Earnings Release
Q2 2023

Luxembourg, July 27, 2023

Millicom (Tigo) Q2 2023 Earnings Release

Highlights*

- Revenue declined 3.8% mainly due to currency depreciation compared to the prior year and lower telephone and equipment sales. Excluding currency impacts, revenue declined 0.2% year-on-year.
- Service revenue increased 1.9% organically, with growth across all business units, including 6.1% growth in B2B and 1.7% growth in mobile driven by 8.6% growth in postpaid, with growth in most countries.
- Operating profit declined 19.8%, mostly reflecting currency depreciation and lower EBITDA, which declined 7.9% organically, impacted mainly by restructuring costs, higher non-cash share-based compensation and legal expenses, as well as incremental costs related to investments to protect our leadership position in Guatemala.
- Operating cash flow increased 3.3% to $333 million, an organic increase of 9.5%, mostly reflecting lower capital investment in our Home business in some countries, which more than offset the decline in EBITDA.
- Net loss of $22 million compared to net profit $129 million in Q2 2022, which included a large gain on the sale of our Tanzania operation.
- During Q2, our Colombia operation signed a Memorandum of Understanding with Telefonica Colombia to create a jointly-owned mobile infrastructure company, which is expected to produce material synergies. Full transaction documentation is not yet completed, and the transaction is subject to various regulatory approvals.

Financial highlights ($ millions)	Q2 2023	Q2 2022	% change	Organic % Change	H1 2023	H1 2022	% change	Organic % Change
Revenue	1,393	1,447	(3.8)%	(0.2)%	2,762	2,856	(3.3)%	1.0%
Operating Profit	198	247	(19.8)%		388	481	(19.4)%	
Net Profit / (Loss)	(22)	129	NM		(19)	152	(112.5)%	
Non-IFRS measures (*)								
Service Revenue	1,291	1,315	(1.8)%	1.9%	2,555	2,615	(2.3)%	2.1%
EBITDA	515	577	(10.8)%	(7.9)%	1,022	1,141	(10.4)%	(7.0)%
Capex	182	255	(28.5)%		367	454	(19.1)%	
Operating Cash Flow	333	322	3.3%	9.5%	655	687	(4.7)%	0.1%

**See page 12 for a description of non-IFRS measures and for reconciliations to the nearest equivalent IFRS measures.*

Millicom Chief Executive Officer Mauricio Ramos commented:

"The second quarter saw both continued challenges and positive trends. On the positive side, our B2B operation continued to perform very well, with organic growth of 6%, along with postpaid, which grew almost 9% during the quarter.

In contrast, growth in our Home business remained challenged, especially in Colombia and Bolivia, two of our largest Home markets, and we have adjusted our investment plans accordingly. In Guatemala, we took additional steps to defend our mobile market leadership, which impacted profitability during the quarter but allowed us to maintain our customer base and market leadership, maximizing value creation potential over the long term. We also expect the recent acquisition of high-band spectrum will further strengthen our competitive position as we start to utilize it in coming months. With this, we remain optimistic about the outlook in our most important market.

Looking ahead, our four key priorities are to: (1) deliver the expected efficiencies from Project Everest, (2) sustain market leadership and improve cash generation in Guatemala, (3) accelerate cash flow improvement in Colombia via organic and inorganic initiatives, and (4) capture value from Lati, our tower and infrastructure company. Delivering on these priorities will position the company to generate robust and sustainable equity free cash flow and create significant shareholder value."

Financial Targets

As communicated on June 28, 2023, Millicom targets cumulative equity free cash flow of at least $500 million for the 2022-2024 period. Based on the company's outlook, 2024 is expected to be the strongest year in the three-year period due to savings from Project Everest and lower expected spectrum investment and lower one-time items compared to 2023.

Subsequent Event

On July 14, 2023, we received an adverse legal ruling in Colombia related to actors' guild public performance royalty rights. Although we have already filed an appeal, an additional $10 million provision was reflected in these Q2 results.

