	1,529,340	47,467,878
Accumulated amortisation	(17,812,834)	(6,845,960)	(520,489)	—	(25,179,283)
Carrying amount	**16,337,815**	**4,421,441**	**—**	**1,529,340**	**22,288,595**
Additions[1]	61,018	—	—	7,910,585	7,971,603
Category transfers	1,770,169	—	—	(1,770,169)	—
Amortisation	(4,984,574)	(1,134,274)	—	—	(6,118,848)
– Amortisation on in use assets	(4,984,574)	(1,134,274)	—	—	(6,118,848)
As at As at December 31, 2021					
Cost	35,981,835	11,267,401	520,489	7,669,756	55,439,481
Accumulated amortisation	(22,797,408)	(7,980,234)	(520,489)	—	(31,298,131)
Carrying amount as at December 31, 2021	**13,184,427**	**3,287,167**	**—**	**7,669,756**	**24,141,350**

Intangible assets include software licenses and indefeasible rights of use (IRU) related to telecommunications capacity contracts which the Company purchases centrally and resells capacity to certain of its operating subsidiaries and joint ventures.

(1) As at December 31, 2021, the work in progress is related mainly to HR Transformation projects for US$3 million, BTO project for US$1.2 million, HC project cost for US$1 million and other less representative projects for US$1 million each one.

US$	Software	IRU's	Other	Work in Progress	Total
As at As at January 1, 2020					
Cost	22,097,650	18,217,401	1,175,463	5,968,785	47,459,298
Accumulated amortisation	(13,300,506)	(10,114,387)	(469,490)	—	(23,884,383)
Carrying amount	**8,797,144**	**8,103,014**	**705,973**	**5,968,785**	**23,574,916**
Additions	173,251	—	—	6,914,427	7,087,678
Disposals	—	(6,950,000)	—	—	(6,950,000)
Category transfers	12,008,846	—	(654,974)	(11,353,872)	—
Transfers to tangible work in progress	(129,097)	—	—	—	(129,097)
Amortisation	(4,512,329)	3,268,427	(50,999)	—	(1,294,901)
– Amortisation on in use assets	(4,512,329)	(834,003)	(50,999)	—	(5,397,331)
– Reversal of Amortisation of Disposal assets	—	4,102,430	—	—	4,102,430
As at December 31, 2020					
Cost	34,150,650	11,267,401	520,489	1,529,340	47,467,880
Accumulated amortisation	(17,812,835)	(6,845,960)	(520,489)	—	(25,179,284)
Carrying amount as at December 31, 2020	**16,337,815**	**4,421,441**	**—**	**1,529,340**	**22,288,596**

NOTE 4 – TANGIBLE ASSETS

The movements of the year in tangible fixed assets are as follows:

US$	Leaseholds improvements	Other PPE	Right of use asset	Work in Progress	Total
As at January 1, 2021					
Cost	196,631	2,732,591	1,487,806	1,631,598	6,048,626
Accumulated depreciation	(20,888)	(2,643,864)	(209,028)	—	(2,873,780)
Carrying amount	**175,743**	**88,727**	**1,278,778**	**1,631,598**	**3,174,846**
Additions	—	—	—	1,761,585	1,761,585
Transfers	—	8,771	—	(8,771)	—
Depreciation	(39,326)	(63,800)	(169,594)	—	(272,720)
– Depreciation on in use assets	(39,326)	(63,800)	(169,594)	—	(272,720)
As at December 31, 2021					
Cost	196,631	2,741,362	1,487,806	3,384,412	7,810,211
Accumulated depreciation	(60,215)	(2,707,664)	(378,621)	—	(3,146,500)
Carrying amount	**136,416**	**33,698**	**1,109,184**	**3,384,412**	**4,663,711**

Tangible assets include IT equipment, lease right-of-use assets and office furniture.

US$	Leaseholds improvements	Other PPE	Right of use asset	Work in Progress	Total
As at January 1, 2020					
Cost	—	2,710,454	1,419,623	1,514,573	5,644,650
Accumulated depreciation	—	(2,565,938)	(39,434)	—	(2,605,371)
Carrying amount	**—**	**144,517**	**1,380,189**	**1,514,573**	**3,039,279**
Additions	—	—	68,183	219,746	287,928
Disposals	(11,439)	(1,611)	—	—	(13,050)
Transfers	208,070	23,748	—	(231,818)	—
Transfer from Intangible Assets	—	—	—	129,098	129,098
Depreciation	(20,888)	(77,927)	(169,594)	—	(268,409)
– Depreciation on in use assets	(20,888)	(79,538)	(169,594)	—	(270,020)
– Reversal of Depreciation of Disposal assets	—	1,611	—	—	1,611
As at December 31, 2020					
Cost	196,631	2,732,591	1,487,806	1,631,598	6,048,626
Accumulated depreciation	(20,888)	(2,643,864)	(209,028)	—	(2,873,780)
Carrying amount	**175,743**	**88,727**	**1,278,778**	**1,631,598**	**3,174,846**

NOTE 5 – FINANCIAL ASSETS

5.1 Shares in affiliated undertakings, participating interest and other loans

The movements for the year on shares in affiliated undertakings, participating interest and other loans were as follows:

	December 31, 2021 US$			December 31, 2020 US$		
	Shares in affiliated undertakings	**Shares in participating interest**	**Other loans**	Shares in affiliated undertakings	Shares in participating interest	Other loans
Cost						
Opening balance	4,724,982,000	123,649,408	40,000,000	4,718,722,000	123,649,408	40,000,000
Additions[(1)]	2,225,065,852	—	—	6,260,000	—	—
Transfers	—	—	—	—	—	—
Closing balance	**6,950,047,852**	**123,649,408**	**40,000,000**	**4,724,982,000**	**123,649,408**	**40,000,000**
Value adjustments						
Opening balance	(583,350,363)	(123,649,408)	(40,000,000)	(9,291,318)	(123,649,408)	—
Impairment during the year[(2)]	—	—	—	(574,059,045)	—	(40,000,000)
Closing balance	**(583,350,363)**	**(123,649,408)**	**(40,000,000)**	**(583,350,363)**	**(123,649,408)**	**(40,000,000)**
Net book value						
Opening balance	4,141,631,637	—	—	4,709,430,682	—	40,000,000
Closing balance	**6,366,697,489**	**—**	**—**	**4,141,631,637**	**—**	**—**

(1) On December 17, 2021 and September 29, 2021 , the Company increased its investments in Millicom International Operations S.A. and Millicom Spain, S.L.. through contributions in kind of a portion of amounts owed from them for US$2,168 million and US$56 million, respectively, mainly as a result of the Tigo Guatemala acquisition.

