Helios Towers plc
Annual Report and
Financial Statements
2021

Driving the growth of mobile communications across Africa and the Middle East

Who we are

Helios Towers is a leading independent telecommunications infrastructure company, focused on driving the growth of mobile communications across Africa and the Middle East.

We serve the major mobile network operators ('MNOs') and operate today across seven high-growth markets. Through signed acquisition agreements, we expect to extend our presence into three new attractive markets, making us the most diversified towerco in Africa and the Middle East.

Business excellence sits at the heart of our Company: exceptional customer service, efficient operations and empowered localised teams combine to create sustainable value for all our stakeholders.

Our mission

Our mission is to drive the growth of mobile communications across Africa and the Middle East.

Our purpose

Our purpose is to deliver exceptional customer service through our business excellence platform, and create sustainable value for all our people, environments, customers, communities and investors.

Our values

Central to everything we do are the Company's core values:

- Integrity, always striving to do the right thing.
- Partnership with all our stakeholders, based on mutual respect and benefiting from each other.
- Excellence, and our constant goal to be the best we can be.

Our strategic pillars

Our Sustainable Business Strategy is distilled into three interdependent pillars, and we indicate key performance indicators ('KPIs') linked to them using the symbols below:

- Network access and sustainable development
- Business excellence and efficiency
- Empowered people and partnerships

See more on pages 22–39

2021 highlights

Group financial KPIs

Revenue US$m

+8%

2021	449.1
2020	414.0
2019	387.8

Adjusted EBITDA^Δ US$m

+6%

2021	240.6
2020	226.6
2019	205.2

Operating profit/(loss) US$m

+5%

2021	59.0
2020	56.3
2019	(4.5)

Adjusted EBITDA margin^Δ %

(1ppt)

2021	53.6
2020	54.7
2019	52.9

Group strategic KPIs

Sites

+30%

2021	9,560
2020	7,356
2019	6,974

Tenancies

+20%

2021	18,776
2020	15,656
2019	14,591

Tenancy ratio

(0.17x)

2021	1.96x
2020	2.13x
2019	2.09x

Δ Alternative Performance Measures are defined in the Alternative Performance Measures section of this Annual Report on page 68–70.

Overview

Strategic Report

Governance Report

Financial Statements

At a glance

Who we are

Our principal business is building, acquiring and operating telecommunications towers that can accommodate and power the needs of multiple tenants.

These tenants are predominantly blue-chip MNOs, who provide wireless voice and data services to consumers and businesses.

Our infrastructure-sharing model enables MNOs to roll out and densify mobile coverage more quickly, cost-effectively and with a lower environmental impact. In turn, this means that individuals and communities across our markets can experience the life-changing benefits of mobile more rapidly.

We offer MNOs a comprehensive passive infrastructure solution that includes site selection and preparation, maintenance, security, power management, and hosting of active equipment such as antennae.

These services are governed by contracts that are long in tenure, typically ten to fifteen years, and provide a robust and high-quality base of contracted revenues.

We operate in seven markets across Africa today, and through signed acquisition agreements, expect to enter three new attractive markets across Africa and the Middle East. All share similar qualities: strong population growth, low mobile penetration, multiple MNOs and a tower and power infrastructure gap. Combined, these characteristics present a compelling structural growth opportunity for our business.

