This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of retained EU law

Helios Towers plc announces results for the year ended 31 December 2020

Full year results in line with expectations

Business underpinned by long-term contracted revenues with blue-chip mobile network operators

London, 10 March 2021: Helios Towers plc ('the Company' and together with its subsidiaries 'Helios Towers' or 'the Group'), the independent telecommunications infrastructure company, today announces results for the year to 31 December 2020.

	FY 2020	FY 2019	Change	**Q4 2020**	Q3 2020	Change
Sites	**7,356**	6,974	+5%	**7,356**	7,222	+2%
Tenancies	**15,656**	14,591	+7%	**15,656**	15,082	+4%
Tenancy ratio	**2.13x**	2.09x	+0.04x	**2.13x**	2.09x	+0.04x
Revenue (US$m)	**414.0**	387.8	+7%	**106.1**	103.6	+2%
Adjusted EBITDA (US$m)[1]	**226.6**	205.2	+10%	**60.1**	57.4	+5%
Adjusted EBITDA margin[1]	**55%**	53%	+2ppt	**57%**	55%	+2ppt
Operating profit / (loss) (US$m)	**56.3**	(4.5)	+60.8	**10.9**	16.1	(5.2)
Portfolio free cash flow (US$m)[1]	**174.4**	168.9	+3%	**41.1**	44.2	(7)%
Net debt (US$m)[1]	**692.4**	626.5	+11%	**692.4**	662.2	+5%
Net leverage[1,2]	**2.9x**	2.9x	-	**2.9x**	2.9x	-

1. Alternative Performance Measures are described in our defined terms and conventions.
2. Calculated as net debt divided by last quarter annualised Adjusted EBITDA for the period.

Financial highlights

- Full year Group revenue increased by 7% year-on-year to US$414.0m (2019: US$387.8m), driven by the continued growth in the number of sites and tenancies across the Group.
  - Q4 2020 Group revenue increased by 2% quarter-on-quarter to US$106.1m (Q3 2020: US$103.6m).

- Full year Adjusted EBITDA increased by 10% year-on-year to US$226.6m (2019: US$205.2m), driven by tenancy growth and continued improvements in operational efficiency, with Adjusted EBITDA margin expanding to 55% (2019: 53%), up 2ppts.
  - Q4 2020 Adjusted EBITDA increased by 5% quarter-on-quarter to US$60.1m (Q3 2020: US$57.4m).

- Full year operating profit increased by US$60.8m year-on-year to US$56.3m (2019: US$-4.5m).
  - Q4 2020 operating profit decreased by US$5.2m quarter-on-quarter to US$10.9m (Q3 2020: US$16.1m), driven by a loss on disposal of PPE related to our site consolidation program.

- Portfolio free cash flow increased by 3% year-on-year to US$174.4m (2019: US$168.9m).
  - Q4 2020 portfolio free cash flow decreased by -7% quarter-on-quarter to US$41.1m (Q3 2020: US$44.2m) reflecting timing of capex and corporate income tax payments.

- Net leverage of 2.9x remained flat year-on-year and quarter-on-quarter (2019 and Q3 2020: 2.9x), below the Group's target range of 3.5x–4.5x.

- Business underpinned by long term contracted revenues of US$2.8bn, of which 82% is from Africa's Big-Five MNOs, with an average remaining life of 6.8 years.

Operational highlights

- Helios Towers continues to monitor the impact of COVID-19 on its operations. The telecommunications sector has been classified as an ‘essential service’ in our markets, allowing us to operate at our normal high levels of service. To date, there has been minimal impact on the Group’s delivery of service and operational execution.

- Operational performance continues at very high levels, with power uptime of 99.99% recorded in Q4 2020 for a third consecutive quarter.

- Tenancies increased by 1,065 tenants year-on-year to 15,656 tenants (2019: 14,591 tenants). Q4 2020 tenancies increased by 574 quarter-on-quarter (Q3 2020: 15,082).

- Sites increased by 382 sites year-on-year to 7,356 sites (2019: 6,974 sites). Increase of 134 sites quarter-on-quarter (Q3 2020: 7,222).

- Tenancy ratio of 2.13x increased by 0.04x quarter-on-quarter and year-on-year (2019 and Q3 2020: 2.09x).

Strategic updates

- As previously reported, on 12 August 2020 Helios Towers signed an agreement with Free Senegal, the second largest mobile operator in Senegal, to acquire its 1,220 tower portfolio, as well as 400 build-to-suit sites (‘BTS’) committed over the next 5 years. The acquisition is anticipated to close in H1 2021.

- The Senegal transaction enables the Group to enter a new market, representing the first key milestone against our 2025 strategic ambitions to increase our operational presence to 8+ markets. The acquired sites represent c.25% of the Group’s total targeted site expansion to reach our 2025 strategic target of 12,000+ sites, with further progress expected through the 400 committed BTS.

- The Group continually monitors growth opportunities which are in line with its strategy, and is actively investigating an aggregated M&A pipeline of over 10,000 towers. The Group is currently in advanced discussions regarding the acquisition of approximately 5,000 towers in new geographies across the Africa and Middle East region. Of these, the Group is in advanced negotiations with respect to approximately 2,000 towers across multiple African markets and is in the advanced stages of a competitive process with respect to the remainder. There is no guarantee that these or any other acquisitions currently under contemplation will ultimately be agreed or completed, and until acquisitions are agreed their terms remain confidential. Any transactions agreed by Helios Towers would be expected to be consistent with the Group’s acquisition criteria, to be value accretive and to have a financing structure aligned to the Group’s target leverage range of 3.5x-4.5x.

Environmental, Social & Governance (ESG)

- The Group will publish its first Sustainable Business Report on 15 March 2021 alongside its 2020 Annual Report. The report provides a detailed review of the Group’s progress against its strategic objectives and ambitions.

- On 19 November 2020 Helios Towers unveiled its integrated Sustainable Business Strategy, including its long term targets and contribution to the UN Sustainable Development Goals. The presentation can be found at: www.heliostowers.com/investors/results-reports-and-presentations/

- Helios Towers’ Sustainable Business Strategy is designed to help the Group maximise the positive impact it is having for all its stakeholders, and deliver on its purpose of driving the growth of communications in Africa.

Guidance and outlook

- Helios Towers is targeting 1,000 – 1,500 organic tenancies per annum in the medium term in its existing markets, in-line with the Company's guidance first provided during its IPO in October 2019.

- Targeting US$110m – US$140m of capex for its existing markets in 2021, of which US$20m – US$25m is non-discretionary capex.

- Acquisition of Free Senegal's passive infrastructure assets is anticipated to close in H1 2021, representing 1,220 sites for an upfront cash consideration of €160m (US$194m). Annualised revenues and Adjusted EBITDA for the acquired assets are anticipated to be US$38m and US$19m, respectively. Further growth is expected through colocation lease-up and 400 committed BTS over the next five years, for which €40m (US$48m) deferred consideration and €30m (US$36m) growth capex are expected to be paid, and colocation lease-up.

Kash Pandya, Chief Executive Officer, said:

"We are delighted with the team's achievements in our first full year as a publicly listed company and against the backdrop of the global COVID-19 pandemic. We delivered results in-line with guidance set out at the beginning of the year, achieved record customer service levels, announced entry into our sixth market and increased available funding while significantly reducing our cost of debt. We also launched our sustainable business strategy, which reflects our ambition to contribute to the social and economic development across Africa through mobile connectivity, while minimising environmental impact.

Through all of these achievements, we have set the foundations for an exciting 2021 and look forward to delivering another year of sustainable growth and operational excellence for all stakeholders."

For further information go to:
www.heliostowers.com

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For the purposes of MAR, the person responsible for making this announcement is Paul Barrett, General Counsel and Company Secretary.

Helios Towers' management will host a conference call for analysts and institutional investors at 09.30 GMT on Thursday, 11 March 2021. Dial in details for the conference call are:

Europe & International	+44 20 3936 2999
South Africa (local)	087 550 8441
USA (local)	1 646 664 1960

Passcode: **175364**

About Helios Towers

- Helios Towers is a leading independent telecommunications infrastructure company in Africa, having established one of the continent's most extensive tower portfolios with over 7,300 towers across five countries. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.

- Helios Towers owns and operates telecommunication tower sites across Africa in Tanzania, Democratic Republic of Congo ('DRC'), Congo Brazzaville, Ghana, South Africa and are due to establish a presence in Senegal in H1 2021.

- Helios Towers pioneered the model in Africa of buying towers that were held by single operators and providing services utilising the tower infrastructure to the seller and other operators. This allows wireless operators to outsource non-core tower-related activities, enabling them to focus their capital and managerial resources on providing higher quality services more cost-effectively.

Forward looking statements

This announcement contains forward-looking statements which are subject to known and unknown risks and uncertainties because they relate to future events, many of which are beyond the Group's control. These forward-looking statements include, without limitation, statements in relation to the Group's financial outlook and future performance. No assurance can be given that future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances. Nothing in this presentation is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of the Company or the Group or their businesses.

Use of non-GAAP financial information

This announcement also contains non-GAAP financial information, described in this announcement as 'Alternative Performance Measures (APMs) which the Directors believe is valuable in understanding the performance of the Group. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Group's industry. Although these measures are important in the assessment and management of the Group's business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

Chair’s statement, Sir Samuel Jonah, KBE, OSG

“We develop local talent to become the future leaders of our business”

I write this from my home country of Ghana, which also happens to be where Helios Towers launched its first operations. That was in 2010, and during the decade that followed I watched this African success story unfold while on the Board of a mobile network operator, Vodafone.

Today, I have the pleasure of reviewing the Company’s progress from within, having completed my first full year as Chair of Helios Towers plc.

This has been our first full year as a public company, in which we have expanded our tower network in existing markets, scaled new heights of operational excellence and executed on our growth strategy through meaningful M&A activity. In August we announced the signing of a transaction to enter our sixth market, Senegal, taking a significant step towards our 2025 target of operating in eight or more markets. Internally, we also enhanced our governance structure and published our Sustainable Business Strategy, which will drive our inclusive and sustainable growth into the future.

I have been impressed with our response to Covid-19; despite this backdrop, we have achieved significant records in operational performance. It has been a humbling experience to watch the pandemic’s effects on communities and businesses, and it makes me particularly proud of the vital role we play as an independent tower company. Mobile communication is a vital resource in keeping people connected: this is especially the case this year, and especially in Africa, where fixed line telephony is minimal.

Importantly, our infrastructure-sharing model enables mobile operators to expand their networks more rapidly and cost effectively than they could achieve themselves. The positive impacts are immediate: at a stroke, a village school can now bring in the world’s knowledge online; farmers can secure market prices for their crops; and households can access financial services for the first time, a benefit strongly linked to improved welfare.

Above all, and in a very challenging year, more and more people have been able to come together, keep informed and engaged through digital media, and stay connected to families, friends and colleagues through voice and video calling. We’re helping to make that happen.

Meeting our opcos
We too have relied heavily on video conferencing through 2020. Fortunately, early in the year I also had the pleasure of visiting our teams in four of our five markets. It was a reminder that there is no substitute for personal interaction, to listen, learn and better understand the nuances of each market. In every case I have been impressed by the clear purpose of the leadership and the commitment of our people.

We continue to serve our communities with what I believe is a key point of difference from our competitors: 100% of our opcos’ leaders and workforce are African-born and are, by definition, totally attuned to our culture, traditions and people.

I have also been struck by the positive reception to our Sustainable Business Strategy, launched in November. Whilst sustainability has always been at the core of our business model, we have now refined our long-term strategy to amplify our positive environmental and social contributions to all our stakeholders and the communities in which we operate.

Governance: a broader Board
Following our listing on the London Stock Exchange in 2019, this year we continued to strengthen the Board’s composition by welcoming Sally Ashford and Carole Wamuyu Wainaina to the team. Manjit Dhillon also joins the Board, effective from 1 January 2021, following his appointment as CFO, announced in December 2020.

The current Board gives us a stronger and more diverse mix of genders and ethnicities. This, together with an appropriate balance of Non-Executive Directors, and the appointment of Sally as a representative of our employees, makes us fully compliant with the UK Corporate Governance Code guidelines for Board composition and representation. As importantly, we now have individuals around our table with deep skills gained in the fields of towerco operation, mobile communications, HR and workforce engagement, and finance and business leadership.

I’m delighted that we have attracted a Board of such calibre.

Section 172
We believe that our strategy and actions reflect the requirements and spirit of Section 172 with the information we offer you in our Annual Report which we will publish on our website. These include our commitment to our workforce, customers, suppliers, shareholders, communities and the environment and to operating both sustainably and with integrity.

Outlook
We continue to monitor vigilantly the ongoing Covid-19 situation across all our markets, and keep in place appropriate working from home protocols and enhanced health and safety measures for all our employees and partners.

We have entered 2021 further maintaining our high levels of operational performance across the Group, and expanding our business inorganically. In H1 2021, we start with Senegal. It is a country I know well: it has a thriving economy and a diverse and growing population. We arrive at a time when we can play a key role in the country's development, connecting more people and reducing the environmental burden caused by single operator infrastructure.

I believe we can look forward to continuing to expand mobile telephony on the African continent. Africa's growing population, low mobile penetration, increasing urbanisation, and a data-hungry, younger generation continue to drive demand for connectivity and mobile across the continent. We stand ready to play our part.

Sir Samuel Jonah, KBE, OSG | Chair

Chief Executive Officer's statement, Kash Pandya

"We successfully executed on our operational and financial targets, and delivered growth for our business and for our stakeholders."

In a testing year for the world, I am proud that we continued to enable communications for communities, reliability for customers, and growth for our stakeholders.

We take away many strong successes from 2020: the resilience of our business model, the agility of our people, and the affirmation that our business purpose – to drive the growth of communications in Africa – has never been so important.

When Covid-19 first emerged early in the year, our immediate priority was to safeguard our people and all the partners we work with. What swiftly became clear is that, in times of crisis, dependable mobile communications are critical to distribute information and keep communities and families together.

Not only did our local teams adjust superbly to new safety protocols, they managed this whilst delivering excellent levels of customer service. Indeed, we finished the year recording our third consecutive quarter of over 99.99% power uptime, a record level for the Group. In 2020, our average downtime per tower was 1m 32s, a 10% improvement on 2019 levels, and a 93% improvement on 2015 performance, when we first established our business excellence programme. This programme continues to drive efficiencies, and supports higher sustainability standards by reducing emissions-per-site.

On top of operational excellence, we also achieved new financial records. We delivered Adjusted EBITDA growth of 10% in 2020 and expanded Adjusted EBITDA margins to a record 55%, reaching our medium-term guidance range for the first time. We are pleased to have delivered results in line with the guidance we set out during our IPO in October 2019, against the backdrop of Covid-19. This highlights the strength of our business model and the operational excellence embedded throughout the Company.

Two further highlights gave us great satisfaction. Firstly, after the success of our IPO, we returned to the capital markets in 2020, effectively reopening the African bond markets after the global lockdown. In June, we were the first African company to raise debt capital since the onset of Covid-19 in early 2020, and were delighted to receive strong support, raising close to US$1 billion. This support was further demonstrated by our US$225 million bond tap in September. Importantly, we are now well capitalised to capture many of the growth opportunities within our robust M&A pipeline.

Secondly, in 2020 we signed a key acquisition for 1,220 towers from the MNO Free Senegal. This takes us into our sixth market, and represents a significant milestone towards our 2025 strategic growth targets of 12,000 or more towers in eight or more markets. We anticipate this transaction will close in H1 2021.

2020 performance overview
Helios Towers had another strong year of financial performance in 2020, with revenue growth of 7% to US$414 million and Adjusted EBITDA growth of 10% to US$227 million. We also achieved record operating profit of US$56 million, which reflects meaningful growth from an operating loss of US$5 million in 2019.

The African opportunity
With each passing year, Africa's growth and development reinforces our conviction that there is material room for us to grow and support the expansion of this continent.

In this endeavour we are welcomed by communities and customers, who understand the social and economic value of new infrastructure. MNOs also see the clear commercial logic of releasing capital and reducing maintenance obligations by sharing our towers, rather than owning their own.

We are experts in managing their equipment, powering it reliably in even the most remote locations, and delivering efficiencies that cannot readily be achieved independently. Removing duplicate infrastructure through enabling colocation of equipment also delivers major environmental benefits: one tower on the landscape, and with that, less equipment to power and maintain.

There is still substantial growth potential for telephony in Africa. Penetration of mobile is growing rapidly, and Sub-Saharan Africa will have more than 150 million new subscribers by 2025[1]. Meanwhile, many of the more remote areas of Africa are still not connected to network infrastructure, meaning that there are millions of potential new mobile users, and square miles, still to be served.

There is also a significant inorganic growth opportunity. Currently, only 29% of towers are owned by independent operators across Africa, compared to 70% globally. As mobile matures and grows, we see this transfer in tower ownership continuing in Africa also, and Helios Towers is well-positioned, with its track record of acquisition integration and leading power performance levels.

Our new sustainable strategy
Our core business of tower sharing is inherently sustainable: we minimise wasteful duplication and reduce environmental burden, whilst creating high-quality local employment. At the same time we play a significant role in advancing African mobile telecoms services, improving lives and livelihoods and driving economic growth. Our business is operated by a dynamic and diverse team who prioritise the environmental and social good that we deliver through our core operations.

In 2020, we refined our existing business strategy into an integrated Sustainable Business Strategy, which includes specific ESG KPIs and targets. These will drive long-term sustainable growth and support our commitment to the United Nations' SDGs.

The result is our Sustainable Business Strategy, centred on three pillars that guide everything we do: Business excellence and efficiency, Network access and sustainable development, and Empowered people and partnerships.

Alongside our Annual Report, we will also publish our first Sustainable Business Report, providing more detail on our approach and our material issues.

Expansion into Senegal and beyond
As we focus on a sustainable growth trajectory, our business development team has never been busier. We are currently actively investigating opportunities representing an aggregated pipeline of over 10,000 towers. Our medium-term target is to expand our operations to over eight markets, operating over 12,000 towers, by 2025. Given the multiple opportunities under consideration, we may achieve this sooner than originally targeted.