(2) Shares in affiliated undertakings: an impairment was booked against the Company's investment in Millicom Spain S.L. in 31 December 2020 for a total amount of US$574 million. For Other loans, the Company fully impaired this receivable of US$40 million (and US$5 million accrued interests thereon) disclosed under 'Value adjustment in respect of financial assets and of investments held as current assets' in the profit and loss account.

5.2 Shares in affiliated undertakings

The carrying values of the shares in affiliated undertakings and the related value adjustments are as follows:

Name of the Company	Country	Percent shares held 2020 %	Opening carrying value 2020 US$	Additions/ Disposals[(1)] US$	**Closing carrying value 2021 US$**	Opening value adjustments 2020 US$	Charge/ Reversal US$	**Closing value adjustments 2021 US$**	**Closing Net book value 2021 US$**	**Percent shares held 2021 %**
Millicom International Operations S.A.	Luxembourg	100	3,682,507,004	2,168,905,176	5,851,412,180	—	—	—	5,851,412,180	100
Millicom Spain S.L.	Spain	100	1,024,483,966	56,160,676	1,080,644,642	(574,059,042)	—	(574,059,042)	506,585,600	100
Millicom Global Employment Company S.à r.l.	Luxembourg	100	11,269,887	—	11,269,887	(8,891,319)	—	(8,891,319)	2,378,568	100
Millicom SSC, S.A. DE C.V.	El Salvador	99.99	249,999	—	249,999	—	—	—	249,999	99.99
Shai Holding S.A.	Luxembourg	99.99	43,153	—	43,153	—	—	—	43,153	99.99
Millicom Services B.V.	Netherlands	100	10,000	—	10,000	—	—	—	10,000	100
Millicom CAM SEM S.A.	Panama	100	10,000	—	10,000	—	—	—	10,000	100
Millicom Services AB	Sweden	100	7,786	—	7,786	—	—	—	7,786	100
Millicom International Services LLC	U.S.A.	100	100	—	100	—	—	—	100	100
Millicom USA Holdings LLC	U.S.A.	100	100	—	100	—	—	—	100	100
Millicom Services UK Ltd	United Kingdom	100	2	—	2	—	—	—	2	100
Millicom Telecommunications S.A.[(1)]	Luxembourg	100	6,000,001	—	6,000,001	—	—	—	6,000,001	100
			4,724,581,998	**2,225,065,852**	**6,949,647,850**	**(582,950,361)**	**—**	**(582,950,361)**	**6,366,697,489**	

(1) Please refer to note 5.1 for more details on additions in 2021.

NOTE 5 – FINANCIAL ASSETS—*Continued*

5.2 Shares in affiliated undertakings (continued)

Management believes that no durable depreciation on investments, other than those already recorded, exist as at December 31, 2021.

Art. 65 paragraph (1) 2° of the Law of December 19 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art.67 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

NOTE 6 – DEBTORS

Debtors are composed as follows:

	Total December 31, 2021 US$	Total December 31, 2020 US$
Amounts owed by affiliated undertakings before value adjustment becoming due and payable within one year	486,656,948	213,827,105
Value adjustments in amounts owed by affiliated undertakings becoming due and payable within one year	(67,154,797)	(67,154,797)
Amounts owed by affiliated undertakings after value adjustment becoming due and payable within one year[(2)]	**419,502,151**	**146,672,308**
Amounts owed by affiliated undertakings after value adjustment becoming due and payable after more than one year[(3)]	379,036,220	612,552,655
Amounts owed by undertakings in which the company is linked by virtue of participating interests becoming due and payable within one year[(4)]	178,688	3,912,945
Other receivables becoming due and payable within one year[(1)]	6,867,505	23,807,108
	805,584,564	**786,945,016**

(1) As at December 31, 2021, Other Receivables includes assets of US$5.9 million corresponding to the fair value of SEK bond cross-currency swaps (2020: US$23.3 million).

NOTE 6 – DEBTORS—*Continued*

Following are the details of the amounts owed by affiliated undertakings and the related value adjustments:

(2)	Total December 31, 2021				
	Amounts owed by	**Amounts owed to**	**Net balance before value adjustments**	**Value adjustments**	**Net balance after value adjustments**
Telefonía Celular de Nicaragua, S.A.	149,870,101	(8,297,995)	141,572,106	—	141,572,106
Millicom Cable 200 N.V.	90,041,821	—	90,041,821	—	90,041,821
Millicom Spain, S.L.	101,048,888	(33,329,029)	67,719,859	—	67,719,859
Mic Africa B.V.	48,688,305	—	48,688,305	—	48,688,305
Shai Holding S.A.	31,312,134	(119,342)	31,192,792	—	31,192,792
Telemovil El Salvador, S.A. de C.V.	15,994,876	(801,652)	15,193,224	—	15,193,224
Millicom Cable 209 N .V.	9,921,770	—	9,921,770	—	9,921,770
Millicom International One S.L.U	8,661,803	(30)	8,661,773	—	8,661,773
Millicom Services AB	2,572,307	(26,487)	2,545,820	—	2,545,820
Grupo de Comunicaciones Digitales S.A.	1,647,413	(93,014)	1,554,399	—	1,554,399
Millicom Telecommunications S.A.	1,430,682	(93)	1,430,589	—	1,430,589
Millicom International Holding Ltd.	275,205	—	275,205	—	275,205
Millicom International Ventures AB	481,057	(209,074)	271,983	—	271,983
Servicios Innovadores de Comunicación y Entretenimiento, S.A.	233,967	—	233,967	—	233,967
Millicom International III N.V.	81,038	—	81,038	—	81,038
Mobile Cash RDC S.à r.l.	200,027	—	200,027	(150,920)	49,107
Telesis Tanzania Limited	25,878	—	25,878	—	25,878
Teledeportes Paraguay S.A.	24,109	—	24,109	—	24,109
Millicom LIH S.A. (MLIH)	10,173	—	10,173	—	10,173
Comvik International Ab	5,853	—	5,853	—	5,853
Millicom Cable N.V.	1,771	—	1,771	—	1,771
Millicom Services B.V.	10,554	(10,000)	554	—	554
Mic Latin America B.V.	55	—	55	—	55
X-Com Holding S.A.	61,134,669	—	61,134,669	(61,134,669)	—
Millicom Payment Solutions Ltd.	5,448,508	—	5,448,508	(5,448,508)	—
Zantel (Zanzibar Telecom Ltd)	420,701	—	420,701	(420,701)	—
	529,543,665	**(42,886,716)**	**486,656,949**	**(67,154,798)**	**419,502,151**