Our assets

Sites

9,560

Tenancies

18,776

Partners and contractors

>9,700

People covered by our towers

>139m

Employees

550

of whom, 97% of our OpCo colleagues are local

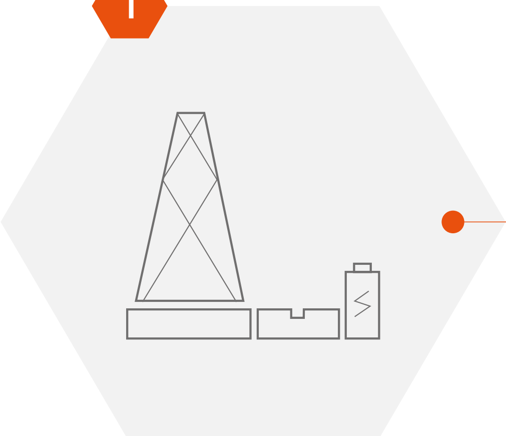
Contracted revenues

$3.9bn

of which, 99% is attributable to blue-chip MNOs

What we do

1



Acquire and build towers

We grow our tower portfolio through acquisitions, and organically through build-to-suit ('BTS') sites

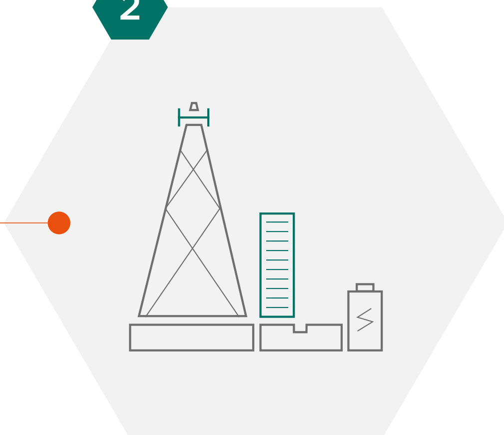
- Our BTS model is entirely demand driven
- We only construct towers after a contracted anchor order from an MNO

2

Initial customer: anchor tenant

The anchor tenant places their active equipment onto the HT tower

- This anchor tenant owns the active equipment and outdoor cabinet
- HT owns and maintains all the passive infrastructure and power systems



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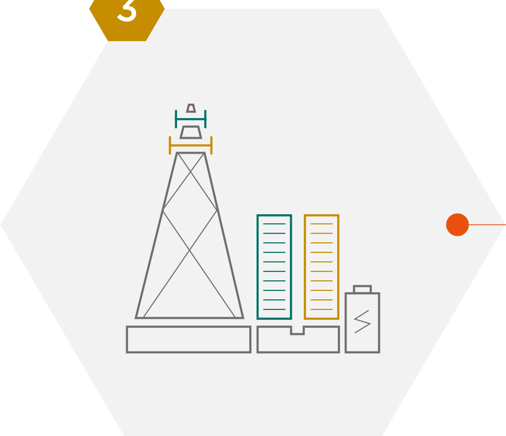


Additional customers: standard colocation tenants

Additional tenants add their active equipment onto the HT tower, sharing the tower space with the anchor tenant

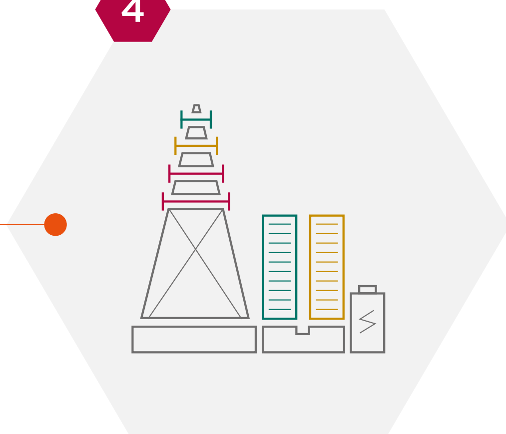
- Colocations are central to our business model
- Colocations drive earnings growth with minimal additional opex or capex

4

Additional equipment: amendment colocation tenants

Existing customers on a tower (the anchor tenant or standard colocation tenants) modify or add additional equipment

- Additional revenues are generated from the increased space and/or power requirements of additional equipment

