# Earnings Release
## Q3 2023

MILLICOM THE DIGITAL LIFESTYLE tigo

Luxembourg, October 26, 2023

# Millicom (Tigo) Q3 2023 Earnings Release

## Highlights*

- Revenue grew 2.6%, reflecting both organic growth and the effect of stronger currencies. Excluding currency impacts, revenue increased 1.4% year-on-year.
- Service revenue increased 1.8% organically, as Mobile accelerated to 3.0% in Q3 fueled by improved ARPU trends, while Fixed and other services was flat.
- Operating profit increased 6.8%, as increased profit from joint ventures and other income more than offset a 1.2% decline in EBITDA, which was impacted by $33 million of one-off severance costs and a legal ruling. Excluding one-off items in both years, organic EBITDA growth was 2.6%, in excess of service revenue growth.
- Operating cash flow increased 23.3% to $353 million, as a result of capital allocation and price discipline in our Home business in some countries.
- Equity free cash flow of $100 million in the quarter, up strongly from $26 million in Q3 2022. We reiterate our guidance of cumulative EFCF of at least $500 million for the 2022-2024 period.

| Financial highlights ($ millions) | Q3 2023 | Q3 2022 | % change | Organic % Change | 9M 2023 | 9M 2022 | % change | Organic % Change |
|---|---|---|---|---|---|---|---|---|
| Revenue | 1,424 | 1,388 | 2.6% | 1.4% | 4,186 | 4,243 | (1.4)% | 1.1% |
| Operating Profit | 209 | 196 | 6.8% | | 597 | 678 | (11.8)% | |
| Net Profit / (Loss) | — | (32) | (100.2)% | | (19) | 120 | (115.7)% | |
| ***Non-IFRS measures (*)*** | | | | | | | | |
| Service Revenue | 1,320 | 1,280 | 3.2% | 1.8% | 3,875 | 3,895 | (0.5)% | 2.0% |
| EBITDA | 533 | 539 | (1.2)% | (2.0)% | 1,555 | 1,680 | (7.5)% | (5.4)% |
| Capex | 180 | 253 | (29.0)% | | 547 | 707 | (22.6)% | |
| Operating Cash Flow | 353 | 286 | 23.3% | 22.3% | 1,008 | 973 | 3.6% | 6.7% |

**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:

"During the third quarter, we continued to advance on the four key priorities I outlined last quarter:

- Colombia: performance was solid with 9% EBITDA local currency growth, record EBITDA margins, and OCF growth of more than 70% year-to-date; we obtained regulatory approval to share our mobile network and spectrum with Telefonica's; and in October, we reached an agreement with our partner EPM to jointly capitalize the business to tap the growth and value creation potential we see in that market;
- Guatemala: we have achieved our objective of sustaining our market share and leadership; we acquired spectrum critical to preserving our brand quality; we took price action to mitigate the effects of inflation, and we saw signs of stabilization during the quarter;
- Project Everest: during Q3, we significantly increased the scope and accelerated the implementation of our efficiency program; the actions taken in Q3 are expected to add $35 million to our original $100 million target, with more initiatives planned for Q4.
- Lati, our Tower and Infrastructure company: we began transferring tower assets to Lati in October, and we expect to launch a monetization process in Q4.

The steps we are taking position the company to achieve its equity free cash flow target of at least $500 million in the 2022-2024 period"

## Financial Targets

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, lower expected spectrum investment and lower one-time items compared to 2023.

## Subsequent Events

On October 2, 2023, Millicom's Guatemala operation paid 335 million Guatemalan quetzales (approximately $43 million) to acquire 2x10 MHz of nationwide spectrum in the 700 MHz band.

On October 12, 2023, Millicom and its partner, *Empresas Públicas de Medellin*, agreed to capitalize Tigo-UNE, Millicom's 50%-owned operation in Colombia. Each partner will contribute 300 billion Colombian pesos (approximately 71 million U.S. dollars) to support the continued execution of Tigo-UNE's strategy. The equity contribution is part of a more comprehensive plan to fund the 1900 MHz spectrum renewal (approximately $60 million due November 1, 2023) and to refinance other Tigo-UNE short term debt maturities.

