Earnings Release
Q3 2022

Luxembourg, October 27, 2022

Staying the Course

Highlights Q3 2022*

- Reported revenue up 37.9% reflecting the Guatemala acquisition.
- Service revenue up 2.7% organically with positive growth across the majority of the countries and in all business units, with continued strength in Mobile and B2B, offset by slower growth in Home.
- Reported EBITDA up 53.3%, with organic EBITDA down 1.9%, or 0.6% excluding a $7 million one-time charge, due in part to continued investment to support the planned Tower and Tigo Money carve-outs.
- Reported Operating Cash Flow up 134.4% year-on-year reflecting the Guatemala transaction and an acceleration from H1 levels, on an organic basis.

Financial highlights ($ millions)	Q3 2022	Q3 2021	% change	Organic % Change	9M 2022	9M 2021	% change	Organic % Change
Revenue	1,388	1,006	37.9%	2.4%	4,243	3,006	41.1%	4.1%
Operating Profit	196	189	3.9%		678	416	62.9%	
Net Profit (Loss)	(32)	5	NM		120	(53)	NM	
Non-IFRS measures (*)								
Service Revenue	1,280	951	34.5%	2.7%	3,895	2,843	37.0%	3.9%
EBITDA	539	352	53.3%	(1.9)%	1,680	1,056	59.1%	1.0%
Capex	253	229	10.2%		707	538	31.4%	
Operating Cash Flow	286	122	134.4%	2.0%	973	518	87.9%	(2.7)%

**See page 11 for a description of non-IFRS measures and for reconciliations to the nearest equivalent IFRS measures.*

Millicom Chief Executive Officer Mauricio Ramos commented:

"Q3 was another solid quarter for Millicom, and once again we delivered positive organic service revenue growth across the vast majority of our country markets and in all three business lines, even as we faced a more challenging macroeconomic backdrop.

We have entered this period of increased volatility from a position of strength of our networks, our people and our brand. This is the result of our consistent and sustained investment, aimed at creating sustainable shareholder value over the long term.

Our long-term focus allows us to stay the course and execute on the plans we laid out at the Investor Day last February. Consistent with those plans, organic OCF growth accelerated in Q3 as we had anticipated, even as we continue to invest throughout the business to sustain healthy growth over the medium to long term.

During the quarter, we took meaningful steps to mitigate the impact of rising inflation, including the implementation of numerous price increases, which position the company to sustain healthy service revenue growth and margins going forward."

Outlook

Although the macro backdrop has become more challenging, business and financial performance through the first nine months of the year is broadly in line with our plans. We therefore re-affirm our 2022 target of organic OCF growth of around 10%. In addition, we expect equity free cash flow of between $150 million and $200 million for the full year 2022, implying very robust cash generation in Q4, consistent with historical seasonal patterns.

Group Quarterly Financial Review - Q3 2022

Income statement data (i) (IFRS) $ millions (except EPS in $)	Q3 2022	Q3 2021	% change	9M 2022	9M 2021	% change
Revenue	**1,388**	**1,006**	**37.9%**	**4,243**	**3,006**	**41.1%**
Cost of sales	(369)	(288)	(28.2)%	(1,134)	(851)	(33.3)%
Gross profit	**1,019**	**718**	**41.8%**	**3,109**	**2,155**	**44.2%**
Operating expenses	(479)	(367)	(30.7)%	(1,429)	(1,099)	(30.0)%
Depreciation	(249)	(193)	(28.8)%	(757)	(583)	(29.8)%
Amortization	(93)	(55)	(70.0)%	(264)	(233)	(13.6)%
Share of profit in joint ventures	5	56	(90.7)%	25	185	(86.4)%
Other operating income (expenses), net	(6)	29	NM	(6)	(9)	28.2%
Operating profit	**196**	**189**	**3.9%**	**678**	**416**	**62.9%**
Net financial expenses	(157)	(99)	(58.1)%	(462)	(344)	(34.4)%
Other non-operating income, (expense) net	(35)	(19)	(81.9)%	(41)	(37)	(12.0)%
Losses from other JVs and associates, net	—	(35)	99.2%	—	(39)	100.0%
Profit (loss) before tax	**4**	**35**	**(88.2)%**	**174**	**(3)**	**NM**
Net tax expense	(53)	(12)	NM	(200)	(66)	NM
Profit (loss) for the period from continuing ops.	**(49)**	**23**	**NM**	**(26)**	**(69)**	**62.2%**
Non-controlling interests	16	1	NM	33	28	18.8%
Profit (loss) from discontinued operations	2	(19)	NM	113	(12)	NM
Net profit (loss) for the period	**(32)**	**5**	**NM**	**120**	**(53)**	**NM**
Weighted average shares outstanding (millions)	170.87	128.85	32.6%	128.32	128.93	(0.5)%
EPS	(0.18)	0.04	NM	0.94	(0.41)	NM

(i) Since acquiring the remaining 45% equity interest on November 12, 2021, the Guatemala business is fully consolidated in our financial statements.