An important step towards that goal was the acquisition agreement with the MNO Free Senegal. This acquisition secures our entry into our sixth market, Senegal, with a portfolio of 1,220 towers on day-one and 400 committed BTS over the next five years.

Alongside a requirement to meet our disciplined return thresholds, we have a criteria checklist for expansion into any new market. This includes: high population and subscriber growth; a preferred minimum of three existing MNOs, each with competitive market share; and stable or pegged currencies. This acquisition satisfies all our criteria. We look forward to entering this market, driving colocation lease-up on the assets and delivering leading power uptime for our customers.

2020: Strong organic growth and sustained structural demand
We saw strong performance within our five existing markets in 2020:

- **Tanzania** recorded revenue growth of 3% and Adjusted EBITDA growth of 9%, driven by strong tenancy additions and operating savings initiatives, including expanding grid connections. The government is focused on improving rural telecommunications infrastructure and greater grid availability, from which Helios Towers stands to benefit.
- **DRC** recorded strong revenue growth of 10% and Adjusted EBITDA growth of 17%. Like the country itself (which is Africa's second largest, and the size of Western Europe), scope for growth here is vast. Independent forecasts project PoS growth at an 11% CAGR between 2020-2026.
- **Ghana** recorded 7% revenue growth and 16% Adjusted EBITDA growth. Our most competitive market continues to deliver uninterrupted growth, with Adjusted EBITDA growing fivefold since 2015, reflecting a 39% CAGR.
- **Congo Brazzaville** recorded 3% revenue growth and a 7% decline in Adjusted EBITDA, driven by the introduction of a licence fee at 3% revenues in 2020. Site growth was a record 11% in 2020, and we expect to

[1] GSMA: The Mobile Economy 2020

see Adjusted EBITDA growth through 2021 as we add colocations on these assets.

- **South Africa** experienced some of the most extensive Covid-19 lockdowns in Africa, yet we were still able to add 118 sites and 196 tenancies, effectively doubling both sites and tenancies. We are extremely pleased that the tenancy ratio has reached 1.71x in under two years of operation, highlighting the attractiveness of our asset base.

2021 Outlook

Following our resilient performance through 2020, we have a strong foundation and exciting growth opportunities in the year to come.

We will continue to drive organic growth, meeting the needs of our MNO customers as they further densify their networks, invest in 3G and 4G, and roll out their coverage in more rural areas. We will also build on our successful inorganic expansion, focusing on driving growth and operational excellence in our newest market, Senegal. We are closely monitoring the ongoing Covid-19 situation, and will continue to adapt our working practices as necessary to ensure the safety of all our employees and partners.

We will focus on the pursuit of sustainable growth, and monitor our own environmental and social impact. This will include setting a formal emissions reduction target and developing community needs-based partnerships.

We will embed our corporate culture in Senegal, just as we did very successfully in South Africa throughout 2019 and 2020. We will look to expand our Lean Six Sigma programme, bringing people together from different opcos to train in the methodology and execution that has driven our efficiency gains in recent years.

We will also act on the learnings of our first-ever Employee Engagement Survey. With a remarkable 93% participation rate, we recorded exceptionally high scores relating to our people’s satisfaction with their roles and our purpose. Equally, there are improvements to focus on, which we have made a priority to address this year.

To all of our people, our MNO customers, our maintenance and security partners, I say a warm thank you for your excellent performance and support amidst the year’s external challenges. We look forward to partnering with you for the upcoming year and beyond.

Kash Pandya | CEO

(1) GSMA, Mobile Economy 2020, Sub-Saharan Africa.

Chief Financial Officer's statement, Manjit Dhillon

"Alongside strong financial and operational performance, we took action to improve our balance sheet, significantly reducing our cost of capital while gaining the financial firepower to deliver on our growth targets."

We maintained our track record of Adjusted EBITDA growth and continued revenue expansion, and are well positioned to capitalise on future opportunities.

I am pleased to report that 2020 was another successful year of delivering against our financial and operating targets, as laid out during our IPO in October 2019.

We closed the year with revenue growth and Adjusted EBITDA growth of 7% and 10% respectively, and delivered a record operating profit of US$56 million, a year-on-year improvement of US$61 million. Importantly, we delivered on our guidance laid out at the beginning of the year, adding over 1,000 tenancies, and achieving a record 55% Adjusted EBITDA margin, hitting our medium-term target range of 55%-60% for the first time in our history.

We are proud to have met the full-year guidance we gave to the market pre-Covid-19, without knowledge of the global shutdown that lay before us. This demonstrates the inherent strength and stability of our sector and business model, and our ability to adapt to circumstances outside of our control. In each of our five markets, our operations were deemed to be essential services, allowing us to continue enabling connectivity for individuals, communities and economies.

It was also exciting to see how our integrated Sustainable Business Strategy has combined social responsibility with operational and fiscal efficiency. Our business model has always been rooted in sustainability, but we are committed to do more. Our 2020 performance, driven by our business excellence programme, resulted in not only financial improvements but also considerable reductions in per-site fuel consumption and emissions. Our financial and sustainability goals are closely aligned and we will continue to integrate and embed sustainability into all of our financial and commercial activities.

Capital markets' support

Alongside strong financial and operational performance, we took action to improve our balance sheet, significantly reducing our cost of capital while gaining the financial firepower to deliver on our growth targets.

Despite the impact of the Covid-19 pandemic on global markets, in June 2020 we completed the successful refinancing of our maiden bond issuance with a US$750 million bond with a 7.000% coupon, reduced from 9.125%. In addition, we raised a new US$70 million revolving credit facility and a new US$200 million term loan. The term loan is currently undrawn and will be utilised for future expansion opportunities. This transaction effectively reopened the African debt capital markets following the global lockdown.

In September, we followed this with a US$225 million bond tap which priced attractively at 106.25, reflecting a yield to maturity of 5.6% and taking our total bond issuance in 2020 to US$975 million. We are proud of the speed of execution of these transactions, securing outsized commitments from capital markets without the traditional global itinerary of roadshows.

The net result of our activity is a meaningful reduction in our cost of capital and a significant increase in our financial capacity, which positions us well to execute efficiently on acquisitions that will help realise our growth ambitions.

Delivering on our strategic targets

Our 2025 target, as originally set out ahead of our IPO, is to operate 12,000 or more towers in eight or more markets. We took our first significant step towards this goal by signing an agreement to purchase 1,220 existing sites from Free Senegal, the country's No. 2 mobile operator. The upfront consideration for this transaction will be €160 million, and we anticipate a further €70 million related to deferred consideration and capex requirements for an additional 400 committed BTS sites.

The Senegal deal exemplifies all of the key criteria we look for in acquisitions. These include: a stable and growing economy with a rising population; multiple MNOs with strong colocation lease-up opportunities; and protection against FX volatility, in this case through a currency pegged to the Euro by the French Central Bank. On a run-rate basis, the integration of Senegal would increase the Group's hard currency Adjusted EBITDA to 68%.

Pro forma for closing the Senegal transaction, we anticipate net leverage to be 3.5x, in the lower end of our target

range of 3.5x-4.5x. This provides us with strong capacity for further acquisitions and to deliver on our growth ambitions, while maintaining prudent levels of leverage.

Group performance
In 2020, revenues grew by 7% from US$388 million to US$414 million and Adjusted EBITDA increased by 10% to US$227 million. Robust customer demand resulted in a 7% increase in tenancies and our tenancy ratio grew from 2.09x to 2.13x.

A combination of tenancy growth and operational improvements supported expansion of our Adjusted EBITDA to 55%, within our medium-term target range of 55-60%. In 2020 we also achieved a record operating profit of US$56 million: this compares to an operating loss of US$(5) million in 2019, which was largely attributable to IPO-related costs.

Adjusted operating profit increased by US$21 million, from US$58 million in 2019 to US$79 million in 2020, which reflects strong underlying growth on an adjusted and unadjusted basis.

We continued to improve cash flow generation from our existing asset base, with portfolio free cash flow ('PFCF') increasing 3% from US$169 million to US$174 million. This was driven by strong Adjusted EBITDA growth of 10% partially offset by higher taxes and higher maintenance capex due to additional precautionary purchases early in 2020 to mitigate the potential supply chain risk related to Covid-19. However, this still enabled us to again fund our financing costs and discretionary capex from PFCF, resulting in Adjusted free cash flow of US$1.5 million in 2020, which excludes exceptional items principally related to our capital raising activities and working capital outflow in the year.

Quality of revenues and earnings
Our business has a robust earnings profile, supported by high quality customers, strong contract structure with long durations, and our best-in-class operational execution.

- **Customer mix**: we continue to serve Africa's largest MNOs, which account for the vast majority of our revenue. In 2020, 99% of revenues came from blue-chip international MNOs, with Africa's Big-Five (Airtel, MTN, Orange, Tigo and Vodacom/fone) generating 87% of revenues.
- **Long-term contracts**: our contracts typically have initial terms of 10-15 years, with automatic renewals thereafter. As at 31 December 2020, we have an average of 6.8 years initial term remaining across the Group. This represents US$2.8 billion of future revenue already contracted, a strong underlying earning base for future growth.
- **Hard currency/dollarisation and escalations**: a significant percentage of our customer contracts are in hard currency (mainly US dollars), which leads to 65% of our 2020 Adjusted EBITDA being in hard currency. We also have CPI and power price escalators across all our customer contracts, which means that even our local currency Adjusted EBITDA automatically increases periodically and provides stability and robustness to our Group earnings.
- **Operational performance**: in 2020 we delivered record power uptime, against the backdrop of the Covid-19 pandemic. We provided our customers with an average of 99.98% power uptime, achieved across our markets with an average of 15 hours grid power per day. This level of performance ensures that we are the tower company of choice for our customers.

Tax expense
The Group tax expense for 2020 was US$16 million, as compared to US$62 million in 2019. The prior year included US$55 million related to Change of Control Taxes, fully funded by a capital contribution from the pre-IPO shareholders. The increase in tax expense excluding Change of Control Taxes is due to earnings growth in Ghana and Tanzania. Tanzania became profitable for the first time in 2020, meaning both Ghana and Tanzania are now subject to income tax.

Liquidity and net debt
During 2020 we strengthened our liquidity position, finishing the year with US$429 million of cash and cash equivalents. This was partly a result of the bond refinancing and subsequent bond tap, completed in June and September respectively.

Net leverage of 2.9x at the end of 2020, was in line with our closing position in 2019. This is currently below our target range of 3.5x-4.5x.

For 2021, we expect all organic growth capex to be funded through cash flow. Accounting for the Senegal acquisition, which we expect to close in H1 2021, net leverage would remain at the low end of our target range of 3.5x-4.5x, providing additional capacity for our inorganic growth strategy.

Finally, we were pleased to maintain our credit ratings of B2 corporate family rating ('CFR') by Moody's Investors Service and B corporate credit rating by S&P, which reaffirms the stability of our corporate credit profile.

Dividend

Given the scale of the opportunities in our current pipeline, and our ambitions to invest in our existing businesses and expand into new markets, the Directors recommended that no dividends be paid for the year ended 31 December 2020. However, given our expectations for the future growth of the business and improving free cash flow, there may be scope to pay a dividend in the medium term. This decision would be considered depending on investment opportunities at that time.

Outlook

2021 is shaping up to deliver another exciting year of growth for Helios Towers. We look forward to closing the Senegal acquisition, embedding our business practices, and expanding our operations there, as well as continuing to progress our inorganic growth strategy in new and existing markets. Importantly, we see continued demand in our established markets, with numerous opportunities for our sustainable organic growth, underpinned by robust long-term contracts. We remain focused on delivering high quality services to our customers and the communities in our markets, whilst creating sustainable value for all our stakeholders.

Manjit Dhillon | CFO

Alternative Performance Measures

The Group has presented a number of Alternative Performance Measures ('APMs'), which are used in addition to IFRS statutory performance measures.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purposes of setting remuneration targets.

Adjusted EBITDA and margin

Definition

Management defines Adjusted EBITDA as loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence. Adjusted EBITDA margin means Adjusted EBITDA divided by revenue.

Purpose

The Group believes that Adjusted EBITDA and Adjusted EBITDA margin facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. The Group excludes certain items from Adjusted EBITDA, such as loss on disposal of property, plant and equipment and other adjusting items because it believes they are not indicative of its underlying trading performance.

Reconciliation between APM and IFRS	**2020 US$m**	2019 US$m
Loss before tax	**(20.9)**	(74.8)
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Project costs[(1)]	**4.4**	18.6
Deal costs[(2)]	**8.8**	1.7
Share-based payments and long-term incentive plans[(3)]	**1.0**	31.2
Loss on disposal of property, plant and equipment	**8.1**	11.0
Other gains	**(40.1)**	(33.9)
Depreciation of property, plant and equipment	**128.4**	129.5
Amortisation of intangibles	**5.6**	9.2
Depreciation of right-of-use assets	**14.0**	8.5
Interest receivable	**(0.8)**	(0.7)
Finance costs	**118.1**	104.9
Adjusted EBITDA	**226.6**	205.2
Adjusted EBITDA margin	**55%**	53%

(1) Project costs in 2020 relate to the preparation for a debt refinancing, and in 2019 relate to listing of equity on the London Stock Exchange in October 2019.
(2) Deal costs comprise costs for potential and aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalised, which relate to the exploration of investment opportunities.
(3) Share-based payments and long-term incentive plan charges and associated costs.

Adjusted gross margin
Definition
Adjusted gross margin means gross profit, adding back site and warehouse depreciation, divided by revenue.

Purpose
This measure is used to evaluate the underlying level of gross profitability of the operations of the business, excluding depreciation, which is the major non-cash measure otherwise reflected in cost of sales. The Group believes that adjusted gross profit facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by the age and booked depreciation on assets. It is also a proxy for the gross cash generation of its operations.

Reconciliation between IFRS and APM	2020 US$m	2019 US$m
Gross profit	**147.9**	125.9
Add back: Site and warehouse depreciation	**132.6**	128.7
Adjusted gross profit	**280.5**	254.6
Revenue	**414.0**	387.8
Adjusted gross margin	**68%**	66%

Adjusted operating profit/(loss)
Definition
Adjusted operating profit/(loss) means reported operating profit/(loss) adjusted for loss on disposal of property, plant and equipment, deal costs, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.

Purpose
This measure is used to evaluate the underlying level of operating profitability of the Group. By including adjustments mentioned in the definition the Group believes that adjusted operating profit/(loss) facilitates a more meaningful comparison of Group operating performance trends from period to period.

Reconciliation between IFRS and APM	2020 US$m	2019 US$m
Operating profit/(loss)	**56.3**	(4.5)
Adjusting items:		
Project costs[(1)]	**4.4**	18.6
Deal costs[(2)]	**8.8**	1.7
Share-based payments and long-term incentive plans[(3)]	**1.0**	31.2
Loss on disposal of property, plant and equipment	**8.1**	11.0
Adjusted operating profit	**78.6**	58.0

Portfolio free cash flow and adjusted free cash flow
Definition
Portfolio free cash flow is defined as Adjusted EBITDA less maintenance and corporate capital additions, payments of lease liabilities (including interest and principal repayments of lease liabilities) and tax paid.

Adjusted free cash flow is defined as portfolio free cash flow less net payment of interest and discretionary capital additions.

Purpose
This measure is used to value the cash flow generated by the business operations after expenditure incurred on maintaining capital assets, including lease liabilities, and taxes. It is a measure of the cash generation of the tower estate.

Reconciliation between IFRS and APM	2020 US$m	2019 US$m
Cash generated from operating activities	**209.6**	125.3
Adjustments applied:		
Movement in working capital	**3.8**	28.4
Adjusting items:		
Project costs[(1)]	**4.4**	18.6
Deal costs[(2)]	**8.8**	1.7
Share-based payments and long-term incentive plans[(3)]	**–**	31.2
Adjusted EBITDA	**226.6**	205.2
Less: Maintenance and corporate capital additions	**(16.6)**	(12.1)
Less: Payments of lease liabilities[(4)]	**(25.5)**	(20.9)
Less: Tax paid	**(10.1)**	(3.3)
Portfolio free cash flow	**174.4**	168.9

(1) Project costs in 2020 relate to the preparation for a debt refinancing, and in 2019 relate to listing of equity on the London Stock Exchange in October 2019.
(2) Deal costs comprise costs for potential or aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalised, which relate to the exploration of investment opportunities.
(3) Share-based payments and long-term incentive plan charges and associated costs.
(4) Payment of lease liabilities includes interest and principal repayments of lease liabilities.

Gross debt, net debt, net leverage and adjusted cash and cash equivalents
Definition
Gross debt is calculated as non-current loans and current loans and long-term and short-term lease liabilities. Net debt is calculated as gross debt less adjusted cash and cash equivalents. Adjusted cash and cash equivalents comprises cash and cash equivalents excluding US$nil (2019 US$37.7 million) of restricted cash for the potential payment of Change of Control Taxes related to our initial public offering in 2019 funded by a capital contribution from our pre-IPO shareholders immediately prior to the initial public offering. Net leverage is calculated as net debt divided by last quarter annualised Adjusted EBITDA.

Purpose
Net debt is a measure of the Group's net indebtedness that provides an indicator of overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure. Net leverage is used to show how many years it would take for a company to pay back its debt if net debt and Adjusted EBITDA are held constant. The Group aims to maintain net leverage broadly in the range of 3.5x-4.5x.

Reconciliation between IFRS and APM	2020 US$m	2019 US$m
External debt	**989.4**	684.3
Lease liabilities	**131.7**	125.6
Gross debt	**1,121.1**	809.9
Cash and cash equivalents	**428.7**	221.1
Less: restricted cash	**–**	(37.7)
Adjusted cash and cash equivalents	**428.7**	183.4
Net debt	**692.4**	626.5
LQA Adjusted EBITDA	**240.4**	214.8
Net leverage	**2.9x**	2.9x

Return on invested capital
Definition
Return on invested capital is defined as portfolio free cash flow divided by invested capital. Invested capital is defined as gross property, plant and equipment and gross intangibles, less accumulated maintenance and corporate capital expenditure.

Purpose
This measure is used to evaluate asset efficiency and the effectiveness of the Group's capital allocation.

