

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

## Helios Towers plc

### Helios Towers agrees to acquire over 1,200 sites from Free Senegal for €160 million

*Transaction supports entrance into a new market*

*Build-to-suit commitment for at least 400 additional new sites*

**London, 12 August 2020:** Helios Towers plc ("Helios Towers", the "Group"), the independent telecommunications infrastructure company, has signed an agreement with Free Senegal – the second largest mobile operator in Senegal backed by a consortium of investors including NJJ, the founder of the Iliad S.A. group Xavier Niel's private holding company, Teyliom Group and Axian Group – to acquire its passive infrastructure assets, for an upfront cash consideration of €160 million (c.\$189 million) (the "Transaction"). This represents an enterprise value of €178m (c.\$210m) including an estimated €18m (c.\$21m) of taxes and capitalised ground leases.

Deferred consideration and growth capex of €40m (\$47m) and c.€30m (\$35m) respectively are expected to be invested over the next 5 years in relation to the rollout of 400 committed new build-to-suit sites.

Helios Towers and Free Senegal have entered into a 15-year service agreement for the provision of hosting and energy services on the acquired sites and the sites to be built in the future.

Through this Transaction Helios Towers will become the largest independent tower infrastructure provider in Senegal with 1,220 sites. These assets are expected to initially deliver run-rate revenues of €32 million (c.\$38 million) and run-rate adjusted EBITDA of €16 million (c.\$19 million). The net profit before tax generated by the assets to be acquired in this Transaction as at 31 December 2019 was €11 million (\$12 million).

Similar to Helios Towers other markets, Senegal represents a compelling market for telecoms with its combination of a young, growing and increasingly urbanised population plus high GDP growth, as well as benefitting from a hard currency Euro-pegged environment. These dynamics will continue to drive increasing demand for mobile communications and consequently the infrastructure supporting it.

Helios Towers' intention is to materially increase the tenancy ratio of the tower portfolio over time and bring to bear the benefits of its highly effective operating processes and disciplines, all of which have been key a feature of the Group's value creation strategy over the past 10 years.

It is anticipated that the Transaction will close by Q1 2021 subject to customary completion conditions and regulatory approval. The Transaction will be fully financed by Helios Towers existing cash and debt facilities and it is expected to be immediately accretive to earnings.

#### **Commenting on the Transaction, Kash Pandya, Chief Executive of Helios Towers said:**

"This agreement is aligned perfectly with our 2025 strategic ambitions, broadening our footprint within the African towers infrastructure market. We are acquiring a market-leading independent position in Senegal with long-term contracted revenues and a clear path to value creation through additional organic tower development, uplifts in the tenancy ratio and improved operational

effectiveness, all built on the foundation of 15-year contracts. We look forward to working with Free Senegal and the other MNOs over the coming years to further develop mobile infrastructure in Senegal."

**Mamadou Mbengue, Chief Executive of Free Senegal added:**

"We are very pleased to partner with Helios Towers through the acquisition of our passive infrastructure portfolio and new long term service agreement. The transaction will allow Free Senegal to further expand its network mobile coverage in Senegal by partnering with the leading Tower Company in the region. We look forward to working closely with them in the future as a service partner of choice as we both look to further improve mobile connectivity and infrastructure for the Senegalese people and aligned with the digital plan for the Country 'Senegal 2025'."

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**About Helios Towers ("HT")**

- Helios Towers is a leading independent telecommunications tower infrastructure company in Africa, having established one of the continent's most extensive tower portfolios with close to 7,000 towers across five countries. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.
- HT owns and operates more sites than any other operator in each of Tanzania, Democratic Republic of Congo ("DRC"), and Congo Brazzaville. It is also a leading operator in Ghana with a strong urban presence and established a presence in South Africa in 2019.
- HT 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.

**About Free in Senegal ("Free")**

- Free Senegal is the second largest mobile network operator in Senegal with more than 25% market share and more than 4.5m of subscribers as of March 2020. The company rebranded as Free Senegal in October 2019, following the company's acquisition by the Saga Africa Holdings consortium in April 2018. Saga Africa Holdings Limited ("SAHL"), a consortium owned by NJJ, Teyliom Group and Axian Group.
- Over the past 2 years, SAHL has helped Free expand and densify its network, supporting its strategy to invest in its network in order to ensure the best possible quality of service as network quality is critical to Free's strategic objectives.