The consolidation of Guatemala is the most important factor affecting most lines of the Q3 2022 financial data when compared to Q3 2021. For brevity purposes, we omit repeated mentions of the Guatemala transaction when discussing the reasons for changes in financial performance year-on-year. To facilitate comparisons, proforma income statement data are included in the Financial & Operating Data Excel file published at www.millicom.com/investors alongside this earnings release.

In Q3 2022, revenue increased 37.9% year-on-year, as the Guatemala transaction more than offset the impact of a weaker Colombian peso, which depreciated 9.2% during the quarter to end 12.1% weaker year-on-year. Excluding these effects, revenue increased 2.4% on an organic basis, with all business lines and most countries sustaining positive growth amidst decelerating economic activity and rising inflation.

Operating expenses increased 30.7% year-on-year, reflecting increased sales and marketing costs to support customer growth, especially in our Colombia mobile business, as well as increased investment to support the development and expansion of our Tigo Money fintech business. Energy costs, which amount to approximately 2% of revenue, increased by 17% in aggregate. Operating expenses also include a one-time $7 million charge related to the early termination of a software contract. On an organic basis and excluding the one-time charge, operating expenses increased by 5.7%.

Depreciation increased 28.8% year-on-year to $249 million, while amortization rose 70.0% to $93 million, both reflecting mostly the Guatemala transaction.

Other operating expenses of $6 million in Q3 2022 includes $7 million related to the software contract termination, and this compares to income of $29 million in Q3 2021 related to our exit from Ghana.

As a result of the above factors, Operating profit increased 3.9% year-on-year.

Net financial expenses increased $58 million year-on-year, as a result of the increase in debt to fund the Guatemala acquisition as well as a one-time $15 million gain in Q3 2021.

Other non-operating expense of $35 million compared $19 million in Q3 2021 related to increased foreign exchange losses in Q3 2022 mostly coming from the depreciation of the Colombian peso.

Charge for taxes increased to $53 million in Q3 2022 from $12 million in Q3 2021 primarily due to the Guatemala acquisition and a $9 million tax amnesty. Non-controlling interests of $16 million in Q3 2022 compared to $1 million in Q3 2021 reflecting our partners' share of net losses in Colombia.

Net loss attributable to owners of the company was $32 million, or $0.18 per share, compared to a net profit of $5 million ($0.04 per share) in Q3 2021. The weighted average number of shares outstanding during the quarter was 170.87 million, reflecting the rights offering completed in June 2022. As of September 30, 2022, there were 172.10 million shares outstanding, including 1.21 million held in treasury.

Cash Flow

Cash flow data* ($ millions)	Q3 2022	Q3 2021	*% change*	9M 2022	9M 2021	*% change*
EBITDA from continuing operations	**539**	**352**	**53.3%**	**1,680**	**1,056**	**59.1%**
EBITDA from discontinued operations	2	28	(93.0)%	24	93	(73.7)%
EBITDA including discontinued operations	**541**	**380**	**42.5%**	**1,705**	**1,149**	**48.4%**
Cash capex (excluding spectrum and licenses)	(253)	(173)	(46.6)%	(777)	(580)	(34.0)%
Spectrum paid	(26)	(4)	NM	(75)	(25)	NM
Changes in working capital	(20)	7	NM	(214)	(185)	(15.6)%
Other non-cash items	4	5	(10.7)%	11	8	42.7%
Taxes paid	(66)	(30)	NM	(222)	(79)	NM
Operating free cash flow	**180**	**185**	**(3.0)%**	**427**	**287**	**48.8%**
Finance charges paid, net	(120)	(85)	(40.8)%	(312)	(267)	(17.1)%
Lease interest payments, net	(30)	(40)	24.7%	(100)	(109)	8.5%
Lease principal repayments	(37)	(28)	(31.6)%	(120)	(90)	(33.0)%
Free cash flow	**(7)**	**32**	**NM**	**(105)**	**(179)**	**41.4%**
Repatriation from joint ventures and associates	36	13	NM	63	50	26.4%
Dividends and advances to non-controlling interests	(1)	—	NM	(3)	(6)	45.3%
Equity free cash flow	**28**	**45**	**(37.0)%**	**(45)**	**(135)**	**66.7%**
Equity free cash flow - Africa	2	(12)	NM	(10)	(12)	17.6%
Equity free cash flow - excluding Africa	**26**	**57**	**(53.9)%**	**(35)**	**(123)**	**71.3%**

** See page 11 for a description of non-IFRS measures discussed in the above table. On November 12, 2021, we acquired the remaining 45% interest in our Guatemala operation, and we began to consolidate Guatemala as of that date. As a result, Cash Flow metrics for 2022 are not directly comparable to those of 2021, which did not include Guatemala. Additionally, cash flow data includes our operation in Tanzania until its disposal on April 5, 2022.*

Given meaningful seasonal variations, commentary in this section emphasizes year-to-date rather than quarterly performance.

Operating Free Cash Flow (OFCF) was $427 million in 9M 2022, an increase of $140 million year-on-year, with most line items impacted primarily by the consolidation of Guatemala. Working capital investment of $214 million reflects timing differences that largely revert in Q4.

Taxes paid increased to $222 million in 9M 2022 from $79 million in 9M 2021, primarily due to the consolidation of Guatemala and $7 million mainly related to our adherence to a tax amnesty in one of our operations. Finance charges increased $46 million year-on-year to $312 million due to higher average debt levels in 2022 compared to 2021.

