



Millicom to acquire full control of Tigo Guatemala

Luxembourg, November 12, 2021

Cautionary Language Concerning 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 the spread of the COVID-19 virus and the impact it may have on Millicom's operations, the demand for Millicom's products and services, global supply chains and economic activity in general. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve;
- Potential disruption due to diseases, pandemics, political events, piracy or acts by terrorists, including the impact of the recent outbreak of the COVID-19 virus and the ongoing efforts throughout the world to contain it;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including pricing pressures, 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;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- 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;
- relationships with key suppliers and costs of handsets and other equipment;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found 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. To the extent COVID-19 adversely affects Millicom's business and financial results, it may also have the effect of heightening many of the risks described in its filings.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by applicable law, we do not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation 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.

Non-IFRS Financial Measure Descriptions

- Service revenue is revenue related to the provision of ongoing services such as monthly subscription fees, 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. In respect of the segments Latam or Africa it is shown after the allocation of Corporate Costs and inter-company eliminations.
- EBITDA after Leases ('EBITDAaL') represents EBITDA excluding lease interest and principal repayments.
- EBITDA Margin represents EBITDA in relation to Revenue.
- Proportionate EBITDA is the sum of the EBITDA in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country.
- Organic growth represents year-on-year growth excluding the impact of changes in FX rates, perimeter, and accounting. Changes in perimeter are the result of acquisitions and divestitures. Results from divested assets are immediately removed from both periods, whereas the results from acquired assets are included in both periods at the beginning (January 1) of the first full calendar year of ownership.
- Net debt is Debt and financial liabilities less cash and pledged deposits.
- Net financial obligations is Net debt plus lease liabilities.
- Proportionate financial obligations is the sum of the net financial obligations in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom's ownership stake in each country.
- 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 made during the last twelve months.
- Proportionate leverage is the ratio of proportionate net financial obligations over LTM proportionate EBITDA, proforma for acquisitions made during the last twelve months.
- Proportionate leverage after leases is the ratio of proportionate net debt over LTM (Last twelve month) EBITDA after leases, proforma for acquisitions 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 OCF less changes in working capital and other non-cash items and taxes paid.
- Equity Free Cash Flow (EFCF) is Operating Free Cash Flow less finance charges paid (net), less advances for dividends to non-controlling interests, plus dividends received from joint ventures.
- Equity Free Cash Flow after Leases (EFCFaL) is EFCF, less lease principal repayments.
- 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, including Guatemala and Honduras as if fully consolidated, 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.
- Underlying measures, such as Underlying service revenue, Underlying EBITDA, Underlying equity free cash flow, Underlying net debt, Underlying leverage, etc., include Guatemala and Honduras, as if fully consolidated.
- Average Revenue per User per Month (ARPU) for our Mobile customers is (x) the total mobile and mobile financial services revenue (excluding revenue earned from tower rentals, call center, data and mobile virtual network operator, visitor roaming, national third parties roaming and mobile telephone equipment sales revenue) for the period, divided by (y) the average number of mobile subscribers for the period, divided by (z) the number of months in the period. We define ARPU for our Home customers in our Latin America segment as (x) the total Home revenue (excluding equipment sales, TV advertising and equipment rental) for the period, divided by (y) the average number of customer relationships for the period, divided by (z) the number of months in the period. ARPU is not subject to a standard industry definition and our definition of ARPU may be different to other industry participants.

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

Transaction highlights

Acquiring remaining 45% in Tigo Guatemala for \$2.2b in cash

Accretive to EFCF and net income – adds ~\$200m to 2021 EFCF^{1,2}

Financing through long-term debt and equity rights offering

Leverage expected at 3.1x, maintaining deleveraging targets

Attractive valuation

1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at millicom.com/investors/reporting-center.

2) EFCF is after leases and before incremental financing costs based on 2021 forecasts.

Accretive acquisition enhances cash flow and simplifies structure

- 1** Fully aligned with our strategy → Accretive minority acquisitions is a proprietary opportunity
- 2** Highly accretive from day 1 → Incremental EFCF^{1,2} of c.\$200m
- 3** Growth track record... in dollars → 7% OCF USD CAGR since 2016
- 4** Simplification of structure → Millicom to fully consolidate Tigo Guatemala under IFRS
- 5** Leader in 2-player market → Leading share in healthy under-penetrated telecom market
- 6** Strong Guatemala macro → Stable FX increases Millicom cash flow predictability
- 7** Attractive valuation² → 8.2x EV/OCF | 10.4x EFCF | 6.2x EV/EBITDA
- 8** Maintaining leverage targets → Leverage expected to be at 3.1x and continue its decline

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1 Fully aligned with our strategy

We have communicated our interest to continue allocating capital to our Latam markets