Reconciliation between IFRS and APM	2020 US$m	2019 US$m
Property, plant and equipment	**594.7**	631.9
Accumulated depreciation	**713.0**	597.2
Accumulated maintenance and corporate capital expenditure	**(180.6)**	(163.9)
Intangible assets	**23.2**	28.4
Accumulated amortisation	**56.4**	80.7
Total invested capital	**1,206.7**	1,174.3
Portfolio free cash flow	**174.4**	168.9
Return on invested capital	**14%**	14%

Detailed financial review

Consolidated income statement

For the year ended 31 December

(US$m)	Year ended 31 December 2020	2019
Revenue	**414.0**	387.8
Cost of sales	**(266.1)**	(261.9)
Gross profit	**147.9**	125.9
Administrative expenses	**(83.5)**	(119.4)
Loss on disposal of property, plant and equipment	**(8.1)**	(11.0)
Operating profit/(loss)	**56.3**	(4.5)
Interest receivable	**0.8**	0.7
Other gains	**40.1**	33.9
Finance costs	**(118.1)**	(104.9)
Loss before tax	**(20.9)**	(74.8)
Tax expense	**(15.8)**	(61.8)
Loss after tax	**(36.7)**	(136.6)

Key performance indicators

For the year ended 31 December

$ values are presented as US$m	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Revenue for the year	**$414.0**	$387.8	**$167.1**	$162.2	**$174.0**	$158.0	**$26.6**	$25.9	**$42.9**	$40.1	**$3.4**	$1.6
Adjusted gross margin[1]	**68%**	66%	**67%**	66%	**67%**	64%	**66%**	70%	**72%**	69%	**77%**	78%
Sites at beginning of the year	**6,974**	6,745	**3,661**	3,701	**1,850**	1,773	**384**	380	**961**	891	**118**	–
Sites at year end	**7,356**	6,974	**3,821**	3,661	**1,895**	1,850	**426**	384	**978**	961	**236**	118
Tenancies at beginning of the year	**14,591**	13,549	**8,099**	7,848	**3,828**	3,492	**568**	529	**1,888**	1,680	**208**	–
Tenancies at year end	**15,656**	14,591	**8,625**	8,099	**4,096**	3,828	**617**	568	**1,914**	1,888	**404**	208
Tenancy ratio at year end	**2.13x**	2.09x	**2.26x**	2.21x	**2.16x**	2.07x	**1.45x**	1.48x	**1.96x**	1.96x	**1.71x**	1.76x
Adjusted EBITDA for the year[2]	**$226.6**	$205.2	**$105.0**	$96.4	**$103.5**	$88.3	**$12.7**	$13.6	**$27.4**	$23.6	**$1.1**	$0.2
Adjusted EBITDA margin for the year	**55%**	53%	**63%**	59%	**59%**	56%	**48%**	53%	**64%**	59%	**32%**	13%

(1) Adjusted gross margin means gross profit, adding back site and warehouse depreciation, divided by revenue.
(2) Group Adjusted EBITDA for the year includes corporate costs of US$23.1 million (2019: US$16.9 million).

Total tenancies as at 31 December

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Standard colocations	**7,421**	6,856	**4,268**	3,978	**2,097**	1,905	**173**	170	**718**	715	**165**	88
Amendment colocations	**879**	761	**536**	460	**104**	73	**18**	14	**218**	212	**3**	2
Total colocations	**8,300**	7,617	**4,804**	4,438	**2,201**	1,978	**191**	184	**936**	927	**168**	90
Total sites	**7,356**	6,974	**3,821**	3,661	**1,895**	1,850	**426**	384	**978**	961	**236**	118
Total tenancies	**15,656**	14,591	**8,625**	8,099	**4,096**	3,828	**617**	568	**1,914**	1,888	**404**	208

Tenancies

The number of tenancies increased by 7% to 15,656 on 31 December 2020 from 14,591 on 31 December 2019. This increase was driven by tenancy growth across all markets.

Revenue

Revenue increased by 7% to US$414.0 million in the year ended 31 December 2020 from US$387.8 million in the year ended 31 December 2019. The increase in revenue was largely driven by the 7% increase in tenancies from 14,591 as of 31 December 2019 to 15,656 as of 31 December 2020.

Cost of sales

(US$m)	Year ended 31 December 2020	% of Revenue 2020	2019	% of Revenue 2019
Power	**79.9**	**19.3%**	82.6	21.3%
Non-power	**53.6**	**12.9%**	50.6	13.0%
Site and warehouse depreciation	**132.6**	**32.0%**	128.7	33.2%
Total cost of sales	**266.1**	**64.3%**	261.9	67.5%

The table below shows an analysis of the cost of sales on a country-by-country basis for the year ended 31 December 2020 and 2019.

	Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
(US$m)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Power	**27.8**	29.4	**40.5**	41.6	**3.1**	2.9	**7.9**	8.5	**0.6**	0.2
Non-power	**26.6**	26.1	**16.8**	15.7	**6.1**	4.9	**3.9**	3.8	**0.2**	0.1
Site and warehouse depreciation	**55.5**	54.1	**56.9**	55.1	**10.1**	10.9	**8.5**	8.1	**1.6**	0.5
Total cost of sales	**109.9**	109.6	**114.2**	112.4	**19.3**	18.7	**20.3**	20.4	**2.4**	0.8

Year-on-year, cost of sales increased to US$266.1 million in the year ended 31 December 2020 from US$261.9 million in the year ended 31 December 2019, due primarily to an increase in non-power and site and warehouse depreciation costs, partially offset by a decrease in power costs. The most notable falls in power costs were seen in Tanzania and DRC driven by reduced cost of fuel and increased grid connections. Non-power, and site and warehouse depreciation costs increased across the Group in line with the increase in sites and related costs.

Administrative expenses

Administrative expenses decreased by 30% to US$83.5 million in the year ended 31 December 2020 from US$119.4 million in the year ended 31 December 2019. The decrease in administrative expenses is primarily due to adjusting items of US$14.2 million in the year ended 31 December 2020, compared to US$51.5 million in the year ended 31 December 2019. The majority of the 2019 costs were in relation to the listing on the London Stock Exchange ('LSE') and associated share-based payments costs, largely attributed to the unwinding of the Group's legacy private company Management Incentive Plans.

(US$m)	Year ended 31 December 2020	% of Revenue 2020	2019	% of Revenue 2019
Other administrative costs	**53.9**	**13.0%**	49.4	12.7%
Depreciation and amortisation	**15.4**	**3.7%**	18.5	4.8%
Adjusting items	**14.2**	**3.4%**	51.5	13.3%
Total administrative expense	**83.5**	**20.2%**	119.4	30.8%

Adjusted EBITDA

Adjusted EBITDA was US$226.6 million in the year ended 31 December 2020 compared to US$205.2 million in the year ended 31 December 2019. The increase in Adjusted EBITDA between periods is primarily attributable to the changes in revenue, cost of sales and administrative expenses, as discussed above.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$8.1 million in the year ended 31 December 2020, compared to a loss of US$11.0 million during the year ended 31 December 2019. This decrease in loss on disposal was primarily a result of fewer site consolidation programs in DRC and Tanzania in 2020, which reduces site count but improves tenancy ratio and EBITDA margin.

Other gains

Other gains recognised in the year ended 31 December 2020 was a gain of US$40.1 million, compared to a gain of US$33.9 million in the year ended 31 December 2019. This is primarily in relation to the US$33.8 million fair value movement of the embedded derivative valuation of the US$975 million 7.000% bond (2019: US$33.9 million on the US$600 million 9.125% bond), and a $6.2 million movement in the fair value of contingent consideration in 2020 (2019: US$nil).

Finance costs

Finance costs of US$118.1 million for the year ended 31 December 2020, mainly comprise interest for the bond. During the year, the US$600 million bond was redeemed with early redemption charges (see Note 1 below). The swing from a loss in foreign exchange differences in 2019, to a gain in the year ended 31 December 2020, is driven primarily by the fluctuations year-on-year of the Central African Franc and Ghanaian Cedi.

(US$m)	Year ended 31 December 2020	2019
Foreign exchange differences	**(3.6)**	12.0
Interest cost	**80.5**	77.0
Early redemption expenses[1]	**23.9**	–
Interest cost on lease liabilities	**17.3**	15.9
Total finance costs	**118.1**	104.9

(1) Includes call premium and release of transaction costs of US$13.7 million and US$10.2 million respectively, related to the early redemption of the US$600 million Senior Notes.

Tax expense

Our tax expense was US$15.8 million in the year ended 31 December 2020 as compared to US$61.8 million in the year ended 31 December 2019. The prior year includes US$55.0 million related to Change of Control Taxes which was fully funded by a capital contribution from the pre-IPO shareholders. Though entities in Congo B and DRC have continued to be loss making, minimum income taxes have been levied based on revenue, as stipulated by law in these jurisdictions. Ghana and Tanzania are profit making and subject to income tax.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2020 for each year from 2021 to 2025, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2020 held constant. Our contracted revenue calculation for each year presented assumes:

- no escalation in fee rates;
- no increases in sites or tenancies other than our committed tenancies;
- our customers do not utilise any cancellation allowances set forth in their MLAs;
- our customers do not terminate MLAs early for any reason; and
- no automatic renewal.

	Year ended 31 December				
(US$m)	2021	2022	2023	2024	2025
Tanzania	170.8	168.8	163.7	145.6	125.7
DRC	166.7	169.1	171.5	171.0	144.7
Congo Brazzaville	27.1	26.3	25.4	24.7	9.4
Ghana	33.6	31.9	31.0	30.4	30.1
South Africa	4.7	5.1	5.3	5.4	5.3
Total	**402.9**	**401.2**	**396.9**	**377.1**	**315.2**

The following table provides our total undiscounted contracted revenue by key customers as of 31 December 2020 over the life of the contracts with local currency amounts converted at the applicable average rate for US dollars for the year ended 31 December 2020 held constant. As at 31 December 2020, total contracted revenue was US$2.8 billion, of which 82% is from Africa's Big-Five MNOs[1], with an average remaining life of 6.8 years. Our contracted revenue calculation for each year presented assumes the same basis as above.

(US$m)	Total committed revenues	% of total committed revenues
Africa's Big-Five MNOs[1]	2,325.4	82%
Other	517.4	18%
Total	**2,842.8**	**100%**

(1) Includes Vodacom/fone, Airtel, Tigo, Orange and MTN.

Management cash flow

(US$m)	Year ended 31 December 2020	2019
Adjusted EBITDA	**226.6**	205.2
Less:		
Maintenance and corporate capital additions	**(16.6)**	(12.1)
Payments of lease liabilities[1]	**(25.5)**	(20.9)
Tax paid[2]	**(10.1)**	(3.3)
Portfolio free cash flow[3]	**174.4**	168.9
Cash conversion %[4]	**77%**	82%
Net payment of interest[5]	**(92.6)**	(67.7)
Levered portfolio free cash flow	**81.8**	101.2
Discretionary capital additions[6]	**(80.3)**	(102.1)
Adjusted free cash flow	**1.5**	(0.9)
Net change in working capital[7]	**(22.2)**	(45.2)
Cash paid for adjusting and EBITDA adjusting items[8]	**(13.3)**	(26.0)
Cash paid in relation to Change of Control Taxes	**(37.7)**	(10.0)
Proceeds on disposal of assets	**1.0**	0.4
Free cash flow	**(70.7)**	(81.7)
Transactions with non-controlling interests	**(1.6)**	–
Net cash flow from financing activities[9]	**279.8**	214.3
Net cash flow	**207.5**	132.6
Opening cash balance[10]	**221.1**	89.0
Foreign exchange movement	**0.1**	(0.5)
Closing cash balance	**428.7**	221.1

(1) Payment of lease liabilities includes interest and principal repayments of lease liabilities.
(2) Tax paid excludes Change of Control Taxes which are classified separately below.
(3) Refer to reconciliation of cash generated from operating activities to portfolio free cash flow in the alternative performance measures.
(4) Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.
(5) Net payment of interest corresponds to the net of 'Interest paid' (including withholding tax) and 'Interest received' in the Consolidated Statement of cash flow, excluding interest payments on lease liabilities.
(6) Discretionary capital additions includes acquisition, growth and upgrade capital additions.
(7) Net change in working capital corresponds to movements in working capital, excluding cash paid for adjusting and EBITDA adjusting items and including movements in capital expenditure related working capital.
(8) Cash paid for adjusting and EBITDA adjusting items corresponds to cash paid in respect of items per note 4 of the Consolidated Financial Statements – project costs in relation to the IPO and fees for the preparation of the debt refinancing.
(9) Net cash flow from financing activities includes borrowing drawdowns, loan issue costs and repayment of loan in the Consolidated Statement of Cash Flows.
(10) Opening cash balance for the year ended 31 December 2020 included US$37.7 million restricted cash which had been funded at the time of IPO by Helios Tower's pre-IPO shareholders. This was paid to the relevant tax authority in Q1 2020.

Cash conversion has decreased from 82% for the year ended 31 December 2019 to 77% for the year ended 31 December 2020. This is driven by an increase in maintenance and corporate capital additions, higher payments of lease liabilities year-on-year, and an increase in tax paid due to Tanzania and Ghana operations becoming profitable, partially offset with an increase in Adjusted EBITDA. Working capital improved by US$23.0 million year-on-year due to a decrease in receivables days, for the year ended 31 December 2019, to 53 days in the year ended 31 December 2020. See Note 15 of the Group Financial Statements.

Capital expenditures

The following table shows our capital expenditure additions by category during the year ended 31 December:

	2020		2019	
	US$m	**% of total capex**	US$m	% of total capex
Acquisition	**15.9**	**16.4%**	25.8	22.6%
Growth	**48.9**	**50.5%**	57.2	50.2%
Upgrade	**15.5**	**16.0%**	19.1	16.7%
Maintenance	**15.4**	**15.9%**	11.2	9.7%
Corporate	**1.2**	**1.2%**	0.9	0.8%
Total	**96.9**	**100.0%**	114.2	100.0%

Acquisition capex in the year ended 31 December 2020 mainly relates to the acquisition of 65 sites from Eagle Towers in South Africa.

Indebtedness

As of 31 December 2020 and 31 December 2019 the HT Group's outstanding loans and borrowings, excluding lease liabilities, were US$989.4 million (net of issue costs) and US$684.3 million respectively. The increase in indebtedness year-on-year is primarily due to new Bond issuances during the year ended 31 December 2020. On 18 June 2020 HTA Group, Ltd. issued US$750 million of 7.000% Senior Notes due 2025. The proceeds were used to redeem the US$600 million notes held previously and extinguish US$75 million of term loan debt. In addition, on 9 September 2020 HTA Group, Ltd. issued a further US$225 million aggregate principal of its 7.000% Senior Notes due 2025. For more details, see Note 20 of the Group Financial Statements.

Principal risks and uncertainties

Business principal risks

Summarised below are the key risks identified (not in order of significance) which could have a material impact on the Group.

Risk status	Risk description	Impacts	Risk mitigation
No change	**1. Operational resilience** The ability of the Group to continue operations is heavily reliant on third parties, the proper functioning of its technology platforms and the capacity of its available human resources. Failure in any of these three areas could severely affect its operational capabilities and ability to deliver on its strategic objectives.	Strategic Reputational Operational	• Ongoing enhancements to data security and protection measures with third-party expert support; • Additional investment in IT resource and infrastructure to increase automation and workflow of business as usual activities; • Third-party due diligence, ongoing monitoring and regular supplier performance reviews; • Alternative sources of supply are identified in advance to mitigate any potential disruption to the strategic supply chain; • Ongoing review and involvement of the human resources department at an early stage in organisation design and development activities.
No change	**2. Major quality failure or breach of contract** The Group's reputation and profitability could be damaged if it fails to meet its customers' operational specifications, quality standards or delivery schedules. A substantial portion of Group revenues is generated from a limited number of large customers. The loss of any of these customers would materially affect the Group's finances and growth prospects. Many of the Group's customer tower contracts contain liquidated damage provisions, which may require the Group to make unanticipated and potentially significant payments to its customers.	Reputational Financial	• Continued skills development and training programmes for the project and operational delivery team; • Detailed and defined project scoping and life cycle management through project delivery and transfer to ongoing operations; • Contract and dispute management processes in place; • Continuous monitoring and management of customer relationships; • Use of long-term contracting with minimal termination rights.
No change	**3. Non-compliance with various laws and regulations such as:** i) Health, safety and environmental laws ii)Anti-bribery and corruption provisions Non-compliance with applicable laws and regulations may lead to substantial fines and penalties, reputational damage and adverse effects on future growth prospects. Sudden and frequent changes in laws and regulations, in respect of their interpretation or application and enforcement, both locally and internationally, may require the Group to modify its existing business practices, incur increased costs and subject it to potential additional liabilities.	Compliance Financial Reputational	• Constant monitoring of potential changes to laws and regulatory requirements; • In-person and virtual training on health, safety and environmental matters provided to employees and relevant third-party contractors; • ISO 37001 (Anti-Bribery Management System) certification retained; • Ongoing refresh of compliance and related policies implemented in 2018, including specific details covering Anti-Bribery and Corruption, Facilitation of Tax Evasion, Anti-Money-Laundering; • Compliance monitoring activities and periodic reporting requirements introduced; • Ongoing engagement with external