Lease interest and lease principal payments totaled $220 million in 9M 2022, up $21 million from $200 million in 9M 2021 due to the Guatemala consolidation, expansion of our network, as well as higher payments on renewals.

Finally, repatriation from joint ventures and associates was $63 million in 9M 2022, an increase of $13 million compared to 9M 2021, which also included Guatemala, due to increased repatriation from Honduras.

Equity Free Cash Flow (EFCF) in 9M 2022 was negative $45 million, of which $10 million relates to the Africa operation. Excluding Africa, EFCF increased by $88 million, as a result of the Guatemala consolidation and improved performance. The negative EFCF in 9M 2022 is consistent with historical seasonal patterns, which primarily reflects the timing of annual cash payments for capex booked in Q4 but paid in Q1, income taxes, frequency and software licenses, and variable compensation, as well as the benefit of increased commercial activity and lower inventory in Q4.

Debt

($ millions)	September 30, 2022	December 31, 2021
USD Debt	4,140	4,827
Local Currency Debt	2,725	2,917
Debt	**6,865**	**7,744**
Cash	884	930
Net Debt*	**5,981**	**6,814**
Leases	1,025	1,167
Net Financial Obligations*	**7,006**	**7,981**
EBITDA* (LTM)	2,141	1,639
Proforma Adjustments	103	747
Proforma EBITDA*	**2,244**	**2,385**
Leverage*	**3.12x**	**3.34x**

** Net Debt, Net financial obligations, EBITDA and Leverage are non-IFRS measures and are IFRS consolidated figures. See page 11 for a description of non-IFRS measures and for reconciliations to the nearest equivalent IFRS measures. Proforma adjustments relate to the acquisition of the Guatemala operation on November 12, 2021.*

As of September 30, 2022, debt of $6,865 million was stable compared to $6,864 million at the end Q2 2022.

Approximately 63% of debt at September 30, 2022 was held at our operating entities, and 37% was at the corporate level. The average interest rate on our debt increased to 6.0% from 5.8% at the end of Q2 2022 mainly as a result of the increase in variable rates in USD and COP debt. As of September 30, 2022, 40% of our debt was in local currency or swapped for local currency slightly down from 41% as of June 30, 2022. In addition, 82% of our debt was at fixed rates or swapped for fixed rates with an average maturity of 5.9 years, in line with our targets. On our dollar-denominated debt[1], the average rate was 5.3% with an average maturity of 6.5 years as of September 30, 2022, slightly increasing from levels as of June 30, 2022.

[1] *Including also SEK denominated bonds that have been swapped into US dollars.*

Our cash position was $884 million as of September 30, 2022, an increase of $105 million compared to $779 million as of June 30, 2022. Of our cash balance, 79% was held in U.S. dollars. As a result, our net debt was $5,981 million as of September 30, 2022, a decrease of $103 million during the quarter, reflecting the benefit of weaker foreign exchange rates on our local currency debt, as well as the positive EFCF generation during the quarter.

In addition, as of September 30, 2022, we had lease liabilities of $1,025 million, which represented 13% of gross financial obligations. Including these lease liabilities, net financial obligations were $7,006 million as of September 30, 2022, a decrease of $112 million during the quarter. Leverage, which includes our lease obligations, was 3.12x as of September 30, 2022, decreasing from 3.14x as of June 30, 2022. Excluding the impact of leases, the ratio of net debt to EBITDAaL* was 3.03x, compared to 3.04x as of June 30, 2022.

Operating performance

The information contained herein can also be accessed electronically in the Financial & Operating Data Excel file published at www.millicom.com/investors alongside this earnings release.

Business units

We discuss our performance under two principal business units:

1. Mobile, including mobile data, mobile voice, and mobile financial services (MFS) to consumer, business and government customers;

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

On occasion, we also discuss our performance by customer type, with B2B referring to our business and government customers, while B2C includes residential and personal consumer groups.

Market environment

Economic activity slowed noticeably in our markets during Q3 2022. Inflation steadily increased, in line with global trends, impacting consumer spending, although remittances from the U.S. to Central America sustained strong growth year-on-year. Foreign exchange rate volatility increased in some of our markets, with the average rate in the quarter for the Costa Rican colón and the Colombian peso down 5.8% and 12.1%, respectively, year-on-year, while currencies in other markets were broadly stable. Foreign exchange rates and movements are presented on page 14.

Key Performance Indicators

Mobile services

We ended Q3 2022 with 40.0 million customers, an increase of 160,000 during the quarter with customer gains in almost every country, except Guatemala and Bolivia, which experienced declines in prepaid. During the quarter, approximately 200,000 customers were reclassified from postpaid to prepaid upon completion of a large government contract in Colombia.

Mobile ARPU declined 3.6% year-on-year partly due to the weaker Colombian peso. In local currency terms, ARPU declined by 1.0% on average, but it rose in three countries including a 6% uplift in Colombia, driven by the ongoing shift in mix toward postpaid. During Q3, we implemented price increases in many of our markets, the full effect of which is expected in future periods.