MILLICOM
THE DIGITAL LIFESTYLE

Organic growth & free cash flow generation



Capital allocation discipline



Acquiring minorities in an accretive way - proprietary opportunity



Committed to a maintaining healthy balance sheet



2 Highly accretive from day 1



Tigo Guatemala expected to grow strongly in 2021¹

\$1.6bn
Revenue

Up 6% year-on-year

\$850
EBITDA²

EBITDA margin of 53%
Up 9% year-on-year

\$650m
OCF²

OCF margin of 41%
Up 9% year-on-year

\$450m
EFCF²

EFCF¹ margin of 28%
Up 25% year-on-year

\$350m
Net income

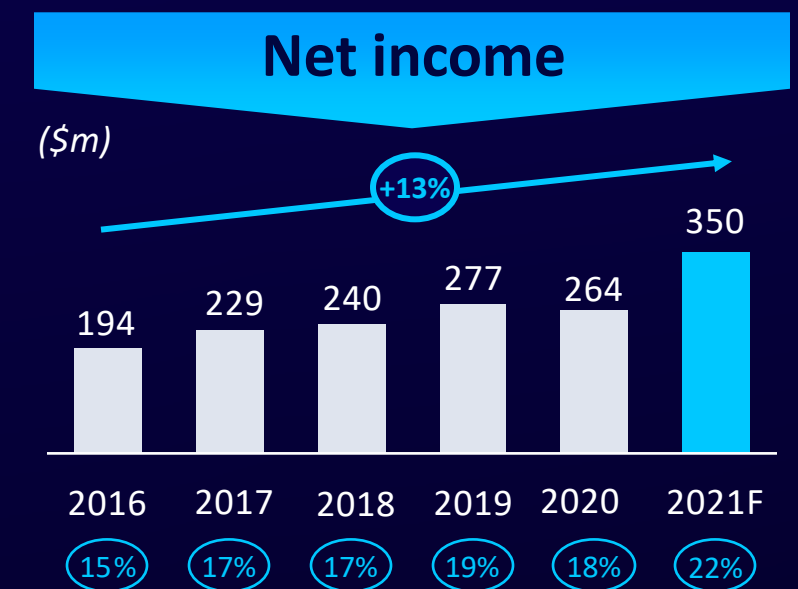
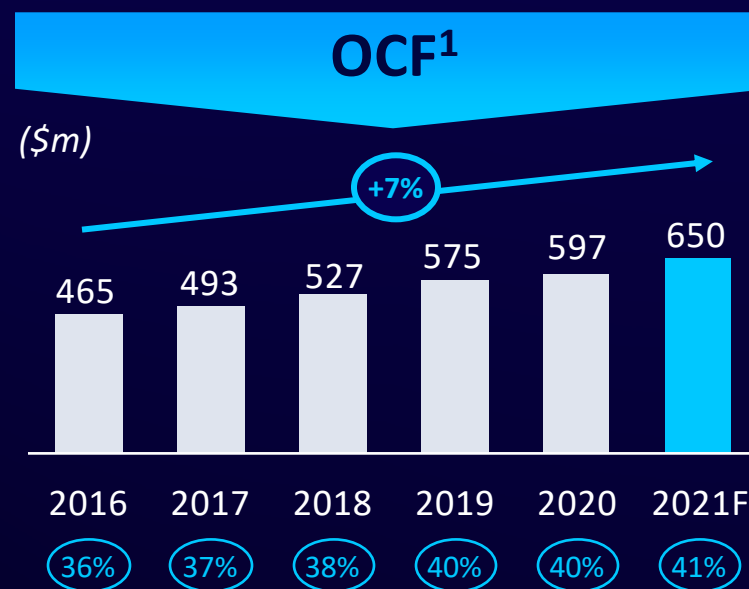
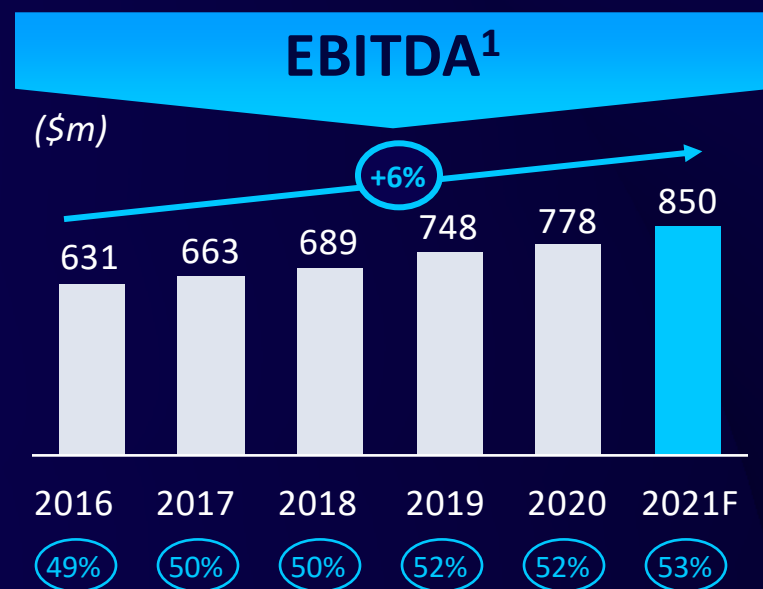
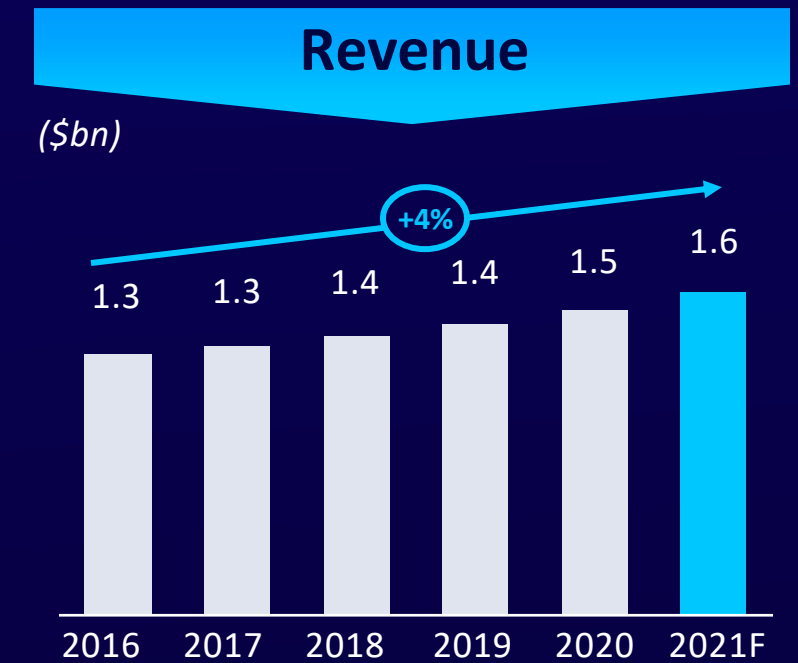
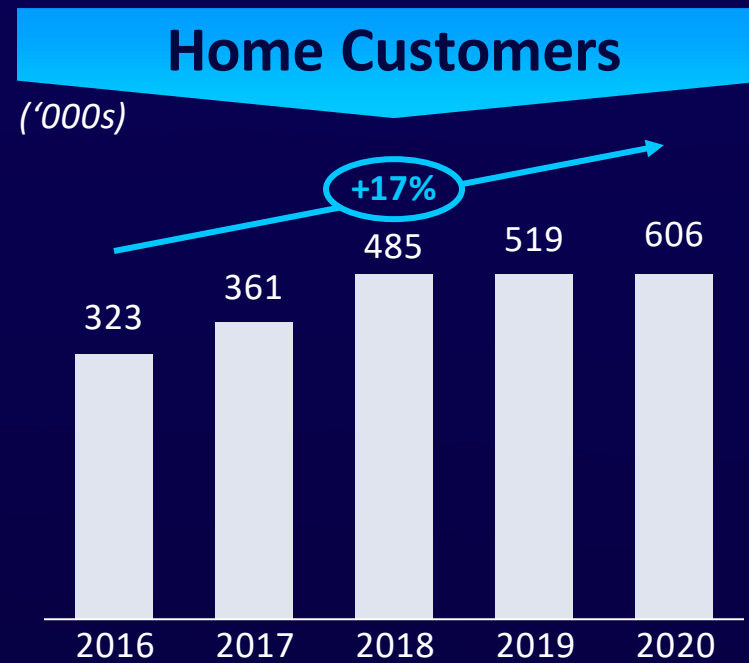
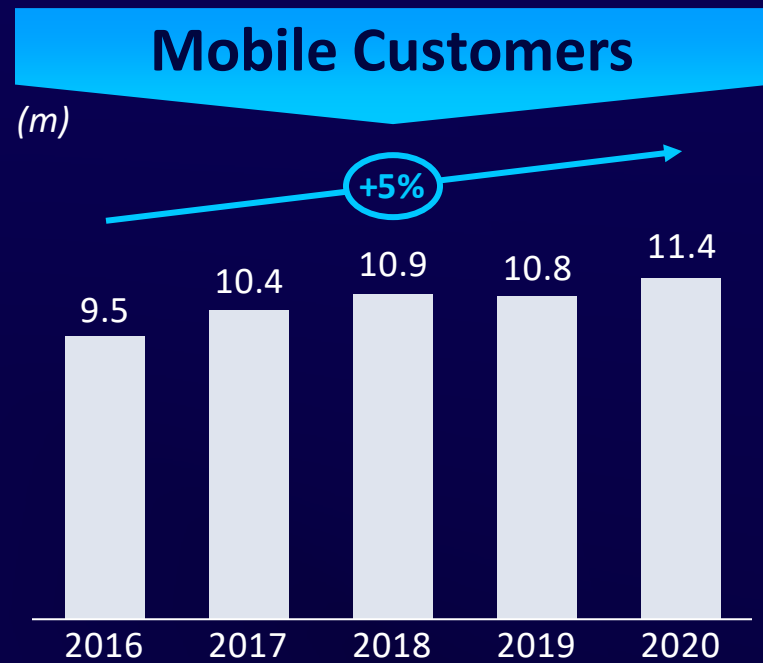
Up 32% year-on-year

Incremental EFCF² to Millicom of ~\$200m

1) Tigo Guatemala financial targets for the full year 2021 based on year-to-date performance and assuming an average exchange rate of 7.75.

2) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at millicom.com/investors/reporting-center. EFCF presented after leases and before incremental financing costs.

3 Growth track record... in dollars



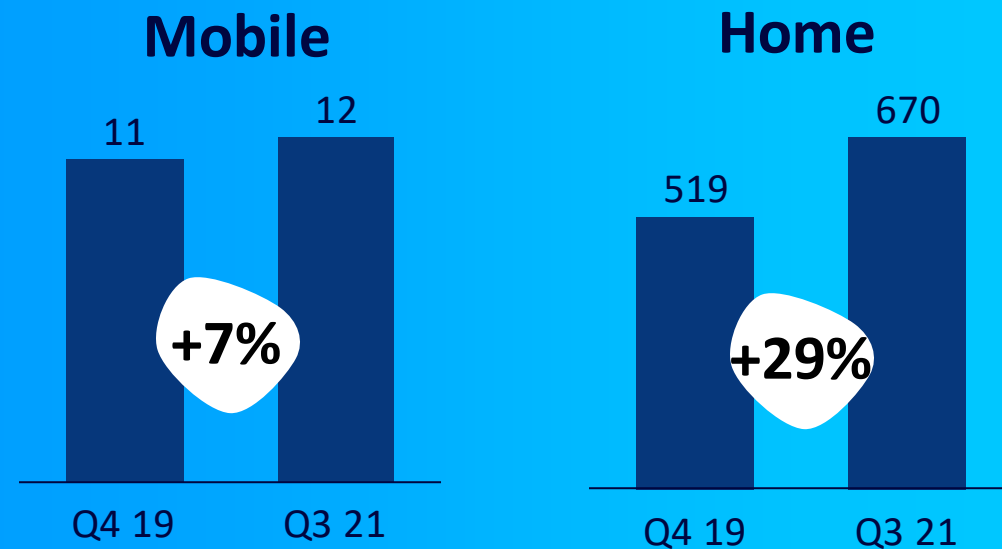
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3 Sustained strong growth through the pandemic



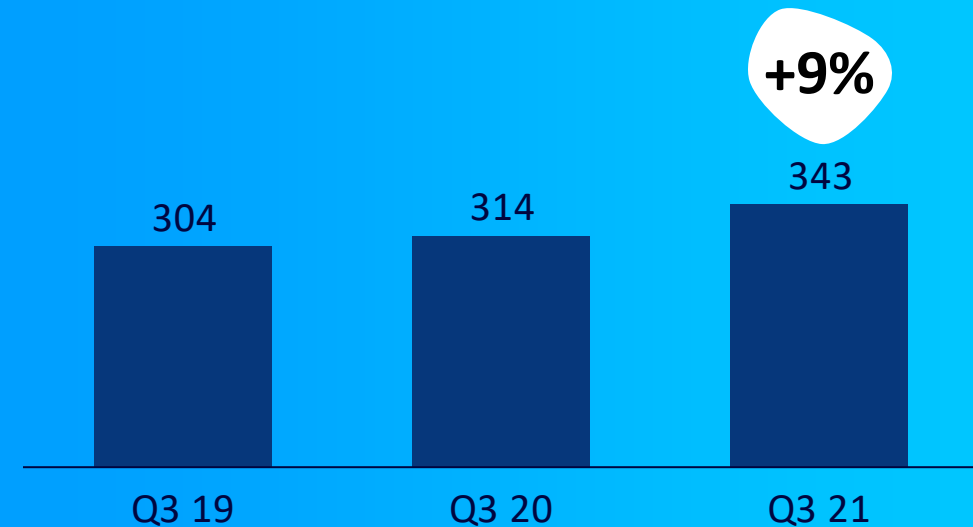
Customer base expansion

Tigo Guatemala mobile customers (m) and home customer relationships (000)