## Group Quarterly Financial Review - Q3 2023

| Income statement data (i) (IFRS)<br>$ millions (except EPS in $) | Q3 2023 | Q3 2022 | *% change* | 9M 2023 | 9M 2022 | *% change* |
|---|---|---|---|---|---|---|
| **Revenue** | **1,424** | **1,388** | **2.6%** | **4,186** | **4,243** | **(1.4)%** |
| Cost of sales | (363) | (369) | 1.6% | (1,115) | (1,134) | 1.7% |
| **Gross profit** | **1,060** | **1,019** | **4.1%** | **3,070** | **3,109** | **(1.2)%** |
| Operating expenses | (528) | (479) | (10.1)% | (1,516) | (1,429) | (6.1)% |
| Depreciation | (245) | (249) | 1.6% | (726) | (757) | 4.1% |
| Amortization | (92) | (93) | 1.3% | (269) | (264) | (1.9)% |
| Share of profit in Honduras joint venture | 10 | 5 | 100.2% | 32 | 25 | 25.4% |
| Other operating income (expenses), net | 3 | (6) | NM | 7 | (6) | NM |
| **Operating profit** | **209** | **196** | **6.8%** | **597** | **678** | **(11.8)%** |
| Net financial expenses | (176) | (157) | (11.9)% | (515) | (462) | (11.5)% |
| Other non-operating income, (expense) net | 3 | (35) | NM | 30 | (41) | NM |
| Gains/(losses) from other JVs and associates, net | — | — | NM | (3) | — | NM |
| **Profit before tax** | **36** | **4** | **NM** | **109** | **174** | **(37.4)%** |
| Net tax expense | (61) | (53) | (14.4)% | (202) | (200) | (0.6)% |
| **Loss for the period from continuing ops.** | **(25)** | **(49)** | **49.9%** | **(92)** | **(26)** | **NM** |
| Non-controlling interests | 20 | 16 | 28.2% | 69 | 33 | 110.3% |
| Profit from discontinued operations | 4 | 2 | NM | 4 | 113 | (96.1)% |
| **Net profit/(loss) for the period** | **0** | **(32)** | **NM** | **(19)** | **120** | **NM** |
| Weighted average shares outstanding (millions) | 171.61 | 170.87 | 0.4% | 171.27 | 128.32 | 33.5% |
| EPS | 0.00 | (0.18) | 100.2% | (0.11) | 0.94 | (111.8)% |

In Q3 2023, revenue increased 2.6% year-on-year, reflecting organic growth in most countries and the effect of the stronger Colombia peso and the Costa Rica colon. Excluding the effect of foreign exchange rates, total revenue increased 1.4%, while service revenue increased 1.8%.

Gross profit increased $42 million, or 4.1%, due to the increased revenue and lower Cost of sales, which decreased 1.6% year-on-year, due to lower handset and programming costs, as well as lower bad debt. Operating expenses increased $48 million, or 10.1% year-on-year and included $33 million of non-recurring one-offs, including organizational restructuring costs related to Project Everest, and higher costs related to adverse legal rulings in Colombia.

Depreciation decreased 1.6% year-on-year to $245 million, mostly reflecting a revision to extend the estimated useful life of towers. Amortization decreased 1.3% to $92 million, as Q3 2022 included $5 million related to the early termination of a software contract. Share of profit in our Honduras joint venture doubled to $10 million due mostly to improved operating performance in that country. Other operating income of $3 million, from the sale of copper from our legacy network in Colombia, compares to an expense of $6 million in Q3 2022 from the early termination of a software contract.

As a result of the above factors, operating profit increased by $13 million, or 6.8%, year-on-year. Net financial expenses increased by $19 million year-on-year, due to higher interest rates on our variable rate debt (primarily in Colombia) as well as commissions on dollar purchases in Bolivia. Other non-operating income of $3 million related to foreign exchange gains in Colombia, and compares to an expense of $35 million in Q3 2022 due to foreign exchange losses in that period.

Tax expense of $61 million increased from $53 million in Q3 2022 due to unrecognized tax credits in Colombia. Non-controlling interests of $20 million in Q3 2023 compares to $16 million in Q3 2022, reflecting our partners' share of net losses in both years in Colombia. Profit from discontinued operations was $4 million, due to changes in contingent liabilities related to our Africa divestitures.