Key Performance Indicators ('000)*	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q3 2022 vs Q3 2021
Mobile customers	40,014	39,855	39,956	39,802	38,971	2.7%
Of which 4G customers	19,806	19,134	19,282	19,046	18,123	9.3%
Of which postpaid subscribers	6,155	6,161	5,935	5,615	5,278	16.6%
Mobile ARPU ($)	6.0	6.2	6.1	6.3	6.3	(3.6)%
Homes passed	12,700	12,448	12,237	12,083	11,936	6.4%
Of which HFC/FTTH	12,433	12,179	11,965	11,810	11,660	6.6%
Customer relationships	4,780	4,767	4,762	4,704	4,672	2.3%
Of which HFC/FTTH	4,109	4,083	4,062	3,988	3,928	4.6%
HFC/FTTH revenue generating units	8,636	8,572	8,524	8,360	8,180	5.6%
Of which Broadband Internet	3,764	3,740	3,719	3,637	3,578	5.2%
Home ARPU ($)	26.2	27.3	27.5	27.9	28.1	(6.9)%

** KPIs re-presented to include Guatemala in all periods and exclude both Africa, which has been classified as discontinued operations, and our joint venture in Honduras, which is not consolidated in the Group figures.*

Broadband and other fixed services

At the end of Q3 2022, our networks passed 12.7 million homes, an increase of 252,000 during the quarter and 6.4% year-on-year, as we have ramped up to our target build rate as planned. In the quarter, we added 26,000 net HFC/FTTH customer relationships, reflecting the impact of continued price discipline amidst a more challenging macroeconomic environment, as well as increased competition in some markets. Penetration on our HFC/FTTH network was 33.1%, down slightly from 33.7% in Q3 2021, as we increased our build rate significantly in the quarter.

Home ARPU declined 6.9% year-on-year, due largely to the weaker Colombian peso. Excluding the currency impact, Home ARPU declined 2.8% due to the shift in mix toward Broadband-only customers, which generate lower ARPU, as well as lower cost and capex. In local currency, ARPU increased in three countries, and we increased prices across our footprint, which should help produce improved ARPU trends going forward.

Financial indicators

In Q3 2022, revenue increased 37.9% year-on-year to $1,388 million, while service revenue increased 34.5% to $1,280 million. Adjusting for the acquisition of Guatemala and for currency movements, organic service revenue growth was 2.7% year-on-year, reflecting growth in all countries except Guatemala and Bolivia and growth in all business units.

El Salvador had the strongest performance in the quarter, with service revenue growing 6.0%. Colombia grew 5.7% in local currency driven by mobile growth in the mid-teens. Panama grew 3.9%, led by mobile up high-single-digits and B2B up mid-single-digits in this consolidating market. In Paraguay, 2.3% service revenue growth reflected strong performance in mobile and B2B, which offset a decline in Home. Guatemala service revenue declined 0.5%, as we took additional steps to defend our market leadership. Bolivia declined 0.6%, impacted by a change in regulation that took effect in August. Finally, local currency service revenue grew 5.9% in Nicaragua, and 1.5% in Costa Rica. The Honduras joint venture (not consolidated) grew 2.2%.

*Financial Highlights** ($m, unless otherwise stated)	Q3 2022	Q3 2021	*% change*	*Organic % change*	9M 2022	9M 2021	*% change*	*Organic % change*
Revenue	1,388	1,006	37.9%	2.4%	4,243	3,006	41.1%	4.1%
Service revenue	1,280	951	34.5%	2.7%	3,895	2,843	37.0%	3.9%
Mobile	735	462	59.1%		2,222	1,373	61.8%	
Cable and other fixed services	528	475	11.3%		1,620	1,425	13.7%	
Other	16	15	9.8%		52	44	17.7%	
EBITDA	539	352	53.3%	(1.9)%	1,680	1,056	59.1%	1.0%
EBITDA margin	38.9%	34.9%	*3.9 pt*		39.6%	35.1%	*4.5 pt*	
Capex	253	229	10.2%		707	538	31.4%	
OCF	286	122	134.4%	2.0%	973	518	87.9%	(2.7)%

** Service revenue, EBITDA, EBITDA margin, Capex, OCF and organic growth are non-IFRS measures. Capex is defined as capital expenditures excluding spectrum, license costs and lease capitalizations. See page 11 for a description of non-IFRS measures and for reconciliations to the nearest equivalent IFRS measures.*

By business unit, Home service revenue was flat, growing 0.2% organically, impacted by lower customer intake due to pricing discipline and the macroeconomic environment. In our Mobile business, organic service revenue grew a healthy 3.2% year-on-year, driven by postpaid, which grew 8.9% in local currency. Finally, B2B maintained its strong momentum, with service revenue growing 5.9% organically, with Paraguay and El Salvador posting double-digit growth in B2B during the quarter.

EBITDA was $539 million, an increase of 53.3% year-on-year. Excluding the acquisition of Guatemala and changes in FX rate, EBITDA declined 1.9% organically year-on-year, impacted by a $7 million one-time charge related to the early termination of a software contract. Excluding this one-off, EBITDA would have declined 0.6% organically, reflecting the low single-digit service revenue growth, offset by the inflationary impacts on our cost structure and the ongoing investments to support growth and independence of our Tower Company and Tigo Money businesses, which we are planning to carve-out in 2023. Also impacting EBITDA in Q3 were costs related to our new content agreement with Vix, which includes rights to the Spanish soccer league ("La Liga") matches. We began commercializing Vix in mid-September and will begin generating revenue in Q4.