Growing service revenue

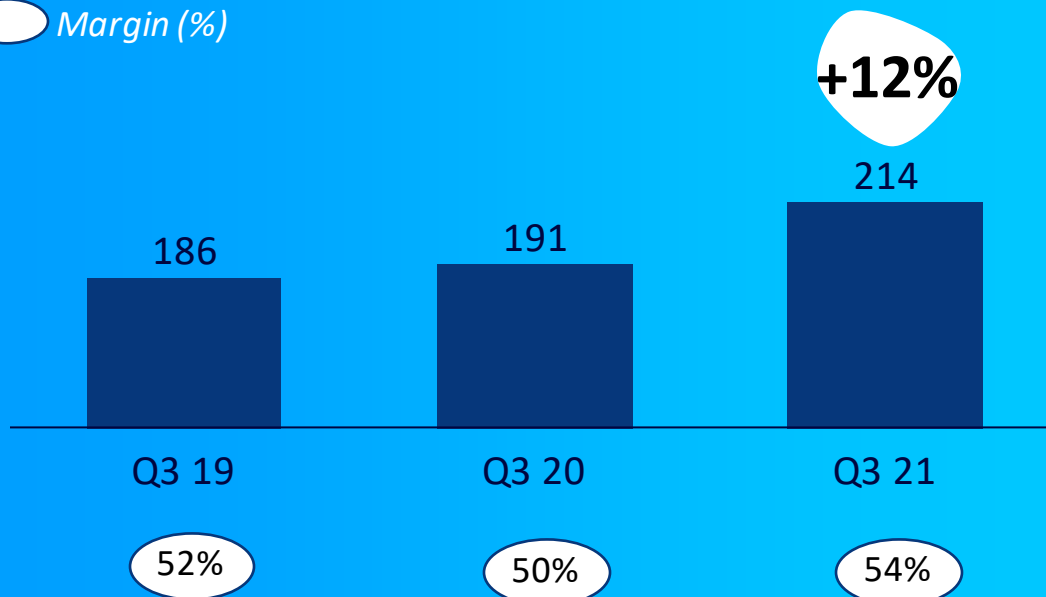
Tigo Guatemala service revenue¹ (\$m) and YoY Growth (%)



Accelerating EBITDA

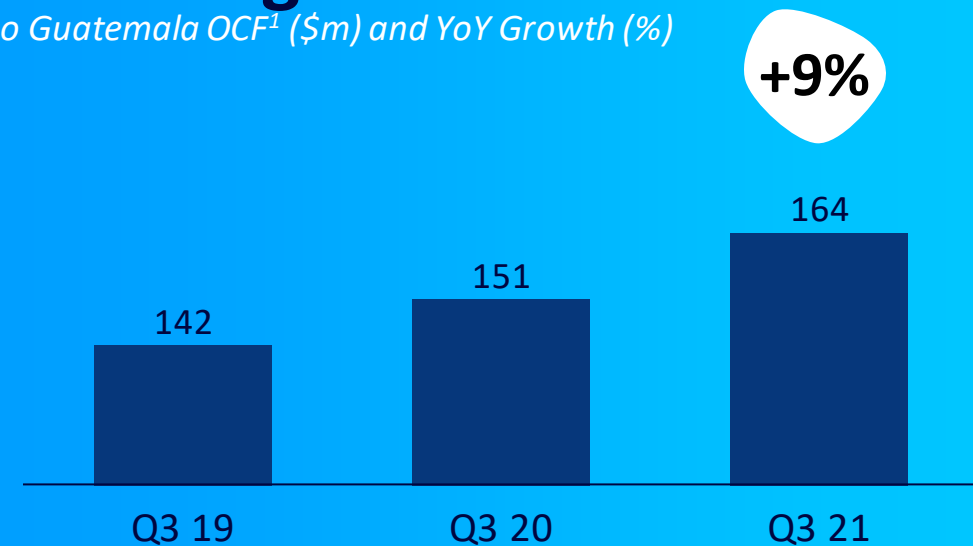
Tigo Guatemala EBITDA¹ (\$m) and YoY Growth (%)

Margin (%)



Increasing OCF

Tigo Guatemala OCF¹ (\$m) and YoY Growth (%)



4 Simplification of structure

The proforma impact on our reported 2020A results is significant



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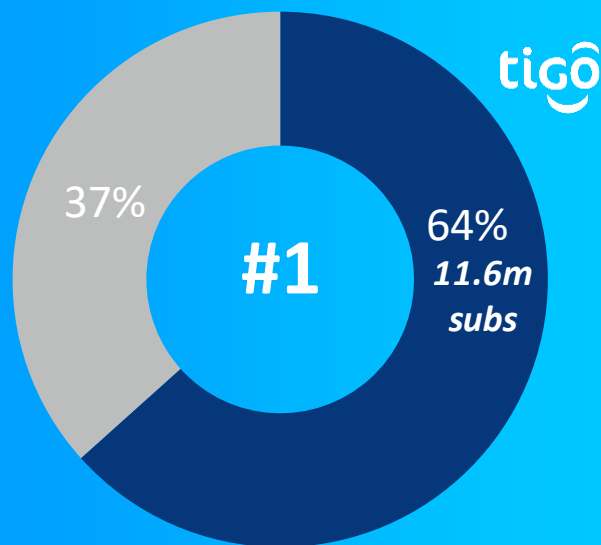
2) Including consolidation adjustments. Equity Free Cash Flow is after leases and does not include Guatemala dividend payments to non-controlling interests that would not occur if 100% owned by Millicom.

5 Leader in underpenetrated 2-player market

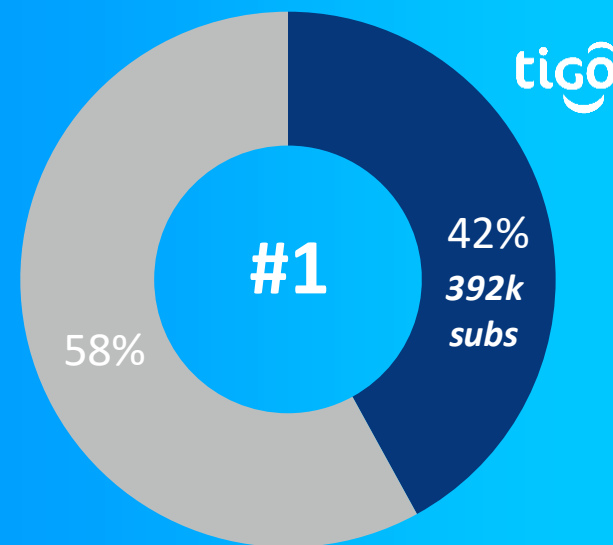


Convergent offering in a 2-player market with significant growth runway

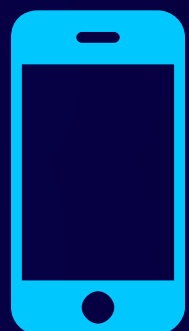
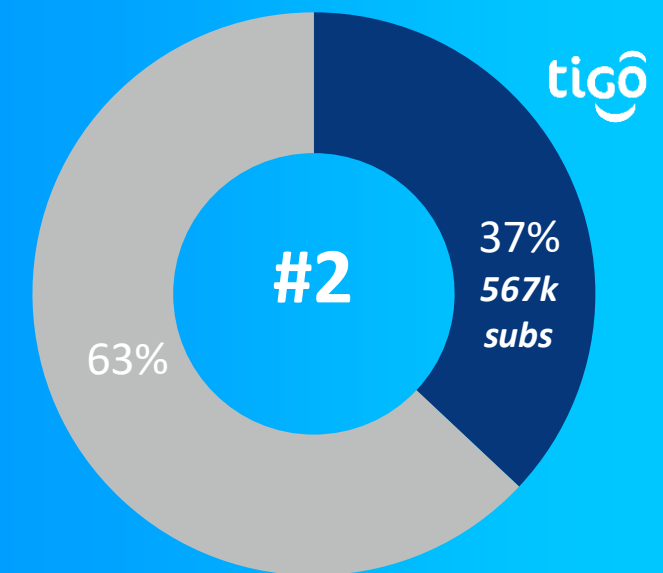
Mobile market share¹