As a result of the above items, net profit attributable to owners of the company was $0, compared to a net loss of $32 million ($0.18 per share) in Q3 2022. The weighted average number of shares outstanding during the quarter was 171.61 million. As of September 30, 2023, there were 172.10 million shares issued and outstanding, including 0.37 million held as treasury shares.

### Cash Flow

| Cash flow data* ($ millions) | Q3 2023 | Q3 2022 | *% change* | 9M 2023 | 9M 2022 | *% change* |
|---|---|---|---|---|---|---|
| **EBITDA from continuing operations** | **533** | **539** | **(1.2)%** | **1,555** | **1,680** | **(7.5)%** |
| EBITDA from discontinued operations | 4 | 2 | NM | 4 | 24 | (81.8)% |
| **EBITDA including discontinued operations** | **537** | **541** | **(0.8)%** | **1,559** | **1,705** | **(8.5)%** |
| Cash capex (excluding spectrum and licenses) | (204) | (253) | 19.5% | (716) | (777) | 7.8% |
| Spectrum paid | (12) | (26) | 52.8% | (113) | (75) | (50.4)% |
| Changes in working capital | 18 | (24) | NM | (144) | (224) | 35.8% |
| Other non-cash items | 15 | 8 | 96.6% | 41 | 22 | 86.5% |
| Taxes paid | (57) | (66) | 14.0% | (177) | (222) | 20.3% |
| **Operating free cash flow** | **297** | **180** | **65.1%** | **449** | **427** | **5.1%** |
| Finance charges paid, net | (137) | (120) | (14.3)% | (366) | (312) | (17.3)% |
| Lease interest payments, net | (29) | (30) | 4.5% | (86) | (100) | 13.6% |
| Lease principal repayments | (45) | (37) | (20.1)% | (129) | (120) | (7.2)% |
| **Free cash flow** | **87** | **(7)** | **NM** | **(132)** | **(105)** | **(25.9)%** |
| Repatriation from joint ventures and associates | 13 | 36 | (62.8)% | 75 | 63 | 18.8% |
| Dividends and advances to non-controlling interests | — | (1) | NM | — | (3) | NM |
| **Equity free cash flow** | **100** | **28** | **NM** | **(57)** | **(45)** | **(26.8)%** |
| Less: Equity free cash flow - Africa | — | 2 | NM | — | (10) | NM |
| **Equity free cash flow - excluding Africa** | **100** | **26** | **NM** | **(57)** | **(35)** | **(61.1)%** |

** See page 11 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.*

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

Equity Free Cash Flow (EFCF) in 9M 2023 was an outflow of $57 million, compared to an outflow of $35 million (excluding Africa) in 9M 2022. The $22 decline in EFCF in 9M 2023 is explained primarily by the following items.

Positives:

- $80 million reduction in working capital, due receipt of receivables from a large B2B contract in Panama, as well as the effect of severance and legal ruling expenses not yet paid;
- $61 million reduction in cash capex, reflecting lower levels of commercial activity and investment in our Home business unit, especially in Colombia and Bolivia;
- $45 million reduction in tax payments, reflecting the utilization of tax credits resulting from higher payments in 2022; and,
- $19 million increase in non-cash items, mainly related to stock-based compensation.

Detractors:

- $125 million decline in EBITDA from continuing operations due to expenses related to the organizational restructuring, adverse legal rulings, and increased competitive intensity in Guatemala;
- $54 million increase in finance charges due to the $23 million payment of the semi-annual coupon on the Comcel bonds issued in January 2022, higher rates on our variable rate debt, and commissions on the purchase of dollars in Bolivia; and,
- $38 million increase in spectrum payments, mostly to acquire new spectrum in the 2.6 GHz band in Guatemala.