By country, EBITDA local currency growth was positive in Nicaragua (13.2%), Colombia (6.6%), Panama (6.0%), El Salvador (3.9%) and Costa Rica (0.4%). Growth was negative 2.6% in Guatemala, as the decline in prepaid and incoming international long distance impacted margins, as did investments to protect market share. Bolivia declined 3.7%, impacted by the regulatory change implemented in August, and Paraguay declined 2.7% due to phasing of opex related to our exclusive soccer rights and advertising and promotional campaigns. Finally, the Honduras joint venture (not consolidated) grew 3.5%.

Capex was $253 million in the quarter. In Mobile, we added more than 500 points of presence to our 4G network during the quarter, and we ended with more than 17,000 points of presence, an increase of 15% year-on-year. At the end of Q3 2022, our 4G networks covered approximately 79% of the population[2], which is up from approximately 76% as of September 30, 2021.

Operating Cash Flow (OCF) increased 134.4% year-on-year to $286 million in Q3 2022. Excluding the impact of the acquisition of Guatemala and currencies, OCF increased 2.0% organically, impacted by the EBITDA one-off related to a software contract. Excluding the impact of this one-off, OCF would have increased 4.5% organically.

2 The population is approximately 120 million in our markets.

ESG highlights – Q3 2022

Environment

With our near-term Science-Based Targets validated and officially announced in July 2022, we have continued our work to ensure progress towards the commitments. This includes monitoring of current initiatives, plans for upcoming projects and efforts, training, and building internal and external partnerships to promote the development of a low-carbon economy in our markets.

Society

Culture

Millicom has been recognized as one of the World's Best Workplaces by Great Place To Work, ranking number 5. This achievement rewards Millicom's SangreTigo culture and investment in its people, and is in addition to the recognition as the second place in the Great Place to Work Latin America ranking received in August, 2022, and the fifth place in the Great Place to Work Central America Ranking received in April, 2022.

Digital Education

Our Conectadas program has trained over 80,000 year-to-date Q3 2022 as we continue to work towards our targets. We are currently working with our partner Grameen Foundation on including new content in the platform, which will be provided by GSMA's Mobile Internet Skills Training Toolkit. As of year-to-date Q3 2022, we have trained over 58,000 teachers. We also held two in person events for teachers in Bolivia and Paraguay, with over 2,200 teachers attending.

In September 2022, at an event honoring Millicom, Glasswing International and Millicom announced a new mentorship program in Guatemala, El Salvador, and Honduras. Professionals from Tigo will engage in mentoring sessions with groups of students, and an initial pilot is expected to be launched in November.

Activities with the Fundación Real Madrid continue across our footprint, and more than 6,000 people have attended our training sessions.

Supply Chain Management

We launched a revised and updated version of our Supplier training module, enhancing the content related to climate change and Scope 3 emissions reduction. Furthermore, we are reaching out to vendors in key Scope 3 emissions categories, to join forces in working towards a more efficient and resilient value chain.

Governance

Compliance

In Q3 2022, we launched the annual mandatory Compliance training, covering all relevant aspects of the program (Code of Conduct, Anti-Corruption, Gifts & Hospitality, Speak Up, Sponsorships & Donations, Conflicts of Interest, Third Party Due Diligence, and AML -Anti Money Laundering-). The training targets all active employees and contracted staff of the company. Also, in tandem with our training efforts, we are conducting our global Conflicts of Interest campaign.

Video conference details

A video conference to discuss these results will take place on October 27 at 14:00 (Luxembourg/Stockholm) / 13:00 (London) / 08:00 (Miami). Registration for the live event is required and is available at the following link. After registering, participants will receive a confirmation email containing details about joining the video conference. Alternatively, participants can join in a listen-only mode, by dialing any of the following numbers and using webinar ID number 879-9645-2403. Please dial a number base on your location:

US	+1 929 205 6099	Sweden:	+46 850 539 728
UK:	+44 330 088 5830	Luxembourg:	+352 342 080 9265

Additional international numbers are available at the following link.

Financial calendar

2023

Date	Event
February 10	Q4 2022 results
April 27	Q1 2023 results
May 4	2023 AGM
July 27	Q2 2023 results
October 26	Q3 2023 results

For further information, please contact

Press:
Karim Lesina, EVP Chief External Affairs Officer
Yocasta Valdez, Group Sr. Manager Digital Media & Communications
press@millicom.com

Investors:
Michel Morin, VP Investor Relations
Sarah Inmon, Director Investor Relations
investors@millicom.com

About Millicom

Millicom (NASDAQ U.S.: TIGO, Nasdaq Stockholm: TIGO_SDB) is a leading provider of fixed and mobile telecommunications services in Latin America. Through our TIGO® and Tigo Business® brands, we provide a wide range of digital services and products, including TIGO Money for mobile financial services, TIGO Sports for local entertainment, TIGO ONEtv for pay TV, high-speed data, voice, and business-to-business solutions such as cloud and security. As of September 30, 2022, Millicom employed approximately 20,000 people and provided mobile and fiber-cable services through its digital highways to more than 45 million customers, with a fiber-cable footprint over 13 million homes passed. Founded in 1990, Millicom International Cellular S.A. is headquartered in Luxembourg.