Broadband market share¹



Pay TV market share¹



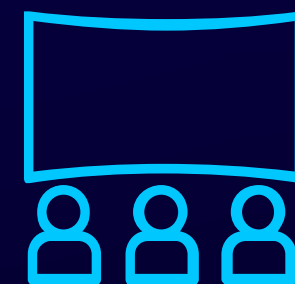
40%

4G data user penetration



15%

Broadband penetration



15%

Pay TV penetration

Others

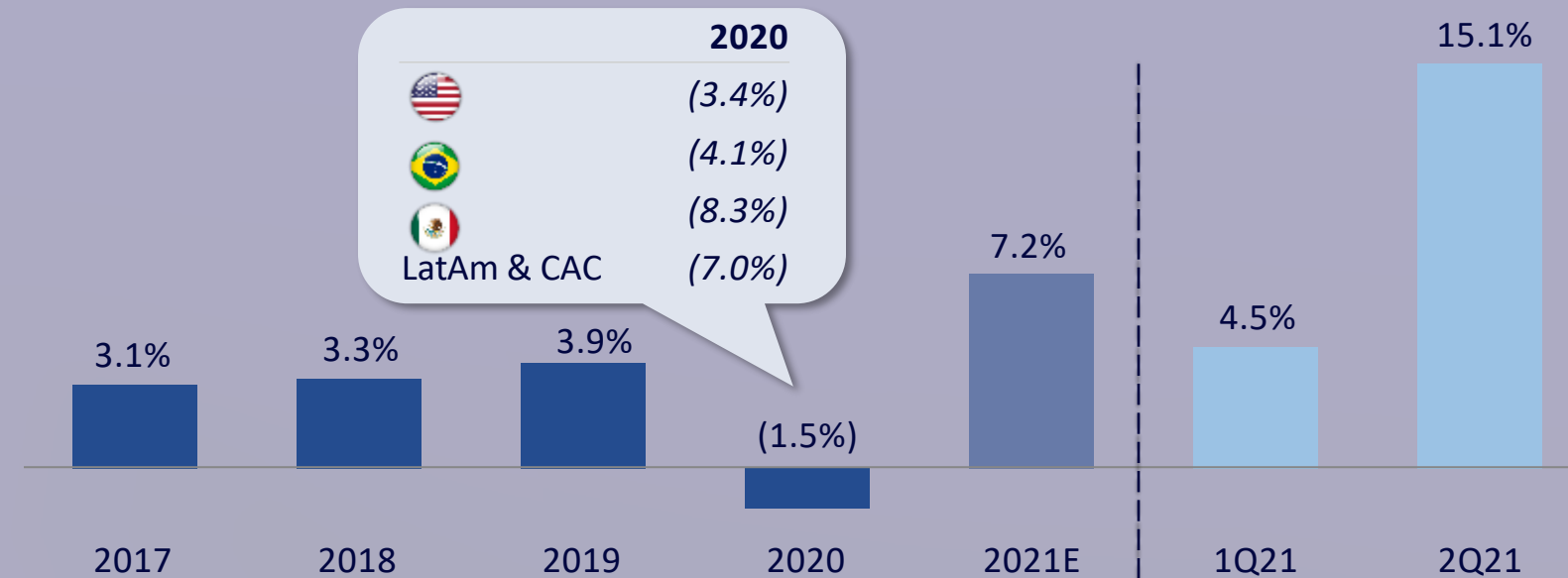
¹ As of September 2021

4G data user penetration as calculated by Millicom of total mobile users. Broadband and Pay TV penetration as a percentage of total households.

6 Strong Guatemala macro

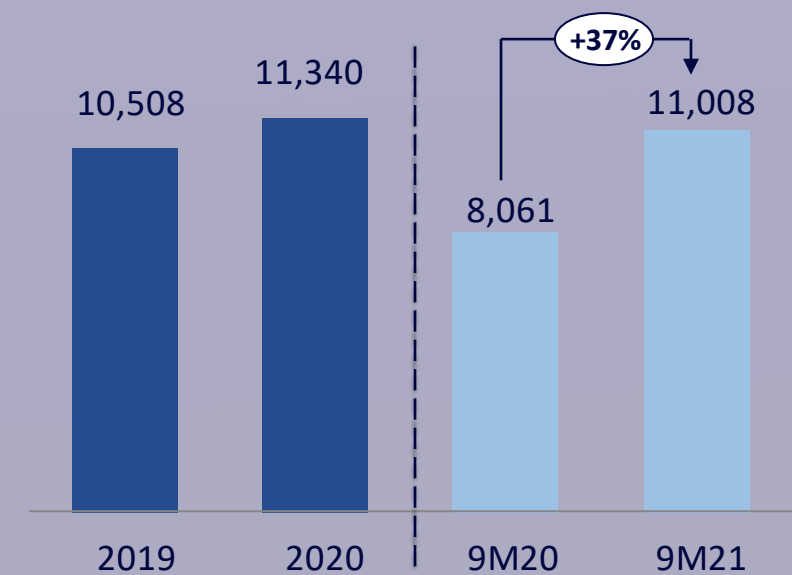
One of the least impacted economies during COVID showing resiliency

Guatemala real GDP growth (% y-o-y)



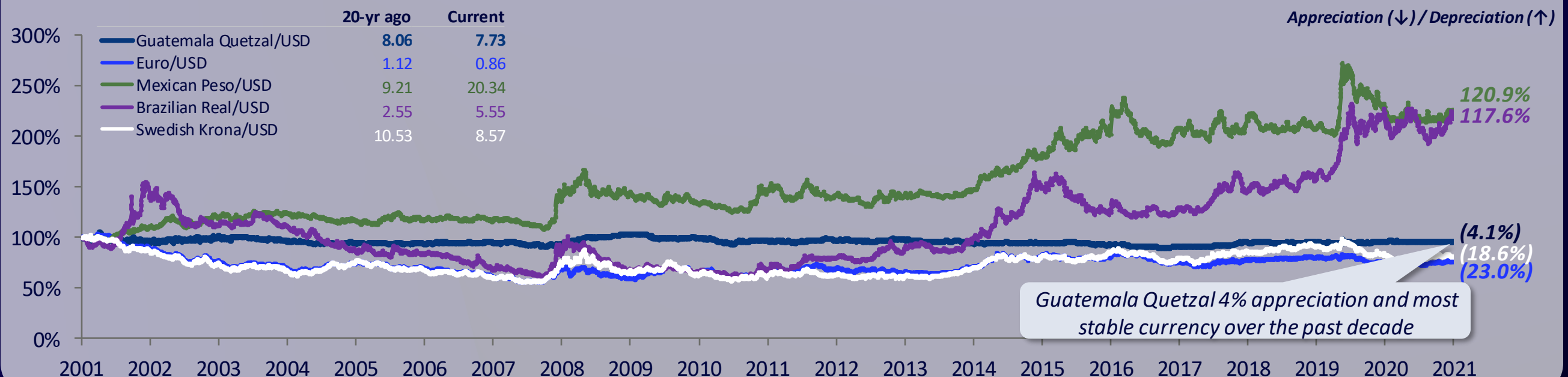
Remittances are soaring

Remittances (\$m)