### Debt

| ($ millions) | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 | September 30, 2022 |
|---|---|---|---|---|---|
| USD Debt | 3,905 | 3,905 | 4,103 | 4,100 | 4,140 |
| Local Currency Debt | 2,817 | 2,829 | 2,742 | 2,704 | 2,725 |
| **Gross Debt** | **6,721** | **6,735** | **6,845** | **6,804** | **6,865** |
| Derivative financial instruments | 53 | 51 | 42 | 34 | 63 |
| Less: Cash | 765 | 703 | 904 | 1,039 | 884 |
| **Net Debt*** | **6,009** | **6,083** | **5,983** | **5,799** | **6,044** |
| Leases | 1,019 | 1,027 | 1,026 | 1,016 | 1,025 |
| **Net Financial Obligations*** | **7,028** | **7,110** | **7,009** | **6,814** | **7,069** |
| EBITDA* (LTM) | 2,103 | 2,109 | 2,172 | 2,228 | 2,141 |
| Proforma Adjustments | — | — | — | — | 103 |
| **Proforma EBITDA*** | **2,103** | **2,109** | **2,172** | **2,228** | **2,244** |
| **Leverage*** | **3.34x** | **3.37x** | **3.23x** | **3.06x** | **3.15x** |

** 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. Cash includes term deposits of $6 million as of September 30, 2023. Proforma adjustments relate to the acquisition of the Guatemala operation on November 12, 2021.*

During the quarter, gross debt declined $13 million to $6,721 million as of September 30, 2023, compared to $6,735 million at the end Q2 2023, as a result of debt repayments partially offset by the revaluation effect of a stronger

Colombian peso on our local currency denominated debt. 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 September 30, 2023 was held at our operating entities, while the remaining 35% was at the corporate level. 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 5.7 years as of September 30, 2023.

Our cash position was $765 million as of September 30, 2023, an increase of $62 million compared to $703 million as of June 30, 2023, and 70% was held in U.S. dollars. As a result, our net debt was $6,009 million as of September 30, 2023, a decrease of $74 million during the quarter, reflecting equity free cash flow generation of $100 million during the quarter, partially offset by the revaluation effect of the stronger Colombian peso on our local currency denominated debt.

Including lease liabilities of $1,019 million, net financial obligations were $7,028 million as of September 30, 2023, a decrease of $82 million during the quarter, in line with the decrease in net debt. Leverage, which includes lease obligations, was 3.34x as of September 30, 2023, down from 3.37x as of June 30, 2023. Excluding the impact of leases, the ratio of net debt to EBITDAaL was 3.32x, compared to 3.34x as of June 30, 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*

Inflation across the region has continued to decline in line with global trends, although the rate in Colombia has remained elevated at approximately 11%. Foreign exchange rates remained broadly stable, with the exception of the Colombian peso, which appreciated 10.1% during the quarter and was up 6.8% year-on-year. Foreign exchange rates and movements are presented on page 14.

### Key Performance Indicators

During Q3 2023, our mobile customer base increased by 167,000 to end at 40.8 million, an increase of 1.9% year-on-year. Postpaid continued to perform very strongly with net additions of 199,000 in Q3, including more than 136,000 in Colombia, where our postpaid customer base is up 19% over the last twelve months. Mobile ARPU increased 1.2% year-on-year, with every country growing in local currency, except Guatemala and Bolivia.

*[1] Or swapped for local currency*
*[2] Or swapped for fixed rates*
*[3] Including SEK denominated bonds that have been swapped into US dollars.*

At the end of Q3 2023, our fixed networks passed 13.2 million homes, an increase of 152,000 during the quarter. During the quarter, HFC/FTTH customer relationships declined 86,000, as our continued focus on price discipline is reducing commercial activity and improving profitability and cash generation.

Home ARPU increased 5.2% year-on-year, due to a double-digit increase in our largest Home market of Colombia, reflecting both the stronger Colombian peso and solid mid single-digit local currency growth. Organically, Home ARPU increased 1.4% year-on-year, marking a second consecutive quarter of positive growth as we continue to implement price increases across our footprint. In local currency, ARPU increased in most countries, with Paraguay and Colombia showing the strongest performance.