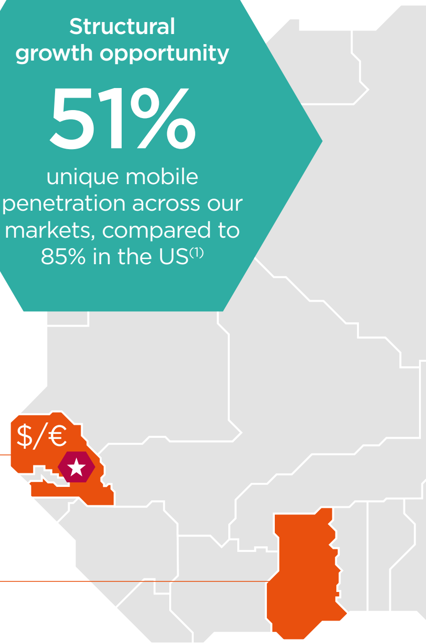


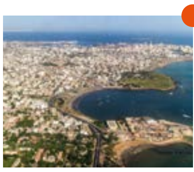
Where we operate

Structural growth opportunity

51%

unique mobile penetration across our markets, compared to 85% in the US[1]





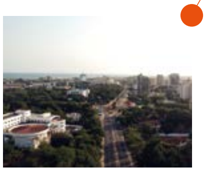
Senegal

SITES
1,232

TENANCIES
1,303

TENANCY RATIO
1.06x

See more on page 46



Ghana

SITES
1,040

TENANCIES
2,041

TENANCY RATIO
1.96x

See more on page 43

Congo Brazzaville

SITES
459

TENANCIES
661

TENANCY RATIO
1.44x

See more on page 45

The structural growth opportunity[5]

Our markets are some of the fastest growing in the world, driven by huge population growth and low mobile penetration.

By 2050, the population across Africa and the Middle East is expected to increase by 75% to 2.8 billion, far exceeding the 10% growth forecast across the rest of the world. At the same time, only half of the 1.6 billion population is connected to mobile, compared to 87% in Europe and 85% in the US.

These drivers, together with strong GDP growth, a young and urbanising population and further smartphone adoption is expected to drive an estimated requirement of 25,000 points of service ('PoS') over the next five years in our expected ten markets. Each represents a potential new tenancy for our business and this organic growth opportunity exceeds the size of our portfolio today.