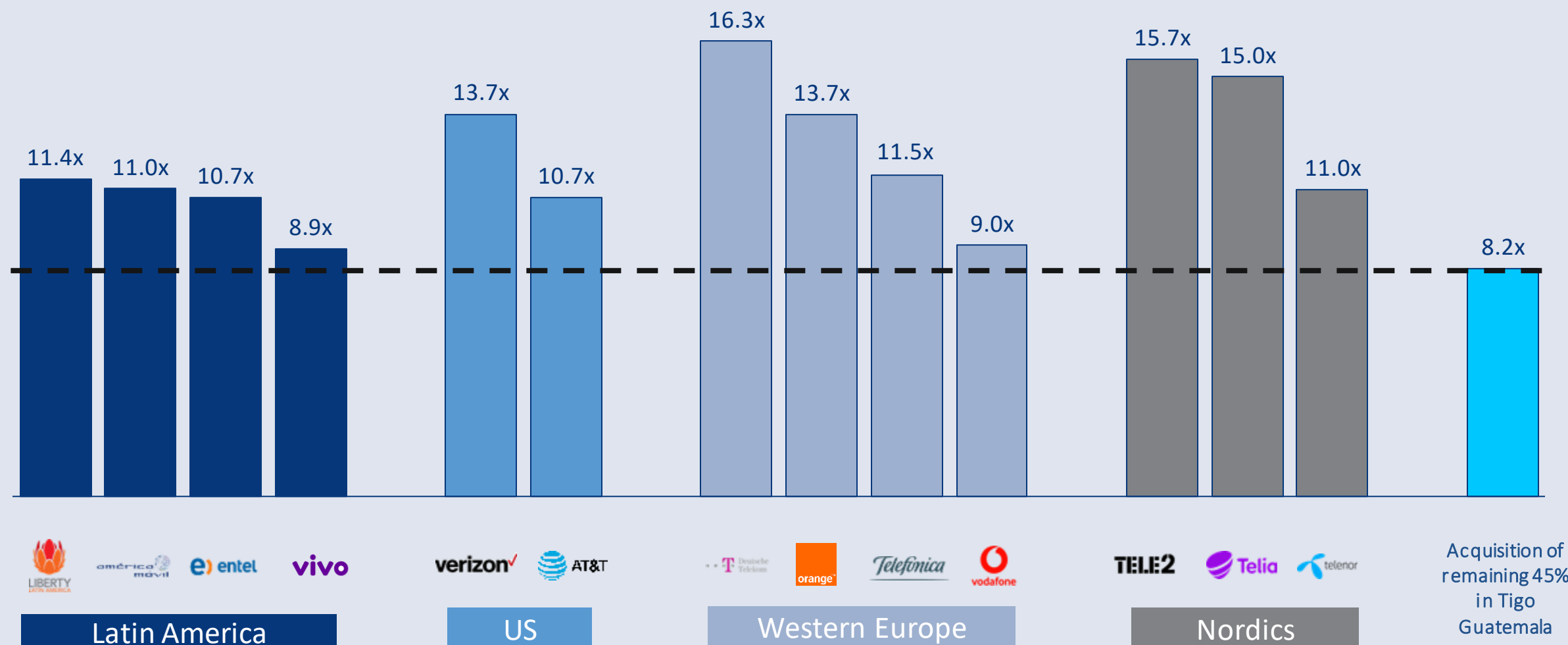
Stable currency for 20 years

20-year FX performance rebased to November 8, 2001 (%)



7 Attractive valuation

EV / OCF¹



+

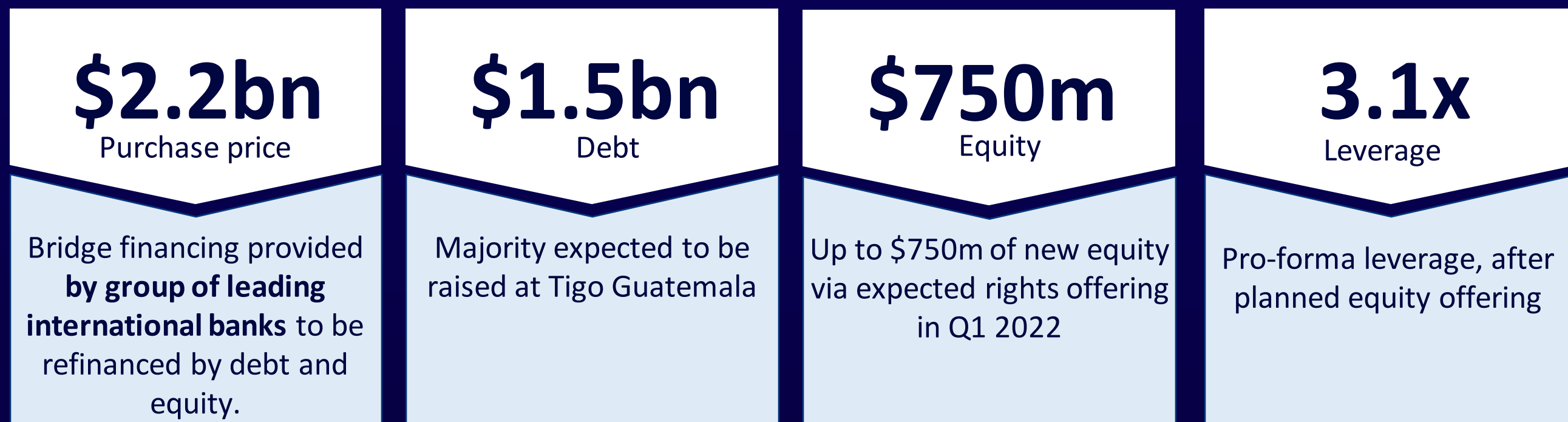
Infrastructure Assets

100% ownership of ~4,400 towers, two tier 3 data centers, and +21,000 km of fiber

8 Maintaining leverage targets

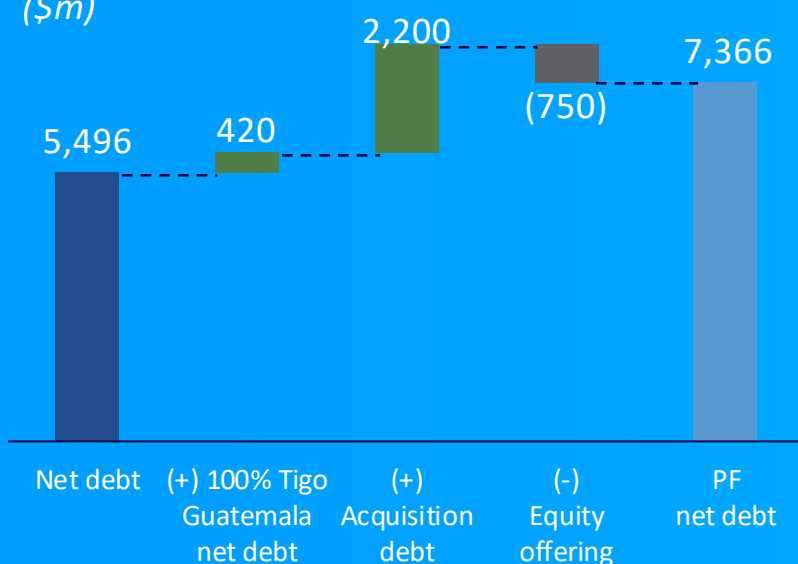


Capital structure to balance shareholder return and continued deleveraging



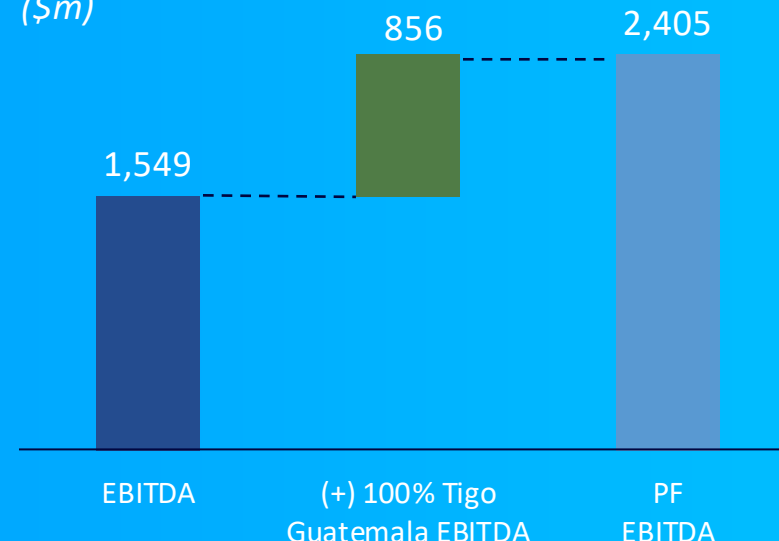
Net financial obligations¹

As of Sep-21
(\$m)



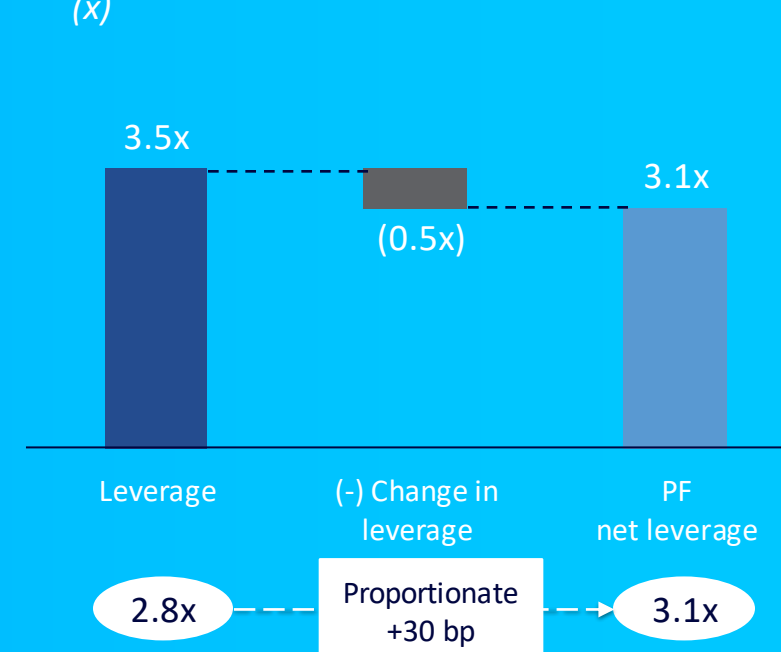
LTM EBITDA¹

As of Sep-21
(\$m)



Net financial obligations / EBITDA¹

As of Sep-21
(x)



1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at millicom.com/investors/reporting-center.