			lawyers, consultants, and regulatory authorities, as necessary, to identify and assess changes in the regulatory environment; • Third-Party Code of Conduct communicated and annual certifications required of all high and medium risk third parties introduced and communicated; • Third-party monitoring through supplier audits and performance reviews.
No change	**4. Economic and political instability** A slowdown in the growth of, or a reduction in demand for, wireless communication services could adversely affect the demand for communication sites and tower space, and could have a material adverse effect on the Group's financial condition and results of operations. There are significant risks related to political instability, security, ethnic, religious and regional tensions in each geography where the Group has operations.	Operational Financial	• Ongoing market analysis and business intelligence gathering activities; • Market share growth strategy in place; • Long-term contracts with blue chip MNOs; • Close monitoring of any potential risks that may affect operations; • Business continuity and contingency plans in place to respond to any emergency situations.
No change	**5. Significant exchange rate movements** Fluctuations in, or devaluations of, local market currencies where the Group operates could have a significant and negative financial impact on the Group's business, financial condition and results. Such impacts may also result from any adverse effects that these movements have on Group third-party customers and strategic suppliers.	Financial	• USD and EUR pegged contracts; • 'Natural' hedge of local currencies (revenue vs. opex); • Monthly review of exchange rate differences.
No change	**6. Non-compliance with permit requirements** The Group may not always operate with the necessary required approvals and permits for some of its tower sites, particularly in the case of tower portfolios acquired from a third-party. Vagueness, uncertainty and changes in interpretation of regulatory requirements are frequent and often arise without warning. As a result, the Group may be subject to potential reprimands, warnings, fines and penalties for non-compliance with the relevant permitting and approval requirements.	Operational	• Inventory of required licences and permits maintained for each operating company; • Compliance registers maintained with any potential non-conformities identified by relevant government authorities with a timetable for rectification; • Periodic engagement with external lawyers and advisors, and participation in industry groups; • Active and ongoing engagement with relevant regulatory authorities to proactively identify, assess and manage actual and potential regulation changes.
No change	**7. Loss of key personnel** The Group's successful operational activities and growth are closely linked to the knowledge and experience of key members of senior management and highly skilled technical employees. The loss of any such personnel, or the failure to attract, recruit and retain equally high-calibre professionals, could adversely affect the Group's operations, financial condition and strategic growth prospects.	People	• Talent identification and succession planning are in place for key roles; • Competitively benchmarked performance-related remuneration plans; • Staff performance and development/support plans.
No change	**8. Technology risk** Advances in technology that enhance the efficiency of wireless networks, and	Strategic	• Strategic long-term planning; • Business intelligence; • Exploring alternative technologies such

	potential active sharing of wireless spectrum, may significantly reduce or negate the need for tower-based infrastructure or services. This could reduce the need for telecommunications operators to add more tower-based antenna equipment at certain tower sites, leading to a potential decline in tenancies, service needs and revenue streams. Examples may include spectrally efficient technologies, which could potentially relieve certain network capacity problems, or complementary voice over internet protocol access technologies that could absorb a portion of subscriber traffic from the traditional tower-based networks.		as solar power; • Continuously improving our product offering to adapt to new wireless technologies; • Applying for new licences to provide active infrastructure services in certain markets.
No change	**9. Failure to remain competitive** Competition in, or consolidation of, the telecommunications tower industry may create pricing pressures that materially and adversely affect the Group.	Financial	• Key performance indicator ('KPI') monitoring and benchmarking against competitors; • Total cost of ownership analysis for MNOs; • Fair pricing structure; • Business intelligence and review of competitors' activities; • Strong tendering team to ensure high win/retention rate; • Continuous capex investment to ensure that the Group has sufficient capacity.
No change	**10. Failure to integrate new lines of business in new markets** Multiple risks exist with entry into new markets and new lines of business. Failure to successfully manage and integrate operations, resources and technology could have material adverse implications for the Group's overall growth strategy, and negatively impact its financial position and corporate culture.	Strategic Financial Operational	• Pre-acquisition due diligence conducted with the assistance of external advisors with specific geographic and industry expertise; • Ongoing monitoring activities post-acquisition/agreement; • Detailed management, operations and technology integration plan; • Ongoing measurement of performance vs. plan and Group strategic objectives; • Implementation of a regional CEO and support function to governance and oversight structure.
No change	**11. Tax disputes** Our operations are based in certain countries with complex, frequently changing and bureaucratic and administratively burdensome tax regimes. This may lead to significant disputes around interpretation and application of tax rules and may expose us to significant additional taxation liabilities.	Compliance Financial Operational Reputational	• Frequent interaction and transparent communication with relevant governmental authorities and representatives; • Engagement of external legal and tax consultants to advise on legislative/tax code changes and assessed liabilities or audits; • Engagement with trade associations and industry bodies and other international companies and organisations facing similar issues; • Defending against unwarranted claims; • Recruitment of Group Tax Manager, and ongoing recruitment of in-house tax expertise at both Group and Opco levels.

New	**12. Covid-19** In addition to the normal health and safety risks to our employees and contractors, the ongoing impact of the Covid-19 pandemic could materially and adversely affect the financial and operational performance of the Group across all its activities. The effects of the pandemic may also disrupt the achievement of the Group's strategic plans and growth objectives and place additional strain on its technology infrastructure. There is also an increased risk of litigation due to the potential effects of the pandemic on fulfilment of contractual obligations.	Financial Operational	• Health and safety protocols established and implemented; • Business continuity plans implemented with ongoing monitoring; • Financial modelling, scenario building and stress testing; • Continuous monitoring of the external environment; • Increased fuel and capex purchases; • Review of contractual terms and conditions; • Review and adaptation of our control environment for remote working.
New	**13. Information technology failure and cyber attack risk** We are increasingly dependent on the performance and effectiveness of our IT systems. Failure of our key systems, exposure to the increasing threat of cybercrime attacks and threats, loss or theft of sensitive information, whether accidentally or intentionally, expose the Group to operational, strategic, reputational and financial risks. These risks are increasing due to greater interconnectivity, reliance on technology solutions to drive business performance, use of third parties in operational activities and continued adoption of remote working practices. Cyber attacks are becoming more sophisticated and frequent and may compromise sensitive information of the Group, its employees, customers or other third parties. Failure to prevent unauthorised access or to update processes and IT security measures may expose the Group to potential fraud, inability to conduct its business, damage to customers as well as regulatory investigations and associated fines and penalties.	Financial Operational Reputational	• Ongoing implementation and enhancement of security and remote access processes, policies and procedures; • Regular security testing regime established, validated by independent third parties; • Annual staff training and awareness programme in place; • Security controls based on industry best practice frameworks such as NCSC, and validated through internal audit assessments; • Specialist security third parties engaged to assess cyber risks and mitigation plans; • Incident management and response processes aligned to Information Technology Infrastructure Library ('ITIL®') best practice - identification, containment, eradication, recovery and lessons learned; • New supplier risk management assessments and due diligence carried out.

Financial Statements

Consolidated Income Statement

For the year ended 31 December

	Note	**2020 US$m**	2019 US$m
Revenue	3	**414.0**	387.8
Cost of sales		**(266.1)**	(261.9)
Gross profit		**147.9**	125.9
Administrative expenses		**(83.5)**	(119.4)
Loss on disposal of property, plant and equipment		**(8.1)**	(11.0)
Operating profit/(loss)	5a	**56.3**	(4.5)
Interest receivable	8	**0.8**	0.7
Other gains	24	**40.1**	33.9
Finance costs	9	**(118.1)**	(104.9)
Loss before tax		**(20.9)**	(74.8)
Tax expense	10	**(15.8)**	(61.8)
Loss after tax for the year		**(36.7)**	(136.6)
Loss attributable to:			
Owners of the Company		**(36.7)**	(136.0)
Non-controlling interest	13	**–**	(0.6)
Loss for the year		**(36.7)**	(136.6)
Loss per share:			
Basic and diluted loss per share (cents)	29	**(4)**	(15)

All activities relate to continuing operations.

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of other comprehensive income

For the year ended 31 December

	2020 US$m	2019 US$m
Loss after tax for the year	**(36.7)**	(136.6)
Other comprehensive (loss)/gain:		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	**(9.2)**	(1.0)
Income tax relating to these items	**–**	–
Total comprehensive loss for the year, net of tax	**(45.9)**	(137.6)
Total comprehensive loss attributable to:		
Owners of the Company	**(45.9)**	(137.0)
Non-controlling interest	**–**	(0.6)
Total comprehensive loss for the year	**(45.9)**	(137.6)

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of financial position

As at 31 December

Assets	Note	2020 US$m	2019 US$m
Non-current assets			
Intangible assets	11	**23.2**	28.4
Property, plant and equipment	12a	**594.7**	631.9
Right-of-use assets	12b	**109.2**	108.2
Derivative financial assets	26	**88.8**	41.0
		815.9	809.5
Current assets			
Inventories	14	**9.0**	9.3
Trade and other receivables	15	**137.6**	166.5
Prepayments	16	**39.3**	14.1
Cash and cash equivalents	17	**428.7**	221.1
		614.6	411.0
Total assets		**1,430.5**	1,220.5
Equity and liabilities			
Equity			
Share capital	18	**12.8**	12.8
Other reserves		**(87.0)**	(87.0)
Share-based payments reserves		**18.4**	19.6
Treasury shares	18	**(2.3)**	(4.4)
Translation reserve		**(91.9)**	(82.7)
Retained earnings		**280.3**	317.6
Equity attributable to owners		**130.3**	175.9
Non-controlling interest	13	**–**	(0.6)
Total equity		**130.3**	175.3
Current liabilities			
Trade and other payables	19	**174.7**	222.7
Short-term lease liabilities	21	**23.5**	21.4
Contingent consideration	30	**–**	3.6
Loans	20	**2.6**	19.2
		200.8	266.9
Non-current liabilities			
Deferred tax liabilities		**4.4**	3.1
Contingent consideration	30	**–**	5.9
Long-term lease liabilities	21	**108.2**	104.2
Loans	20	**986.8**	665.1
		1,099.4	778.3
Total liabilities		**1,300.2**	1,045.2
Total equity and liabilities		**1,430.5**	1,220.5

The accompanying notes form an integral part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Board on 10 March 2021 and signed on its behalf by:

Kash Pandya

Manjit Dhillon

Consolidated Statement of changes in equity

For the year ended 31 December 2020

	Note	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share-based payments reserves US$m	Translation reserve US$m	Retained earnings US$m	Attributable to the owners of the Company US$m	Non-controlling interest (NCI) US$m	Total equity US$m
Balance at 1 January 2019		909.2	187.0	(12.8)	–	–	(81.7)	(880.0)	121.7	–	121.7
Transition to IFRS 9											
Loss for the year		–	–	–	–	–	–	(136.0)	(136.0)	(0.6)	(136.6)
Other comprehensive loss		–	–	–	–	–	(1.0)	–	(1.0)	–	(1.0)
Total comprehensive loss for the year		–	–	–	–	–	(1.0)	(136.0)	(137.0)	(0.6)	(137.6)
Transactions with owners;											
Reorganisation		263.9	(187.0)	(74.2)	(2.7)	7.9	–	–	7.9	–	7.9
New issue of shares		109.2	16.4	–	–	–	–	–	125.6	–	125.6
Share issue costs		–	(7.3)	–	–	–	–	–	(7.3)	–	(7.3)
Purchase of own shares		–	–	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Share-based payments		–	–	–	–	11.7	–	–	11.7	–	11.7
Capital contribution from shareholders		–	–	–	–	–	–	55.0	55.0	–	55.0
Capital reduction		(1,269.5)	(9.1)	–	–	–	–	1,278.6	–	–	–
Balance at 31 December 2019		12.8	–	(87.0)	(4.4)	19.6	(82.7)	317.6	175.9	(0.6)	175.3
Loss for the year		–	–	–	–	–	–	(36.7)	(36.7)	–	(36.7)
Other comprehensive loss		–	–	–	–	–	(9.2)	–	(9.2)	–	(9.2)
Total comprehensive loss for the year		–	–	–	–	–	(9.2)	(36.7)	(45.9)	–	(45.9)
Transactions with owners;											
Share-based payments	25	–	–	–	–	0.9	–	–	0.9	–	0.9
Transfer of treasury shares		–	–	–	2.1	(2.1)	–	–	–	–	–
Non-controlling interest		–	–	–	–	–	–	(0.6)	(0.6)	0.6	–
Balance at 31 December 2020		**12.8**	**–**	**(87.0)**	**(2.3)**	**18.4**	**(91.9)**	**280.3**	**130.3**	**–**	**130.3**

Included in other reserves is the merger accounting reserve which arose on Group reorganisation in 2019 and is the difference between the carrying value of the net assets acquired and the nominal value of the share capital.

Share-based payments reserves relate to share options awarded. See Note 25.

Translation reserve relates to the translation of the Financial Statements of overseas subsidiaries into the presentational currency of the Consolidated Financial Statements.

Consolidated Statement of cash flows

For the year ended 31 December 2020

	Note	**2020 US$m**	2019 US$m
Cash flows from operating activities			
Loss before tax		**(20.9)**	(74.8)
Adjustments for:			
Other gains	24	**(40.1)**	(33.9)
Finance costs	9	**118.1**	104.9
Interest receivable	8	**(0.8)**	(0.7)
Depreciation and amortisation on property, plant and equipment	11, 12	**148.0**	147.2
Share-based payments and long-term incentive plans	25	**1.0**	–
Loss on disposal of property, plant and equipment	4	**8.1**	11.0
Movement in working capital:			
Decrease in inventories		**0.6**	1.0
Decrease/(increase) in trade and other receivables		**21.1**	(56.0)
Increase in prepayments		**(0.8)**	(1.0)
(Decrease)/increase in trade and other payables		**(24.7)**	27.6
Cash generated from operations		**209.6**	125.3
Interest paid		**(102.3)**	(74.4)
Tax paid	10	**(47.8)**	(13.3)
Net cash generated from operating activities		**59.5**	37.6
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(123.4)**	(95.2)
Payments to acquire intangible assets		**(0.3)**	(9.2)
Acquisition of subsidiary	30	**–**	(10.6)
Proceeds on disposal on assets		**1.0**	0.4
Transactions with non-controlling interests		**(1.6)**	–
Interest received		**0.8**	0.7
Net cash used in investing activities		**(123.5)**	(113.9)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		**–**	125.6
Share issue costs		**–**	(7.3)
Repurchase of fully vested options		**–**	(1.7)
Borrowing drawdowns		**995.6**	50.0
Loan issue costs		**(26.0)**	–
Repayment of loan		**(689.8)**	–
Repayment of lease liabilities		**(8.3)**	(5.4)
Capital contributions – escrow funds		**–**	47.7
Net cash generated from financing activities		**271.5**	208.9
Net increase in cash and cash equivalents		**207.5**	132.6
Foreign exchange on translation movement		**0.1**	(0.5)
Cash and cash equivalents at 1 January		**221.1**	89.0
Cash and cash equivalents at 31 December		**428.7**	221.1

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of compliance and presentation of financial statements

Helios Towers plc, together with its subsidiaries (collectively, ‘Helios’, ‘the Group’ or ‘the Company’), is an independent tower company, with operations across five countries. Helios Towers plc is a public limited company incorporated and domiciled in the UK, and registered under the laws of England & Wales under company number 12134855 with its registered address at 10th Floor, 5 Merchant Square West, London, W2 1AS, United Kingdom. In October 2019, the ordinary shares of Helios Towers plc were admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority and trade on the London Stock Exchange Plc’s main market for listed securities.

The Company and entities controlled by the Company are disclosed in Note 13. The principal accounting policies adopted by the Group are set out in Note 2. These policies have been consistently applied to all periods presented.

2(a). Accounting policies

Basis of preparation

The Group’s Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (‘IFRSs’), taking into account IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook in the wider economy. The Group’s forecasts and projections, taking account of possible changes in trading performance, show that the Group should remain adequately liquid and should operate within the covenant levels of its current debt facilities. The Directors consider it appropriate to adopt the going concern basis of preparation for the consolidated Financial Statements.

As part of their regular assessment of the Group’s working capital and financing position, the Directors have prepared a detailed trading and cash flow forecast for a period which covers at least 12 months after the date of approval of the consolidated Financial Statements. In assessing the forecast, the Directors have considered:

- trading risks presented by the current economic conditions in the operating markets;
- the impact of macroeconomic factors, particularly interest rates and foreign exchange rates;
- the status of the Group’s financial arrangements;
- progress made in developing and implementing cost reduction programmes and operational improvements; and
- mitigating actions available should business activities fall behind current expectations, including the deferral of discretionary overheads and restricting cash outflows.

In particular, the Directors have considered the impact of Covid-19 on the Group’s operations. The Directors have acknowledged the latest guidance on going concern as issued by the Financial Reporting Council in June 2020 and December 2020 and the thematic review published in July 2020. Management have considered the latest forecasts available to them and additional sensitivity analysis has been prepared to consider any reduction in anticipated levels of Adjusted EBITDA and operating profit arising from various scenarios.

The Directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial information. Forecast liquidity has been assessed under a number of stressed scenarios and a reverse stress test was performed to support this assertion.

3. Segmental reporting

The following segmental information is presented in a consistent format with management information considered by the CEO of each operating segment, and the CEO, COO and CFO of the Group, who are considered to be the chief operating decision makers (‘CODMs’). Operating segments are determined based on geographical location. All operating segments have the same business of operating and maintaining telecoms towers and renting space on such towers. Accounting policies are applied consistently for all operating segments. The segment operating result used by CODMs is Adjusted EBITDA, which is defined in Note 4.

31 December 2020	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Total operating companies US$m	Corporate US$m	Group total US$m
Revenue	**167.1**	**174.0**	**26.6**	**42.9**	**3.4**	**414.0**	**–**	**414.0**
Adjusted gross margin[1]	**67%**	**67%**	**66%**	**72%**	**77%**	**68%**	**–**	**68%**
Adjusted EBITDA[2]	**105.0**	**103.5**	**12.7**	**27.4**	**1.1**	**249.7**	**(23.1)**	**226.6**
Adjusted EBITDA margin[3]	**63%**	**59%**	**48%**	**64%**	**32%**	**60%**	**–**	**55%**
Financing costs:								

Interest costs	**(36.2)**	**(49.6)**	**(9.5)**	**(7.3)**	**(2.9)**	**(105.5)**	**7.7**	**(97.8)**
Early redemption charges[4]	**–**	**–**	**–**	**–**	**–**	**–**	**(23.9)**	**(23.9)**
Foreign exchange differences	**(1.8)**	**0.5**	**6.8**	**(2.2)**	**–**	**3.3**	**0.3**	**3.6**
Total finance costs	**(38.0)**	**(49.1)**	**(2.7)**	**(9.5)**	**(2.9)**	**(102.2)**	**(15.9)**	**(118.1)**
Other segmental information:								
Non-current assets	**280.6**	**295.8**	**39.5**	**48.5**	**50.3**	**714.7**	**101.2**	**815.9**
Property, plant and equipment capital additions	**33.8**	**27.8**	**7.7**	**9.2**	**17.1**	**95.6**	**1.3**	**96.9**
Property, plant and equipment depreciation and amortisation	**(51.1)**	**(57.7)**	**(11.0)**	**(7.9)**	**(2.1)**	**(129.8)**	**(4.2)**	**(134.0)**

(1) Adjusted gross margin means gross profit, adding back site and warehouse depreciation, divided by revenue.
(2) Adjusted EBITDA is loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.
(3) Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.
(4) Corporate includes call premium and release of transaction costs of US$13.7 million and US$10.2 million respectively, in relation to the early redemption of the US$600 million Senior Notes. See note 20 for further detail.