DRC

SITES
2,062

TENANCIES
4,701

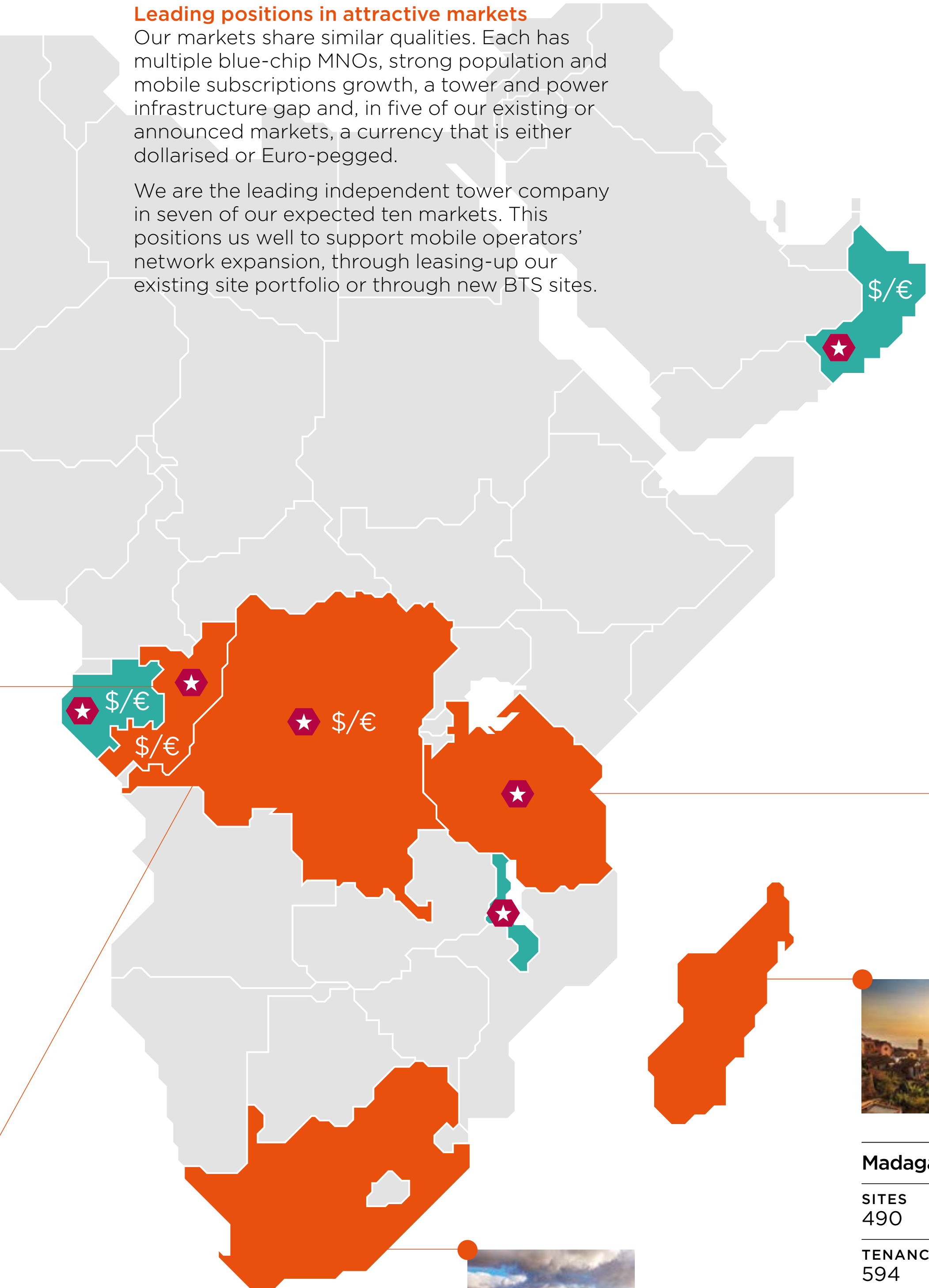
TENANCY RATIO
2.28x

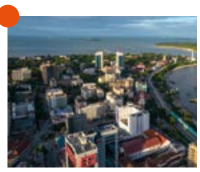
See more on page 42

Leading positions in attractive markets

Our markets share similar qualities. Each has multiple blue-chip MNOs, strong population and mobile subscriptions growth, a tower and power infrastructure gap and, in five of our existing or announced markets, a currency that is either dollarised or Euro-pegged.

We are the leading independent tower company in seven of our expected ten markets. This positions us well to support mobile operators' network expansion, through leasing-up our existing site portfolio or through new BTS sites.





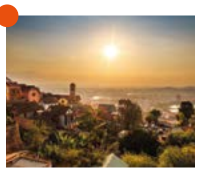
Tanzania

SITES
4,005

TENANCIES
9,012

TENANCY RATIO
2.25x

See more on page 41



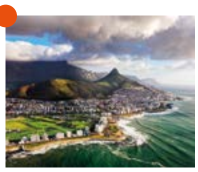
Madagascar

SITES
490

TENANCIES
594

TENANCY RATIO
1.21x

See more on page 47



South Africa

SITES
272

TENANCIES
464

TENANCY RATIO
1.71x

See more on page 44

Infrastructure challenges:

16hrs

grid availability per day across our markets – yet we delivered **99.99%** power uptime to our customers(3,4)

(1) GSMA database, accessed January 2022. Reflects weighted average unique mobile penetration based on 2021 sites, pro forma for sites in the announced new markets.
(2) Announced markets' reflects signed acquisition agreements with both Omantel and Airtel Africa Group Companies ('Airtel Africa') for their respective tower portfolios in Oman and Malawi, in addition to a memorandum of understanding arrangement for the potential acquisition of Airtel Africa's tower portfolio in Gabon. All are subject to completion.
(3) Grid hours per day reflects the site weighted average across the Group in 2021.
(4) Power uptime reflects 2021 performance.
(5) Sources: UN World Population Prospects, June 2019; GSMA database, accessed January 2022; Analysys Mason report, February 2022.

