

Tigo Guatemala Companies
Unaudited Interim Condensed
Combined Financial Statements
For the three-month period ended March 31, 2022

May 27, 2022

Unaudited interim condensed combined income statement for the
three-month period ended March 31, 2022

US\$ '000	Notes	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenue from contracts with customers	4	393,674	389,205
Cost of sales.....		(88,512)	(84,390)
Gross profit	4	305,162	304,815
Operating Expenses.....		(88,964)	(91,308)
Depreciation & amortization.....		(59,361)	(59,491)
Other operating income (expenses), net.....		(1,080)	(570)
Operating profit	4	155,757	153,446
Interest expense	10	(21,673)	(15,719)
Interest and other financial income.....		8,629	3,684
Foreign exchange gain (loss), net.....		(1,654)	433
Profit before taxes		141,059	141,844
Charge for taxes, net.....		(23,895)	(23,966)
Net profit for the period		117,164	117,878

The accompanying notes are an integral part of these combined financial statements.

Unaudited Interim Condensed Combined Statement of Comprehensive Income for the three-month period ended March 31, 2022

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Net profit for the period.....	117,164	117,878
Other comprehensive income, net of tax: <i>Item that may be reclassified to the income statement in subsequent periods</i>		
Exchange differences on translation of operations to the US dollars reporting currency.....	3,848	6,619
Total comprehensive income for the period.....	121,012	124,497

The accompanying notes are an integral part of these combined financial statements.

**Unaudited interim condensed combined statement of financial position
as at March 31, 2022**

US\$ '000	Notes	March 31, 2022	December 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets, net.....	6	300,090	291,927
Property, plant and equipment, net.....	7	546,731	550,607
Right of use assets, net.....		188,016	186,265
Contract costs, net.....		2,432	2,354
Deferred tax assets.....		5,796	5,526
Amounts due from related parties.....	8	934,527	10
Income tax assets.....		5,078	5,498
Supplier advances for capital expenditure.....		2,881	11,577
Other non-current assets.....		2,124	2,313
TOTAL NON-CURRENT ASSETS.....		1,987,675	1,056,077
CURRENT ASSETS			
Inventories.....		44,108	30,396
Trade receivables, net.....		38,285	52,029
Contract assets, net.....		56,573	54,815
Amounts due from related parties.....	8	463,743	351,239
Prepayments.....		7,937	4,837
Other current assets.....		69,268	62,116
Restricted cash.....	9	6,590	7,108
Cash and cash equivalents.....	9	150,369	152,958
TOTAL CURRENT ASSETS.....		836,873	715,498
TOTAL ASSETS.....		2,824,548	1,771,575

The accompanying notes are an integral part of these combined financial statements.

Unaudited interim condensed combined statement of financial position
as at March 31, 2022 (continued)

US\$ '000	Notes	March 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium.....		8,219	8,219
Equity contribution reserve.....		13,178	13,147
Other reserves.....		97,411	93,563
Retained earnings.....		682,851	565,687
TOTAL EQUITY.....		801,659	680,616
LIABILITIES			
Non-current liabilities			
Other debt and financing.....	10	1,496,628	605,250
Lease liabilities.....		175,355	174,478
Provisions and other non-current liabilities.....		57,628	56,752
Deferred tax liabilities.....		11,015	10,781
Total non-current liabilities.....		1,740,626	847,261
Current liabilities			
Lease liabilities.....		30,208	28,589
Amounts due to related parties.....	8	6,253	9,245
Payables and accruals for capital expenditure.....		31,410	33,484
Trade payables.....	11	73,173	35,393
Accrued interest and other expenses.....		63,779	56,426
Current income tax liabilities.....		15,302	15,894
Contract liabilities.....		38,569	38,015
Provisions and other current liabilities.....		23,569	26,652
Total current liabilities.....		282,263	243,698
TOTAL LIABILITIES.....		2,022,889	1,090,959
TOTAL EQUITY AND LIABILITIES.....		2,824,548	1,771,575

The accompanying notes are an integral part of these combined financial statements.