| *Key Performance Indicators* (‘000)* | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q3 2023 vs Q3 2022 |
|---|---|---|---|---|---|---|
| Mobile customers | 40,767 | 40,600 | 40,565 | 40,576 | 40,014 | 1.9% |
| *Of which 4G customers* | 21,521 | 21,201 | 20,971 | 20,886 | 19,806 | 8.7% |
| *Of which postpaid subscribers* | 6,938 | 6,739 | 6,550 | 6,382 | 6,155 | 12.7% |
| Mobile ARPU ($) | 6.1 | 6.0 | 5.8 | 6.0 | 6.0 | 1.2% |
| Homes passed | 13,249 | 13,097 | 13,001 | 12,905 | 12,700 | 4.3% |
| *Of which HFC/FTTH* | 13,005 | 12,836 | 12,731 | 12,632 | 12,433 | 4.6% |
| Customer relationships | 4,554 | 4,660 | 4,776 | 4,811 | 4,780 | (4.7)% |
| *Of which HFC/FTTH* | 3,947 | 4,033 | 4,124 | 4,139 | 4,109 | (4.0)% |
| HFC/FTTH revenue generating units | 8,360 | 8,545 | 8,683 | 8,708 | 8,636 | (3.2)% |
| *Of which Broadband Internet* | 3,663 | 3,727 | 3,768 | 3,778 | 3,764 | (2.7)% |
| Home ARPU ($) | 27.6 | 26.7 | 25.9 | 25.4 | 26.2 | 5.2% |

** KPIs exclude our joint venture in Honduras, which is not consolidated in the Group figures.*

### Financial indicators

In Q3 2023, revenue increased 2.6% year-on-year to $1,424 million, while service revenue increased 3.2% to $1,320 million. Excluding currency movements, organic service revenue growth was up 1.8% year-on-year, with Mobile up 3.0%, while Fixed and other was flat. B2B, which includes Mobile, Fixed and Digital services grew 5.4%, sustaining the strong performance of the past two years.

EBITDA was $533 million, a decline of 1.2% year-on-year. Excluding the impact of foreign exchange, EBITDA declined 2.0% organically year-on-year. Included in EBITDA were $33 million of one-off items, including $11 million related to adverse legal rulings in Colombia and $22 million of organizational restructuring costs, of which $19 million are related to corporate headquarter functions which are expected to generate annual run-rate savings of $35 million. This is in addition to savings of at least $100 million projected to be realized from Phase 1 of Project Everest. Excluding these one-off items, as well as a $7 million one-off in Q3 of 2022, EBITDA would have grown 2.6% organically.

Capex was $180 million in the quarter. In Mobile, we added more than 237 Points of Presence to our 4G network, ending with nearly 18,800, an increase of 9% year-on-year. At the end of Q3 2023, our 4G networks covered approximately 81% of the population, up from approximately 79% as of Q3 2022.

Operating Cash Flow (OCF) increased 23.3% year-on-year to $353 million in Q3 2023 from $286 million in Q3 2022. Excluding the impact of currencies, OCF increased 22.3% organically.

| *Financial Highlights** ($m, unless otherwise stated) | Q3 2023 | Q3 2022 | *% change* | *Organic % change* | 9M 2023 | 9M 2022 | *% change* | *Organic % change* |
|---|---|---|---|---|---|---|---|---|
| Revenue | 1,424 | 1,388 | 2.6% | 1.4% | 4,186 | 4,243 | (1.4)% | 1.1% |
| Service revenue | 1,320 | 1,280 | 3.2% | 1.8% | 3,875 | 3,895 | (0.5)% | 2.0% |
| *Mobile* | 759 | 735 | 3.3% | | 2,219 | 2,222 | (0.2)% | |
| *Cable and other fixed services* | 545 | 528 | 3.1% | | 1,608 | 1,620 | (0.8)% | |
| *Other* | 16 | 16 | 0.5% | | 49 | 52 | (6.0)% | |
| EBITDA | 533 | 539 | (1.2)% | (2.0)% | 1,555 | 1,680 | (7.5)% | (5.4)% |
| EBITDA margin | 37.4% | 38.9% | *(1.4) pt* | | 37.1% | 39.6% | *(2.5) pt* | |
| Capex | 180 | 253 | (29.0)% | | 547 | 707 | (22.6)% | |
| OCF | 353 | 286 | 23.3% | 22.3% | 1,008 | 973 | 3.6% | 6.7% |

