

Millicom (Tigo) updates its financial targets

Luxembourg, June 28, 2023 – Millicom informs that it now expects to achieve lower than previously expected cumulative equity free cash flow for the three years up to and including 2024. Millicom now targets cumulative equity free cash flow of at least \$500 million for the 2022-2024 period, as compared to the prior target of between \$800 million to \$1 billion.

In addition, potential asset monetizations and partner equity funding being pursued in Colombia could add an estimated \$100 to \$150 million of additional cash flows; and the company continues to progress on its plans to carve out and monetize Lati, the company's newly-created tower business.

The revised target reflects the following considerations:

- Higher Spectrum Costs – Total spectrum costs in 2023 are now expected to be approximately \$215 million due to (a) higher than initially expected upfront cash payment to renew, for 20 years, our 1900 MHz spectrum license in Colombia, (b) the acquisition of 2.6 GHz spectrum in Guatemala in early June, and (c) the recently announced auctions now being planned in Guatemala (700 MHz). In addition, Colombia recently announced a planned 5G auction, which is expected to impact 2024.
- Higher Financing Costs – Total financing charges are now expected to be higher than previously expected in 2023 and 2024, mostly reflecting the impact of elevated interest rates on the company's variable-rate local currency debt in Colombia, as well as recently introduced commissions on the purchase of U.S. dollars in Bolivia.
- Guatemala – In tandem with the acquisition of strategically-important spectrum, management has decided to elevate levels of investment and commercial activity to sustain market leadership and protect long-term profitability of the company's largest operation.
- Home – We now expect the softer Home operational performance to continue in some countries, partially offset by reduced investment in this area.

Based on the company's outlook, 2024 is expected to be the strongest year of equity free cash flow generation in the three-year period due to savings from Project Everest (the company's efficiency program), and lower expected spectrum investment and lower one-time items compared to 2023.

Q2 2023 Update - During the first two months of the second quarter of 2023, the company experienced slower service revenue growth compared to Q1 2023. Based on expected

performance for June, and subject to completion of regular quarter-end closing activities, the company now expects the following for Q2:

- Service revenue of between \$1.275 and \$1.300 billion, representing organic growth of approximately 2.0%, compared to 2.2% in Q1.
- EBITDA of between \$515 and \$535 million, representing an organic decline of approximately 6.0%, as compared to an organic decline of 6.2% in Q1. This is primarily attributable to market response activities in Guatemala, as well as ongoing challenges in Bolivia and the impact of implementing Project Everest.

Notwithstanding the market-related challenges observed year-to-date and excluding the impact of ongoing foreign exchange volatility, management continues to target organic Operating Cash Flow growth of approximately 10% in 2023, mostly reflecting lower capex in Home, commensurate with the observed slowdown in customer acquisition activity and reduced network rollout in some markets, as well as the benefit of multi-year agreements with key network vendors, as disclosed at Q1.

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 March 31, 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 17:00 CET on June 28, 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,

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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.