31 December 2019	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Total operating companies US$m	Corporate US$m	Group total US$m
Revenue	162.2	158.0	25.9	40.1	1.6	387.8	–	387.8
Adjusted gross margin[1]	66%	64%	70%	69%	78%	66%	–	66%
Adjusted EBITDA[2]	96.4	88.3	13.6	23.6	0.2	222.1	(16.9)	205.2
Adjusted EBITDA margin[3]	59%	56%	53%	59%	13%	57%	–	53%
Financing costs:								
Interest costs	(44.5)	(48.7)	(9.0)	(6.7)	(2.1)	(111.0)	18.1	(92.9)
Foreign exchange differences	(3.7)	0.2	(1.5)	(6.8)	–	(11.8)	(0.2)	(12.0)
Total finance costs	(48.2)	(48.5)	(10.5)	(13.5)	(2.1)	(122.8)	17.9	(104.9)
Other segmental information:								
Non-current assets	304.7	335.2	40.7	45.7	31.2	757.5	52.0	809.5
Property, plant and equipment capital additions[4]	43.7	37.0	6.4	11.7	15.1	113.9	0.3	114.2
Property, plant and equipment depreciation and amortisation	(52.9)	(61.3)	(11.8)	(8.8)	(1.0)	(135.8)	(2.9)	(138.7)

(1) Adjusted gross margin means gross profit, adding back site and warehouse depreciation, divided by revenue.
(2) Adjusted EBITDA is loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.
(3) Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.
(4) Property, plant and equipment capital additions in the year ended 31 December 2019 in South Africa, exclude the fair value of intangible assets acquired and goodwill recognised under IFRS 3 (see Note 30).

4. Reconciliation of aggregate segment Adjusted EBITDA to loss before tax

The key segment operating result used by chief operating decision makers ('CODMs') is Adjusted EBITDA.

Management defines Adjusted EBITDA as loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.

The Group believes that Adjusted EBITDA and Adjusted EBITDA margin facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by

variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. The Group excludes certain items from Adjusted EBITDA, such as loss on disposal of property, plant and equipment and other adjusting items because it believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	2020 US$m	2019 US$m
Adjusted EBITDA	**226.6**	205.2
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Project costs[1]	**(4.4)**	(18.6)
Deal costs[2]	**(8.8)**	(1.7)
Share-based payments and long-term incentive plans[3]	**(1.0)**	(31.2)
Loss on disposal of property, plant and equipment	**(8.1)**	(11.0)
Other gains (Note 24)	**40.1**	33.9
Depreciation of property, plant and equipment	**(128.4)**	(129.5)
Amortisation of intangibles	**(5.6)**	(9.2)
Depreciation of right-of-use assets	**(14.0)**	(8.5)
Interest receivable	**0.8**	0.7
Finance costs	**(118.1)**	(104.9)
Loss before tax	**(20.9)**	(74.8)

(1) Project costs in 2020 relate to the preparation for a debt refinancing, and in 2019 relate to listing of equity on the London Stock Exchange in October 2019.
(2) Deal costs comprise costs for potential and aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalised, which relate to the exploration of investment opportunities.
(3) Share-based payments and long-term incentive plan charges and associated costs.

5a. Operating profit/(loss)

Operating profit/(loss) is stated after charging the following:

	2020 US$m	2019 US$m
Cost of inventory expensed	**51.8**	56.8
Auditor remuneration (see Note 5b)	**2.8**	5.8
Loss on disposal of property, plant and equipment	**8.1**	11.0
Depreciation and amortisation	**148.0**	147.2
Staff costs (Note 6)	**27.5**	22.6

5b. Audit remuneration

	2020 US$m	2019 US$m
Statutory audit of the Company’s annual accounts	**0.4**	0.3
Statutory audit of the Group’s subsidiaries	**1.5**	1.7
Audit fees:	**1.9**	2.0
Quarterly review engagements	**0.4**	0.3
Other assurance services	**0.5**	1.0
Audit related assurance services	**0.9**	1.3
Project costs	**–**	2.4
Other services	**–**	0.1
Total other non-audit services:	**–**	2.5
Total non-audit fees	**0.9**	3.8
Total fees	**2.8**	5.8

2019 project costs relate to the IPO which was completed in October 2019.

6. Staff costs

Staff costs consist of the following components:

	2020 US$m	2019 US$m
Wages and salaries	**25.6**	21.3
Social security costs – employer contributions	**1.4**	1.0
Pension costs	**0.5**	0.3
	27.5	22.6

The average monthly number of employees during the year was made up as follows:

	2020	2019
Operations	**137**	133
Legal and regulatory	**29**	29
Administration	**37**	32
Finance	**86**	84
Sales and marketing	**67**	64
	356	342

7. Key management personnel compensation

	2020 US$m	2019 US$m
Salary and fees	**2.0**	1.5
Pension and benefits	**0.2**	0.2
Bonus	**1.3**	1.4
	3.5	3.1

The above remuneration information relates to Directors in Helios Towers plc. Further details can be found in the Directors' Remuneration Report of the Annual Report.

8. Interest receivable

	2020 US$m	2019 US$m
Bank interest receivable	**0.8**	0.7

9. Finance costs

	2020 US$m	2019 US$m
Foreign exchange differences	**(3.6)**	12.0
Interest costs	**80.5**	77.0
Early redemption expenses(1)	**23.9**	–
Interest costs on lease liabilities	**17.3**	15.9
	118.1	104.9

(1) Early redemption expenses includes call premium and release of transaction costs of US$13.7 million and US$10.2 million respectively, related to the early redemption of the US$600 million Senior Notes.

The year-on-year decrease in foreign exchange differences for the year ended 31 December 2020 is driven primarily by the fluctuations year-on-year of the Central African Franc and Ghanaian Cedi.

10. Tax expense, tax paid and deferred tax

	2020 US$m	2019 US$m
(a) Tax expense:		
Current tax		
In respect of current year	**12.2**	61.3
Adjustment in respect of prior years	**3.2**	0.7
Total current tax	**15.4**	62.0
Deferred tax		
Originating temporary differences on acquisition of subsidiary undertakings	**(0.6)**	(0.2)
Originating temporary differences on capital assets	**1.0**	–
Total deferred tax	**0.4**	(0.2)
Total tax expense	**15.8**	61.8
(b) Tax reconciliation:		
Loss before tax	**(20.9)**	(74.8)
Tax computed at the local statutory tax rate	**(4.2)**	(22.0)
Tax effect of expenditure not deductible for tax purposes	**25.0**	51.1

Tax effect of income not taxable in determining taxable profit	**(1.8)**	–
Deferred income tax movement not recognised	**(9.3)**	(26.0)
Prior year over/(under) provision	**3.2**	0.7
Change of Control Taxes	**–**	55.0
Minimum income taxes	**2.3**	3.0
Other	**0.6**	–
Total tax expense	**15.8**	61.8

The range of statutory income tax rates applicable to the Group's operating subsidiaries is between 15% and 30%.

A change of control (as defined by the relevant local tax authority) of certain of the Group's subsidiaries may trigger Change of Control Taxes liabilities for the Group. An amount has been set aside by the pre-IPO shareholders to cover these taxes which the Group believes is sufficient to cover its current estimates of these taxes.

As stipulated by local applicable law, minimum income taxes apply and were paid by operating entities in Congo Brazzaville and DRC which have reported tax losses for the year ended 31 December 2020. Minimum income taxes rules do not apply to the Ghana, South Africa or Tanzania businesses.

Tax paid	**2020 US$m**	2019 US$m
Income tax	**(10.1)**	(3.3)
Change of Control Taxes funded by escrow restricted cash	**(37.7)**	(10.0)
Total tax paid	**(47.8)**	(13.3)

For more information relating to Change of Control Taxes see Note 17.

Deferred tax

As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, the deferred tax balance at the balance sheet date has been calculated at the rate at which the relevant balance is expected to be recovered or settled. Management has performed an assessment, for all material deferred income tax assets and liabilities, to determine the period over which the deferred income tax assets and liabilities are forecast to be realised. The deferred tax liability is calculated by applying the statutory corporate income tax rate of 28% in South Africa and 30% in Congo Brazzaville on the respective intangible assets recognised at the balance sheet date.

Unrecognised deferred tax assets

No deferred tax asset is recognised on US$200.5 million of tax losses at the balance sheet date, as the relevant businesses are not expected to generate sufficient short-term taxable profits to justify recognising the associated deferred tax assets.

Tax losses for which no deferred tax assets were recognised are as follows: US$190.5 million are subject to expiry under local statutory tax rules within periods of 3 to 5 years and US$10.0 million are not expected to expire. As at the balance sheet date, the geographical split of the deferred tax assets in relation to losses is DRC US$144.6 million (tax effect US$43.4 million), South Africa US$7.8 million (tax effect US$2.2 million), Congo Brazzaville US$13.1 million (tax effect US$3.9 million), Mauritius US$32.7 million (tax effect US$4.9 million) and UK US$2.3 million (tax effect US$0.4 million).

11. Intangible assets

	Goodwill US$m	Customer contracts US$m	Customer relationships US$m	Colocation rights US$m	Right of first refusal US$m	Non-compete agreement US$m	Computer software and licence US$m	Total US$m
Cost								
At 1 January 2019	–	–	–	–	35.0	30.0	17.7	82.7
Additions during the year	–	–	–	8.8	–	–	0.4	9.2
On acquisition of subsidiary undertakings (Note 30)	4.1	3.4	6.9	–	–	1.1	–	15.5
Disposals during the year	–	–	–	–	–	–	–	–
Effects of foreign currency exchange differences	0.1	0.1	0.2	–	–	–	1.3	1.7
At 31 December 2019	4.2	3.5	7.1	8.8	35.0	31.1	19.4	109.1
Additions during the year	–	–	–	–	–	–	0.3	0.3
Disposals	–	–	–	–	–	(30.0)	–	(30.0)
Effects of foreign currency								

exchange differences	0.7	(0.2)	(0.3)	–	–	–	–	0.2
At 31 December 2020	**4.9**	**3.3**	**6.8**	**8.8**	**35.0**	**1.1**	**19.7**	**79.6**
Amortisation								
At 1 January 2019	–	–	–	–	(27.5)	(30.0)	(12.8)	(70.3)
Charge for year	–	(0.2)	(0.3)	(0.3)	(5.2)	–	(3.2)	(9.2)
Effects of foreign currency exchange differences	–	–	–	–	–	–	(1.2)	(1.2)
At 31 December 2019	–	(0.2)	(0.3)	(0.3)	(32.7)	(30.0)	(17.2)	(80.7)
Charge for year	–	(0.2)	(0.5)	(0.6)	(2.4)	(0.3)	(1.6)	(5.6)
Disposals	–	–	–	–	–	30.0	–	30.0
Effects of foreign currency exchange differences	–	–	–	–	0.1	–	(0.2)	(0.1)
At 31 December 2020	**–**	**(0.4)**	**(0.8)**	**(0.9)**	**(35.0)**	**(0.3)**	**(19.0)**	**(56.4)**
Net book value								
At 31 December 2020	**4.9**	**2.9**	**6.0**	**7.9**	**–**	**0.8**	**0.7**	**23.2**
At 31 December 2019	4.2	3.3	6.8	8.5	2.3	1.1	2.2	28.4

In 2016, alongside the purchase of 967 towers from Airtel Group, a right of first refusal (‘ROFR’) agreement was signed with Airtel Group in the DRC giving the Group the right of first refusal over build-to-suit towers that Airtel Group wish to commission. A payment of US$20 million was made for this right and was amortised on a straight line-basis over its exercisable period which ended on 1 May 2020. As part of the same transaction, the Group entered into a non-compete agreement with Airtel Group under which the Group and the Company was granted the right that Airtel would not compete with the Group in DRC and/or Congo Brazzaville. The amortisation period for the non-compete agreement was four years, which ended in 2020.

On 30 April 2019, the Group acquired 89.5% of the voting equity shares of Helios Towers South Africa Holdings (Pty) Ltd and simultaneously entered into agreements with SA Towers Proprietary Limited and Sky Coverage Proprietary Limited, to purchase certain employee contracts and business assets comprising towers, tower sites and related assets as well as to transfer certain tenant leases. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations (‘IFRS 3’) using the acquisition method. As a result of this transaction, intangible assets have been recognised on acquisition of subsidiary undertakings for customer contracts, customer relationships and goodwill.

In July 2019, HTT Infraco Limited entered into a marketing agreement with Viettel, whereby it acquired the rights to colocate on approximately 1,000 sites. These additional sites meant that new colocation opportunities were made available to other Group customers.

The remaining amortisation period is;
- customer contracts and customer relationships 13 years;
- colocation rights 13 years;
- non-compete agreement three years; and
- computer software and licence two to three years.

Impairment
The Group tests goodwill, irrespective of any indicators, at least annually for impairment. All other intangible assets are tested for impairment where there is an impairment indicator. The Group’s cash-generating-units (CGUs) are aligned to its operating segments. All of the carrying value of the goodwill is included in the South Africa operating segment. If any such indication exists, then the CGUs recoverable amount is estimated. For goodwill, the recoverable amount of the related CGU is also estimated each year. The recoverable amount is determined based on a value-in-use calculation using cash flow projections for the next six years from financial budgets approved by the Board of Directors. Management uses contractual customer agreements at the time, independently assessed new tenancies based on the expected growth in South Africa and operating expense assumptions based on past experience in its cash flow projections.

Key assumptions used in value-in-use calculations
- number of towers under management at the end of each year together with the lease upgrade or number of tenants per tower. These are based on estimates of the number of tower opportunities in the relevant markets and the expected growth in these markets;
- discount rate; and
- operating cost and capital expenditure requirements.

A long-term nominal growth rate of 7.2% has been applied to extrapolate the cash flow projections into perpetuity,

based on management's estimate of the long-term annual growth rates in Adjusted EBITDA. From the financial model a net present value was derived, using a pre-tax discount rate of 9.5% and compared to the goodwill carrying value. The discount rate was based on local weighted average cost of capital assuming debt leveraging of 38.0% and risk free rate of 3.5%.

Amortisation of Intangibles are included within Administrative expenses in the Consolidated Income Statement.

12a. Property, plant and equipment

	IT equipment US$m	Fixtures and fittings US$m	Motor vehicles US$m	Site assets US$m	Land US$m	Leasehold improvements US$m	Total US$m
Cost							
At 1 January 2019	12.2	1.0	4.4	1,139.4	8.9	1.3	1,167.2
Additions	5.3	0.1	0.4	88.5	–	0.1	94.4
On acquisition of subsidiary undertakings (Note 30)	–	–	–	7.6	–	–	7.6
Disposals	–	–	(0.1)	(26.9)	–	–	(27.0)
Effects of foreign currency exchange differences	1.0	0.3	(0.2)	(15.9)	–	1.7	(13.1)
At 31 December 2019	18.5	1.4	4.5	1,192.7	8.9	3.1	1,229.1
Additions	4.0	0.1	0.6	91.9	–	–	96.6
Reclassifications	–	–	–	2.3	(2.3)	–	–
Disposals	–	–	(0.5)	(20.2)	–	–	(20.7)
Effects of foreign currency exchange differences	0.3	–	–	2.1	0.2	0.1	2.7
At 31 December 2020	**22.8**	**1.5**	**4.6**	**1,268.8**	**6.8**	**3.2**	**1,307.7**
Depreciation							
At 1 January 2019	(5.7)	(0.9)	(2.9)	(480.5)	–	(0.6)	(490.6)
Charge for the year	(4.1)	(0.1)	(0.6)	(124.2)	–	(0.5)	(129.5)
Disposals	–	–	–	15.6	–	–	15.6
Effects of foreign currency exchange differences	(0.8)	(0.3)	0.3	9.5	–	(1.4)	7.3
At 31 December 2019	(10.6)	(1.3)	(3.2)	(579.6)	–	(2.5)	(597.2)
Charge for the year	(4.6)	(0.1)	(0.5)	(122.8)	(0.1)	(0.3)	(128.4)
Disposals	–	–	0.4	13.9	–	–	14.3
Effects of foreign currency exchange differences	(0.2)	–	–	(1.4)	–	(0.1)	(1.7)
At 31 December 2020	**(15.4)**	**(1.4)**	**(3.3)**	**(689.9)**	**(0.1)**	**(2.9)**	**(713.0)**
Net book value							
At 31 December 2020	**7.4**	**0.1**	**1.3**	**578.9**	**6.7**	**0.3**	**594.7**
At 31 December 2019	7.9	0.1	1.3	613.1	8.9	0.6	631.9

At 31 December 2020, the Group had US$59.0 million (2019: US$62.7 million) of expenditure recognised in the carrying amount of items of site assets that were in the course of construction. On completion of the construction, they will remain within the site assets balance, and depreciation will commence when the assets are available for use.

12b. Right-of-use assets

	2020 US$m	2019 US$m
Right-of-use assets by class of underlying assets		
Land	**105.4**	104.0
Buildings	**3.7**	4.2
Motor vehicles	**0.1**	–
	109.2	108.2
Depreciation charge for right of use assets		
Land	**12.7**	7.2
Buildings	**1.3**	1.3
	14.0	8.5

Refer to Note 21 for details of lease liabilities.