Compelling investment

- Advances our strategy
- Proprietary opportunity
- Attractive valuation
- Leader in 2-player market
- Growth track record in dollars
- Stable FX and growing economy
- Highly accretive from day 1



Sound financing structure

- Continue deleveraging trend
- Accretion to benefit current shareholders via rights offering
- Leverage back below 3.0x within 12 months

~\$200m
Incremental EFCF¹ 2021F

~\$750m
Expected rights offering



Tigo Investment Highlights

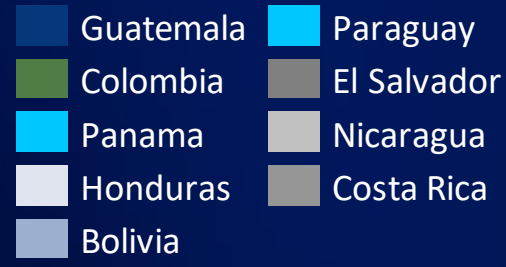
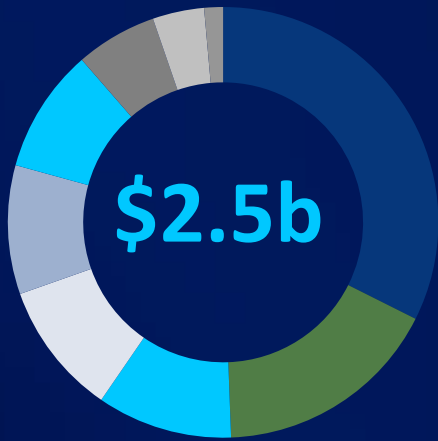
Tigo in Latin America



LTM Service Revenue¹



LTM EBITDA¹



80% 4G population coverage

+20.3m 4G clients

+12.2m HFC homes passed

+4.0m HFC homes connected

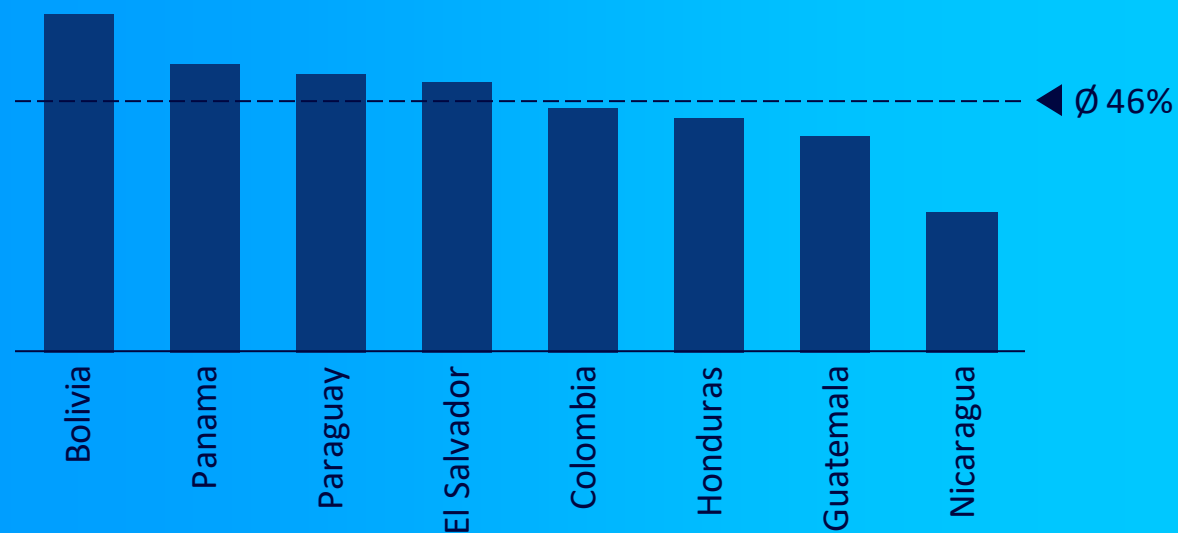
1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at millicom.com/investors/reporting-center.