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Income statement data (i) (IFRS) $ millions (except EPS in $)	Q2 2023	Q2 2022	*% change*	H1 2023	H1 2022	*% change*
Revenue	**1,393**	**1,447**	**(3.8)%**	**2,762**	**2,856**	**(3.3)%**
Cost of sales	(380)	(395)	3.8%	(752)	(765)	1.7%
Gross profit	**1,013**	**1,052**	**(3.8)%**	**2,010**	**2,090**	**(3.8)%**
Operating expenses	(498)	(475)	(4.8)%	(988)	(949)	(4.1)%
Depreciation	(238)	(252)	5.6%	(482)	(509)	5.3%
Amortization	(90)	(90)	(0.1)%	(177)	(171)	(3.6)%
Share of profit in Honduras joint venture	11	12	(12.0)%	21	20	5.8%
Other operating income (expenses), net	1	—	NM	4	—	NM
Operating profit	**198**	**247**	**(19.8)%**	**388**	**481**	**(19.4)%**
Net financial expenses	(174)	(164)	(5.8)%	(340)	(305)	(11.3)%
Other non-operating income, (expense) net	8	(11)	NM	27	(7)	NM
Gains/(losses) from other JVs and associates, net	1	(1)	NM	(3)	—	NM
Profit before tax	**33**	**71**	**(53.1)%**	**73**	**170**	**(57.2)%**
Net tax expense	(81)	(78)	(4.6)%	(141)	(147)	4.4%
Profit/(loss) for the period from continuing ops.	**(48)**	**(6)**	**NM**	**(68)**	**23**	**NM**
Non-controlling interests	26	18	38.6%	49	17	NM
Profit (loss) from discontinued operations	—	117	NM	—	111	NM
Net profit/(loss) for the period	**(22)**	**129**	**NM**	**(19)**	**152**	**NM**
Weighted average shares outstanding (millions)	171.29	113.49	50.9%	171.10	107.05	59.8%
EPS	(0.13)	1.14	(111.3)%	(0.11)	1.42	(107.8)%

In Q2 2023, revenue declined 3.8% year-on-year mainly due to currency depreciation (mostly from the Colombian peso down 12.0% year-on-year and the Paraguayan guarani down 5.2% year-on-year). Excluding the effect of foreign exchange rates, total revenue declined 0.2%, while service revenue increased 1.9%.

Cost of sales decreased 3.8% year-on-year due to lower handset sales which was partially offset by a $10 million provision related to a legal ruling in Colombia. Operating expenses increased 4.8% year-on-year due to several non-recurring or unusual items, including: organizational restructuring costs related to Project Everest, higher non-cash share-based compensation, largely due to a higher stock price, as well as higher legal fees, stemming in part from the buyout discussions that have now concluded.

Depreciation decreased 5.6% year-on-year to $238 million, reflecting a revision to the estimated useful life of towers, as well the impact of a weaker Colombian peso, which appreciated 5.5% during the quarter but remains below year ago levels. Meanwhile, amortization was flat at $90 million. As a result of the above factors, operating profit declined 19.8% year-on-year.

Net financial expenses increased by $10 million year-on-year, mostly due to higher interest rates on our variable rate debt (primarily in Colombia) as well as recently introduced commissions on dollar purchases in Bolivia. Other non-operating income of $8 million mostly related to foreign exchange gains in Colombia.

Tax expense increased to $81 million in Q2 2023 compared to $78 million in Q2 2022, mainly due to the impairment of some Colombia tax credits in Q2 2023. Non-controlling interests of $26 million in Q2 2023 compares to $18 million in Q2 2022, reflecting our partners' share of net losses in both years in Colombia. In Q2 2022, we recognized a profit from discontinued operations of $117 million reflecting a gain on the sale of our former Tanzania operation.

As a result of the above items, net loss attributable to owners of the company was $22 million, or $0.13 per share, compared to a net profit of $129 million ($1.14 per share) in Q2 2022.

The weighted average number of shares outstanding during the quarter was 171.29 million. As of June 30, 2023, there were 172.10 million shares issued and outstanding, including 0.76 million held as treasury shares.

Cash Flow

Cash flow data* ($ millions)	Q2 2023	Q2 2022	*% change*	H1 2023	H1 2022	*% change*
EBITDA from continuing operations	**515**	**577**	**(10.8)%**	**1,022**	**1,141**	**(10.4)%**
EBITDA from discontinued operations	—	(8)	NM	—	22	NM
EBITDA including discontinued operations	**515**	**569**	**(9.5)%**	**1,022**	**1,163**	**(12.1)%**
Cash capex (excluding spectrum and licenses)	(224)	(248)	9.7%	(513)	(524)	2.2%
Spectrum paid	(48)	(19)	NM	(101)	(49)	(104.1)%
Changes in working capital	(33)	(65)	48.3%	(154)	(193)	20.1%
Other non-cash items	9	3	NM	18	7	NM
Taxes paid	(83)	(94)	11.7%	(120)	(156)	23.1%
Operating free cash flow	**135**	**146**	**(7.5)%**	**153**	**248**	**(38.4)%**
Finance charges paid, net	(101)	(90)	(12.0)%	(230)	(193)	(19.2)%
Lease interest payments, net	(29)	(32)	9.8%	(58)	(70)	17.5%
Lease principal repayments	(44)	(39)	(13.3)%	(84)	(83)	(1.4)%
Free cash flow	**(38)**	**(14)**	**NM**	**(219)**	**(98)**	**NM**
Repatriation from joint ventures and associates	14	13	5.8%	62	27	NM
Dividends and advances to non-controlling interests	—	(3)	NM	—	(3)	NM
Equity free cash flow	**(24)**	**(4)**	**NM**	**(157)**	**(73)**	**(114.8)%**
Less: Equity free cash flow - Africa	—	(5)	NM	—	(12)	NM
Equity free cash flow - excluding Africa	**(24)**	**1**	**NM**	**(157)**	**(62)**	**NM**