** 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.*

### Country performance

Service revenue and EBITDA growth was positive in most countries, as described below:

- Guatemala service revenue declined 1.5% in local currency, as sustained growth in subscription businesses was offset by lower revenue from prepaid mobile and incoming international traffic. EBITDA declined 3.0% due to the lower revenue.
- Colombia service revenue grew 2.5% in local currency as high-single digit growth in Mobile and mid-single digit growth in B2B, more than offset a decline in Home. EBITDA growth accelerated to 9.1%, as revenue growth and savings from Project Everest more than offset the impact of the legal ruling. Adjusting for the one-time item, EBITDA would have grown 19.5% organically, and the EBITDA margin would have been a record 36.3%.
- Paraguay service revenue grew 7.6% in local currency, with all three business units contributing. EBITDA rose 8.1%, a strong performance despite Everest-related cost of $2 million. Excluding this one-off, organic EBITDA growth was 11.6%, and the EBITDA margin would have been 45.9%.
- Panama service revenue grew 1.4%, as mid-single-digit growth in Mobile offset a low-single-digit decline in Home and flat performance in B2B. EBITDA was up 2.0%, as efficiencies more than offset the impact of higher content costs.
- Bolivia service revenue declined 0.8%, as Mobile returned to positive growth and largely offset the decline in Home, where we are prioritizing price discipline and cash flow generation over customer growth. EBITDA declined 2.2%, impacted by the regulatory change implemented in August 2022.
- El Salvador service revenue grew 5.8% with all three business units contributing to growth. EBITDA surged 16.1%, due to operating leverage and lower than usual bad debt.
- Nicaragua service revenue also saw broad-based growth from all business units, driving service revenue 6.9% higher in local currency. EBITDA rose 3.6%.
- Costa Rica service revenue declined 2.6% in local currency, as the 21.7% 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 service revenue grew 18.5%, and EBITDA was 37.2% higher.
- Service revenue in our Honduras joint venture (not consolidated) grew 5.1%, while EBITDA rose 7.9% in local currency, with solid performance in all business units.

## ESG highlights – Q3 2023

### Society

*Conectadas*, our program aimed at fostering mobile internet usage among women through education and digital inclusion, surpassed its full year 2023 target of training 100k women, having already trained more than 130,000 through the first nine months of the year. Likewise, we successfully provided training to over 50k educators via our *Maestr@s Conectad@s* program, while our *Conéctate Segur@* program has positively impacted the lives of more than 120,000 children through training and education. Furthermore, we have signed an agreement with the Ministries of Education of Panama and Guatemala to be able to increase the numbers of people having access to these platforms. To show even more the relevance of these projects, the GSMA SDG Mobile Industry Impact Report for 2023 has acknowledged our Maestr@s Conectad@s program as an exemplary commitment to Sustainable Development.

### Governance

On August 31, 2023, Millicom announced the resignation of José Antonio Ríos García from the Board of Directors, and the appointment of Mauricio Ramos, the Company's CEO, as Interim Chairman of the Board for the remaining period until the 2024 AGM. Subject to shareholder approval at the 2024 AGM, Mauricio Ramos will assume the role of Executive Chair of the Board of Directors, with responsibilities as Chair of the Board of Directors and certain key executive responsibilities. On September 1, 2023, Maxime Lombardini joined Millicom as President and COO, reporting to the CEO. The Board will continue to develop the Company's CEO succession plan.

### *Compliance*

During Q3 2023, we continued our flagship Annual Code of Conduct Training for the entire organization. Thus far, over 99% of our employees have completed the course. Complementing our training efforts, we also revised and launched our Government Interactions Policy in conjunction with key functional partners, such as B2G and External Affairs. The policy seeks to mitigate key risks from the industry, such as those emanating from government commercial touchpoints and lobbying activities.