Latin American markets are under penetrated



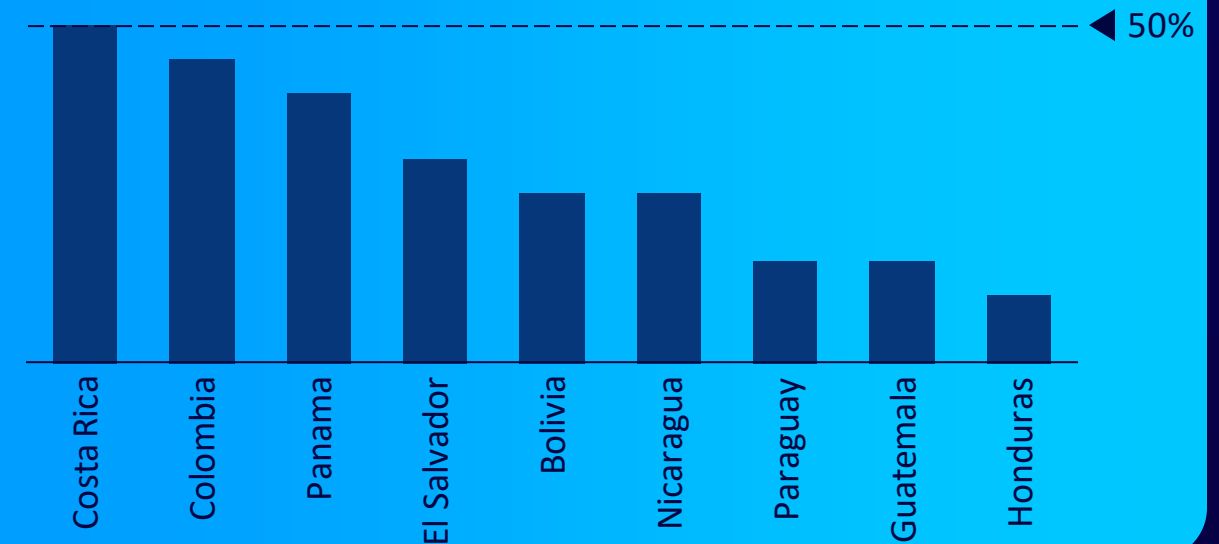
4G Data Users

As % of total mobile Users



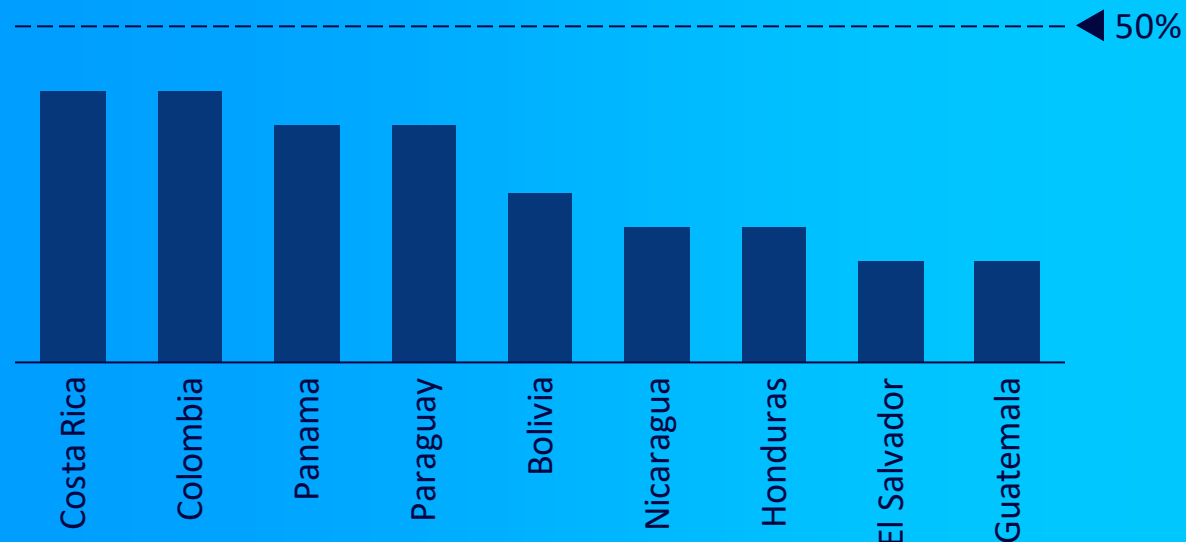
Broadband

As a % of total households



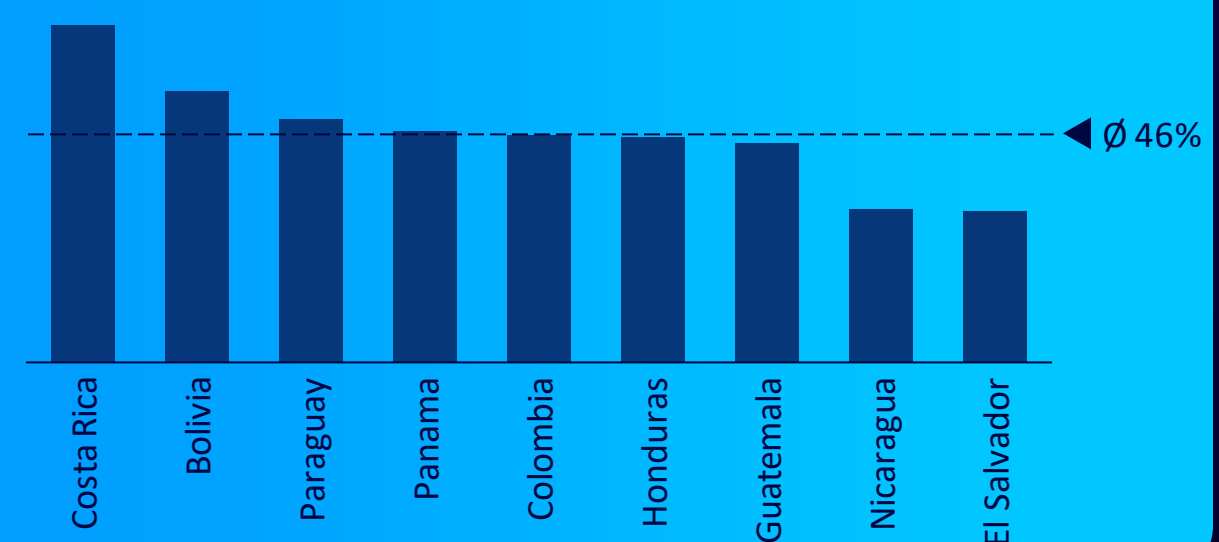
Pay TV

As % of total households



Banking

As % of population over 15 years

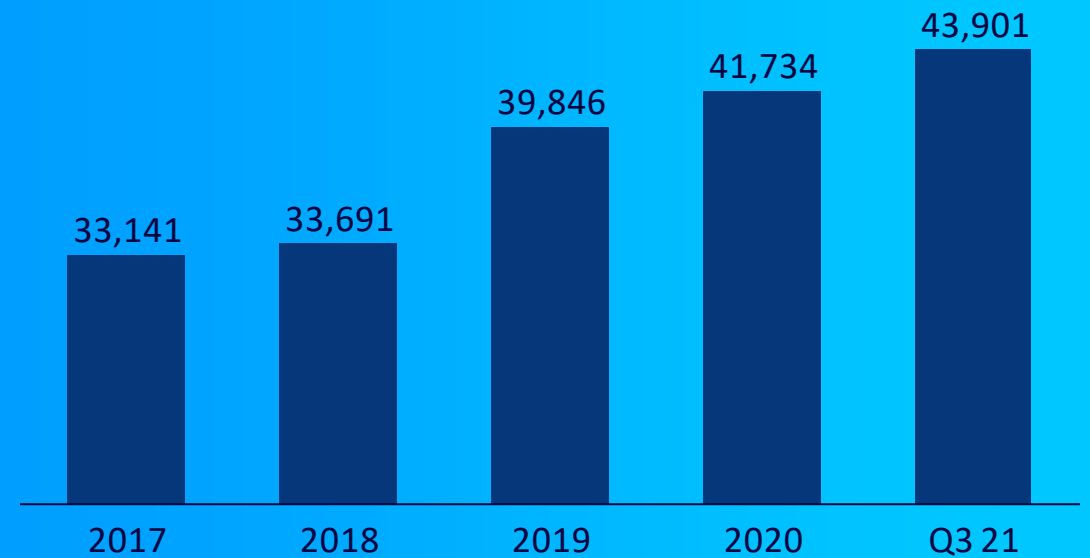


Leading market positions with growing customer base



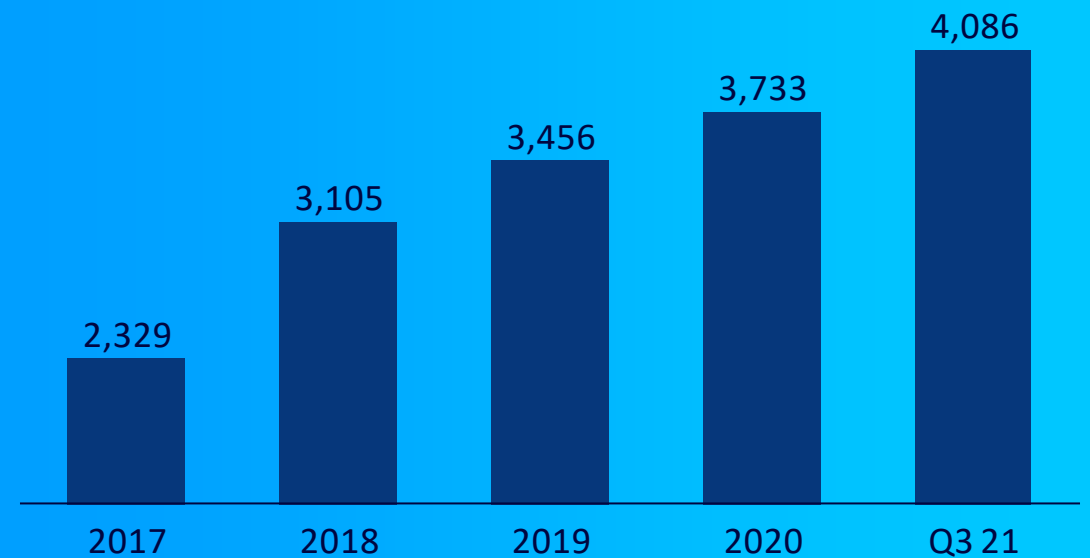
Mobile Customers

Latam ('000)



Home Customer Relationships

HFC, Latam ('000)



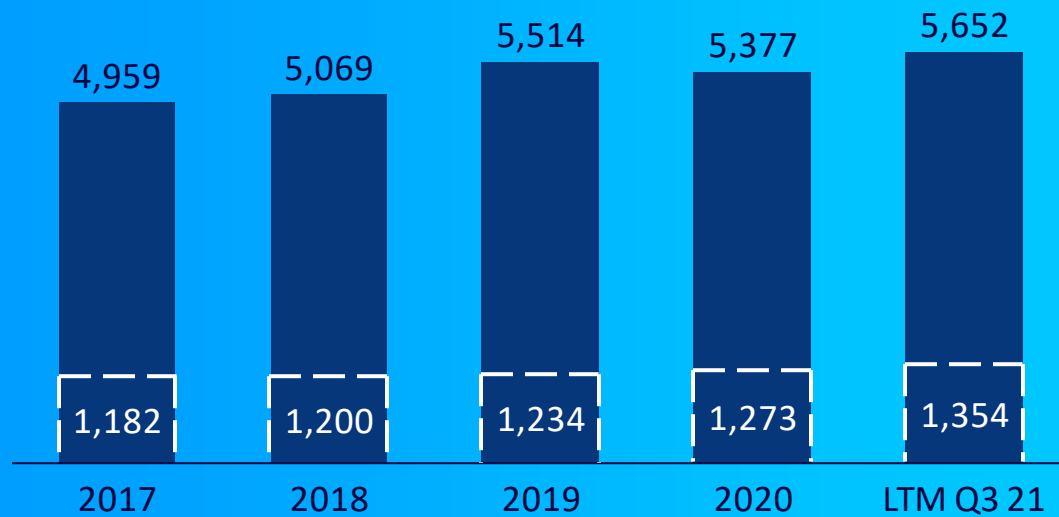
Steady growth and healthy cash flow generation



Service Revenue¹

Latam (\$m)

Guatemala

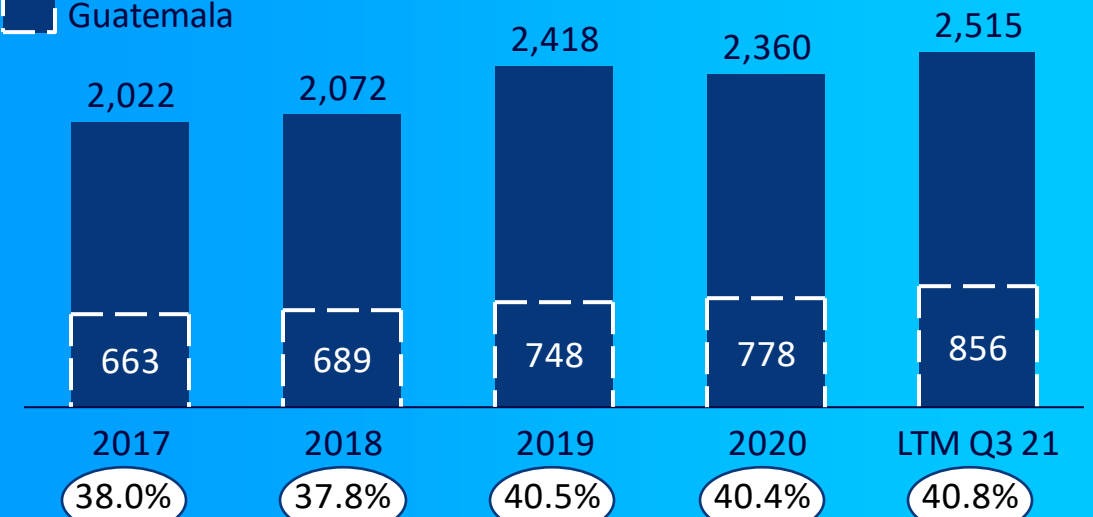


EBITDA¹

Latam (\$m)