Unaudited interim condensed combined statement of cash flows for the three-month period ended March 31, 2022

US\$ '000	Notes	Three months ended March 31, 2022	Three months ended March 31, 2021
Cash flows from operating activities			
Profit before taxes		141,059	141,844
Adjustments to reconcile to net cash:			
Interest expense		21,673	15,719
Interest and other financial income.....		(8,629)	(3,684)
Foreign exchange loss (gain).....		1,654	(433)
Adjustments for non-cash items:			
Depreciation and amortization	4	59,361	59,491
Loss on disposal and impairment of assets	4	855	463
Share-based compensation	5	31	72
		216,004	213,472
(Increase)/decrease in trade receivables, prepayments, contract assets and other current assets.....		(2,290)	6,234
Increase in inventories.....		(13,530)	(5,214)
Increase in trade payables, contract liabilities, and other payables.....	11	32,480	5,558
Changes in working capital		16,660	6,578
Interest paid on debt and other financing.....		(9,586)	(12,580)
Interest paid on leases.....		(4,476)	(4,912)
Interest received		548	558
Taxes paid		(24,291)	(20,628)
Net cash provided by operating activities		194,859	182,488
Cash flows from investing activities:			
Purchase of property, plant and equipment		(28,943)	(35,573)
Purchase of intangible assets.....		(15,656)	(19,876)
Proceeds from sale of property, plant and equipment.....		180	74
Net increase (decrease) in restricted cash		553	(1,413)
Net cash used by investing activities		(43,866)	(56,788)
Cash flows from financing activities			
Debt and other financing.....		890,260	-
Repayment of debt and other financing.....		-	(147,521)
Repayment of leases (capital component)		(7,239)	(6,730)
Loans granted to shareholders.....	8	(1,037,283)	-
Net cash used by financing activities		(154,262)	(154,251)
Exchange losses on cash and cash equivalents, net.....		680	1,238
Net decrease in cash and cash equivalents		(2,589)	(27,313)
Cash and cash equivalents at the beginning of the period.....		152,958	188,542
Cash and cash equivalents at the end of the period		150,369	161,229

The accompanying notes are an integral part of these combined financial statements.

Unaudited interim condensed combined statement of changes in equity for the three-month period ended March 31, 2022

US\$ '000	Share capital (000's)	Equity Contribution Reserve (i) (000's)	Other reserves (ii) (000's)	Retained earnings (000's)	Total equity (000's)
Balance on December 31, 2020	8,219	13,070	86,277	471,791	579,357
<i>Profit for the period</i>	—	—	—	117,878	117,878
<i>Currency translation differences</i>	—	—	6,619	—	6,619
Total comprehensive income for the period	—	—	6,619	117,878	124,497
Share based compensation.....	—	72	—	—	72
Balance on March 31, 2021	8,219	13,142	92,896	589,669	703,926
Balance on December 31, 2021	8,219	13,147	93,563	565,687	680,616
<i>Profit for the period</i>	—	—	—	117,164	117,164
<i>Currency translation differences</i>	—	—	3,848	—	3,848
Total comprehensive income for the period	—	—	3,848	117,164	121,012
Share based compensation.....	—	31	—	—	31
Balance on March 31, 2022	8,219	13,178	97,411	682,851	801,659

(i) Equity contribution reserve is made up only of share-based compensation expense.

(ii) Other reserves include legal reserves of \$93.6 million and currency translation differences for \$3.8 million in 2022 (2021: \$7.3 million). Legal reserves are not distributable.

The accompanying notes are an integral part of these combined financial statements.

Notes to the unaudited interim condensed combined statements

1. GENERAL INFORMATION

The combined financial statements are composed of ten companies all incorporated in Guatemala (the “Combined Group”, “Tigo Guatemala”), as detailed in the table below:

Name of the company
Comunicaciones Celulares, S.A.
Comunicaciones Corporativas, S.A.
Servicios especializados en Telecomunicaciones, S.A.
Distribuidora de Comunicaciones de Occidente, S.A.
Distribuidora Central de Comunicaciones, S.A.
Distribuidora de Comunicaciones de Oriente, S.A.
Distribuidora Internacional de Comunicaciones, S.A.
Servicios Innovadores de Comunicación y Entretenimiento, S.A.
Navega.com, S.A.
Cloud2Nube, S.A.

The Combined Group provides mobile and data telephony services, corporate solutions, fixed-line broadband, fixed-line telephone, cable TV and mobile financial services to retail and business customers in Guatemala.