## Video conference details

A video conference to discuss these results will take place on October 26 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 878-9840-3093. 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 |
| February 27, 2024 | Q4 2023 results |
| April 30, 2024 | Last day to propose agenda items to the AGM agenda |
| May 22, 2024 | AGM |

### 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 September 30, 2023, Millicom, including its Honduras Joint Venture, employed approximately 19,000 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 26, 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 Q3 2023 | Service Revenue Q3 2023 | EBITDA Q3 2023 | OCF Q3 2023 |
|---|---|---|---|---|
| A- Current period | 1,424 | 1,320 | 533 | 353 |
| B- Prior year period | 1,388 | 1,280 | 539 | 286 |
| **C- Reported growth (A/B)** | **2.6%** | **3.2%** | **(1.2)%** | **23.3%** |
| D- Perimeter | —% | —% | —% | —% |
| E- FX and other* | 1.2% | 1.4% | 0.8% | 1.0% |
| **F- Organic Growth (C-D-E)** | **1.4%** | **1.8%** | **(2.0)%** | **22.3%** |

**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 2023 | Service Revenue 9M 2023 | EBITDA 9M 2023 | OCF 9M 2023 |
|---|---|---|---|---|
| A- Current period | 4,186 | 3,875 | 1,555 | 1,008 |
| B- Prior year period | 4,243 | 3,895 | 1,680 | 973 |
| **C- Reported growth (A/B)** | **(1.4)%** | **(0.5)%** | **(7.5)%** | **3.6%** |
| D- Perimeter* | —% | —% | —% | 0.8% |
| E- FX and other** | (2.5)% | (2.5)% | (2.0)% | (4.0)% |
| **F- Organic Growth (C-D-E)** | **1.1%** | **2.0%** | **(5.4)%** | **6.7%** |

**Capex in 9M 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 September 30, 2023

| Debt Information - September 30, 2023 | Financial obligations | | | | EBITDA | Leverage |
|---|---|---|---|---|---|---|
| $ millions | Gross | Derivative Financial Instruments | Less: Cash | Net | | |
| **Millicom Group (IFRS)** | **7,741** | **53** | **765** | **7,028** | **2,103** | **3.34x** |

### EBITDA after Leases reconciliation

| EBITDA after Leases Reconciliation | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|---|---|---|---|---|
| EBITDA | 533 | 515 | 507 | 548 |
| Depreciation of right-of-use assets | (47) | (45) | (42) | (42) |
| Interest expense on leases | (30) | (30) | (29) | (29) |
| **EBITDA after Leases** | **456** | **440** | **436** | **476** |

### One-off Summary - Items above EBITDA

| 2023 | Q3 2023 | | 9M 2023 | | Comment (Q3 2023) |
|---|---|---|---|---|---|
| ($ millions) | Revenue | EBITDA | Revenue | EBITDA | |
| Bolivia | — | — | — | 2 | |
| Colombia | — | (11) | — | (28) | Legal rulings |
| Panama | — | — | — | (1) | |
| Paraguay | — | (2) | — | (5) | Everest restructuring |
| Corporate* | — | (20) | — | (29) | Everest restructuring |
| Group Total | — | (33) | — | (63) | |
| Honduras (JV) | — | — | — | (2) | |

** Includes smaller Everest-related items from various countries totaling approximately $1 million in aggregate.*

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

### ARPU reconciliations

| Mobile ARPU Reconciliation | Q3 2023 | Q3 2022 | 9M 2023 | 9M 2022 |
|---|---|---|---|---|
| Mobile service revenue ($m) | 759 | 735 | 2,219 | 2,222 |
| *Mobile Service revenue ($m) from non-Tigo customers ($m) ** | *(13)* | *(12)* | *(37)* | *(33)* |
| Mobile Service revenue ($m) from Tigo customers (A) | 746 | 723 | 2,181 | 2,189 |
| Mobile customers - end of period (000) | 40,767 | 40,014 | 40,767 | 40,014 |
| Mobile customers - average (000) (B) ** | 40,684 | 39,935 | 40,627 | 39,907 |
| Mobile ARPU (USD/Month) (A/B/number of months) | 6.1 | 6.0 | 6.0 | 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 | Q3 2023 | Q3 2022 | 9M 2023 | 9M 2022 |
|---|---|---|---|---|
| Home service revenue ($m) | 387 | 383 | 1,152 | 1,180 |
| *Home service revenue ($m) from non-Tigo customers ($m) ** | *(6)* | *(8)* | *(21)* | *(24)* |
| Home service revenue ($m) from Tigo customers (A) | 381 | 375 | 1,131 | 1,156 |
| Customer Relationships - end of period (000) ** | 4,554 | 4,780 | 4,554 | 4,780 |
| Customer Relationships - average (000) (B) *** | 4,607 | 4,774 | 4,700 | 4,754 |
| Home ARPU (USD/Month) (A/B/number of months) | 27.6 | 26.2 | 26.7 | 27.0 |