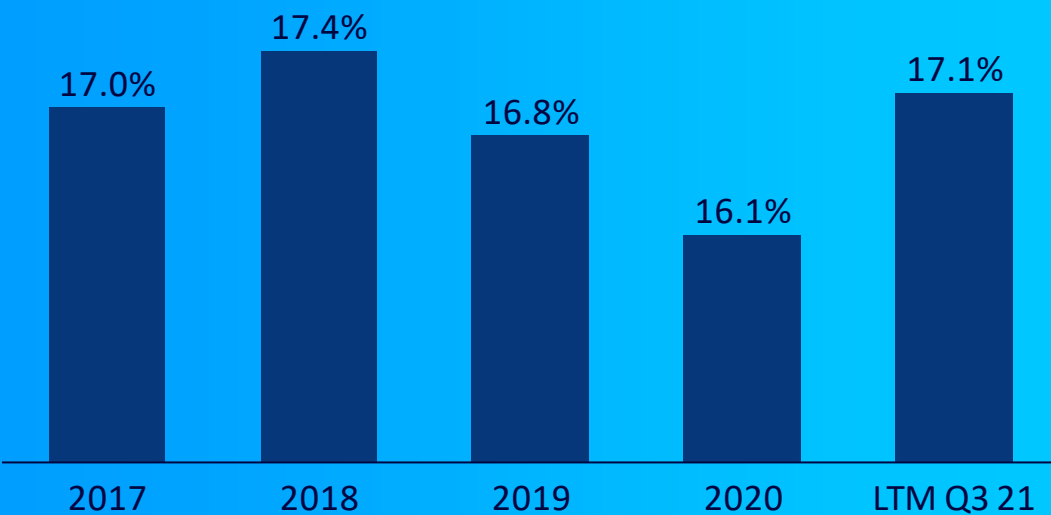
Margin (%)

Guatemala



Capex to sales

Latam (%)

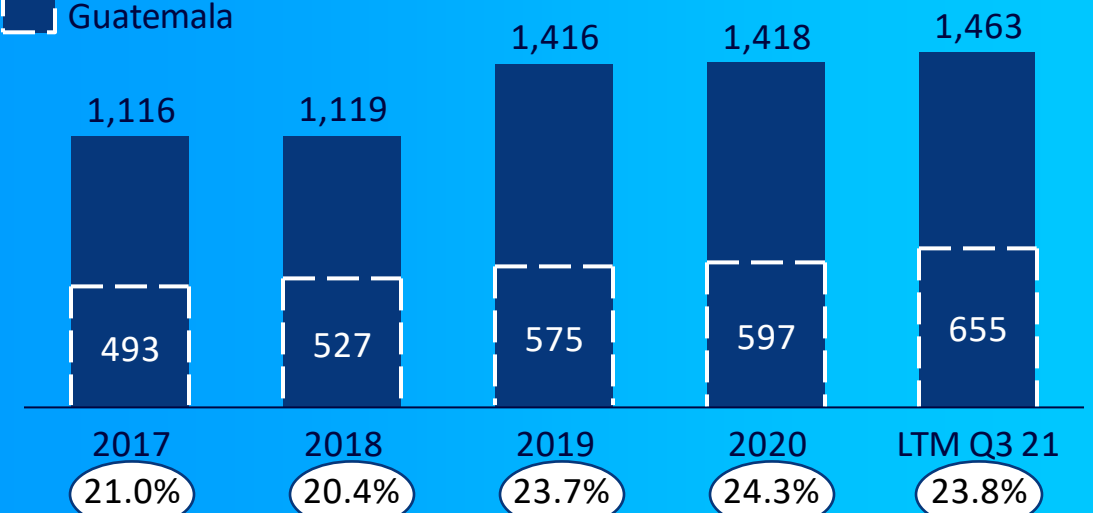


OCF¹

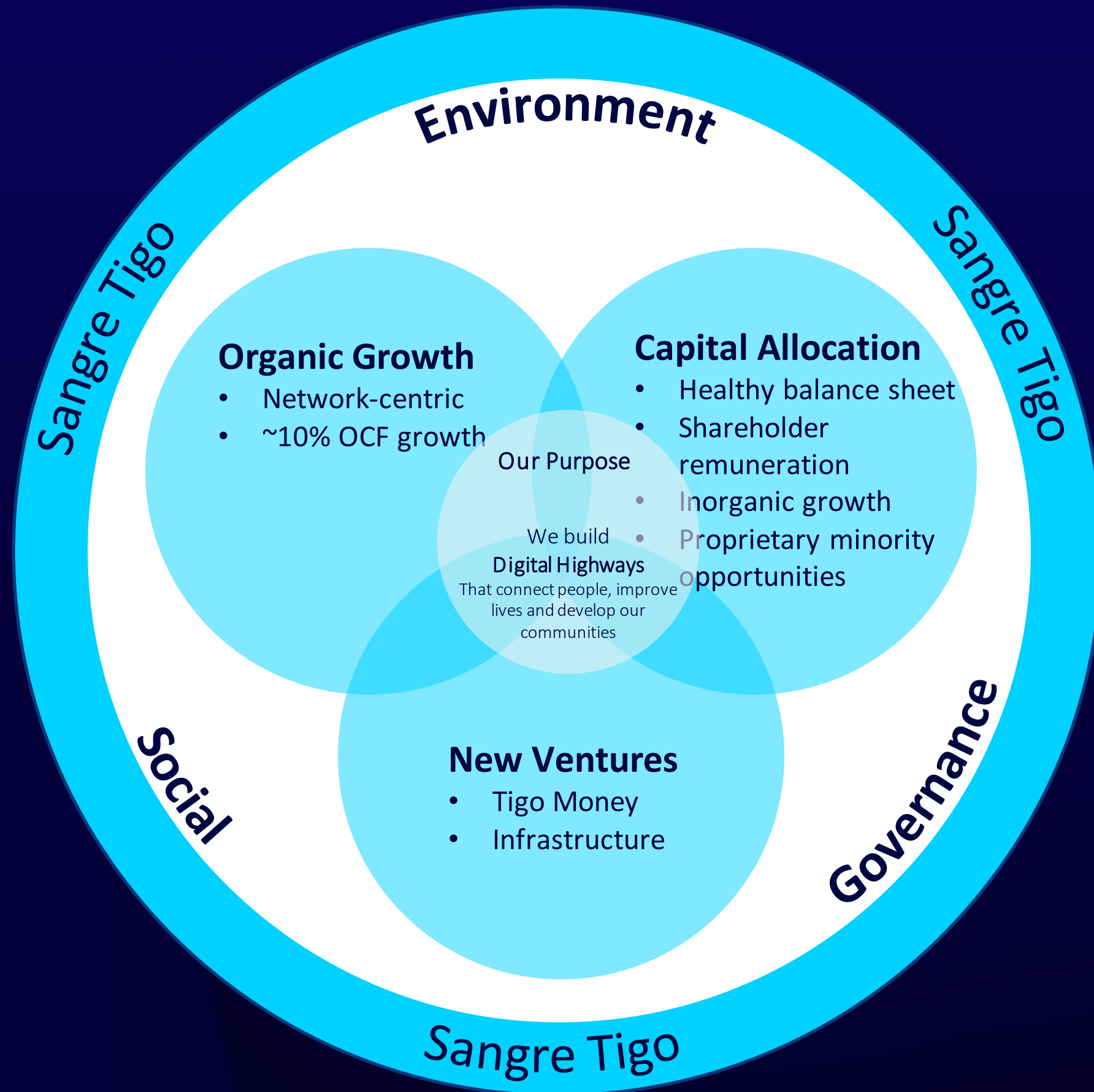
Latam (\$m)

Margin (%)

Guatemala



Our value creation strategy



Our purpose is at the center of our ESG efforts



Environment

- Top priorities: carbon footprint and e-waste.
- We are defining emissions reduction targets
- All our operations are ISO 14,001 certified.

Reverse Logistics CPE Recovery

- **2.8 M** devices redeployed in 2020 (64% E2E recovery)
- **\$109m** avoided capex
- **~1,700 Tn CO₂eq** avoided emissions
- 2024 Target: 76% E2E recovery.

Social

- Focusing on reducing the digital gap

Flagship Digital Education Programs

- **Maestr@s Conectad@s**: trains teachers in the region on how to use digital tools to provide online classes
- **Conectate Segur@**: promotes the responsible and productive use of the internet amongst children and adolescents through trainings and workshops
- **Conectadas**: trainings on basic use of the internet and its use for small business for women entrepreneurs

Governance

- **US, Swedish, Luxembourg governance standards**
- **Independent board of Directors**
- **Millicom is 100% free float**
- **Single class of stock**
- **Alignment of management compensation.** Stock-based compensation aligned with company objectives



tigô