All Tigo Guatemala Companies have registered offices located at Km 9.5 Carretera a El Salvador, Plaza Tigo Sta. Catarina Pinula, Guatemala. They are owned jointly by Millicom Group (“MIC Group” or “Millicom”), whose ultimate holding company is Millicom International Cellular S.A. (“MIC”).

Until November 12, 2021, the Combined Group shareholders were Millicom Group and Miffin which owned respectively 55% and 45% interests each of Tigo Guatemala. The Combined Group was governed by a shareholders’ agreement. On November 12, 2021, MIC Group completed the acquisition of the remaining 45% equity interest in its joint venture business in Tigo Guatemala from Miffin, as a result, Millicom owns a 100% equity interest in Tigo Guatemala after such transaction. Tigo Guatemala’s entities form one single business in substance as all the entities have one single common management.

The Group have combined their financial statements in order to comply with the reporting requirements stipulated in the global program of the emission of a senior bond for a total of US\$900 million, of which Comunicaciones Celulares, S.A. is “the borrower” and Comunicaciones Corporativas, S.A., Distribuidora Central de Comunicaciones, S.A., Distribuidora de Comunicaciones de Occidente, S.A., Distribuidora de Comunicaciones de Oriente, S.A., Distribuidora Internacional de Comunicaciones, S.A., Navega.com, S.A., Servicios Especializados en Telecomunicaciones, S.A., Servicios Innovadores de Comunicación y Entretenimiento, S.A. and Cloud2Nube, S.A., are the guarantors (together, the “Loan Guarantors”). The combined financial statements are intended for use by such investors.

The representatives to the Board of Directors (“Board”) of Comunicaciones Celulares, S.A. and the other Tigo Guatemala Companies have authorized for issue these combined financial statements on May 27, 2022.

2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES

I. Basis of presentation

These interim condensed combined financial statements of the Combined Group are unaudited. They are presented in US dollars and have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ as issued by the International Accounting Standards Board (“IASB”). In the opinion of management, these unaudited interim condensed combined financial statements reflect all adjustments that are necessary for a proper presentation of the results for interim periods. The Combined Group’s operations are not affected by significant seasonal or cyclical patterns.

These unaudited condensed interim combined financial statements should be read in conjunction with the combined financial statements for the year ended December 31, 2021. These financial statements are prepared in accordance with consolidation and accounting policies consistent with the December 31, 2021 combined financial statements, except for the changes described below.

II. On-going COVID-19 - Qualitative and quantitative assessment on business activities, financial situation, and economic performance.

During 2021, economic activity continued to recover in our market, as most countries continued to ease lockdowns implemented at the beginning of the pandemic, and remittances from the U.S. to Central America sustained double-digit growth year-on-year. During this period, the country experienced spikes in the number of COVID cases during the period, but government generally refrained from imposing strict lockdowns, choosing instead to use curfews, which had a negligible effect on commercial activity.

At March 31, 2022, the COVID-19 pandemic continues to have widespread and unpredictable impacts on global societies, economies, financial markets and business practices, and the Combined Group continues monitoring it.

As of March 31, 2022, and for the three-month period ended March 31, 2022, management did not identify any significant adverse accounting effects as a result of the pandemic.

III. New and amended IFRS standards

The following changes to standards have been adopted by the Combined Group and did not have any significant impact on the Combined Group’s accounting policies or disclosures and did not require retrospective adjustments:

- IFRS 3 “Business Combinations” - Reference to Conceptual Framework.
- IAS 16 “Property, Plant and Equipment” - Proceeds before intended use.
- IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” - Cost of fulfilling a contract.
- Annual improvements to IFRS Standards 2018-2020, affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41.

Amendments effective for annual periods starting on January 1, 2023 that are not expected to have a significant impact on the Combined Group financial statements:

- Amendments to IAS 1, ‘Disclosure of Accounting Policies’ that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

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2. SUMMARY OF COMBINATION AND ACCOUNTING POLICIES (continued)

- Amendments to IAS 1, 'Presentation of Financial Statements': These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.
- IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

The following changes to standards are effective for annual periods starting on January 1, 2023 and their potential impact on the Combined Group financial statements is currently being assessed by Management:

Amendments to IAS 12, 'Income Taxes: Deferred tax related to Assets and liabilities arising from a Single Transaction' - These amendments clarify that the initial recognition exception does not apply to the initial recognition of leases and decommissioning obligations. These amendments apply prospectively to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, an entity should apply the amendments for the first time by recognizing deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented.