Why invest?

Our investment case

1

High-quality asset base driving cash compounding returns

- Helios Towers benefits from a large base of high-quality, contracted revenues that provides the foundation on which the Company can grow and drive cash compounding returns.
- This is fuelled by long-term contracts with diversified blue-chip MNOs, typically ten to fifteen years for the initial term, all of which feature Consumer Price Index ('CPI') and power escalators that complement the high natural hard currency earnings[1].
- Through significant investment in 2021 and targeted investment in 2022, Helios Towers is building a substantially larger tower portfolio on which it can lease-up and drive cash compounding returns (see pages 08–09 for further detail).

Contracted revenues

$3.9bn

of which 99% is attributable to blue-chip MNOs

% Adjusted EBITDA in hard currency[1]

65%

Tenancy ratio

1.96x

Return on invested capital ('ROIC')[Δ]

12%

2

Significant organic and inorganic growth opportunities

- Helios Towers' markets are some of the fastest growing mobile markets in the world, driven by young and growing populations, significant GDP growth and low mobile penetration today.
- As a result of these factors, independent forecasts estimate a requirement for approximately 25,000 new PoS across Helios Towers' markets over the next five years, representing an organic growth opportunity larger than our business size today. Organic tenancy growth, and leasing up our assets, is the key driver of delivering high-quality returns, growth and profitability.
- Unlike the rest of the world, where the majority of towers have been divested to towercos, approximately 300,000 towers are still held by MNOs in Africa and the Middle East, providing a substantial inorganic growth opportunity.

Mobile penetration (2021)[2]

51%

Forecast PoS additions (2021–26)[3]

+25k

Towers held by MNOs[4]

300k

3

Leading operator with deep tower and power expertise

- Helios Towers is a leading mobile telecommunications company focused on Africa and the Middle East, with attractive tower portfolios in each market of operation.
- Helios Towers has a deep skillset in tower and power management, with the executive team having over 150 years' combined experience, delivering one of the highest levels of power uptime performance in the region.
- Helios Towers has a sharp focus on business excellence, building empowered localised teams and driving Lean Six Sigma principles of efficiency through the organisation.

Power uptime

99.99%

Markets in which HT is the leading tower company

4/7

Executive teams' tower and power experience

+150 years

Read more about our executive management team on pages 81–85

4

High impact company, driving sustainable value for all stakeholders

- Helios Towers' infrastructure-sharing model is inherently sustainable, and supports the efficient expansion of critical mobile communications.
- Helios Towers' Sustainable Business Strategy has been developed to maximise sustainable value for all our stakeholders, true to our values.
- The Company has a robust governance framework and is accredited with four key international standards.

ISO Standards

4

ISO 9001 (Quality)
ISO 14001 (Environmental)
ISO 45001 (Health & Safety)
ISO 37001 (Anti-Bribery)

Staff locally employed in our markets

97%

Reduction in carbon intensity per tenant[5]

-7%

(1) Hard currency earnings reflect % Adjusted EBITDA in either US$ or CFA (which is pegged to the Euro).
(2) GSMA Database, accessed January 2022. Figure reflects average unique subscribers, weighted by 2021 towers, pro forma for the announced new markets.
(3) Analysys Mason report, February 2022. Reflects forecast PoS for HT's seven operational markets as of December 2021 and forecast PoS in Malawi, Oman and Gabon.
(4) TowerXchange Q4 2021 MENA and SSA guides.
(5) Against our 2030 target of 46% reduction in CO_2e per tenant, we have seen a 7% year-on-year decrease in our five established markets. See page 31 for more information.