*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 | Q3 2023 | Q3 2022 | 9M 2023 | 9M 2022 |
|---|---|---|---|---|
| EBITDA | 533 | 539 | 1,555 | 1,680 |
| (-)Capex (Ex. Spectrum) | 180 | 253 | 547 | 707 |
| **OCF** | **353** | **286** | **1,008** | **973** |

### Capex Reconciliation

| Capex Reconciliation | Q3 2023 | Q3 2022 | 9M 2023 | 9M 2022 |
|---|---|---|---|---|
| **Consolidated:** | | | | |
| Additions to property, plant and equipment | 157 | 210 | 472 | 588 |
| Additions to licenses and other intangibles | 39 | 88 | 407 | 280 |
| *Of which spectrum and license costs* | *16* | *45* | *333* | *161* |
| **Total consolidated additions** | **196** | **298** | **880** | **868** |
| *Of which capital expenditures related to headquarters* | *2* | *5* | *7* | *12* |

### Foreign Exchange rates

| | | Average FX rate (vs. USD) | | | | | End of period FX rate (vs. USD) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q3 23 | Q2 23 | QoQ | Q3 22 | YoY | Q3 23 | Q2 23 | QoQ | Q3 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 | 4,063 | 4,474 | 10.1% | 4,340 | 6.8% | 4,054 | 4,191 | 3.4% | 4,532 | 11.8% |
| Costa Rica | CRC | 545 | 548 | 0.5% | 663 | 21.7% | 542 | 549 | 1.3% | 633 | 16.7% |
| Guatemala | GTQ | 7.86 | 7.82 | (0.5)% | 7.78 | (1.0)% | 7.86 | 7.85 | (0.2)% | 7.88 | 0.3% |
| Honduras | HNL | 24.67 | 24.64 | (0.1)% | 24.57 | (0.4)% | 24.70 | 24.65 | (0.2)% | 24.70 | 0.0% |
| Nicaragua | NIO | 36.49 | 36.40 | (0.2)% | 35.96 | (1.4)% | 36.53 | 36.44 | (0.3)% | 36.05 | (1.3)% |
| Paraguay | PYG | 7,283 | 7,242 | (0.6)% | 6,929 | (4.9)% | 7,296 | 7,266 | (0.4)% | 7,091 | (2.8)% |

## Equity Free Cash Flow Reconciliation

| Cash Flow Data | Q3 2023 | Q3 2022 | 9M 2023 | 9M 2022 |
|---|---|---|---|---|
| **Net cash provided by operating activities** | **347** | **309** | **826** | **868** |
| Purchase of property, plant and equipment | (170) | (219) | (599) | (625) |
| Proceeds from sale of property, plant and equipment | 3 | 2 | 11 | 8 |
| Purchase of intangible assets and licenses | (36) | (36) | (128) | (161) |
| Purchase of spectrum and licenses | (12) | (26) | (113) | (75) |
| Proceeds from sale of intangible assets | — | — | — | — |
| Finance charges paid, net | 165 | 150 | 453 | 412 |
| **Operating free cash flow** | **297** | **180** | **449** | **427** |
| Interest (paid), net | (165) | (150) | (453) | (412) |
| Lease Principal Repayments | (45) | (37) | (129) | (120) |
| **Free cash flow** | **87** | **(7)** | **(132)** | **(105)** |
| Repatriation from joint ventures and associates | 13 | 36 | 75 | 63 |
| Dividends paid to non-controlling interests | — | (1) | — | (3) |
| **Equity free cash flow** | **100** | **28** | **(57)** | **(45)** |
| Less: Equity free cash flow - Africa | — | 2 | — | (10) |
| **Equity free cash flow - excluding Africa** | **100** | **26** | **(57)** | **(35)** |