13. Investments

The subsidiary companies of Helios Towers plc are as follows:

Name of subsidiary	Country of incorporation	**Effective shareholding 2020** Direct %	**Effective shareholding 2020** Indirect %	Effective shareholding 2019 Direct %	Effective shareholding 2019 Indirect %
Helios Chad Holdco Limited	Mauritius	**–**	**100%**	–	100%
Helios Towers Africa LLP	United Kingdom	**–**	**100%**	–	100%
Helios Towers Congo Brazzaville SASU	Republic of Congo	**–**	**100%**	–	100%
Helios Towers DRC S.A.R.L.	Democratic Republic of Congo	**–**	**100%**	–	100%
Helios Towers FZ-LLC	United Arab Emirates	**–**	**100%**	–	100%
Helios Towers Ghana Limited	Ghana	**–**	**100%**	–	100%
Helios Towers, Ltd	Mauritius	**100%**	**–**	100%	–
Helios Towers Madagascar Holdings Limited	United Kingdom	**–**	**100%**	n/a	n/a
Helios Towers Malawi Holdings Limited	United Kingdom	**–**	**100%**	n/a	n/a
Helios Towers Partners (UK) Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Senegal SAU	Senegal	**–**	**100%**	n/a	n/a
Helios Towers South Africa Holdings (Pty) Ltd	South Africa	**–**	**100%**	–	66%
Helios Towers South Africa (Pty) Ltd	South Africa	**–**	**100%**	–	66%
Helios Towers South Africa Services (Pty) Ltd	South Africa	**–**	**100%**	–	62.5%
Helios Towers Tanzania Limited	Tanzania	**–**	**100%**	–	100%
Helios Towers UK Holdings Limited	United Kingdom	**100%**	**–**	n/a	n/a
HS Holdings Limited	Tanzania	**–**	**1%**	–	1%
HT Congo Brazzaville Holdco Limited	Mauritius	**–**	**100%**	–	100%
HT DRC Infraco S.A.R.L.	Democratic Republic of Congo	**–**	**100%**	–	100%
HT Holdings Tanzania Ltd	Mauritius	**–**	**100%**	–	100%
HTA Group, Ltd	Mauritius	**–**	**100%**	–	100%
HTA Holdings Ltd	Mauritius	**–**	**100%**	–	100%
HTA (UK) Partner Ltd	United Kingdom	**–**	**100%**	–	100%
HTG Managed Services Limited	Ghana	**–**	**100%**	–	100%
HTSA Towers (Pty) Ltd	South Africa	**–**	**100%**	–	59.1%
HTT Infraco Limited	Tanzania	**–**	**100%**	–	100%
McRory Investment B.V.	The Netherlands	**–**	**100%**	–	100%
McTam International 1 B.V.	The Netherlands	**–**	**100%**	–	100%
Towers NL Coöperatief U.A.	The Netherlands	**–**	**100%**	–	100%

All subsidiaries were incorporated in prior years, other than Helios Towers UK Holdings Limited, Helios Towers Madagascar Holdings Limited, Helios Towers Malawi Holdings Limited and Helios Towers Senegal SAU, which were incorporated in 2020. Helios Towers plc or its subsidiaries have subscribed to the majority of the shares as shown above. The consideration paid for these shares on incorporation was minimal.

Helios Towers Ghana Limited, Helios Towers South Africa Holdings (Pty) Ltd, HTA Holdings Ltd, Helios Towers DRC S.A.R.L., Helios Towers Tanzania Limited, HT Congo Brazzaville Holdco Limited, Helios Chad Holdco Limited, Towers NL Coöperatief U.A., McRory Investment B.V., McTam International 1 B.V., HT Holdings Tanzania Ltd, Helios Towers UK Holdings Limited and HTA (UK) Partner Ltd are intermediate holding companies.

The principal activities of HTG Managed Services Limited, HT DRC Infraco S.A.R.L., HTT Infraco Limited, and Helios Towers Congo Brazzaville SASU and the remaining South African entities are the building and maintenance of telecommunications towers to provide space on those towers to wireless telecommunication service providers in Africa. Helios Towers Senegal SAU was incorporated in 2020.

All investments relate to ordinary shares.

During the year the Group acquired the remaining 34% and 10.5% of two subsidiaries, Helios Towers South Africa Holdings (Pty) Ltd and HTSA Towers (Pty) Ltd, which it did not previously own for a cash consideration of ZAR25.0 million and ZAR1.9 million.

	2020 US$m	2019 US$m
Non-controlling interest	**–**	(0.6)

14. Inventories

	2020 US$m	2019 US$m
Inventories	**9.0**	9.3

Inventories are primarily made up of fuel stocks of US$5.9 million (2019: US$6.6 million) and raw materials of US$3.1 million (2019: US$2.7 million). The impact of inventories recognised as an expense during the year in respect of continuing operations was US$51.8 million (2019: US$56.8 million).

15. Trade and other receivables

	2020 US$m	2019 US$m
Trade receivables	**50.9**	105.7
Loss allowance	**(5.8)**	(6.4)
	45.1	99.3
Trade receivable from related parties	**37.1**	23.4
	82.2	122.7
Other receivables	**49.1**	37.1
VAT & withholding tax receivable	**6.3**	6.7
	137.6	166.5

Loss allowance	**2020 US$m**	2019 US$m
Balance brought forward	**(6.4)**	(6.5)
Provision for impairment	**–**	–
Unused amounts reversed	**0.6**	0.1
	(5.8)	(6.4)

The Group measures the loss allowance for trade receivables and trade receivables from related parties at an amount equal to lifetime expected credit losses ('ECL'). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Loss allowance expense is included within cost of sales in the Consolidated Income Statement.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Interest can be charged on past due debtors. The normal credit period of services is 30 days.

Other receivables mainly comprise of accrued income, sundry receivables and Escrow receivables.

Of the trade receivables balance at 31 December 2020, 84% (31 December 2019: 73%) is due from five of the Group's largest customers. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Debtor days

The Group calculates debtor days as set out in the table below. It considers its most relevant customer receivables exposure on a given reporting date to be the amount of receivables due in relation to the revenue that has been reported up to that date. It therefore defines its net receivables as the total trade receivables and accrued revenue, less loss allowance and deferred income that has not yet been settled.

	2020 US$m	2019 US$m
Trade receivables(1)	**88.0**	129.1
Accrued revenue(2)	**11.0**	2.2
Less: Loss allowance	**(5.8)**	(6.4)
Less: Deferred income(3)	**(32.6)**	(64.4)
Net receivables	**60.6**	60.5
Revenue	**414.0**	387.8
Debtor days	**53**	57

(1) Trade receivables, including related parties.
(2) Reported within other receivables.
(3) Deferred income, as per Note 19, has been adjusted for US$18.4 million (2019: US$nil) in respect of amounts settled by customers at the balance sheet date.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Terms and conditions attached to receivable balances due by related parties and are disclosed in Note 23.

16. Prepayments

	2020 US$m	2019 US$m
Prepayments	**39.3**	14.1

Prepayments primarily comprise advance payments to suppliers. Included in prepayments are prepaid transaction costs of US$3.6 million in relation to the US$200 million term facility and US$0.9 million in relation to the US$70 million revolving credit facility.

17. Cash and cash equivalents

	2020 US$m	2019 US$m
Bank balances	**179.7**	216.8
Short-term deposits	**249.0**	4.3
	428.7	221.1

The bank balances as at 31 December 2020 include restricted cash of US$nil million (31 December 2019: US$37.7 million) relating to Change of Control Taxes. See Note 10 for further details.

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short-term deposits are defined as deposits with an initial maturity of three months or less. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

18. Share capital

	2020		2019	
	Number of shares (million)	US$m	Number of shares (million)	US$m
Authorised, issued and fully paid				
Ordinary shares of £0.01 each	**1,000**	**12.8**	1,000	12.8
	1,000	**12.8**	1,000	12.8

The share capital of the Group is represented by the share capital of the Company, Helios Towers plc.

The Treasury shares represent the cost of shares in Helios Towers plc purchased in the market and held by the Helios Towers plc Employee Benefit Trust to satisfy options under the Group Share options plan. Treasury shares held by the Group as at 31 December 2020 are 1,820,105 (31 December 2019: 3,046,273).

19. Trade and other payables

	2020 US$m	2019 US$m
Trade payables	**12.7**	17.9
Amounts payable to related parties	**–**	0.1
Deferred income	**51.0**	64.4
Deferred consideration	**4.1**	8.0
Accruals	**75.1**	63.6
VAT, withholding tax, and other taxes payable	**31.8**	68.7
	174.7	222.7

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2019: 31 days). Payable days are calculated as trade payables and payables to related parties, divided by cost of sales plus administration expenses less staff costs and depreciation and amortisation. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Amounts payable to related parties are unsecured, interest free and repayable on demand.

Deferred income primarily relates to site equipment revenue which is billed in advance.

The Group recognised revenue of US$61.5 million (2019: US$48.1 million) from contract liabilities held on the balance sheet at the start of the financial year. Contract liabilities are presented as deferred income in the table above.

Deferred consideration relates to consideration that is payable in the future for the purchase of certain tower assets

in DRC and Congo Brazzaville following the Airtel deal, if certain conditions are met, to enable transfer of ownership of the assets to Helios Towers.

Accruals consist of general operational accruals, accrued capital items, and goods received but not yet invoiced.

Trade and other payables are classified as financial liabilities and measured at amortised cost. These are initially recognised at fair value and subsequently at amortised cost. These are expected to be settled within a year.

The Directors consider the carrying amount of trade payables approximates to their fair value due to their short-term nature.

20. Loans

	2020 US$m	2019 US$m
Loans[1]	**976.9**	–
US$600 million 9.125% Senior Notes 2022	**–**	607.3
US$100 million term loan facility 2022	**–**	75.5
ZAR 535 million term loan facility A and B	**12.5**	–
Shareholder loans:		
SA Towers Proprietary Limited	**–**	1.5
Total borrowings	**989.4**	684.3
Current	**2.6**	19.2
Non-current	**986.8**	665.1
	989.4	684.3

(1) Included in loans is the US$975 million 7.000% Senior Notes due 2025.

On 18 June 2020 HTA Group, Ltd., a wholly owned subsidiary of Helios Towers plc, issued US$750 million of 7.000% Senior Notes due 2025, guaranteed on a senior basis by Helios Towers plc and certain of its direct and indirect subsidiaries. The Notes were issued at an issue price of 99.439% of the principal amount.

The proceeds of the Notes were used (i) to redeem US$600 million of HTA Group's outstanding Senior Notes due 2022 (plus accrued interest), (ii) to repay all amounts outstanding under its US$125 million term facility (of which US$75 million was outstanding), (iii) to pay certain fees and expenses in relation to the Offering and (iv) with excess funds available for general corporate purposes.

In addition, on 9 September 2020 HTA Group, Ltd issued a further US$225 million aggregate principal amount of its 7.000% Senior Notes due 2025. The Additional Notes will be treated as a single class together with the Original Notes for all purposes under the indenture. After giving effect to the issuance of these Additional Notes, the outstanding aggregate principal amount of Notes will be US$975 million.

HTA Group also entered into a five-year US$200 million term facility with borrowing availability in US dollars for the general corporate purposes (including acquisitions) of the Company and certain of its subsidiaries. This new term facility replaced the existing US$125 million term facility, which was cancelled upon completion of the Offering on 19 June 2020. Transactions fees related to this are reported in Prepayments (see Note 16).

Additionally, HTA Group entered into a revolving credit facility (with a 4.5-year tenor) with borrowing availability in US dollars for the purpose of financing or refinancing the general corporate and working capital needs of the Company and certain of its subsidiaries. Commitments under the new revolving credit facility amount to US$70 million and replaced the previous US$60 million revolving credit facility, which was also cancelled on 19 June 2020. Transactions fees related to this are reported in Prepayments (see Note 16).

On 18 December 2019, HTSA Towers (Pty) Ltd, entered into secured term loan with total commitment of ZAR 535 million and comprises two facilities: Facility A, with a term of 78 months, and Facility B, with a term of 84 months. The annual interest rate is JIBAR plus 4% per year on loans under Facility A and JIBAR plus 4.5% per year on loans under Facility B. As of 31 December 2020, ZAR 184 million (Facility A: ZAR 92 million, and Facility B: ZAR 92 million) of the South African facilities were drawn. This is a secured loan with tower sites owned by HTSA Towers pledged as security.

The current portion of borrowings relates to accrued interest on the bonds and term loan interest payable within one year of the balance sheet date.

Loans are classified as financial liabilities and measured at amortised cost.

21. Lease liabilities

	2020 US$m	2019 US$m
Short-term lease liabilities		
Land	**22.4**	19.6
Buildings	**1.1**	1.8
	23.5	21.4

	2020 US$m	2019 US$m
Long-term lease liabilities		
Land	**105.0**	101.4
Buildings	**3.1**	2.8
Motor vehicles	**0.1**	–
	108.2	104.2

The below undiscounted cash flows do not include escalations based on CPI or other indexes which change over time. Renewal options are considered on a case-by-case basis with judgements around the lease term being based on management's contractual rights and their current intentions.

The total cash paid on leases in the year was US$25.5 million (2019: US$20.9 million).

The profile of the outstanding undiscounted contractual payments fall due as follows:

	Within 1 year US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2020	**23.5**	**83.9**	**347.2**	**454.6**
31 December 2019	21.5	76.1	459.8	557.4

22. Uncompleted performance obligations

The table below represents uncompleted performance obligations at the end of the reporting period. This is total revenue which is contractually due to the Group, subject to the performance of the obligation of the Group related to these revenues. Management refers to this as contracted revenue.

	2020 US$m	2019 US$m
Total contracted revenue	**2,842.8**	2,871.7

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2020 for each year from 2021 to 2025, with local currency amounts converted at the applicable average rate for US dollars for the year ended 31 December 2020 held constant. Our contracted revenue calculation for each year presented assumes:

- no escalation in fee rates;
- no increases in sites or tenancies other than our committed tenancies;
- our customers do not utilise any cancellation allowances set forth in their MLAs;
- our customers do not terminate MLAs early for any reason; and
- no automatic renewal.

	Year ended 31 December				
(US$m)	2021	2022	2023	2024	2025
Tanzania	170.8	168.8	163.7	145.6	125.7
DRC	166.7	169.1	171.5	171.0	144.7
Congo Brazzaville	27.1	26.3	25.4	24.7	9.4
Ghana	33.6	31.9	31.0	30.4	30.1
South Africa	4.7	5.1	5.3	5.4	5.3
Total	**402.9**	**401.2**	**396.9**	**377.1**	**315.2**

23. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

During the year, the Group companies entered into the following commercial transactions with related parties:

	2020		2019	
	Income from towers US$m	**Purchase of goods US$m**	Income from towers US$m	Purchase of goods US$m
Millicom Holding B.V. and subsidiaries[1]	**72.2**	**–**	70.4	–
Ecost Building Management Pty	**–**	**–**	–	1.4
Vulatel (Pty) Ltd	**–**	**–**	0.2	0.3
Nepic Pty	**–**	**0.2**	0.3	–
Total	**72.2**	**0.2**	70.9	1.7

	2020		2019	
	Amount owed by US$m	**Amount owed to US$m**	Amount owed by US$m	Amount owed to US$m
Millicom Holding B.V. and subsidiaries[1]	**37.1**	**–**	22.9	–
Vulatel (Pty) Ltd[2]	**–**	**–**	0.2	–
Nepic Pty[2]	**–**	**–**	0.3	0.1
SA Towers Proprietary Limited[2]	**–**	**–**	–	1.5
Total	**37.1**	**–**	23.4	1.6

(1) Millicom Holding B.V is a shareholder of Helios Towers plc.
(2) No longer classified as related parties as of November 2020. See Note 13 for further details.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Based on the ECL model, no provisions have been made for loss allowances in respect of the amounts owed by related parties.

Amounts receivable from the related parties related to other Group companies are short term and carry interest varying from 0% to 15% per annum charged on the outstanding trade and other receivable balances (Note 15).

24. Other gains

	2020 US$m	2019 US$m
Fair value gain on derivative financial instruments	**33.8**	33.9
Fair value movement on forward contracts	**0.1**	–
Fair value movement in contingent consideration	**6.2**	–
	40.1	33.9

The contingent consideration related to the acquisition of the South African subsidiary undertakings in April 2019. As at balance sheet date this was US$nil (2019: US$9.5 million). A fair value gain of US$6.2 million has been recognised. The contingent consideration was for a two-year period ending April 2021, however during the year the Group acquired the remaining 34% and 10.5% of two subsidiaries; Helios Towers South Africa Holdings (Pty) Ltd and HTSA Towers (Pty) Ltd. As a result of this transaction the Group has no further obligation to settle any contingent consideration (refer to Note 13).

25. Share-based payments

Pre-IPO LTIP

Ahead of the IPO certain Directors, former Directors, Senior Managers and employees of the Group were granted nil-cost options in respect of shares up to an aggregate value of US$10 million based on an offer price of 115 pence and a US Dollar to pounds Sterling conversion rate of US$1:£0.7948 (the 'HT LTIP').

The Company issued 6,557,668 shares to the trustee of the Trust (or as it directs) immediately prior to IPO in order to satisfy future settlement of awards under the HT LTIP and nil-cost options under the HT MIPs. The Trust is consolidated into the Group.

These options become exercisable in tranches over a three-year period post-IPO. The award participants were entitled to exercise some of the share options on IPO.

In the event an option holder becomes a 'bad leaver', any of their options which have not yet become exercisable will lapse. Between the first anniversary and the third anniversary of admission to the London Stock Exchange, tranches of each participant's remaining entitlements (whether shares and/or options over shares) will cease to be subject to forfeiture in accordance with a defined schedule.

Number of options	2020	2019
As at 1 January	**2,085,596**	–
Granted during the year	**–**	6,557,668
Exercised during the year	**(315,732)**	(4,421,831)
Forfeited during the year	**–**	(50,241)
At 31 December	**1,769,864**	2,085,596
Of which:		
Vested and exercisable	**(728,970)**	(3,790)
Unvested	**1,040,894**	2,081,806

Fair value of options/share awards granted pre-IPO
The fair value at grant date is independently determined using a probability-weighted expected returns methodology, which is an appropriate future-orientated approach when considering the fair value of options/shares that have no intrinsic value at the time of issue. In this case the expected future returns were estimated by reference to the expected proceeds attributable to the underlying shares at IPO, as provided by management, including adjustments for expected net debt, transaction costs and priority returns to other shareholders. This is then discounted into present value terms adopting an appropriate discount rate. The capital asset pricing methodology was used when considering an appropriate discount rate to apply to the pay-out expected to accrue to the share awards on realisation.