3. ACQUISITIONS OF BUSINESS

During the three-month periods ended March 31, 2022 and 2021, the Combined Group did not complete any acquisition.

4. BREAKDOWN OF OPERATING PROFIT

The gross profit and operating profit of the Combined Group can be summarized as follows for the three-month period ended March 31, 2022 and March 31, 2021, respectively:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Tigo Mobile.....	320,694	324,269
Tigo Home.....	53,503	46,615
Tigo Corporate.....	18,737	17,242
MFS (Tigo Money and Tigo Pay)	740	1,079
Revenue from contracts with customers.....	393,674	389,205
Cost of rendering telecommunication and other services...	(88,512)	(84,390)
Gross profit.....	305,162	304,815
Depreciation and amortization.....	(59,361)	(59,491)
Dealer commissions.....	(22,647)	(23,411)
Employee related costs (see note 6)	(17,994)	(18,040)
Sites and network maintenance.....	(17,427)	(16,543)
External services.....	(7,337)	(10,411)
Other expenses.....	(6,737)	(7,667)
Phone subsidies.....	(6,694)	(6,283)
Advertising and promotion.....	(6,223)	(5,129)
Other fees and costs.....	(4,041)	(3,852)
Loss on disposal and impairment of assets, net.....	(855)	(463)
Lease expense.....	(89)	(79)
Operating profit.....	155,757	153,446

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5. EMPLOYEE RELATED COSTS

Employee related costs are comprised of the following for the three-month period ended March 31, 2022 and March 31, 2021 as follows:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Wages and salaries.....	(18,552)	(17,821)
Social security.....	(1,160)	(1,097)
Other employee related costs.....	(914)	(703)
Share based compensation.....	(31)	(72)
Capitalized employee related costs.....	2,663	1,653
Total.....	(17,994)	(18,040)

6. INTANGIBLE ASSETS

The Combined Group used cash for intangible assets purchasing during the three-month period ended March 31, 2022 and March 31, 2021 as follows:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Additions	12,702	15,832
Decrease in payables for intangible assets.....	2,954	4,044
Cash used for the purchase of intangible assets.....	15,656	19,876

The charge for amortization of intangible assets for the three-month period ended March 31, 2022 was \$6.1 million (March 31, 2021: \$8.7 million).

During the three-month period ended March 31, 2022, the Combined Group did not receive any proceeds from disposal of intangible assets (March 31, 2021: nil).

7. PROPERTY, PLANT AND EQUIPMENT

The Combined Group used cash for property, plant and equipment purchasing during the three-month period ended March 31, 2022 and March 31, 2021 as follows:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Additions	38,657	41,922
Changes in supplier's advances.....	(8,695)	1,967
Change in payables for property, plant and equipment.....	(1,019)	(8,316)
Cash used for the purchase of property, plant and equipment	28,943	35,573

The charge for amortization of property, plant and equipment for the three-month period ended March 31, 2022 was \$44.4 million (March 31, 2021: \$42.1 million).

During the three-month period ended March 31, 2022, the Combined Group receive \$180 thousands in cash from disposal of property, plant and equipment (March 31, 2021: \$74 thousands).

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8. RELATED PARTY TRANSACTIONS AND BALANCES

Millicom Group subsidiaries

The Combined Group receives business support and financing from various Millicom Group entities including MIC the ultimate holding company Millicom International II NV (“MIC IINV”) and Millicom International Operations S.A. (“MIO S.A.”).

The Combined Group also recharges to other Millicom Group entities certain services performed on their behalf.

The receivable balance with MIC II NV at March 31, 2022 represents shareholder loans that are due in 2022 and 2023.

On November 12, 2021, MIC Group completed the acquisition of the remaining 45% equity interest in its joint venture business in Tigo Guatemala from Miffin, as a result, Millicom owns a 100% equity interest in Tigo Guatemala after such transaction.

Miffin Associates Corp

Transactions with Miffin shareholders represent recurring commercial operations such as purchase of handsets, lease of buildings and sites and sale of airtime. Since November 12, 2021, Miffin entities are not considered as related party anymore.