** See page 12 for a description of non-IFRS measures discussed in the above table. 2022 cash flow data includes our operation in Tanzania until its disposal on April 5, 2022.*

Operating Free Cash Flow (OFCF) of $153 million in H1 2023 compares to $248 million in H1 2022. The decline of $95 million largely reflects the following items:

- Lower EBITDA due to the impact of currency depreciation in Colombia, expenses related to the organizational restructuring, the adverse legal ruling in Colombia, and increased commercial activity in Guatemala.

- Higher spectrum payments in 2023 reflect acquisitions of strategically-important spectrum in the 2.6 GHz band in Guatemala for $33 million in Q2 and of AWS spectrum in Panama for $20 million in Q1.
- Lower working capital, mostly due to lower inventory.
- Lower tax payments, reflecting lower profitability.

Finance charges increased $37 million year-on-year to $230 million. The increase largely reflects the $23 million payment in Q1 of the semi-annual coupon on the Comcel bonds issued in January 2022, as well as higher interest paid on our variable rate debt and the recently introduced commissions on the purchase of dollars in Bolivia.

Lease interest and lease principal payments totaled $142 million in H1 2023, representing a decline of $11 million from $153 million in H1 2022, due to the 2022 disposal of our Africa operation which had large lease liabilities, as well as the effect of a weaker Colombian peso on leases denominated in local currency in that country.

Finally, repatriation from joint ventures and associates was $62 million in H1 2023, an increase of $34 million compared to H1 2022, reflecting timing differences in our repatriation plans for 2023 compared to 2022. As a result of the above, Equity Free Cash Flow (EFCF) in H1 2023 was an outflow of $157 million, compared to an outflow of $62 million (excluding Africa) in H1 2022.

Debt

($ millions)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
USD Debt	3,905	4,103	4,100	4,140	4,024
Local Currency Debt	2,829	2,742	2,704	2,725	2,840
Gross Debt	**6,735**	**6,845**	**6,804**	**6,865**	**6,864**
Derivative financial instruments	51	42	34	63	34
Less: Cash	703	904	1,039	884	779
Net Debt*	**6,083**	**5,983**	**5,799**	**6,044**	**6,118**
Leases	1,027	1,026	1,016	1,025	1,034
Net Financial Obligations*	**7,110**	**7,009**	**6,814**	**7,069**	**7,152**
EBITDA* (LTM)	2,109	2,172	2,228	2,141	1,954
Proforma Adjustments	—	—	—	103	317
Proforma EBITDA*	**2,109**	**2,172**	**2,228**	**2,244**	**2,271**
Leverage*	**3.37x**	**3.23x**	**3.06x**	**3.15x**	**3.15x**

** Net Debt, Net financial obligations, EBITDA and Leverage are non-IFRS measures and are IFRS consolidated figures. See page 12 for a description of non-IFRS measures and for reconciliations to the nearest equivalent IFRS measures. Cash includes term deposits of $7 million as of June 30, 2023. Proforma adjustments relate to the acquisition of the Guatemala operation on November 12, 2021.*

During the quarter, gross debt declined $111 million to $6,735 million as of June 30, 2023, compared to $6,845 million at the end Q1 2023, as a result of the early redemption of the SEK2.0 billion Senior Unsecured Sustainability Notes due 2024. The percent of gross debt in local currency[1] remained unchanged at 42%, while 80% of our debt was at fixed rates[2] with an average maturity of 5.2 years. Approximately 65% of gross debt at June 30, 2023 was held at our operating entities, while the remaining 35% was at the corporate level. All these debt metrics are in line with our targets.

[1] *Or swapped for local currency*
[2] *Or swapped for fixed rates*

The average interest rate on our debt was 6.6%. On our dollar-denominated debt[3], the average rate was 5.6% with an average maturity of 5.8 years as of June 30, 2023.