Key assumptions:
- Expected exit dates 0 to 4 years;
- Probability weightings up to 25%;
- Expected range of exit multiples up to 10.0x;
- Expected forecast Adjusted EBITDA across two scenarios (management case and downside case) and respective probability weightings;
- Estimated proceeds per share; and
- Hurdle per share up to US$1.25.

The Group has in place one adopted discretionary share plan called the Helios Towers plc Employee Incentive Plan 2019 (the 'EIP'), details of which are set out in this Note.

Employee Incentive Plan
Following successful admission to the London Stock Exchange, the Company has adopted a discretionary share plan called the Helios Towers plc Employee Incentive Plan 2019 (the 'EIP'). The Employee Incentive Plan is designed to provide long-term incentives for senior managers and above (including Executive Directors) to deliver long-term shareholder returns. Participation in the plan is at the Remuneration Committee's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Shares received under the scheme by Executive Directors will be subject to a two-year post-vesting holding period. In all other respects the shares rank equally with other fully paid ordinary shares on issue.

In November 2019, the Group offered 4,271,821 nil cost share awards to selected Executive Directors and other senior executives. The equity settled awards comprise three equal and separate tranches which vest depending upon the achievement of the following performance targets over a three-year period:
- Relative TSR tranche;
- Adjusted EBITDA tranche; and
- ROIC tranche.

Set out below are summaries of options granted under the EIP.

	2020 Number of options	2019 Number of Options
As at 1 January	**4,271,821**	–
Granted during the year	**243,195**	4,271,821
Exercised during the year	**–**	–
Forfeited during the year	**(287,279)**	–
As at 31 December	**4,227,737**	4,271,821
Vested and exercisable at 31 December	**–**	–

The IFRS 2 charge recognised in the Consolidated Income Statement for the 2020 financial year in respect to the EIP was US$1.0 million (2019: US$0.08 million). All share options outstanding as at 31 December 2020 have a remaining contractual life of 8.9 years.

The fair value at grant date is independently determined using the Monte Carlo model. Key assumptions used in

valuing the share-based payment charge are as follows:

	Relative TSR tranche	Adjusted EBITDA tranche	ROIC tranche
Grant date	**19 Nov 2019**	**19 Nov 2019**	**19 Nov 2019**
Share price at grant date	**£1.22**	**£1.22**	**£1.22**
Fair value as a percentage of the grant price	**58.7%**	**100%**	**100%**
Term to vest (years)	**3.1**	**3.1**	**3.1**
Expected life from grant date (years)	**3.1**	**3.1**	**3.1**
Volatility	**30.5%**	**n/a**	**n/a**
Risk-free rate of interest	**0.5%**	**n/a**	**n/a**
Dividend yield	**n/a**	**n/a**	**n/a**
Average FTSE 250 volatility	**30.5%**	**n/a**	**n/a**
Average FTSE 250 correlation	**14%**	**n/a**	**n/a**
Fair value per share	**£0.72**	**£1.22**	**£1.22**

26. Financial instruments

Financial instruments held by the Group at fair value had the following effect on profit and loss:

	31 December 2020 US$m	31 December 2019 US$m
Balance brought forward	**41.0**	7.1
Change in fair value of derivative financial instrument – US$600m 9.125% Senior Notes 2022	**(41.0)**	33.9
Derivative financial instrument – US$975m 7.000% Senior Notes 2025	**85.7**	–
Currency forward contracts	**3.1**	–
Balance carried forward	**88.8**	41.0

Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. For all other assets and liabilities the carrying value is approximately equal to the fair value. The information set out below provides data about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

For those financial instruments measured at fair value, the Group has categorised them into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 13. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. There are no financial instruments which have been categorised as Level 1. There were no transfers between the levels in the year.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings disclosed in Notes 20 and 21, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the Statement of changes in equity.

Gearing ratio

The Group keeps its capital structure under review. The gearing ratio at the year-end is as follows:

	2020 US$m	2019 US$m
Debt (net of issue costs)	**1,121.1**	809.9
Cash and cash equivalents (excluding restricted cash – see Note 17)	**(428.7)**	(183.4)
Net debt	**692.4**	626.5
Equity attributable to the owners	**130.3**	175.9
	531%	356%

Debt is defined as long-term and short-term loans and lease liabilities, as detailed in Notes 20 and 21 respectively.

Equity includes all capital and reserves of the Group attributable to equity holders of the Company.

Externally imposed capital requirements
The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	2020 US$m	2019 US$m
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	**428.7**	221.1
Trade and other receivables	**131.3**	159.8
	560.0	380.9
Fair value through profit or loss:		
Derivative financial assets	**88.8**	41.0
	648.8	421.9
Financial liabilities		
Amortised cost:		
Trade and other payables	**91.9**	89.6
Contingent consideration	**–**	9.5
Lease liabilities	**131.7**	125.6
Loans	**989.4**	684.3
	1,213.0	909.0

As at 31 December 2020 and 31 December 2019, the Group had no cash pledged as collateral for financial liabilities.

The Directors estimate the amortised cost of borrowings and cash and cash equivalents is approximate to fair value.

Financial risk management objectives and policies
The Group's finance function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks. The finance function is supported by the Group's senior management, which advises on financial risks and the appropriate financial risk governance framework for the Group. Key financial risks and exposures are monitored through a monthly report to the Board of Directors, together with an annual Board review of corporate treasury matters. The Group has exposure to Sterling ('GBP') fluctuations, however this is not considered material.

Financial risk
The principal financial risks to which the Group is exposed through its activities are risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management
The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. The Group's main currency exposures were to the New Ghanaian Cedi ('GHS'), Tanzanian Shilling ('TZS'), Central African Franc ('XAF') and South African Rand ('ZAR') through its main operating subsidiaries.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
New Ghanaian Cedi	**11.6**	9.5	**35.8**	**17.8**
Tanzanian Shilling	**35.0**	83.5	**78.7**	**137.4**
South African Rand	**16.8**	12.2	**8.8**	**6.3**
Central African Franc	**6.0**	4.3	**19.7**	**16.0**
	69.4	109.5	**143.0**	**177.5**

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase in US Dollar against GHS, XAF, TZS and ZAR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable potential change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where US dollar weakens 10% against the GHS, XAF, TZS or ZAR. For a 10% strengthening of US Dollar against the GHS, XAF, TZS and ZAR, there would be an equal and opposite effect on the profit and other equity, on the basis that all other variables remain constant.

	Central African Franc impact		New Ghanaian Cedi impact		Tanzanian Shillings impact		South African Rand	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m
Impact on profit or loss	**(1.4)**	(1.2)	**(2.4)**	(0.8)	**(4.4)**	(5.4)	**0.8**	0.6

This is mainly attributable to the exposure outstanding on GHS, XAF, TZS and ZAR receivables and payables in the Group at the reporting date. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk for the Group or the Company as the year-end exposure does not reflect the exposure during the year. The Company is not significantly exposed to foreign currency fluctuations as most of its financial assets and financial liabilities are denominated in its functional currency.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Default does not occur later than when a financial asset is 90 days past due (unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.) Write-off happens at least a year after a financial asset has become credit impaired and when management does not have any reasonable expectations to recover the asset.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and other information provided by the counterparty (where appropriate) to deliver a credit rating for its major customers. As of 31 December 2020, the Group has a concentration risk with regards to four of its largest customers. The Group's exposure and the credit ratings of its counterparties and related parties are continuously monitored and the aggregate value of credit risk within the business is spread amongst a number of approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The carrying amount of the financial assets recorded in the Financial Statements, which is net of impairment losses, represents the Group's exposure to credit risk.

The Group uses the IFRS 9 ECL model to measure loss allowances at an amount equal to their lifetime expected credit loss.

In order to minimise credit risk, the Group has categorised exposures according to their degree of risk of default. The use of a provision matrix is based on a range of qualitative and quantitative factors that are deemed to be indicative of risk of default, and range from 1 (lowest risk of irrecoverability) to 5 (greatest risk of irrecoverability). Loss allowances for trade receivables from related parties held by the Company are deemed immaterial.

The below table shows the Group's trade and other receivables balance and associated loss allowances in each Group credit rating category.

		31 December 2020			31 December 2019		
Group Rating	**Risk of impairment**	**Gross exposure US$m**	**Loss allowance US$m**	**Net exposure US$m**	Gross exposure US$m	Loss allowance US$m	Net exposure US$m
1	Remote risk	**62.3**	**(0.3)**	**62.0**	94.9	(0.1)	94.8
2	Low risk	**10.6**	**(0.4)**	**10.2**	22.1	(0.8)	21.3
3	Medium risk	**–**	**–**	**–**	–	–	–
4	High risk	**13.2**	**(3.2)**	**10.0**	9.6	(3.0)	6.6
5	Impaired	**1.9**	**(1.9)**	**–**	2.5	(2.5)	–
Total		**88.0**	**(5.8)**	**82.2**	129.1	(6.4)	122.7

Liquidity risk management

The Group has long-term debt financing through Senior Loan Notes of US$975 million due for repayment in December 2025. The Group has a revolving credit facility of US$70 million for funding general corporate and working capital needs. As at 31 December 2020 the facility was undrawn and is available until December 2024. The Group has remained compliant during the year to 31 December 2020 with all the covenants contained in the Senior Credit facility. In June 2020 HTA Group Ltd, a wholly owned subsidiary of the Group, signed a US$200 million term loan agreement. As at 31 December 2020 none of the available term loan balance was drawn.

Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and continuously monitoring forecast and actual cash flows including consideration of appropriate sensitivities.

Non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table below includes principal cash flows.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2020					
Non-interest bearing	**91.9**	**–**	**–**	**–**	**91.9**
Fixed interest rate instruments	**26.1**	**23.0**	**1,047.7**	**347.2**	**1,444.0**
	118.0	**23.0**	**1,047.7**	**347.2**	**1,535.9**
31 December 2019					
Non-interest bearing	89.6	–	–	–	89.6
Fixed interest rate instruments	40.7	19.8	721.3	459.8	1,241.6
	130.3	19.8	721.3	459.8	1,331.2

Non-derivative financial assets

The following table details the Group's expected maturity for other non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets except where the Group anticipates that the cash flow will occur in a different period.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2020					
Non-interest bearing	**560.0**	**–**	**–**	**–**	**560.0**
Fixed interest rate instruments	**–**	**–**	**-**	**–**	**–**
	560.0	**–**	**–**	**–**	**560.0**
31 December 2019					
Non-interest bearing	380.9	–	–	–	380.9
Fixed interest rate instruments	–	–	–	–	–
	380.9	–	–	–	380.9

Derivative financial instruments assets

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

The derivatives represent the fair value of the put and call options embedded within the terms of the Senior Notes. The call options give the Group the right to redeem the Senior Notes instruments at a date prior to the maturity date (18 December 2025), in certain circumstances and at a premium over the initial notional amount. The put option provides the holders with the right (and the Group with an obligation) to settle the Senior Notes before their redemption date in the event of a change in control resulting in a rating downgrade (as defined in the terms of the Senior Notes, which also includes a major asset sale), and at a premium over the initial notional amount. The options are fair valued using an option pricing model that is commonly used by market participants to value such options and makes the maximum use of market inputs, relying as little as possible on the entity's specific inputs and making reference to the fair value of similar instruments in the market. The options are considered a Level 3 financial instrument in the fair value hierarchy of IFRS 13, owing to the presence of unobservable inputs. Where Level 1 (market observable) inputs are not available, the Helios Group engages a third-party qualified valuer to perform the valuation. Management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The Senior Notes are quoted and it has an embedded derivative. The fair value of the embedded derivative is the difference between the quoted price of the Senior Notes and the fair value of the host contract (the Senior Notes excluding the embedded derivative). The fair value of the Senior Notes as at the valuation date has been sourced from an independent third-party data vendor. The fair value of the host contract is calculated by discounting the Senior Notes' future cash flows (coupons and principal payment) at USD 3-month LIBOR plus Helios Towers' credit spread. For the valuation date of 31 December 2020, a relative 1% increase in credit spread would result in an approximate US$1.4 million decrease in the valuation of the embedded derivatives.

As at the reporting date, the call option had a fair value of US$85.7 million (31 December 2019: US$41.0 million on the US$600 million 9.125% Senior Notes 2022), while the put option had a fair value of US$0 million (31 December 2019: US$0 million). The increase in the fair value of the call option is attributable the tightening of the Group's credit spread, which is in line with the market movement due to the impact of Covid-19 on financial markets.

The key assumptions in determining the fair value are: the quoted price of the bond as at 31 December 2020; the credit spread; and the yield curve. The probabilities relating to change of control and major asset sale represent a reasonable expectation of those events occurring that would be held by a market participant.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2020					
Net settled:					
Embedded derivatives	**–**	**–**	**(85.7)**	**–**	**(85.7)**
	–	**–**	**(85.7)**	**–**	**(85.7)**
31 December 2019					
Net settled:					
Embedded derivatives	–	–	(41.0)	–	(41.0)
	–	–	(41.0)	–	(41.0)

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in Notes 20 and 21 respectively.

27. Contingent liabilities

In the year ended 31 December 2020, the Congo Brazzaville tax authority issued an assessment on a number of taxes including VAT and corporate income tax for the years 2016 and 2017 of approximately US$3.0 million, of which a provision amounting to US$0.2 million has been provided for in the Congo Brazzaville accounts, as a future tax outflow is expected and the remaining US$2.8 million is subject to an ongoing appeal process.

The Directors are working with their advisers and are in discussion with the tax authorities to bring the matter to conclusion based on the facts. The Directors believe that the potential future cash outflows in relation to certain elements of the tax audit are not considered probable and cannot be measured reliably.

Other tax, and regulatory proceedings, claims and unresolved disputes are pending against Helios Towers in respect of which the timing of resolution and potential outcome (including any future financial obligations) are

uncertain and no provisions have been recognised in relation to these matters.

Legal claims
Other legal and regulatory proceedings, claims and unresolved disputes are pending against Helios Towers in respect of which the timing of resolution and potential outcome (including any future financial obligations) are uncertain and no provisions have been recognised in relation to these matters.

28. Net debt

	2020 US$m	2019 US$m
External debt	**(989.4)**	(684.3)
Lease liabilities	**(131.7)**	(125.6)
Cash and cash equivalents	**428.7**	221.1
Restricted cash	**–**	(37.7)
Net debt	**(692.4)**	(626.5)

2020	**At 1 January 2020 US$m**	**Cash flows US$m**	**Other[(1)] US$m**	**At 31 December 2020 US$m**
Cash and cash equivalents	**183.4**	**245.2**	**0.1**	**428.7**
External debt	**(684.3)**	**(279.8)**	**(25.3)**	**(989.4)**
Lease liabilities	**(125.6)**	**8.3**	**(14.4)**	**(131.7)**
Total financing liabilities	**(809.9)**	**(271.5)**	**(39.7)**	**(1,121.1)**
Net debt	**(626.5)**	**(26.3)**	**(39.6)**	**(692.4)**

2019	At 1 January 2019 US$m	Cash flows US$m	Other[(1)] US$m	At 31 December 2019 US$m
Cash and cash equivalents	89.0	94.9	(0.5)	183.4
External debt	(628.1)	(50.0)	(6.2)	(684.3)
Lease liabilities	(118.4)	5.4	(12.6)	(125.6)
Total financing liabilities	(746.5)	(44.6)	(18.8)	(809.9)
Net debt	(657.5)	50.3	(19.3)	(626.5)

(1) Other includes foreign exchange and interest movements.

Refer to Note 20 for further details on the year on year movements in short-term loans and long-term loans.

29. Earnings per share

Basic earnings per share has been calculated by dividing the total loss for the year by the weighted average number of shares in issue during the year after adjusting for shares held in Employee Benefit Trusts.

To calculate diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares. Share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year are considered to be dilutive potential shares. Where share options are exercisable based on performance criteria and those performance criteria have been met during the year, these options are included in the calculation of dilutive potential shares.

The Directors believe that Adjusted EBITDA per share is representative of the operations of the business (refer to Note 4).

Earnings per share is based on:

	2020 US$m	2019 US$m
Loss after tax for the year attributable to owners of the Company	**(36.7)**	(136.0)
Adjusted EBITDA (Note 4)	**226.6**	205.2

	2020 Number	2019 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**997,517,010**	926,493,633
Weighted average number of dilutive potential shares	**6,527,541**	998,232
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,004,044,551**	927,491,865

Loss per share	2020 cents	2019 cents
Basic	**(4)**	(15)
Diluted	**(4)**	(15)

Adjusted EBITDA per share	2020 cents	2019 cents
Basic	**23**	22
Diluted	**23**	22

The calculation of basic and diluted earnings per share is based on the net loss attributable to equity holders of the Company entity for the year of US$36.7 million (2019: US$136.0 million). Basic and diluted earnings per share amounts are calculated by dividing the net loss attributable to equity shareholders of the Company entity by the weighted average number of shares outstanding during the year.

The calculation of Adjusted EBITDA per share and diluted EBITDA per share are based on the Adjusted EBITDA earnings for the year of US$226.6 million (2019: US$205.2 million). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

30. Acquisition of subsidiary undertakings 2019

On 30 April 2019, the Group acquired 89.5% of the voting equity shares of Helios Towers South Africa Holdings (Pty) Ltd and simultaneously entered into agreements with SA Towers Proprietary Limited and Sky Coverage Proprietary Limited, to purchase certain employee contracts and business assets comprising towers, tower sites and related assets as well as to transfer certain tenant leases. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations ('IFRS 3') using the acquisition method. The total consideration in respect of this transaction was US$20.0 million. Goodwill arising on this business combination has been allocated to the South Africa CGU. This acquisition is in line with the Group's strategy.