The Combined Group have the following balances with related parties as at March 31, 2022 and December 31, 2021, respectively:

US\$ '000	As at March 31, 2022	As at December 31, 2021
Non-current assets		
Millicom International II NV (i).....	934,517	—
Others.....	10	10
Total.....	934,527	10
Current assets		
Millicom International II NV.....	270,265	159,984
MIC S.A.....	189,842	187,923
Telemóvil El Salvador, S.A. de C.V.....	1,742	1,495
Others.....	1,894	1,837
Total.....	463,743	351,239
Current liabilities		
Telemóvil El Salvador, S.A. de C.V.....	1,953	1,817
Millicom Cable Costa Rica, S.A.	1,568	2,651
Millicom Spain, S. L.	1,033	826
MIC S.A.....	366	2,826
Others.....	1,333	1,125
Total.....	6,253	9,245

(i) As at March 31, 2022, the balance includes the Senior Notes net proceeds of \$891.3 million upstreamed to Millicom Group following its receipt as of February 3, 2022.

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8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The following significant transactions were conducted with related parties for the three-month period ended March 31, 2022 and March 31, 2021 respectively:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Income		
Sale of goods and services Miffin (i).....	—	88,729
Sale of goods and services MIC.....	7,989	1,923
Sale of goods and services EPM.....	95	98
Sale of goods and services Other.....	1,603	1,479
Total	9,687	92,229
Expenses		
Purchases of goods and services Miffin (i).....	—	49,174
Purchases of goods and services EPM.....	3,382	3,423
Purchase of goods and services MIC.....	278	265
Purchases of goods and services Other.....	1,204	1,419
Total	4,864	54,281

(i) Since November 12, 2021, Miffin entities are not considered as related parties.

9. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents comprised as at March 31, 2022 and as at December 31, 2021 respectively:

US\$ '000	As at March 31, 2022	As at December 31, 2021
Cash and cash equivalents in U.S. Dollars.....	57,584	83,827
Cash and cash equivalents in GTQ.....	92,785	69,131
Total cash and cash equivalents	150,369	152,958

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the combined statement purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Combined Group's cash management.

Restricted cash comprised as at March 31, 2022 and as at December 31, 2021, respectively:

US\$ '000	As at March 31, 2022	As at December 31, 2021
Restricted cash in GTQ.....	6,590	7,108
Total restricted cash	6,590	7,108

Restricted cash mainly refers to cash within the mobile financial services business, which is restricted in accordance with local regulations.

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10. OTHER DEBT AND FINANCING

Borrowings due after more than one year as at March 31, 2022 and as at December 31, 2021, respectively:

US\$ '000	As at March 31, 2022	As at December 31, 2021
Bank financing.....	608,313	605,250
Bond financing.....	888,315	—
Total other debt and financing	1,496,628	605,250

No borrowings are due within one year.

The total amount of debt and financing as at March 31, 2022 and as at December 31, 2021, respectively, is repayable as follows:

US\$ '000	As at March 31, 2022	As at December 31, 2021
Amounts due within 2 to 3 years.....	8,138	8,097
Amounts due within 3 to 4 years.....	8,138	8,097
Amounts due within 4 to 5 years.....	468,344	465,985
Amounts due after five years.....	1,012,008	123,071
Total other debt and financing	1,496,628	605,250

The interest expense for the three-month period ended March 31, 2022 and March 31, 2021, respectively, is comprised as follow:

US\$ '000	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest expense on Bonds	7,133	—
Interest expense on Bank financing.....	9,787	6,776
Interest expense on Leases	4,452	4,813
Other.....	301	4,130
Total Interest Expense	21,673	15,719

On December 10, 2021, the Combined Group contracted new local bank loans for a total of Q1,450 million (\$187.6 million using the December 10, 2021 GTQ/USD exchange rate of 7.73) with term ranging from four to five years and with an effective interest rate of 6%.

On January 27, 2022, Comunicaciones Celulares, S.A. completed the issuance of a new 10-year \$900 million Senior Notes, bearing interest at 5,125% and due in 2032. The proceeds from this bond were used to repay a significant portion of the bridge financing contracted by Millicom Group to fund the acquisition of the remaining 45% equity interest in the Tigo Guatemala operations.