Our cash position was $703 million as of June 30, 2023, a decline of $201 million compared to $904 million as of March 31, 2023, due to the early redemption of the SEK bond, and 69% was held in U.S. dollars. As a result, our net debt was $6,083 million as of June 30, 2023, an increase of $100 million during the quarter, reflecting mostly the effect of currency appreciation during the quarter on our local currency denominated debt, as well as the $24 million of EFCF outflow in Q2.

Including lease liabilities of $1,027 million, net financial obligations were $7,110 million as of June 30, 2023, an increase of $101 million during the quarter, in line with the increase in net debt. Leverage, which includes lease obligations, was 3.37x as of June 30, 2023, up from 3.23x as of March 31, 2023. Excluding the impact of leases, the ratio of net debt to EBITDAaL was 3.34x, compared to 3.18x as of March 31, 2023.

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. Fixed network 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

Most countries continued to experience subdued economic activity in the second quarter. Inflation across the region has declined in line with global trends, although the rate in Colombia has remained elevated at more than 12%. Foreign exchange rate volatility remained elevated in some of our markets, with nearly all floating currencies appreciating during the quarter, led by the Costa Rican colon and the Colombian peso up 3.5% and 5.5%, respectively, from March 31, 2023, levels. Despite the strengthening trend observed during the first half of 2023, the average exchange rate for the quarter for the Colombia peso and the Paraguayan guarani remained below year ago levels by 12.0% and 5.2%, respectively. Foreign exchange rates and movements are presented on page 15.

Key Performance Indicators

Mobile services

During Q2 2023, our mobile customer base increased by 35,000 to end at 40.6 million, an increase of 1.9% year-on-year. Postpaid continued to perform very strongly with net additions of 189,000 in Q2, including more than 122,000 in Colombia, where our customer base is up 11.2% over the last twelve months.

Mobile ARPU declined 3.5% mostly due to the effect of the weaker Colombian peso. Excluding the impact of foreign exchange, organic ARPU was flat year-on-year, driven by local currency growth in Colombia, Paraguay, El Salvador and

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

Nicaragua. The improvement in local currency ARPU trends reflects price increases implemented in recent quarters, as well as the shift in mix toward postpaid in markets such as Colombia.

Broadband and other fixed services

At the end of Q2 2023, our fixed networks passed 13.1 million homes, an increase of 96,000 during the quarter, reflecting reduced Home investment in some markets where demand has moderated and returns have declined over the past year. During the quarter, HFC/FTTH customer relationships declined 91,000 net, in part due to a one-time adjustment of 52,000 to our customer count. Excluding this impact, HFC/FTTH customers declined 39,000, as we continued to prioritize price discipline and installation fees amidst a challenging macroeconomic environment with heightened competition in some markets.

Home ARPU declined 2.3% year-on-year, due largely to the weaker Colombian peso. Organically, Home ARPU was flat year on year, marking an improvement compared to declines of 1.0% in Q1 2023 and of 2.5% for the full year 2022, reflecting price increases implemented across our footprint over the past year. In local currency, ARPU increased in Paraguay, Colombia and Costa Rica.

Key Performance Indicators ('000)*	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023 vs Q2 2022
Mobile customers	40,600	40,565	40,576	40,014	39,855	1.9%
Of which 4G customers	21,201	20,971	20,886	19,806	19,134	10.8%
Of which postpaid subscribers	6,739	6,550	6,382	6,155	6,161	9.4%
Mobile ARPU ($)	6.0	5.8	6.0	6.0	6.2	(3.5)%
Homes passed	13,097	13,001	12,905	12,700	12,448	5.2%
Of which HFC/FTTH	12,836	12,731	12,632	12,433	12,179	5.4%
Customer relationships	4,660	4,776	4,811	4,780	4,767	(2.3)%
Of which HFC/FTTH	4,033	4,124	4,139	4,109	4,083	(1.2)%
HFC/FTTH revenue generating units	8,545	8,683	8,708	8,636	8,572	(0.3)%
Of which Broadband Internet	3,727	3,768	3,778	3,764	3,740	(0.4)%
Home ARPU ($)	26.7	25.9	25.4	26.2	27.3	(2.3)%

** 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.*

Financial indicators

In Q2 2023, revenue declined 3.8% year-on-year to $1,393 million, while service revenue declined 1.8% to $1,291 million. Excluding currency movements, organic service revenue growth was 1.9% year-on-year, reflecting growth in all business units, including 6.1% organic growth in B2B and 8.6% organic growth in postpaid, as well as growth in most countries, as described below:

- Guatemala service revenue declined 1.6% in local currency, as growth in subscription businesses was offset by lower revenue from incoming international traffic and in prepaid mobile, where we introduced new pricing plans during the quarter in response to competition.
- Colombia service revenue grew 2.4% in local currency mainly due to high-single digit growth in mobile and mid-single digit growth in B2B, partially offset by a decline in Home.
- Paraguay had its best quarter in years, growing 9.6% in local currency, reflecting double-digit growth in Mobile and B2B, and mid-single digit growth in Home, as recent network investments have improved customer experience, lowered churn, and increased ARPU. In addition, we are also seeing improved trends in Pay TV, thanks in large part to our collaborative work with the government to crackdown on piracy over the past year.

- Panama grew 4.1%, as we continue to leverage our market leadership in Home to drive rapid growth in Mobile.
- Bolivia declined 2.9%, as high-single digit growth in B2B was more than offset by declines in Home and Mobile, with the latter impacted by a change in regulation that took place in August of 2022.
- El Salvador grew 5.0% and Nicaragua grew 7.5%, with all three business units contributing to another solid quarterly performance in both countries
- Costa Rica declined 2.9%, as the 24.0% appreciation of the colon impacted revenue of B2B, given a significant majority of customer contracts are in dollars. In U.S. dollar terms, Costa Rica revenue grew 20.3%.
- Service revenue in our Honduras joint venture (not consolidated) grew 4.9% in local currency, with all three business units contributing to the growth.

*Financial Highlights** ($m, unless otherwise stated)	Q2 2023	Q2 2022	*% change*	*Organic % change*	H1 2023	H1 2022	*% change*	*Organic % change*
Revenue	1,393	1,447	(3.8)%	(0.2)%	2,762	2,856	(3.3)%	1.0%
Service revenue	1,291	1,315	(1.8)%	1.9%	2,555	2,615	(2.3)%	2.1%
Mobile	738	751	(1.6)%		1,460	1,487	(1.8)%	
Cable and other fixed services	537	547	(1.8)%		1,063	1,092	(2.7)%	
Other	16	18	(12.0)%		33	36	(8.9)%	
EBITDA	515	577	(10.8)%	(7.9)%	1,022	1,141	(10.4)%	(7.0)%
EBITDA margin	37.0%	39.9%	*(2.9) pt*		37.0%	40.0%	*(2.9) pt*	
Capex	182	255	(28.5)%		367	454	(19.1)%	
OCF	333	322	3.3%	9.5%	655	687	(4.7)%	0.1%

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

By business unit, Home service revenue increased 0.2% organically, as sustained growth in our smaller Home markets such as Nicaragua, Paraguay and El Salvador was partially offset by weaker results in some of our larger markets including Bolivia, Panama and Colombia. In our Mobile B2C business, organic service revenue grew 1.7% year-on-year, driven by postpaid, which grew 8.6% due to continued customer conversion from prepaid to postpaid as well as price increases implemented over the last year. Finally, organic B2B service revenue accelerated to 6.1%, fueled by a 29.2% increase in digital services and growth in all countries except for Costa Rica, which was negatively impacted by foreign exchange.

EBITDA was $515 million, a decrease of 10.8% year-on-year. Excluding the impact of foreign exchange, EBITDA declined 7.9% organically year-on-year. Several factors contributed to the decline, including:

- organizational restructuring costs of $6 million related to Project Everest;
- an adverse legal ruling in Colombia that resulted in a $10 million provision;
- the impact of a higher stock price on non-cash share-based compensation;
- costs associated with the buyout discussions that terminated on June 15, 2023;
- investments related to our Tigo Money and tower (LATI) businesses; and,
- costs associated with the recent addition of Vix to our content supermarket in our Central American markets.

Excluding all of these items, EBITDA would have declined approximately 3% organically. By country, EBITDA was as follows:

- Guatemala declined 7.7%, reflecting actions we are taking to defend our market leadership in prepaid, which has led to reduced pricing,increased advertising and promotion spend, lower handset prices and margins, as well as increased network and content costs.
- Colombia declined 1.3%, adversely impacted by severance payments for $1 million related to Project Everest and an adverse legal ruling that resulted in a $10 million provision in Q2 2023 as well as $4 million related to the settlement of an interconnection dispute in Q2 2022. Adjusting for the one-time items in both years, EBITDA would have grown 5.0%.
- Panama declined 4.7%, as it was positively impacted by a $5 million reversal of a legal provision in Q2 2022. Adjusting for this one-time item, EBITDA would have grown 1.5%, as service revenue growth of 4.1% was partially offset by increased content spend and expenses related to our Tigo Sports channel, as well as increased bad debt.
- Paraguay increased 9.1%, impacted by severance payments for $2 million related to Project Everest. Adjusting for this one-time impact, EBITDA would have increased 12.4%, reflecting the strong service revenue growth during the period.
- Bolivia declined 7.7%, impacted by the regulatory change implemented in August 2022, and partially offset by a favorable legal ruling for $2 million during the quarter. Adjusting for this one-time item, EBITDA would have declined 10.1%.
- El Salvador grew 3.2%, Nicaragua grew 4.7%, and Costa Rica declined 1.7% in local currency, but grew 21.8% in US dollars.
- Our joint venture in Honduras (not consolidated) grew 4.3%, reflecting improved revenue trends, which were partially offset by $2 million in severance payments. Adjusting for this one-time payment, EBITDA would have grown 6.8%.

Capex was $182 million in the quarter. In Mobile, we added more than 250 Points of Presence to our 4G network, ending with more than 18,500, an increase of 11% year-on-year. At the end of Q2 2023, our 4G networks covered approximately 81% of the population[4], up from approximately 78% as of Q2 2022. During the quarter, we acquired 2.6GHz spectrum in Guatemala for $33 million.

Operating Cash Flow (OCF) increased year-on-year to $333 million in Q2 2023 from $322 million in Q2 2022. Excluding the impact of currencies, OCF increased 9.5% organically.

ESG highlights – Q2 2023

The Annual General Meeting (AGM) of shareholders approved the share-based incentive plans for Millicom employees, allocating 10% of the long term incentive target to ESG metrics. The five key ESG metrics that will be used to measure progress are:

1. Female % of Total Employees
2. Female % of Leadership
3. Progress toward established SBTi targets
4. Women and girls trained as part of our Conectadas program
5. Teachers trained under our Maestr@s Conectad@s program

This is another step in our commitment to grow our business in a sustainable and responsible way.

4 The population is approximately 105 million in our markets, excluding Costa Rica and Honduras.

On June 15, we signed the pledge regarding the Rule of Law in El Salvador, Guatemala, and Honduras promoted by the Partnership for Central America with nine other companies such as Mastercard, Microsoft, and PepsiCo, among others. We believe that by fostering a culture of transparency, integrity, and ethical practices, we can drive positive change, not only within our own organization but also in the wider private sector, contributing to a more sustainable business environment in Central America.

On June 30, Millicom released its first Report on eligibility and alignment with the EU taxonomy regulation. Also, in June, we launched a group-wide Human Rights Policy, which highlights our commitment to protecting the rights of our customers, workforce, and stakeholders. Our policy outlines the seriousness with which we take these issues and the robust governance framework we have in place to safeguard our practices and mitigate related risks.

Environment

In Q2, Millicom commemorated three important dates related to the environment: April 22nd World Earth Day, May 17th Global Recycling Day, and June 5th Environmental Day. During these days, Millicom and our operations performed volunteering activities focused on the environment, awareness on reducing and correct disposal of e-waste, and sensitizing people on reducing pollution.

Society

Digital Education

In Q2, we surpassed the public commitment target set for our Conéctate Seguro Program, reaching a total of 769,621 trained children on the safe and creative use of the Internet. The initial target, set in 2018, was 700,000 by 2023.

Our two other flagship programs are making significant progress. We carried out extensive upgrades to the Conectadas platform and are adding new educational content to expand the scope of digital inclusion through skilling. In the first half of 2023, a total of 74,865 women and girls have been trained by the program. Our Maestr@s Conectad@s program held its first virtual event gathering almost 4,000 participants on June 29. In the first half of 2023, 9,763 teachers were trained by the program.

Governance

On May 31, 2023, the AGM elected the ten Directors proposed by the Nomination Committee. Nine of the ten Directors are Non-Executive and three are women. As detailed in the Nomination Committee's Motivated Statement, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gives particular consideration to the importance of increased diversity on the Board, including with respect to gender, age, nationality and tenure, as well as depth of experience, professional backgrounds and business disciplines. The Nomination Committee believes that a diverse Board promotes constructive discussion and multiple opinions, views and insights. This enriches decision-making and prevents group-think at the Board level. The Committee further assesses that the composition of the proposed Board is fit-for-purpose in respect of different nationalities and backgrounds and exhibits a solid mix of directors with highly relevant skillsets aligned with Millicom’s strategy.

Millicom is committed to having a Board comprised by at least 30% female Directors, which was fully reflected in the Committee proposal approved by a majority of shareholders at the AGM.