These amounts are short-term in nature

NOTE 6 – DEBTORS—*Continued*

	Total December 31, 2020				
	Amounts owed by	Amounts owed to	Net balance before value adjustments	Value adjustments	Net balance after value adjustments
Millicom Cable Costa Rica, S.A.	957,591	(352,804)	604,787	—	604,787
Telefonía Celular de Nicaragua, S.A.	47,064,979	(16,889)	47,048,090	—	47,048,090
X-Com Holding S.A.	61,134,669	—	61,134,669	(61,134,669)	—
Millicom Payment Solutions Ltd.	5,448,508	—	5,448,508	(5,448,508)	—
Zantel (Zanzibar Telecom Ltd.)	420,701	—	420,701	(420,701)	—
Cable Onda, S.A.	212,294	(165,157)	47,137	—	47,137
Grupo de Comunicaciones Digitales S.A.	4,319,718	—	4,319,718	—	4,319,718
Telemovil El Salvador, S.A. de C.V.	9,146,033	(527,814)	8,618,219	—	8,618,219
Telefónica Celular del Paraguay S.A.	2,042,294	(200,242)	1,842,052	—	1,842,052
Teledeportes Paraguay S.A.	39,158	—	39,158	—	39,158
Mobile Cash RDC S.à r.l.	200,026	—	200,026	(150,920)	49,106
Telesis Tanzania Limited	25,878	—	25,878	—	25,878
Millicom International III N.V.	81,038	—	81,038	—	81,038
Millicom International Holding Ltd.	275,205	—	275,205	—	275,205
Millicom Cable N.V.	1,772	—	1,772	—	1,772
Millicom Spain, S.L.	86,942,579	(17,498,491)	69,444,088	—	69,444,088
Millicom Telecommunications S.A.	3,575,455	(1,104,319)	2,471,136	—	2,471,136
Millicom LIH S.A. (MLIH)	9,675	—	9,675	—	9,675
Mic Africa B.V.	11,660,501	—	11,660,501	—	11,660,501
Millicom Services B.V.	11,336	(10,000)	1,336	—	1,336
Millicom Americas LLC	414,263	(280,851)	133,412	—	133,412
	233,983,673	**(20,156,567)**	**213,827,106**	**(67,154,798)**	**146,672,308**

(3)	**Total December 31, 2021**		
	Amounts owed by	**Amounts owed to**	**Net balance**
Telefonia Celular de Nicaragua, S.A. (3.1)	235,036,220	—	235,036,220
Millicom International One S.L.U(3.2)	144,000,000	—	144,000,000
	379,036,220	**—**	**379,036,220**

(3.1) Loan between Newcom Nicaragua S.A. and MIC SA for a total amount of US$437 million used for the acquisition of Telefonia Celular de Nicaragua, S.A. of which US$235 million is the outstanding balance. It bears interest at a rate of 6.25% with a maturity date on May 16, 2029. Telefonia Celular de Nicaragua, S.A. and Newcom Nicaragua S.A. merged in 2021 with Telefonia Celular de Nicaragua, S.A. being the surviving entity.

(3.2) Loan was signed in June 2020 for a total amount of US$250 million to be used for working capital purposes of which US$144 million is the outstanding balance and bears interest at a rate of LIBOR 3 months + 263 bps. The loan matures on January 31, 2023.

	Total December 31, 2020		
	Amounts owed by	Amounts owed to	Net balance
Telefonia Celular de Nicaragua, S.A.	394,052,655	—	394,052,655
Millicom International II N.V.	38,500,000	—	38,500,000
Millicom Spain, S.L	30,000,000	—	30,000,000
Millicom International One S.L.U	150,000,000	—	150,000,000
	612,552,655	**—**	**612,552,655**

NOTE 6 – DEBTORS—*Continued*

(4) Amounts owed by undertakings in which the Company is linked by participating interests are detailed below:

(4)	Total December 31, 2021		
	Amounts owed by	**Amounts owed to**	**Net balance**
Navega, S.A. de C.V.	139,920	—	139,920
Airtel Tigo Ghana	38,748	—	38,748
Dinero Electrónico, S.A.	20	—	20
	178,688	**—**	**178,688**

	Total December 31, 2020		
	Amounts owed by	Amounts owed to	Net balance
Comunicaciones Celulares, S.A.	2,382,462	—	2,382,462
Servicios Innovadores de Comunicación y Entretenimiento, S.A.	22,216	—	22,216
Telefonica Celular, S.A. de C.V.	1,388,616	(29,037)	1,359,579
Navega, S.A. de C.V.	109,920	—	109,920
Dinero Electrónico, S.A.	20	—	20
Airtel Tigo Ghana	38,748	—	38,748
	3,941,982	**(29,037)**	**3,912,945**

Management believes that appropriate value adjustments had been made in previous years and that no durable depreciation on the amounts owed by affiliated undertakings exist, other than those already recorded.

In the normal course of the business, the Company is financing its various subsidiaries and also charging those for business support services, brand fees, management fees and recharging certain costs incurred on behalf of those subsidiaries. At the same time, certain costs incurred by subsidiaries are recharged to the Company and advanced dividends remitted to the Company. These transactions give rise to intercompany payable and receivable balances which are settled periodically either through offset of receivables and payables, declaration of dividends, or cash settlement.

NOTE 7 – CAPITAL AND RESERVES

7.1 Share capital and share premium

The authorized share capital of the Company totals 133,333,200 registered shares (2020: 133,333,200) consisting of 101,739,217 (2020: 101,739,217) registered common shares at a par value of US$1.50 each, of which at December 31, 2021, 1,538,257 are owned by the Company (2020: 526,135). On December 13, 2021, Millicom's Board of Directors proposed to increase the authorized share capital of the Company to US$300,000,000 divided into 200,000,000 shares with a par value of US$1.5 each, through an extraordinary general meeting ("EGM"). The proposal has been ratified at the EGM which took place on February 28, 2022.