This business combination had the following effect on the Group's assets and liabilities:

	30 April 2019 US$m
Identifiable assets acquired:	
Assets	
Fair value of property, plant and equipment	7.6
Fair value of intangible assets	11.5
Other assets	0.2
Total assets	**19.3**
Liabilities	
Assumed liabilities	(0.1)
Deferred income	(0.1)
Deferred taxation	(3.2)
Total net identifiable assets	**15.9**
Goodwill on acquisition	4.1
Total consideration	**20.0**
Consideration paid in cash	10.6
Consideration paid in shares	0.1
Contingent consideration	9.3
Total consideration	**20.0**

The goodwill is mainly attributable to the workforce and the future lease-up potential of the sites acquired and is expected to be deductible for tax purposes.

Acquisition related contingent consideration
The contingent consideration balance is dependent on the timing of sites under construction being fully completed in accordance with technical specifications. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between US$nil and US$12.0 million undiscounted. The fair value of the contingent consideration arrangement of US$9.3 million was estimated at 30 April 2019 based on management knowledge of market outlook and future pipeline. There was no change in the fair value of the contingent consideration for the year ended 31 December 2019. The contingent consideration liability is categorised as Level 3 in the fair value hierarchy of IFRS 13. The calculation of the fair value of the contingent consideration balance is most sensitive to changes in the following assumptions:
- number of sites coming on-air between 310 and 500;
- timing of sites coming on-air for a period of two years; and
- discount rate ranging from 15% to 20%.

As at 31 December 2020 the contingent consideration was US$nil (2019: US$9.5 million). Please refer to Notes 13 and 24 for further details.

The Group incurred acquisition-related costs of US$0.7 million related to the above business combination in 2019. These costs have been included in deal costs in the Group's consolidated income statement. For the period from 30 April 2019 to 31 December 2019 this acquisition contributed revenue of US$1.7 million and a loss of US$1.9 million.

The Group has assessed the fair value of the assets acquired at US$19.3 million, in terms of IFRS 3, based on appropriate valuation methodology. The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Depreciated replacement cost adjusted for physical deterioration as well as functional and economic obsolescence
Intangible assets (customer contracts)	Multi-period excess earnings method which considers the present value of net cash flows expected to be generated by the customer relationships

31. Subsequent events
There are no reportable events after the balance sheet date.

Glossary

We have prepared the interim report using a number of conventions, which you should consider when reading information contained herein as follows:

All references to 'we', 'us', 'our', 'HT Group', 'Helios Towers' our 'Group' and the 'Group' are references to Helios Towers, plc and its subsidiaries, taken as a whole.

'**2G**' means the second-generation cellular telecommunications network commercially launched on the GSM and CDMA standards.

'**3G**' means the third-generation cellular telecommunications networks that allow simultaneous use of voice and data services, and provide high-speed data access using a range of technologies.

'**4G**' or '**4G LTE**' means the fourth-generation cellular telecommunications networks that allow simultaneous use of voice and data services, and provide high-speed data access using a range of technologies (these speeds exceed those available for 3G).

'**5G**' means the fifth generation cellular telecommunications networks. 5G does not currently have a publicly agreed upon standard; however, it provides high-speed data access using a range of technologies that exceed those available for 4G.

'**Adjusted cash and cash equivalents**' means cash and cash equivalents excluding restricted cash.

'**Adjusted EBITDA**' is defined by management as loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairments of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.

'**Adjusted EBITDA margin**' means Adjusted EBITDA divided by revenue.

'**Adjusted free cash flow**' means portfolio free cash flow less net payment of interest and discretionary capital additions.

'**Adjusted gross margin**' means Adjusted Gross Profit, divided by revenue.

'**Adjusted gross profit**' means gross profit adding back site and warehouse depreciation.

'**Adjusted operating profit/(loss)**' means operating profit/(loss) adjusted for loss on disposal of property, plant and equipment, deal costs, share-based payments and long-term incentive plan charges, and adjusting items. Adjusting items are material items that are considered one-off in nature by management by virtue of their size and/or incidence.

'**Africa's Big-Five MNOs**' means Airtel, MTN, Orange, Tigo and Vodacom/Vodafone.

'**Airtel**' means Airtel Africa.

'**ALU**' means average lease-up, the number of colocation tenancies added to our portfolio in a defined period of time divided by the average number of total sites for the same period of time, excluding colocations acquired as part of site acquisitions reported as of a certain date.

'**amendment colocation tenant**' means tenants that add or modify equipment, taking up additional space, wind load capacity and/or power consumption under an existing lease agreement. The Group calculates amendment colocations on a weighted basis as compared to the market average rate for a standard tenancy in the month the amendment is added.

'**amendment revenue**' means revenue from amendments to existing site contracts when tenants add or modify equipment, taking up additional vertical space, wind load capacity and/or power consumption under an existing site contract.

‘**anchor tenant**’ means the primary customer occupying each site.

‘**ARPU**’ means average revenue per user.

‘**average remaining life**’ means the average of the periods through to the expiration of the term under certain agreements.

‘**APMs**’ Alternative Performance Measures are measures of financial performance, financial position or cash flows that are not defined or specified under IFRS but used by the Directors internally to assess the performance of the Group.

‘**build-to-suit/BTS**’ means sites constructed by our Group on order by a MNO.

‘**CAGR**’ means compound annual growth rate.

‘**CODM**’ means Chief Operating Decision Maker.

‘**colocation**’ means the sharing of site space by multiple customers or technologies on the same site, equal to the sum of standard colocation tenants and amendment colocation tenants.

‘**colocation tenant**’ means each additional tenant on a site in addition to the primary anchor tenant and is classified as either a standard or amendment colocation tenant.

‘**committed colocation**’ means contractual commitments relating to prospective colocation tenancies with customers.

‘**Company**’ means Helios Towers, Ltd prior to 17 October 2019, and Helios Towers plc on or after 17 October 2019.

‘**Congo Brazzaville**’ otherwise also known as the Republic of Congo.

contracted revenue’ means total undiscounted revenue as at that date with local currency amounts converted at the applicable average rate for US dollars held constant. Our contracted revenue calculation for each year presented assumes: (i) no escalation in fee rates, (ii) no increases in sites or tenancies other than our committed tenancies (which include committed colocations and/or committed anchor tenancies), (iii) our customers do not utilise any cancellation allowances set forth in their MLAs (iv) our customers do not terminate MLAs early for any reason and (v) no automatic renewal.

‘**corporate capital expenditure**’ primarily relates to furniture, fixtures and equipment.

‘**DRC**’ means Democratic Republic of Congo.

‘**Eagle Towers site acquisition**’ means the acquisition of 65 sites in South Africa from Eagle Towers SA (RF) (Pty) Ltd.

‘**edge data centre**’ means secure temperature-controlled technical facilities which are smaller than a standard core network data centre and positioned on the edge of a telecommunications network. They are used by operators to regenerate fibre signal, deliver cloud computing resources or cache streaming content for local users.

‘**Free Cash Flow**’ means Adjusted Free Cash Flow less cash flows from changes in working capital adjusting items, deal costs, the Vodacom Tanzania plc share repurchases and the proceeds from the disposal of assets.

‘**Free Senegal**’ means Saga Africa Holdings Limited SA (which operates under the ‘Free’ trademark).

‘**Free Senegal MTSA**’ means the MTSA with Free Senegal for the provision of hosting and energy services on the acquired sites and build-to-suit sites.

‘**Free Senegal site acquisition**’ means the acquisition of 1,220 sites in Senegal from Free Senegal and the entry into the Free Senegal MTSA.

‘**G7 countries**’ means each of the United States, Canada, France, Germany, Italy, Japan and the United Kingdom.

‘**Ghana**’ means the Republic of Ghana.

‘**gross debt**’ means non-current loans and current loans and long-term and short-term lease liabilities.

‘**gross leverage**’ means gross debt divided by last quarter annualised Adjusted EBITDA.

‘**gross margin**’ means gross profit, adding site and warehouse depreciation, divided by revenue.

‘**growth capex**’ or ‘**growth capital expenditure**’ relates to (i) construction of build-to-suit sites (ii) installation of colocation tenants and (ii) and investments in power management solutions.

‘**GSM**’ means Global System for Mobile Communication, a standard for digital mobile communications.

‘**Group**’ means Helios Towers, Ltd (‘**HTL**’) and its subsidiaries prior to 17 October 2019, and Helios Towers plc and its subsidiaries on or after 17 October 2019.

‘**Hardiman’** means Hardiman Telecommunications Ltd.

‘**Helios Towers Congo Brazzaville**’ or ‘**HT Congo Brazzaville**’ means Helios Towers Congo Brazzaville SASU.

‘**Helios Towers DRC**’ or ‘**HT DRC**’ means HT DRC Infraco SARL.

‘**Helios Towers Ghana**’ or ‘**HT Ghana**’ means HTG Managed Services Limited.

‘**Helios Towers plc**’ means the ultimate Company of the Group.

‘**Helios Towers South Africa**’ or ‘**HTSA**’ means Helios Towers South Africa Holdings (Pty) Ltd and its subsidiaries.

‘**Helios Towers Tanzania**’ or ‘**HT Tanzania**’ means HTT Infraco Limited.

‘**HSE**’ means Health, Safety and Environment.

‘**IBS**’ means in-building cellular enhancement.

‘**ISA**’ means individual site agreement.

‘**ISP**’ means Internet Service Provider.

‘**IFRS**’ means International Financial Reporting Standards as adopted by the European Union.

‘**independent tower company**’ means a tower company that is not affiliated with a telecommunications operator.

‘**last quarter annualised Adjusted EBITDA**’ or ‘**LQA Adjusted EBITDA**’ means Adjusted EBITDA for the last three months of the respective period, multiplied by four.

‘**LCY**’ means Local Currency.

‘**lease-up**’ means the addition of colocation tenancies to our sites.

‘**Levered portfolio free cash flow**’ means Portfolio free cash flow less net payment of interest.

‘**liquidated damages**’ means provisions that generally require the Group to make a payment to the customer, most often by means of set-off against service fees payable by the customer, if the Group fails to uphold a specified level of uptime.

‘**LTE**’ means Long-Term Evolution, designed to increase the capacity and speed of mobile telephone networks according to the standard developed by the 3GPP consortium, frequently referred to as 4G or 4th generation. Some of the key assumptions of the system are: (i) data transmission at speeds faster than 3G; (ii) ready for new serviced types; (iii) architecture simplified in comparison to 3G; and (iv) provisions for open interfaces.

‘**LTIFR**’ means the number of incidents requiring days away from work due to occupational injuries per 1 million man hours worked.

‘**maintenance capital expenditure**’ means capital expenditures for periodic refurbishments and replacement of parts and equipment to keep existing sites in service.

‘**maintained sites**’ means sites that are maintained by the Group on behalf of a telecommunications operator but which are not marketed by the Group to other telecommunications operators for colocation (and in respect of which the Company has no right to market).

‘**managed sites**’ means sites that the Group currently manages but does not own due to either: (i) certain conditions for transfer under the relevant acquisition documentation, ground lease and/or law not yet being satisfied; or (ii) the site being subject to an agreement with the relevant MNO under which the MNO retains ownership and outsources management and marketing to the Company.

‘**Mauritius**’ means the Republic of Mauritius.

‘**Millicom**’ means Millicom International Cellular SA.

‘**MLA**’ means master lease agreement.

‘**MNO**’ means mobile network operator.

‘**mobile penetration**’ means the amount of active mobile phone subscriptions as a percentage of the total market for active mobile phones.

‘**MTN**’ means MTN Group Ltd.

‘**MTSAs**’ means master tower services agreements.

‘**net debt**’ means gross debt less adjusted cash and cash equivalents.

‘**net leverage**’ means net debt divided by last quarter annualised Adjusted EBITDA.

‘**net receivables**’ means total trade receivables (including related parties) and accrued revenue, less deferred income.

‘**network PoS**’ means the different technology placed on a site by a single MNO, for example, installing of 3G equipment on a site where the MNO may already have 2G equipment.

‘**NOC**’ means network operating centre.

‘**online site**’ means a site which is operating and generating revenue.

‘**Orange**’ means Orange S.A.

‘**our established markets**’ refers to Tanzania, DRC, Congo Brazzaville, Ghana and South Africa.

‘**our markets**’ or ‘**markets in which we operate**’ refers to Tanzania, DRC, Congo Brazzaville, Ghana and South Africa.

‘**owned sites**’ means freehold or leasehold sites where we own the telecommunications passive infrastructure and any equipment relating to power provision and security. We are responsible for maintaining and securing the site as well as obtaining the relevant permits and, if applicable, ground leases relating to the sites.

‘**performance against SLA**’ means with respect to a given customer, the uptime achieved for a given period divided by the maximum required contractual downtime in such customer’s SLA, as applicable.

‘**Portfolio free cash flow**’ defined as Adjusted EBITDA less maintenance and corporate capital additions, payments of lease liabilities (including interest and principal repayments of lease liabilities) and tax paid.

‘**PoS**’ means points of service, which is an MNO’s antennae equipment configuration located on a site to provide signal coverage to subscribers. At Helios Towers, a standard PoS is equivalent to one tenant on a tower.

‘**Principal Shareholders**’ means Millicom Holding B.V., Quantum Strategic Partners, Ltd., Lath Holdings Ltd., ACM Africa Holdings, LP, RIT Capital Partners plc, IFC African, Latin American and Caribbean Fund, LP and International Finance Corporation.

‘**pro forma last quarter annualised Adjusted EBITDA**’ means the last quarter annualised Adjusted EBITDA for the last three months of the respective period, as further adjusted to reflect the estimated contribution to Adjusted EBITDA for the Free Senegal Site Acquisition.

‘**SA Towers**’ means SA Towers (Pty) Ltd.

‘**Senegal**’ means the Republic of Senegal.

‘**Shares**’ means the shares in the capital of the Company.

‘**Shareholders Agreement**’ means the agreement entered into between the Principal Shareholders and the Company on 15 October 2019, which grants certain governance rights to the Principal Shareholders and sets out a mechanism for future sales of shares in the capital of the Company.

‘**SHEQ**’ means Safety, Health, Environment and Quality.

‘**site acquisition**’ means a combination of MLAs or MTSAs, which provide the commercial terms governing the provision of site space, and individual ISA, which act as an appendix to the relevant MLA or MTSA, and include site-specific terms for each site.

‘**site agreement**’ means the MLA and ISA executed by us with our customers, which act as an appendix to the relevant MLA and includes certain site-specific information (for example, location and any grandfathered equipment).

‘**SLA**’ means service-level agreement.

‘**small cells**’ means low-powered cellular radio access nodes that operate in licensed and unlicensed spectrum that have a range of ten metres to a few kilometres.

‘**South Africa**’ means the Republic of South Africa.

‘**standard colocation**’ means tower space under a standard tenancy site contract rate and configuration with defined limits in terms of the vertical space occupied, the wind load and power consumption.

‘**standard colocation tenant**’ means a customer occupying tower space under a standard tenancy lease rate and configuration with defined limits in terms of the vertical space occupied, the wind load and power consumption.

‘**strategic suppliers**’ means suppliers that deliver products or provide us with services deemed critical to executing our strategy such as site maintenance and batteries.

‘**Sub-Saharan Africa**’ or ‘**SSA**’ means African countries that are fully or partially located south of the Sahara.

‘**Tanzania**’ means the United Republic of Tanzania.

‘**telecommunications operator**’ means a company licensed by the government to provide voice and data communications services.

‘**tenancy**’ means a space leased for installation of a base transmission site and associated antennae.

‘**tenancy ratio**’ means the total number of tenancies divided by the total number of our sites as of a given date and represents the average number of tenants per site within a portfolio.

‘**tenant**’ means an MNO that leases vertical space on the tower and portions of the land underneath on which it installs its equipment.

‘**Tigo**’ refers to one or more subsidiaries of Millicom that operate under the commercial brand ‘Tigo’.

‘**total colocations**’ means standard colocations plus amendment colocations as of a given date.

‘**total online sites**’ or ‘**total sites**’ means total towers, IBS sites, edge data centres or sites with customer equipment installed on third-party infrastructure that are owned and/or managed by the Company with each reported site having at least one active customer tenancy as of a given date.

‘**total tenancies**’ means total anchor, standard and amendment colocation tenants as of a given date.

‘**tower contract**’ means the MLA and ISA executed by us with our customers, which act as a schedule to the relevant MLA and includes certain site-specific information (for example, location and equipment).

‘**tower sites**’ means ground-based towers and rooftop towers and installations constructed and owned by us on property (including a rooftop) that is generally owned or leased by us.

‘**UK Corporate Governance Code**’ means the UK Corporate Governance Code published by the Financial Reporting Council and dated July 2018, as amended from time to time.

‘**upgrade capex**’ or ‘**upgrade capital expenditure**’ comprises structural, refurbishment and consolidation activities carried out on selected acquired sites.

‘**Viettel**’ means Viettel Tanzania Limited.

‘**Vodacom**’ means Vodacom Group Limited.

‘**Vodacom Tanzania**’ means Vodacom Tanzania plc.

‘**Vulatel**’ means Vulatel (Pty) Ltd.

‘**Zantel**’ means Zantel Telecom plc.

Disclaimer:
This release does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Helios Towers plc (the ‘Company’) or any other member of the Helios Towers group (the ‘Group’), nor should it be construed as legal, tax, financial, investment or accounting advice. This document contains forward-looking statements which are subject to known and unknown risks and uncertainties because they relate to future events, many of which are beyond the Group’s control. These forward-looking statements include, without limitation, statements in relation to the Company’s financial outlook and future performance. No assurance can be given that future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group.

You are cautioned not to rely on these forward -looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances. Nothing in this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of the Company or the Group or their businesses.

This release also contains non-GAAP financial information which the Directors believe is valuable in understanding the performance of the Group. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Group’s industry. Although these measures are important in the assessment and management of the Group’s business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

Auditor's report on Reports and Accounts 2020

The financial information set out above does not constitute the Company's full statutory accounts for the year ended 31 December 2020 for the purposes of section 435 of the Companies Act 2006, but it is derived from those accounts. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

Responsibility statement of the Directors in respect of the Report and Accounts 2020

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and;
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.