Compliance

During Q2 2023, we launched our flagship Annual Code of Conduct Training to the entire organization, including contracted staff. We have attained great completion rates thus far and expect to fully meet our ESG commitment on this front. This year’s iteration included traditional Compliance topics, such as Anti-Corruption, Gifts & Hospitality, Speak Up, and AML, with an added Data Privacy component. Along with the Annual Code of Conduct Training, we also launched the global Conflicts of Interest campaign, which will be followed by remediation efforts to address declared conflicts.

Video conference details

A video conference to discuss these results will take place on July 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 819-5108-0974. 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
October 26	Q3 2023 results

For further information, please contact

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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 June 30, 2023, Millicom, including its Honduras Joint Venture, employed approximately 19,300 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 July 27, 2023.

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 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, environmental, social and governance targets, financial targets and strategic plans, including the acceleration of cash flow growth, the expansion of our fixed broadband network, the reintroduction of a share repurchase program and the reduction in net leverage;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability and terms and conditions 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, divest or restructure assets and businesses, 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 in Millicom's Registration Statement on Form 20-F, including those risks outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at www.sec.gov. 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.

The following changes were made to some definitions of the Group's non-IFRS financial measures as disclosed in the 2022 Annual Report: the definition of 'EBITDA after leases' has changed from lease cash payments to income statement line items (interest expense and depreciation charge). This does not change the manner in which we calculate Equity Free Cash Flow, but aligns our calculation for leverage purposes with peers. The definition of Net Debt has changed to include derivative financial instruments in order to have a more comprehensive view of our financial obligations. Finally, Home ARPU has changed to include equipment rental in our Home revenue, as these are long-term payment plans.

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 expense and depreciation charge.

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, including derivative instruments (assets and 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 as (x) the total Home revenue (excluding equipment sales and TV advertising) 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 2022 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 Q2 2023	Service Revenue Q2 2023	EBITDA Q2 2023	OCF Q2 2023
A- Current period	1,393	1,291	515	333
B- Prior year period	1,447	1,315	577	322
C- Reported growth (A/B)	**(3.8)%**	**(1.8)%**	**(10.8)%**	**3.3%**
D- Perimeter	—%	—%	—%	—%
E- FX and other*	(3.6)%	(3.7)%	(2.9)%	(6.2)%
F- Organic Growth (C-D-E)	**(0.2)%**	**1.9%**	**(7.9)%**	**9.5%**

**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 H1 2023	Service Revenue H1 2023	EBITDA H1 2023	OCF H1 2023
A- Current period	2,762	2,555	1,022	655
B- Prior year period	2,856	2,615	1,141	687
C- Reported growth (A/B)	**(3.3)%**	**(2.3)%**	**(10.4)%**	**(4.7)%**
D- Perimeter*	—%	—%	—%	1.2%
E- FX and other**	(4.3)%	(4.3)%	(3.4)%	(6.0)%
F- Organic Growth (C-D-E)	**1.0%**	**2.1%**	**(7.0)%**	**0.1%**

**Capex in H1 2022 included $8 million of capex related to our Africa operations, which are adjusted for in the OCF perimeter line.*

***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 June 30, 2023

Debt Information - June 30, 2023	Financial obligations					
$ millions	Gross	Derivative Financial Instruments	Less: Cash	Net	EBITDA	Leverage
Millicom Group (IFRS)	**7,762**	**51**	**703**	**7,110**	**2,109**	**3.37x**

EBITDA after Leases reconciliation

EBITDA after Leases Reconciliation	Q2 2023	Q1 2023	Q4 2022	Q3 2022
EBITDA	515	507	548	539
Depreciation of right-of-use assets	(45)	(42)	(42)	(42)
Interest expense on leases	(30)	(29)	(29)	(31)
EBITDA after Leases	**440**	**436**	**476**	**467**

One-off Summary - Items above EBITDA

2023	Q2 2023		H1 2023		Comment (Q2 2023)
($ millions)	Revenue	EBITDA	Revenue	EBITDA	
Bolivia	—	2	—	2	Reversal of legal provision
Colombia	—	(10)	—	(17)	Legal provision and Everest restructuring
Panama	—	—	—	(1)	Everest restructuring
Paraguay	—	(2)	—	(3)	Everest restructuring
Corporate	—	(3)	—	(9)	Everest restructuring
Group Total	**—**	**(14)**	**—**	**(29)**	
Honduras (JV)	—	(2)	—	(2)	Everest restructuring