Regulatory Statement

This information was prior to this release inside information and is information that Millicom is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 12:00 CET on October 27, 2022.

Forward-Looking Statements

Statements included herein that are not historical facts, including without limitation statements concerning future strategy, plans, objectives, expectations and intentions, projected financial results, liquidity, growth and prospects, are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, Millicom's results could be materially adversely affected. In particular, there is uncertainty about global economic activity and inflation, the demand for Millicom's products and services, and global supply chains. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions, foreign exchange rate fluctuations and high inflation, as well as local economic conditions in the markets we serve, which can be impacted by geopolitical developments outside of our principal geographic markets, such as the armed conflict between Russia and the Ukraine and related sanctions;
- potential disruption due to diseases, pandemics, political events, armed conflict, acts by terrorists, including the impact of the outbreak of the COVID-19 virus and the ongoing efforts throughout the world to contain it;
- telecommunications usage levels, including traffic, customer growth and the accelerated transition from traditional to digital services;
- competitive forces,including pricing pressures, piracy, the ability to connect to other operators' networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- the achievement of our operational goals, financial targets and strategic plans, including the acceleration of cash flow growth, the reduction in net leverage, the expansion of our fixed broadband network, and the implementation of a share repurchase program and environmental, social and governance standards;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, laws and regulations which require the provision of services to customers without charging, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- our ability to grow our mobile financial services business in our Latin American markets;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- our expectations regarding the growth in fixed broadband penetration rates and the return that our investment in broadband networks will yield;
- the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- our ability to create new organizational structures for the Tigo Money and Towers businesses and manage them independently to enhance their value;
- relationships with key suppliers and costs of handsets and other equipment;
- disruptions in our supply chain due to economic and political instability, the outbreak of war or other hostilities, public health emergencies, natural disasters and general business conditions;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found under the heading "Risk Factors" in Item 1 of Millicom's Report on Form 6-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on May 10, 2022, and in Millicom's subsequent SEC filings, all of which are available at www.sec.gov. To the extent COVID-19 adversely affects Millicom's business and financial results, it may also have the effect of heightening many of the risks described in its filings. All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by applicable law, we do not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Measures

This press release contains financial measures not prepared in accordance with IFRS. These measures are referred to as "non-IFRS" measures and include: non-IFRS service revenue, non-IFRS EBITDA, and non-IFRS Capex, among others defined below. Annual growth rates for these non-IFRS measures are often expressed in organic constant currency terms to exclude the effect of changes in foreign exchange rates, the adoption of new accounting standards, and are proforma for material changes in perimeter due to acquisitions and divestitures. The non-IFRS financial measures are presented in this press release as Millicom's management believes they provide investors with an additional information for the analysis of Millicom's results of operations, particularly in evaluating performance from one period to another. Millicom's management uses non-IFRS financial measures to make operating decisions, as they facilitate additional internal comparisons of Millicom's performance to historical results and to competitors' results, and provides them to investors as a supplement to Millicom's reported results to provide additional insight into Millicom's operating performance. Millicom's Remuneration Committee uses certain non-IFRS measures when assessing the performance and compensation of employees, including Millicom's executive directors.

The non-IFRS financial measures used by Millicom may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies - refer to the section "Non-IFRS Financial Measure Descriptions" for additional information. In addition, these non-IFRS measures should not be considered in isolation as a substitute for, or as superior to, financial measures calculated in accordance with IFRS, and Millicom's financial results calculated in accordance with IFRS and reconciliations to those financial statements should be carefully evaluated.

Following the changes in perimeter following the Guatemala acquisition and the Africa disposal, Millicom's management modified the company's external reporting with the primary objective of simplifying it. As a result, the Group has discontinued the use of the following non-IFRS measures: Proportionate financial obligations, Proportionate leverage, Proportionate leverage after leases, and all Underlying measures (as these mainly reflected the full consolidation of Guatemala). The definitions of EBITDA and Return on Invested Capital have been adjusted to reflect this change. In addition, the Group changed the definition of Equity Free Cash Flow to include spectrum paid and lease principal repayments in response to feedback from users of our financial statements who prefer a more comprehensive view of our cash flow generation. As a result we no longer refer to Equity Free Cash Flow 'after Leases'.

Non-IFRS Financial Measure Descriptions

Service revenue is revenue related to the provision of ongoing services such as monthly subscription fees for mobile and broadband, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services, installation fees and other value-added services excluding telephone and equipment sales.

EBITDA is operating profit excluding impairment losses, depreciation and amortization, and gains/losses on fixed asset disposals.

EBITDA after Leases (EBITDAaL) represents EBITDA after lease interest and principal repayments.

EBITDA Margin represents EBITDA in relation to Revenue.