In 2021, 458,941 shares were issued to management, directors, and employees (2020: 520,726).

7.2 Reserve for own shares

During the year ended December 31, 2021, Millicom repurchased 1,369,284 shares for a total amount of US$50 million and withheld 101,779 shares for settlement of tax obligations (2020: 116,718) on behalf of employees under share-based compensation plans and transferred a similar amount from share premium to reserve for own shares as required under Luxembourg law. The cost of shares issued during the year from treasury shares is US$26.2 million.

At December 31, 2021, the carrying value of the own shares was US$60.1 million while their fair value based on market share price was US$43.8 million. Own shares should therefore have been impaired by US$16.4 million for 2021, however considering an impairment of US$9.9 million was recorded in previous years, the Company recognized an additional impairment this year of US$6.4 million in the profit and loss account under "Value adjustments in respect of financial assets and of investments held as current assets".

NOTE 7 – CAPITAL AND RESERVES—*Continued*

During the year ended December 31, 2021, the Company has recorded a positive value adjustment on the value of the Company's own shares for US$4.0 million under the same caption in the profit and loss account (2020: reversal of impairment of US$7 million). This results from the application of the Company's accounting policy for own shares (note 2.2.17) in respect of the value of shares vested during the year as part of the Company's share incentive plans (note 7.5).

Considering the impairment mentioned above, a total net impairment of US$2.4 million has been recorded during the year 2021.

7.3 Legal reserve

On an annual basis, if the Company reports a net profit for the year, Luxembourg law requires appropriation of an amount equal to at least 5% of the annual net profit to a legal reserve until such reserve equals 10% of the subscribed capital. This reserve is not available for dividend distribution.

7.4 Changes in shareholders' equity

The changes in shareholders' equity for 2021 and 2020 are shown below:

	Number of shares outstanding	Share capital US$	Share premium US$	Reserve for own shares US$	Cash flow Hedge Reserve US$	Legal reserve US$	Accumulated profits US$	Profit for the year US$	Total shareholders' equity US$
Balance as at December 31, 2020	**101,739,217**	**152,608,826**	**435,858,902**	**20,403,533**	**(12,204,114)**	**16,357,968**	**1,666,265,694**	**56,066,101**	**2,335,356,910**
Allocation of 2020 result	—	—	—	—	—	—	56,066,101	(56,066,101)	—
Dividends	—	—	—	—	—	—	—	—	—
Acquisition of own shares	—	—	(55,991,253)	55,991,253	—	—	—	—	—
Transfer from reserve for own shares	—	—	6,445,034	(6,445,034)	—	—	—	—	—
Cash flow hedge reserve[(1)]	—	—		—	4,792,223	—	—	—	4,792,223
Long term incentive plans	—	—	26,186,323	(26,186,323)	—	—	—	—	—
Profit for the year	—	—		—	—	—	—	204,806,298	204,806,298
Balance as at December 31, 2021	**101,739,217**	**152,608,826**	**412,499,006**	**43,763,429**	**(7,411,891)**	**16,357,968**	**1,722,331,795**	**204,806,298**	**2,544,955,431**

(1) Cash flow hedge reserve comprised of the fair value changes on the SEK interest rate swaps (note 6 and note 11).

	Number of shares outstanding	Share capital US$	Share premium US$	Reserve for own shares US$	Cash flow Hedge Reserve US$	Legal reserve US$	Accumulated profits US$	Profit for the year US$	Total shareholders' equity US$
Balance as at December 31, 2019	**101,739,217**	**152,608,826**	**428,282,120**	**27,980,315**	**(6,124,690)**	**16,357,968**	**957,344,859**	**708,920,835**	**2,285,370,233**
Allocation of 2019 result	—	—	—	—	—	—	708,920,835	(708,920,835)	—
Dividends	—	—	—	—	—	—	—	—	—
Acquisition of own shares	—	—	(19,019,846)	19,019,846	—	—	—	—	—
Transfer from reserve for own shares	—	—	(13,330,722)	13,330,722	—	—	—	—	—
Cash flow hedge reserve	—	—		—	(6,079,424)	—	—	—	(6,079,424)
Long term incentive plans	—	—	39,927,350	(39,927,350)	—	—	—	—	—
Profit for the year	—	—		—	—	—	—	56,066,101	56,066,101
Balance as at December 31, 2020	**101,739,217**	**152,608,826**	**435,858,902**	**20,403,533**	**(12,204,114)**	**16,357,968**	**1,666,265,694**	**56,066,101**	**2,335,356,910**

NOTE 7 – CAPITAL AND RESERVES—*Continued*

7.5 Share-based compensation plans

As at December 31, 2021, the number of share awards expected to vest under incentive plans is as follows:

Plan awards and shares expected to vest	**2021 Plans**		2020 Plans		2019 Plans		2018 Plans	
(number of shares)	**Performance Plan**	**Deferred plan**	Performance Plan	Deferred plan	Performance Plan	Deferred plan	Performance Plan	Deferred plan
Initial shares granted	451,363	536,890	341,897	370,131	257,601	297,856	237,196	262,317
Additional shares granted[1]		5,824	—	5,928	—	43,115	—	3,290
Total shares granted	451,363	542,714	341,897	376,059	257,601	340,971	237,196	265,607
Revision for forfeitures	(17,469)	(11,790)	(264,137)	(26,815)	(204,649)	(31,553)	(78,903)	(38,167)
Revision for cancellations	—	—	—	—	—	—	(4,728)	—
Total before issuances	433,894	530,924	77,760	349,244	52,952	309,418	153,565	227,440
Shares issued in 2018	—	—	—	—	—	—	(97)	(18,747)
Shares issued in 2019	—	—	—	—	(150)	(24,294)	(3,109)	(54,971)
Shares issued in 2020	—	—	—	(3,571)	(17)	(96,629)	(304)	(35,125)
Shares issued in 2021	(1,121)	(5,760)	—	(113,653)	—	(87,141)	(103,725)	(118,597)
Performance conditions	—	—	—	—	—	—	(46,330)	—
Shares still expected to vest	432,773	525,164	77,760	232,020	52,785	101,354	—	—

(1) Additional shares granted represent special one-time awards

Deferred share plan (unchanged since 2014, except for vesting schedule)

Until 2018 deferred awards plan, participants were granted shares based on past performance, with 16.5% of the shares vesting on January 1 of each of year one and two, and the remaining 67% on January 1 of year three. Beginning with the 2019 plan, while all other guidelines remain the same, shares vest with 30% on January 1 of each of year one and two, and the remaining 40% on January 1 of year three. Vesting is conditional upon the participant remaining employed with Millicom at each vesting date. The cost of this long-term incentive plan, which is not conditional on performance conditions, is calculated as follows:

Fair value (share price) of Millicom's shares at grant date x number of shares expected to vest.