How we drive value creation

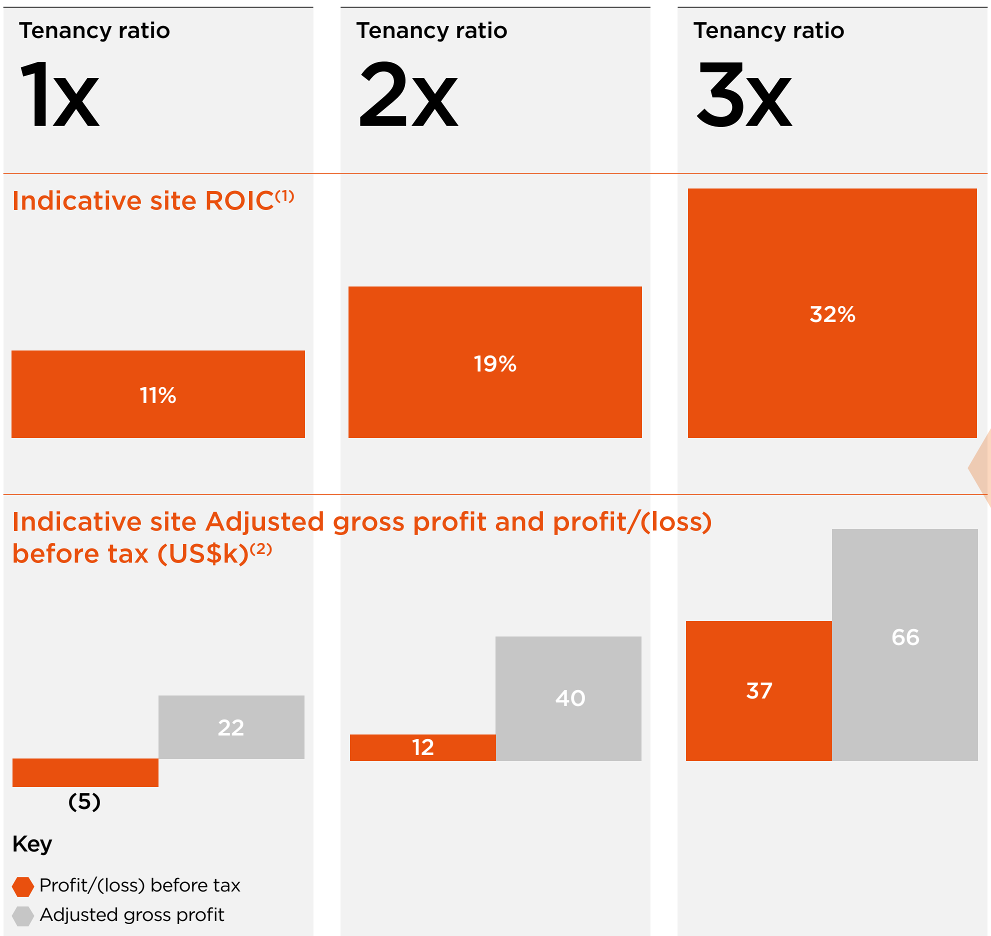
Driving sustainable cash compounding returns

Alongside capturing the strong growth opportunity across our markets, our focus is on delivering hard currency, cash compounding returns for our stakeholders.

2021 tenancy ratio
1.96x

Tower companies generate the most attractive returns by adding more tenants to a tower and 'leasing-up'.

The costs of operating a tower are broadly fixed with some small variable costs. Therefore, adding additional tenants to towers drives significant compounding cash flow returns through operationally leveraging these fixed costs. At the same time, it reduces the environmental impact per tenant.