Organic growth represents year-on-year growth excluding the impact of changes in FX rates, perimeter, and accounting. Changes in perimeter are the result of acquisitions and divestitures. Results from divested assets are immediately removed from both periods, whereas the results from acquired assets are included in both periods at the beginning (January 1) of the first full calendar year of ownership.

Net debt is Debt and financial liabilities less cash and pledged and time deposits.

Net financial obligations is Net debt plus lease liabilities.

Leverage is the ratio of net financial obligations over LTM (Last twelve month) EBITDA, proforma for acquisitions made during the last twelve months.

Leverage after leases is the ratio of net debt over LTM (Last twelve month) EBITDA after leases, proforma for acquisitions and disposals made during the last twelve months.

Capex is balance sheet capital expenditure excluding spectrum and license costs and lease capitalizations.

Cash Capex represents the cash spent in relation to capital expenditure, excluding spectrum and licenses costs.

Operating Cash Flow (OCF) is EBITDA less Capex.

Operating Free Cash Flow (OFCF) is EBITDA, less cash capex, less spectrum paid, working capital and other non-cash items, and taxes paid.

Equity Free Cash Flow (EFCF) is OFCF less finance charges paid (net), lease interest payments, lease principal repayments, and advances for dividends to non-controlling interests, plus cash repatriation from joint ventures and associates.

Operating Profit After Tax displays the profit generated from the operations of the company after statutory taxes.

Return on Invested Capital (ROIC) is used to assess the Group's efficiency at allocating the capital under its control to and is defined as Operating Profit After Tax divided by the average invested Capital during the period.

Average Invested Capital is the capital invested in the company operation throughout the year and is calculated with the average of opening and closing balances of the total assets minus current liabilities (excluding debt, joint ventures, accrued interests, deferred and current tax, cash as well as investments and non-controlling interests), less assets and liabilities held for sale.

Average Revenue per User per Month (ARPU) for our Mobile customers is (x) the total mobile and mobile financial services revenue (excluding revenue earned from tower rentals, call center, data and mobile virtual network operator, visitor roaming, national third parties roaming and mobile telephone equipment sales revenue) for the period, divided by (y) the average number of mobile subscribers for the period, divided by (z) the number of months in the period. We define ARPU for our Home customers in our Latin America segment as (x) the total Home revenue (excluding equipment sales, TV advertising and equipment rental) for the period, divided by (y) the average number of customer relationships for the period, divided by (z) the number of months in the period. ARPU is not subject to a standard industry definition and our definition of ARPU may be different from other industry participants.

Please refer to our 2021 Annual Report for a list and description of non-IFRS measures.

Non-IFRS Reconciliations

Reconciliation from Reported Growth to Organic Growth for the Group

($ millions)	Revenue Q3 2022	Service Revenue Q3 2022	EBITDA Q3 2022	OCF Q3 2022
A- Current period	1,388	1,280	539	286
B- Prior year period	1,006	951	352	122
C- Reported growth (A/B)	**37.9%**	**34.5%**	**53.3%**	**134.4%**
D- Perimeter	39.4%	35.6%	60.7%	141.8%
E- FX and other	(3.8)%	(3.8)%	(5.4)%	(9.4)%
F- Organic Growth (C-D-E)	**2.4%**	**2.7%**	**(1.9)%**	**2.0%**

**Organic growth calculated by re-basing all periods to the budget FX rates of the current year. This creates small differences captured in "Other". Capex included in OCF is assumed to be in USD and is not rebased.*

($ millions)	Revenue 9M 2022	Service Revenue 9M 2022	EBITDA 9M 2022	OCF 9M 2022
A- Current period	4,243	3,895	1,680	973
B- Prior year period	3,006	2,843	1,056	518
C- Reported growth (A/B)	**41.1%**	**37.0%**	**59.1%**	**87.9%**
D- Perimeter	39.2%	35.4%	60.9%	99.9%
E- FX and other	(2.1)%	(2.4)%	(2.7)%	(9.3)%
F- Organic Growth (C-D-E)	**4.1%**	**3.9%**	**1.0%**	**(2.7)%**

**Organic growth is calculated by re-basing all periods to the budget FX rates of the current year. This creates small differences captured in "Other". Capex included in OCF is assumed to be in USD and is not rebased.*

Reconciliation of Net financial obligations to EBITDA as of September 30, 2022

Debt Information - September 30, 2022	Financial obligations			LTM EBITDA			
$ millions	Gross	Cash	Net	Reported	Adjustments*	Proforma	Leverage
Millicom Group (IFRS)	**7,890**	**884**	**7,006**	**2,141**	**103**	**2,244**	**3.12x**

**Related to Guatemala acquisition completed on November 12, 2021.*

One-off Summary - Items above EBITDA

2022 ($ millions)	Q3 2022 Revenue	Q3 2022 EBITDA	9M 2022 Revenue	9M 2022 EBITDA	Comment (Q3 2022)
Panama	—	—	—	5	
Colombia	—	—	—	(4)	
Corporate	—	(7)	—	(7)	Early termination of software contract
Group Total	**—**	**(7)**	**—**	**(7)**	

2021 ($ millions)	Q3 2021 Revenue	Q3 2021 EBITDA	9M 2021 Revenue	9M 2021 EBITDA	Comment (Q3 2021)
Paraguay	—	—	(4)	(4)	
Group Total	**—**	**—**	**(4)**	**(4)**	