Performance share plan (for plans issued for 2018 and 2019)

Shares granted under this performance share plan vest at the end of the three-year period, subject to performance conditions, 25% based on Relative Total Shareholder Return ("Relative TSR"), 25% based on the achievement of the Service Revenue target measured on a 3-year CAGRs from year one to year three of the plan ("Service Revenue") and 50% based on the achievement of the Operating Free Cash Flow ("Operating Free Cash Flow") target measured on a 3-year CAGRs from year one to year three of the plan. From 2020 onwards, the Operating Free Cash Flow target has been redefined to consider payments made in respect of leases. As a result, the target is since then the Operating Free Cash Flow after Leases ("OFCFaL").

For the performance share plans, and in order to calculate the fair value of the TSR portion of those plans, it is necessary to make a number of assumptions which are set out below. The assumptions have been set based on an analysis of historical data as at grant date.

Performance share plan (for plans issued from 2021)

Shares granted under this performance share plan generally follow the same rules as for previous performance share plans. However, and to reflect the need for retention and to align more with U.S. practice, Millicom have added time vested Restricted Stock Units ("RSU's") as a component of the LTI 2021 representing 35% of the award. The RSU's will vest at the end of three years depending on satisfactory service condition. The Relative TSR, which account for 20% of the award, will be measured over the 10 trading days before / after December 31 of the last year of the corresponding three-year measurement period. The Service Revenue (15%) and Operating Cash Flow after Leases ("OCFaL") (30%) performance

NOTE 7 – CAPITAL AND RESERVES—*Continued*

conditions will not be measured based on a CAGR anymore but on the actual cumulative achievement against the 3-year cumulative targets to better reflect the performance over the three-year period rather than simply the end point as is the case with a CAGR target.

For the performance share plans, and in order to calculate the fair value of the TSR portion of those plans, it is necessary to make a number of assumptions which are set out below. The assumptions have been set based on an analysis of historical data as at grant date.

Assumptions and fair value of the shares under the TSR portion(s) are as follows:

	Risk-free rate %	**Dividend yield %**	**Share price volatility(i) %**	**Award term (years)**	**Share fair value (in US$)**
Performance share plan 2021 (Relative TSR)	0.29 %	1.28 %	46.28 %	2.82	52.99
Performance share plan 2020 (Relative TSR)	0.61 %	1.47 %	24.54 %	2.93	55.66
Performance share plan 2019 (Relative TSR)	(0.24) %	3.01 %	26.58 %	2.93	49.79
Performance share plan 2018 (Relative TSR)	(0.39) %	3.21 %	30.27 %	2.93	57.70

NOTE 8 – PREPAYMENTS

	Total December 31, 2021 US$	Total December 31, 2020 US$
Unamortized loan origination costs(1)	47,300,409	31,385,391
Other prepayments	1,814,899	2,798,362
	49,115,308	**34,183,753**

(1) As at December 31, 2021, unamortized loan origination costs amount to US$47 million (2020: US$31 million). The amortization for the year of US$17 million is recorded in the profit and loss account under the caption "other interest and similar expenses" which includes the accelerated amortized cost of US$5.2 million in relation to the partial early redemptions of 2026, 2028 and 2029 Bonds (see note 10) as well as the amortized cost of the new bank bridge financing in respect of the Tigo Guatemala acquisition (see note 10).

NOTE 9 – OTHER PROVISIONS

	Total December 31, 2021 US$	Total December 31, 2020 US$
Provisions related to investments disposed of(1)	8,995,233	8,995,233
Income Tax Risk provision (Note 23)	15,785,183	8,267,771
Other provisions(2)	2,096,501	6,720,462
	26,876,917	**23,983,466**

(1) Corresponds to a provision for other expenses directly linked with the disposal of DRC estimated at US$9 million (2020: US$9 million).The statute of limitation for these cases have not been reached yet, the provision remains therefore unchanged.

(2) Relates to the risks of some of the Company's subsidiaries and joint ventures for which the Company acts as guarantor; during 2021 Millicom has sold its investment in Airtel Ghana and the provision booked for legal cases was totally liquidated (2020: US$4 million). The remaining amount of approximately US$2 million corresponds to other legal cases for which a provision was made to cover payments to be done for court resolutions.

NOTE 10 – NON-CONVERTIBLE LOANS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

	Amount payable within one year US$	Total December 31, 2021 US$	Total December 31, 2020 US$
US$ 2.15Bn Bridge Loan[1]	1,650,000,000	1,650,000,000	—
	1,650,000,000	**1,650,000,000**	**—**

(1) in November 12, 2021, Millicom completed the acquisition of the remaining 45% shareholding in Tigo Guatemala. The transaction has been financed with a bridge financing from a group of international banks as JP Morgan, Goldman Sachs and Morgan Stanley for an initial total amount of US$2.15 billion, of which US$1.65 billion remains outstanding at year-end. The financing bears a variable interest rate. The maturity is 6 months starting from the closing date.

NOTE 11 – NON-CONVERTIBLE LOANS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

	After one year and within five years US$	More than five years US$	Total December 31, 2021 US$	Total December 31, 2020 US$
US$500M 5.125% Senior Notes[1]	—	450,000,000	450,000,000	500,000,000
COP144Bn 9.45% Senior Notes[2]	50,000,000	—	50,000,000	50,000,000
US$500M 6.625% Senior Notes[3]	147,855,600	—	147,855,600	500,000,000
US$750M 6.25% Senior Notes[4]	—	675,000,000	675,000,000	750,000,000
SEK2Bn 2.35% + Stibor Senior Notes[5]	243,093,117	—	243,093,117	243,093,117
US$500M 4.5% Senior Notes[6]	—	787,815,049	787,815,049	500,000,000
	540,948,717	**1,912,815,049**	**2,453,763,766**	**2,543,093,117**

The total interest expense on the above debts amounted to US$136.5 million for the year (2020: US$163.2 million) and is presented in the "Other interest and similar expenses" caption (note 21).

