

Non-IFRS Measures

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

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

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

Non-IFRS Financial Measure Descriptions

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

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

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

EBITDA Margin represents EBITDA in relation to Revenue.

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

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

Net financial obligations is Net debt plus lease liabilities.

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

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

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

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

Operating Cash Flow (OCF) is EBITDA less Capex.

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

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

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

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

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

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

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

Non-IFRS Reconciliations

Reconciliation from Reported Growth to Organic Growth for the Group

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

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

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

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

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

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

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

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One-off Summary - Items above EBITDA

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

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

ARPU reconciliations

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

* Refers to production services, MVNO, DVNO, equipment rental revenue, call center revenue, national roaming, equipment sales, visitor roaming, tower rental, DVNE, and other non-customer driven revenue.

** Average QoQ for the quarterly view is the average of the last quarter.

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

* TV advertising, production services, equipment rental revenue, call center revenue, equipment sales and other non customer driven revenue.

** Represented by homes connected all technologies (HFC/FTTH + Other Technologies + DTH & Wimax RGUs).

*** Average QoQ for the quarterly view is the average of the last quarter.

OCF (EBITDA- Capex) Reconciliation

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

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Capex Reconciliation

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

Foreign Exchange rates

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

Equity Free Cash Flow Reconciliation

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