ARPU reconciliations

Mobile ARPU Reconciliation	Q3 2022	Q3 2021	9M 2022	9M 2021
Mobile service revenue ($m)	735	732	2,222	2,181
*Mobile Service revenue ($m) from non-Tigo customers ($m) **	*(12)*	*(8)*	*(33)*	*(21)*
Mobile Service revenue ($m) from Tigo customers (A)	723	724	2,189	2,160
Mobile customers - end of period (000)	40,014	38,971	40,014	38,971
Mobile customers - average (000) (B) **	39,935	38,567	39,907	38,040
Mobile ARPU (USD/Month) (A/B/number of months)	6.0	6.3	6.1	6.3

** Refers to production services, MVNO, DVNO, equipment rental revenue, call center revenue, national roaming, equipment sales, visitor roaming, tower rental, DVNE, and other non-customer driven revenue.*
*** Average QoQ for the quarterly view is the average of the last quarter.*

Home ARPU Reconciliation	Q3 2022	Q3 2021	9M 2022	9M 2021
Home service revenue ($m)	383	400	1,180	1,189
*Home service revenue ($m) from non-Tigo customers ($m) **	*(8)*	*(8)*	*(24)*	*(21)*
Home service revenue ($m) from Tigo customers (A)	375	392	1,156	1,168
Customer Relationships - end of period (000) **	4,780	4,672	4,780	4,672
Customer Relationships - average (000) (B) ***	4,774	4,640	4,754	4,542
Home ARPU (USD/Month) (A/B/number of months)	26.2	28.1	27.0	28.6

** TV advertising, production services, equipment rental revenue, call center revenue, equipment sales and other non customer driven revenue.*
*** Represented by homes connected all technologies (HFC/FTTH + Other Technologies + DTH & Wimax RGUs).*
**** Average QoQ for the quarterly view is the average of the last quarter.*

OCF (EBITDA- Capex) Reconciliation

Group OCF	Q3 2022	Q3 2021	9M 2022	9M 2021
EBITDA	539	352	1,680	1,056
(-)Capex (Ex. Spectrum)	253	229	707	538
OCF	**286**	**122**	**973**	**518**

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Capex Reconciliation

Capex Reconciliation	Q3 2022	Q3 2021	9M 2022	9M 2021
Consolidated:				
Additions to property, plant and equipment	210	189	588	450
Additions to licenses and other intangibles	88	64	280	98
Of which spectrum and license costs	*45*	*24*	*161*	*10*
Total consolidated additions	**298**	**253**	**868**	**548**
Of which capital expenditures related to headquarters	*5*	*3*	*12*	*7*

Foreign Exchange rates

		Average FX rate (vs. USD)					End of period FX rate (vs. USD)				
		Q3 22	Q2 22	QoQ	Q3 21	YoY	Q3 22	Q2 22	QoQ	Q3 21	YoY
Bolivia	BOB	6.91	6.91	0.0%	6.91	0.0%	6.91	6.91	0.0%	6.91	0.0%
Colombia	COP	4,340	3,939	(9.2)%	3,817	(12.1)%	4,532	4,127	(8.9)%	3,835	(15.4)%
Costa Rica	CRC	663	680	2.5%	625	(5.8)%	633	692	9.4%	630	(0.5)%
Guatemala	GTQ	7.78	7.70	(1.1)%	7.74	(0.5)%	7.88	7.76	(1.6)%	7.73	(1.9)%
Honduras	HNL	24.57	24.46	(0.5)%	23.98	(2.4)%	24.70	24.50	(0.8)%	24.17	(2.2)%
Nicaragua	NIO	35.96	35.78	(0.5)%	35.26	(2.0)%	36.05	35.87	(0.5)%	35.34	(2.0)%
Paraguay	PYG	6,929	6,866	(0.9)%	6,877	(0.8)%	7,091	6,848	(3.4)%	6,914	(2.5)%

Equity Free Cash Flow Reconciliation

Cash Flow Data	Q3 2022	Q3 2021	9M 2022	9M 2021
Net cash provided by operating activities	**309**	**237**	**868**	**516**
Purchase of property, plant and equipment	(219)	(149)	(625)	(479)
Proceeds from sale of property, plant and equipment	2	2	8	6
Purchase of intangible assets	(36)	(26)	(161)	(107)
Purchase of spectrum and licenses	(26)	(4)	(75)	(25)
Proceeds from sale of intangible assets	—	—	—	—
Finance charges paid, net	150	125	412	376
Operating free cash flow	**180**	**185**	**427**	**287**
Interest (paid), net	(150)	(125)	(412)	(376)
Lease Principal Repayments	(37)	(28)	(120)	(90)
Free cash flow	**(7)**	**32**	**(105)**	**(179)**
Repatriation from joint ventures and associates	36	13	63	50
Dividends paid to non-controlling interests	(1)	—	(3)	(6)
Equity free cash flow	**28**	**45**	**(45)**	**(135)**
Equity free cash flow - Africa	2	(12)	(10)	(12)
Equity free cash flow - excluding Africa	**26**	**57**	**(35)**	**(123)**