1) (2028) US$500 million 5.125% Senior Notes

On September 20, 2017, Millicom issued a US$500 million 5.125% fixed interest rate bond repayable in 10 years. The bond was issued at 100% of the principal and has an effective interest rate of 5.244%. US$6.4 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the 10-year life of the bond.

On February 22, 2021, Millicom redeemed 10% of the principal outstanding of its Notes due 2026, 2028 and 2029 at a price of 103%. This redemption followed Millicom's announcement dated February 11, 2021. Millicom redeemed US$50 million on these 2028 Senior Notes which also triggered the recognition of the accelerated amortization of the remaining US$0.7 million amortized costs and US$1.5 million of early redemption fee. These have been recorded in the "Other interest and similar expenses" caption (note 21).

2) COP144Bn 9.45% Senior Notes

On July 24, 2018, the Company issued a COP 144 Bn /US$50 million bilateral facility with IIC (Inter-American Development Bank) for a US$ indexed to COP Note due in 2025. The note bears interest at 9.45% p.a. This COP Note is used as net investment hedge of the net assets of our operations in Colombia. US$1.2 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the bond.

3) (2026) US$500 million 6.625% Senior Notes

On October 16, 2018, Millicom issued a US$500 million 6.625% fixed interest rate bond repayable in 8 years. The bond was issued at 100% of the principal and has an effective interest rate of 6.748%. US$6.2 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the bond.

On February 22, 2021, as part of the early redemption program of its Notes due 2026, 2028 and 2029 (see above), Millicom redeemed US$50 million on these 2026 Senior Notes which also triggered the recognition of the accelerated amortization of the remaining US$0.5 million amortized costs and US$1.5 million of early redemption fee. These have been recorded in the "Other interest and similar expenses" caption (note 21).

NOTE 11 – NON-CONVERTIBLE LOANS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR—*Continued*

On September 22, 2021, Millicom announced the early participation exchange results from its offer dated September 8, 2021; US$302.1 million of the 6.625% Notes due 2026 were exchanged for US$307.5 million of the 4.5% Notes due 2031 (at 101.812% exchange ratio). The gain derived from this exchange for US$14.7 million has been recorded in "Other Interest and Similar Expenses" (note 21).

4) (2029) US$750 million 6.250% Senior Notes

On March 25, 2019, Millicom issued a US$750 million 6.250% fixed interest rate bond repayable in 10 years. The bond was issued at 100% of the principal and has an effective interest rate of 6.36%. US$8.2 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the bond.

On February 22, 2021, as part of the early redemption program of its Notes due 2026, 2028 and 2029 (see above), Millicom redeemed US$75 million on these 2029 Senior Notes which also triggered the recognition of the accelerated amortization of the remaining US$0.7 million amortized costs and US$2.3 million of early redemption fee. These have been recorded in the "Other interest and similar expenses" caption (note 21).

5) SEK2Bn 2.35% + Stibor Senior Notes

On May 15, 2019, Millicom issued a SEK2 Bn / US$214 million repayable note in 5 years. The bond was issued at 100% of the principal and has an effective interest rate of 2.66%.. The notes bear interest at a floating rate of STIBOR (3 months) (excluding a STIBOR floor) plus 2.35% US$2.4 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the bond.

6) (2031) US$500 million 4.5% Senior Notes

On October 19, 2020, Millicom issued a US$500 million 4.500% fixed interest rate bond repayable in 2031. The bond was issued at 100% of the principal and has an effective interest rate of 4.800%. US$5.5 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the bond. As aforementioned, US$302.1 million of the 6.625% Notes due 2026 were exchanged during 2021 for US$307.5 million of these 2031 Senior Notes.

7) US$100 million DNB Bilateral loan

On December 20th 2021 Millicom executed a new bilateral loan with DNB Sweden AB for US$100 million with a variable interest rate and a 5-year maturity. The disbursement was done on December 23, 2021 and the money was used to repay partially the US$2.5Bn Bridge loan described in note 10. US$0.7 million of withheld and upfront costs are presented under the caption "prepayments" and amortized under "other interest and similar expenses" over the duration of the loan.

8) Revolving Credit Facility

In October 2020, MIC S.A. entered into a 5 year, US$600 million ESG-linked revolving credit facility (the "Facility") with a syndicate of 11 commercial banks. This facility was used to refinance the old multi-currency revolving credit facility.

9) Guarantees

In the ordinary course of business, the Company has issued guarantees to secure certain obligations of some of the Group's operations under bank supplier financing agreements. As of December 31, 2021, the outstanding exposure for guarantees issued by the Company to cover debt and financing, in the operations, amounted to US$300 million (2020: US$287 million).

10) Currency and interest rate swap contracts

Interest rate and currency swaps on SEK denominated debt have a maturity date of May 15, 2024. As of December 31, 2021, the fair value of these swaps is an asset of US$5.9 million (see note 6) and the net effect corresponding to the fair value of the interest portion of the swap is recognized in the cash flow hedge reserve for US$7 million (see note 7).

Notional amount in currency	Currency sold	Currency bought	Maturity date
500 million SEK	USD	SEK	May 15, 2024
1,000 million SEK	USD	SEK	May 15, 2024
500 million SEK	USD	SEK	May 15, 2024

NOTE 12 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings becoming due and payable within one year are detailed below:

	Total December 31, 2021		
	Amounts owed to	**Amounts owed by**	**Net balance**
Millicom International II N.V.	27,853	(188,944,027)	(188,916,174)
Comunicaciones Celulares, S.A.	2,631,070	(185,980,124)	(183,349,054)
Millicom International Operations S.A.	5,150,491	(144,610,856)	(139,460,365)
Telefónica Celular del Paraguay S.A.	3,104,803	(89,717,621)	(86,612,818)
Millicom International Services Llc	—	(56,455,317)	(56,455,317)
Cable Onda, S.A.	1,090,253	(53,419,918)	(52,329,665)
Telefónica Celular de Bolivia, S.A.	705,427	(28,211,859)	(27,506,432)
Mobile Cash Paraguay S.A.	—	(7,786,928)	(7,786,928)
Millicom Services U.K.	1,130,631	(8,765,733)	(7,635,102)
Servicios y Productos Multimedios S.A.	169,931	(6,365,060)	(6,195,129)
Millicom International Enterprises AB	—	(5,341,335)	(5,341,335)
Millicom CAM SEM, S.A.	487,445	(5,523,375)	(5,035,930)
Millicom Holding B.V.	434,011	(3,864,809)	(3,430,798)
Millicom International V N.V.	—	(2,195,695)	(2,195,695)
Mic Tanzania Public Limited Company	1,086,242	(3,117,800)	(2,031,558)
Millicom SSC, S.A. de C.V.	261,345	(2,016,318)	(1,754,973)
Navega.Com, S.A.	—	(1,533,473)	(1,533,473)
UNE EPM Telecomunicaciones S.A.	180,434	(817,732)	(637,298)
Millicom Americas LLC	372,151	(863,120)	(490,969)
Distribuidora Central de Comunicaciones, S. A.	—	(313,304)	(313,304)
Millicom Cable Costa Rica, S.A.	679,771	(815,276)	(135,505)
Colombia Movil S.A.	74,989	(173,047)	(98,058)
Millicom Digital Ventures AB	31,345	(121,286)	(89,941)
Millicom International S.L.U.	1	(59,803)	(59,802)
Orbitel Servicios Internationales S.A. (OSI)	—	(25,373)	(25,373)
Millicom International Operations B.V.	161,468	(181,178)	(19,710)
Mobile Cash, SA de C.V.		(17,806)	(17,806)
Millicom Global Employment Company S.à r.l.	178,164	(195,082)	(16,918)
Zantel (Zanzibar Telecom Ltd.)	7,607	(23,111)	(15,504)
Millicom Re S.A.	—	(11,616)	(11,616)
Millicom International B.V.	—	(7,879)	(7,879)
Comvik International (Vietnam) AB	(2,990)	—	(2,990)
Other	252,168	(3,182,235)	(2,930,067)
	18,214,610	**(800,658,096)**	**(782,443,486)**

These amounts are short-term in nature and do not bear any interest.

NOTE 12 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS—*Continued*

	Total December 31, 2020		
	Amounts owed to	Amounts owed by	Net balance
Telefónica Celular de Bolivia, S.A.	21,826	(98,506)	(76,680)
Colombia Movil S.A.	168,834	(182,802)	(13,968)
UNE EPM Telecomunicaciones S.A.	27,132	(1,221,732)	(1,194,600)
Servicios y Productos Multimedios S.A	59,712	(1,167,148)	(1,107,436)
Mic Tanzania Public Limited Company	829,963	(3,118,572)	(2,288,609)
Zantel (Zanzibar Telecom Ltd.)	4,784	(23,111)	(18,328)
Millicom International II N.V.	179,196,970	(254,867,880)	(75,670,910)
Millicom International V N.V.	—	(2,216,755)	(2,216,755)
Millicom International One S.L.U.	3,540,407	(5,595,138)	(2,054,732)
Millicom International S.L.U.	1	(68,061)	(68,060)
Millicom Services U.K.	1,144,202	(7,275,705)	(6,131,502)
Millicom International Operations S.A.	2,230,658	(117,876,533)	(115,645,875)
Shai Holding S.A.	217,323	(383,861)	(166,539)
Millicom Global Employment Company S.à r.l.	178,163	(213,697)	(35,534)
Millicom Holding B.V.	385,802	(627,693)	(241,891)
Mic Latin America B.V.	(1,549,748)	—	(1,549,748)
Millicom International Operations B.V.	110,284	(181,316)	(71,033)
Millicom International B.V.	—	(7,879)	(7,879)
Comvik International (Vietnam) AB	(508)	—	(508)
Millicom Services AB	2,796,373	(13,259,887)	(10,463,515)
Millicom International Ventures AB	608	(230,088)	(229,480)
Millicom Digital Ventures AB	28,258	(124,837)	(96,579)
Millicom International Enterprises AB	—	(5,831,888)	(5,831,888)
Millicom SSC, S.A. de C.V.	261,860	(772,879)	(511,019)
Millicom International Services Llc	2,044,625	(81,920,814)	(79,876,188)
Millicom CAM SEM, S.A.	3,624,373	(5,184,934)	(1,560,562)
Mobile Cash, SA de C.V.	—	(10,779)	(10,779)
Other	(775,089)	(3,046,758)	(3,821,847)
	194,546,813	**(505,509,253)**	**(310,962,444)**

Amounts owed to affiliated undertakings becoming due and payable after more than one year are detailed below:

	Total December 31, 2021		
	Amounts owed to	**Amounts owed by**	**Net balance**
Millicom Re S.A.[(1)]	(2,000,000)	—	(2,000,000)
	(2,000,000)	**—**	**(2,000,000)**

(1) On July 13, 2021, the Company entered into a Revolving Facility Agreement with Millicom Re S.A.. The facility amounts to US$10 million, to be used in one or more loans, for the purposes of working capital financing. Unless repaid earlier, the Company shall repay the principal amount in one final installment, which will be due and payable on June 20, 2026. As of December 31, 2021, US$2 million have been drawn down.

NOTE 12 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS—*Continued*

	Total December 31, 2020		
	Amounts owed to	Amounts owed by	Net balance
Millicom Re S.A.	(900,000)	—	(900,000)
	(900,000)	—	(900,000)

NOTE 13 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS IN WHICH THE COMPANY IS LINKED BY PARTICIPANTS INTERESTS

Amounts owed to undertakings in which the Company is linked by participating interests are detailed below:

	Total December 31, 2021		
	Amounts owed to	**Amounts owed by**	**Net balance**
Telefonica Celular, S.A. de C.V.	67,372	(126,468)	(59,096)
	67,372	**(126,468)**	**(59,096)**

	Total December 31, 2020		
	Amounts owed to	Amounts owed by	Net balance
Servicios Especializados en Telecomunicaciones, S. A.	(367,475)	—	(367,475)
Navega.Com, S.A.	(697,410)	70,168	(627,242)
	(1,064,885)	**70,168**	**(994,717)**

NOTE 14 – OTHER CREDITORS

As at December 31, 2021, amounts due to other creditors becoming due and payable within one year amounted to US$80 million (2020: US$72 million) and mainly related to accrued interest payable on debt and accrued expenses for legal and other professional fees. Amounts due to other creditors becoming due and payable after more than one year amounted to US$1 million (2020: US$1 million) and is related to long term lease liabilities.