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10. OTHER DEBT AND FINANCING (continued)

Guarantees

At March 31, 2022, Tigo Guatemala is co-debtor of Comunicaciones Celulares, S.A, Servicios Especializados en Telecomunicaciones, S.A., Servicios Innovadores de Comunicación y Entretenimiento, S.A. and Navega.com, S.A. on bank loans described in this note; these bank loans have a joint fiduciary guarantee.

Pledged assets

At March 31, 2022, there are \$1.5 million of pledged deposits (2021: \$1.5 million).

11. TRADE PAYABLES

Trade payables as at March 31, 2022 and as at December 31 of 2021 respectively, are comprised as follow:

US\$ '000	As at March 31, 2022	As at December 31, 2021
T&E suppliers.....	37,258	22,235
Employee-related costs.....	6,793	1,001
Fixed operators.....	6,385	6,160
Programming and Interconnection costs.....	5,904	2,369
Others.....	16,833	3,628
Total.....	73,173	35,393

The "others" caption contains the remaining all third-party suppliers of the Combined Group.

12. DIVIDENDS

The ability of the Combined Group to make dividend payments is subject to, among other things, the terms of indebtedness, legal restrictions, and the ability to repatriate funds. The Combined Group do not have any restriction of dividend payments, however at March 31, 2022, the entities of the Combined Group have not yet declared dividends related to the 2021 results (see note 15). At December 31, 2021, the entities of the Combined Group declared dividends of \$366 million related to 2020 results.

13. COMMITMENTS AND CONTINGENCIES

Operational environment

The Combined Group operates in Guatemala, where the regulatory, political, technological, and economic environments are evolving. As a result, there are uncertainties that may affect future operations, the ability to conduct business, foreign exchange transactions and debt repayments and which may impact upon agreements with other parties. In the normal course of business, the Combined Group faces uncertainties regarding taxation, interconnect rate, license renewal and tariff arrangements, which can have a significant impact on the long-term economic viability of operations.

13. COMMITMENTS AND CONTINGENCIES (continued)

Litigation and legal risks

The Tigo Guatemala are contingently liable with respect to lawsuits and other matters that arise in the normal course of business. As at March 31, 2022 and at December 31, 2021, \$51 thousand in both periods have been accrued for these claims in the combined statement of financial position. Management is of the opinion that while it is impossible to ascertain the ultimate legal and financial liability with respect to these claims, the ultimate outcome of these contingencies is not anticipated to have a material effect on the Combined Group's financial position and operations.

Tax claims

At March 31, 2022, Navega.Com, S.A. is disputing through an administrative process an adjustment made by the Tax Authorities in regards with the goodwill amortization of approximately \$21.9 million related with business combinations completed in 2011 with an effective date on January 1, 2012. Even though the administrative process has been initiated at the Supreme Court, the tax authority has requested that the attorney general's office investigate this matter through a criminal prosecution. Although this resolution could be appealed by the tax authorities, due to the favourable resolution from the criminal court and the Company's current assessment of the case, no provision has been deemed necessary at March 31, 2022.

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

Capital commitments

At March 31, 2022, the Combined Group had fixed commitments to purchase network equipment, land and buildings and other fixed assets for \$73 million (2021: \$106 million), from various suppliers.

14. FINANCIAL INSTRUMENTS

Other than the items disclosed below, the fair values of financial assets and financial liabilities approximate their carrying values as at March 31, 2022 and December 31, 2021.

US\$ '000	Carrying Value		Fair Value	
	As at March 31, 2022	As at December 31, 2021	As at March 31, 2022	As of December 31, 2021
FINANCIAL LIABILITIES				
Other debt and financing.....	1,496,628	605,250	1,482,683	605,358

15. SUBSEQUENT EVENT

On April 27, 2022, the Combined Group entered into a new local bank loan with Banrural for Q1,200 million (\$156.9 million using the April 27, 2022 GTQ/USD exchange rate of 7.65) for 5-year term with a fixed interest rate of 6%. The proceed from this new local bank loan was used to repay the local bank loan with Banco Industrial for an amount of Q1,200 million dated October 10, 2020 with an interest range rate within 6.2% and 7.2%.

On April 30, 2022, the entities of the Combined Group declared dividends related to the 2021 results for \$468.8 million, which were used to partially offset outstanding advance loans to shareholders for \$416.9 million (see note 8). The tax withheld of 5% was \$23.4 million.