2022	Q2 2022		H1 2022		Comment (Q2 2022)
($ millions)	Revenue	EBITDA	Revenue	EBITDA	
Panama	—	5	—	5	Reversal of legal provision
Colombia	—	(4)	—	(4)	Settlement of interconnection dispute
Group Total	**—**	**1**	**—**	**1**	

ARPU reconciliations

Mobile ARPU Reconciliation	Q2 2023	Q2 2022	H1 2023	H1 2022
Mobile service revenue ($m)	738	751	1,460	1,487
*Mobile Service revenue ($m) from non-Tigo customers ($m) **	*(12)*	*(10)*	*(24)*	*(21)*
Mobile Service revenue ($m) from Tigo customers (A)	726	740	1,436	1,466
Mobile customers - end of period (000)	40,600	39,855	40,600	39,855
Mobile customers - average (000) (B) **	40,583	39,905	40,580	39,871
Mobile ARPU (USD/Month) (A/B/number of months)	6.0	6.2	5.9	6.1

** 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	Q2 2023	Q2 2022	H1 2023	H1 2022
Home service revenue ($m)	386	399	765	797
*Home service revenue ($m) from non-Tigo customers ($m) **	*(8)*	*(8)*	*(15)*	*(16)*
Home service revenue ($m) from Tigo customers (A)	378	391	750	781
Customer Relationships - end of period (000) **	4,660	4,767	4,660	4,767
Customer Relationships - average (000) (B) ***	4,718	4,765	4,749	4,745
Home ARPU (USD/Month) (A/B/number of months)	26.7	27.3	26.3	27.4

Beginning in Q1 2023 the calculation of Home ARPU now includes equipment rental.
** 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	Q2 2023	Q2 2022	H1 2023	H1 2022
EBITDA	515	577	1,022	1,141
(-)Capex (Ex. Spectrum)	182	255	367	454
OCF	**333**	**322**	**655**	**687**

Capex Reconciliation

Capex Reconciliation	Q2 2023	Q2 2022	H1 2023	H1 2022
Consolidated:				
Additions to property, plant and equipment	161	219	315	378
Additions to licenses and other intangibles	67	63	368	192
Of which spectrum and license costs	*46*	*27*	*317*	*116*
Total consolidated additions	**228**	**282**	**684**	**570**
Of which capital expenditures related to headquarters	*3*	*5*	*5*	*7*

Foreign Exchange rates

		Average FX rate (vs. USD)					End of period FX rate (vs. USD)				
		Q2 23	Q1 23	QoQ	Q2 22	YoY	Q2 23	Q1 23	QoQ	Q2 22	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	4,474	4,719	5.5%	3,939	(12.0)%	4,191	4,627	10.4%	4,127	(1.5)%
Costa Rica	CRC	548	567	3.5%	680	24.0%	549	546	(0.6)%	692	26.0%
Guatemala	GTQ	7.82	7.83	0.1%	7.70	(1.6)%	7.85	7.80	(0.5)%	7.76	(1.1)%
Honduras	HNL	24.64	24.64	0.0%	24.46	(0.7)%	24.65	24.64	(0.1)%	24.50	(0.6)%
Nicaragua	NIO	36.40	36.30	(0.3)%	35.78	(1.7)%	36.44	36.35	(0.2)%	35.87	(1.6)%
Paraguay	PYG	7,242	7,269	0.4%	6,866	(5.2)%	7,266	7,195	(1.0)%	6,848	(5.8)%

Equity Free Cash Flow Reconciliation

Cash Flow Data	Q2 2023	Q2 2022	H1 2023	H1 2022
Net cash provided by operating activities	**278**	**291**	**479**	**559**
Purchase of property, plant and equipment	(201)	(210)	(429)	(406)
Proceeds from sale of property, plant and equipment	4	3	7	7
Purchase of intangible assets	(27)	(41)	(91)	(125)
Purchase of spectrum and licenses	(48)	(19)	(101)	(49)
Proceeds from sale of intangible assets	—	—	—	—
Finance charges paid, net	130	122	287	262
Operating free cash flow	**135**	**146**	**153**	**248**
Interest (paid), net	(130)	(122)	(287)	(262)
Lease Principal Repayments	(44)	(39)	(84)	(83)
Free cash flow	**(38)**	**(14)**	**(219)**	**(98)**
Repatriation from joint ventures and associates	14	13	62	27
Dividends paid to non-controlling interests	—	(3)	—	(3)
Equity free cash flow	**(24)**	**(4)**	**(157)**	**(73)**
Less: Equity free cash flow - Africa	—	(5)	—	(12)
Equity free cash flow - excluding Africa	**(24)**	**1**	**(157)**	**(62)**