NOTE 15 – OTHER OPERATING INCOME

Amount is composed as follows:

	Total December 31, 2021 US$	Total December 31, 2020 US$
Value Creation Fees billed to operations	182,588,915	190,663,492
Other intercompany revenue	16,400,494	18,216,941
Other income	3,346,878	260,269
	202,336,287	**209,140,702**

NOTE 16 – STAFF COSTS

The average number of permanent full-time employees during 2021 was 31 (2020: 33) including 16 IP Branch employees.

NOTE 17 – OTHER OPERATING CHARGES

Amount is composed as follows:

	Total December 31, 2021 US$	Total December 31, 2020 US$
Directors fees[(1)]	2,061,017	2,647,725
Business support services[(2)]	114,094,818	95,164,843
Bandwidth charges	8,579,852	11,836,570
Consultancy fees	13,986,124	9,610,335
Legal fees	8,427,128	8,530,343
Tax, accounting and audit charges	3,396,692	6,264,075
External services	13,385,036	13,952,454
Other	27,216,496	19,361,457
	191,147,163	**167,367,802**

(1) Directors fees expenses includes the cost of 24,737 shares (2020: 32,358 shares) vested to Directors during the year for US$0.5 million (2020: US$1.0 million). The share price used is an average acquisition price of US$39.09 (2020:US$57.64).

(2) Business support services represent the expenses incurred by the regional offices in Miami and in the U.K. which are recharged to the Company. These expenses are further recharged by the Company to the Group entities through the Value Creation Fees.

NOTE 18 – INCOME FROM PARTICIPATING INTERESTS DERIVED FROM AFFILIATED UNDERTAKINGS

In 2021, the Company received dividends of US$410 million (2020: US$864 million), including US$13 million from Millicom Services AB, (2020: US$24 million), US$350 million from Millicom International Operations S.A. (2020: US$834 million), US$2 million from Millicom International Services UK Ltd. (2020: US$5 million) as well as US$45 million from Millicom International Services LLC (2020: nil).

NOTE 19 – OTHER INTEREST AND SIMILAR INCOME

Amount is composed as follows:

	Total December 31, 2021 US$	Total December 31, 2020 US$
Interest income	380,062	4,636,603
Foreign exchange loss	(22,910,471)	(790,691)
	(22,530,409)	**3,845,912**

NOTE 20 – VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS HELD AS CURRENT ASSETS

Amount is composed as follows:

	Total December 31, 2021	Total December 31, 2020
(Impairment) / Reversal of impairment on own shares, net (note 7)	(2,427,563)	6,271,473
Loss on disposal of other investments[(1)]	—	(3,651,147)
Value adjustments on shares in and loans on affiliated undertakings (note 5)	—	(621,170,641)
Total	**(2,427,563)**	**(618,550,315)**

(1) In June 2020, the Company sold its entire investment in Jumia Technology for US$28.8 million, generating a loss of US$3.7 million.

NOTE 21 – OTHER INTEREST AND SIMILAR EXPENSES

	Total December 31, 2021	Total December 31, 2020
Interest on bonds/loans(1)	136,467,035	163,241,033
Early redemption charges (note 11)	(9,494,797)	15,000,000
Amortization of bond issuance cost (note 8)	16,965,984	14,130,846
Interest on leases	42,779	46,358
Other	4,531,806	5,863,383
	148,512,806	**198,281,620**

(1) In 2020, interest on bonds/loans entails US$14.4 million that correspond to RCF and Camelia loan.

NOTE 22 – TAX ON PROFIT OR LOSS

The Company is subject to all taxes applicable to a Luxembourg Société Anonyme. The Company has been granted fiscal unity with other Luxembourg-based entities of the group.

Tax charges for 2021 included withholding taxes on consultancy, royalty and technical fees charged to affiliated companies for US$16 million (2020: US$11 million).

The tax losses carried forward of MIC SA fiscal unity amount to approximately US$5.1 billion. Per Luxembourg tax law, approximately US$1.1 billion expire in 17 years, the other US$4.0 billion do not expire.

NOTE 23 – COMMITMENTS AND CONTINGENCIES

The Company has contingent liabilities with respect to lawsuits and other matters that arise in the normal course of business.

As at December 31, 2021, the total amount of claims, litigation and tax risks against the Company was US$24 million (2020: US$16 million) of which US$16.0 million was provided for (2020: US$8.5 million).

Capital commitments

As at December 31, 2021, the Company has commitments for a total amount of US$15 million (2020: US$23 million) that corresponds mainly to a "Converged Cloud" project as part of the transformation to 5G which cannot be launched without cloudifying the network. The initial agreements with the vendor was for a total of US$29 million, the remaining amount as at December 31, 2021 is US$10 million of which US$5 million are due within one year.

Dividends

The ability of the Company to make dividend payments is subject to, amongst others, the terms of the indebtedness, local legal restrictions and the ability to repatriate funds from the Company's various operations.

NOTE 24 – RELATED PARTY TRANSACTIONS

Subsidiaries, joint-ventures and associates of Millicom Group

The Company conducts transactions with subsidiaries, joint-ventures and associates of the Millicom Group on regular commercial terms and conditions. These transactions may include loans granted/received to/ from group entities (notes 6, 12 and 13), intercompany recharges in connection with delivery/reception of services (note 15 and note 17) and other operations.

NOTE 25 – AUDIT FEES

Art. 65 paragraph (1) 16° of the Law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

NOTE 26 – SUBSEQUENT EVENTS

On January 27, 2022, our principal subsidiary in Guatemala, Comcel, completed the issuance of a new 10-year US$900 million Bond with a coupon of 5.125%. Proceeds from this bond as well as cash were used to repay a significant portion of the bridge financing that was used to fund the acquisition of the remaining 45% equity interest in our Tigo Guatemala operations. As of February 8, 2022, a balance of US$450 million remained unpaid under the initial US$2.15 billion bridge loan agreement.

On January 13, 2022, we completed the issuance of a new 5-year sustainability bond raising SEK 2.25 billion (approximately US$252 million) at a fully swapped rate of SOFR plus 3.496%. Proceeds will be used to fund investments in accordance with the Company's sustainability framework. This bond has been fully hedged against foreign exchange fluctuations.

On February 28, 2022, the extraordinary general meeting of shareholders of Millicom resolved to authorize the Board of Directors of Millicom to increase the authorized share capital of the Company from $199,999,800 divided into 133,333,200 shares, with a par value of $1.50 per share, to $300,000,000 divided into 200,000,000 shares, with a par value of $1.50 per share.