A significantly expanded asset base on which we target tenancy ratio expansion over the coming years

Capital expenditure

$395m

2020: $97m

New site additions (2021)

+2,204

2020: +382

ROIC[Δ]

12%

2020: 14%

Adjusted EBITDA[Δ]

$241m

of which, 65% is in hard currency
2020: $227m

Loss before tax

($119m)

2020: ($21m)

Lease-up drives significant operational leverage on assets

- Minimal incremental operating expenses
- Minimal incremental capital expenditure

Multiple blue-chip MNOs in our markets:

2 MNOs
- Congo Brazzaville

3 MNOs
- Senegal
- Ghana

4+ MNOs
- Tanzania
- DRC
- Madagascar
- South Africa

In 2021, we made investments to substantially expand our asset base. The addition of 2,204 new sites (1,697 acquired, 507 organic) in the year represents a record for the Company since its formation, and provides a larger base to drive tenancy ratio expansion going forward.

Acquired tower portfolios typically come with a low tenancy ratio (1.0x–1.4x) and the organic sites we build have a 1.0x tenancy ratio on day-1. While both investments produce positive Adjusted EBITDA for the Group, the key driver of returns is the ability to lease-up these assets.

Excitingly, we operate in, and have expanded into, markets that have strong secular growth tailwinds and multiple blue-chip MNOs in each market. All provide the opportunity to drive strong returns for our stakeholders.

The significant investment in new site builds and acquired site portfolios will in the short-term dilute a number of metrics including tenancy ratio, Adjusted EBITDA margin and ROIC due to the lower levels of colocation on day-1. However, these investments expand the base to which we can generate compounded returns and position the business well for further growth.

Our investment in both announced and closed acquisitions, as well as financing activity through 2020 and 2021 to support them, and movements in other gains / (losses), resulted in a loss before tax of US$(119) million in FY 2021.

(1) For illustrative purposes only, and based on Group average build-to-suit tower economics as of December 2021. Site ROIC calculated as site portfolio free cash flow divided by indicative capital expenditure. Site portfolio free cash flow reflects indicative Adjusted gross profit per site less ground lease expense and non-discretionary capex.

(2) For illustrative purposes only, and based on Group average build-to-suit tower economics as of December 2021. Site profit/(loss) before tax calculated as indicative Adjusted gross profit per site less indicative selling, general and administrative ('SG&A'), depreciation and financing costs.

A truly transformational year for the Company

Sir Samuel Jonah KBE, OSG
Chair

2021 marked our second full year as a public company, and a year in which we continued to drive sustainable value for our stakeholders.

It was a period of considerable over-achievement against the growth targets we announced during our IPO in October 2019.

Indeed, alongside closing acquisitions in Madagascar and Senegal in 2021, our M&A pipeline produced a further three acquisitions we are targeting to close. When they are complete, and when we factor in the committed BTS towers that come with them, we will have doubled the size of the Company since IPO.

Of course, such extensive and rapid growth needs careful management. In particular, the demands, albeit welcome, of expansion must never come at the cost of customer service and business excellence in our existing markets.

It was, therefore, equally significant that in 2021 we improved our power uptime to all-time-highs and achieved one of our best ever years of organic tenancy additions, supporting the expansion and densification of reliable mobile communications across our markets. MNOs trust us to power their voice and data traffic whether in city centre locations or in remote regions where grid electricity may be limited, unreliable or non-existent.

Delivering connectivity in a sustainable manner

Our tower-sharing model is innately sustainable, but we strive to do more for our stakeholders. I am pleased to see the team deliver on our ambitious

Our tower-sharing model is innately sustainable, but we strive to do more to drive value for our stakeholders.

Sir Samuel Jonah KBE, OSG
Chair

growth targets and further advance our Sustainable Business Strategy through further empowering our local teams and also setting ambitious but achievable carbon reduction targets for the first time.

Our Carbon Reduction Roadmap has been prepared to deliver a transparent plan of how we will reduce our carbon intensity, while we continue to expand critical mobile coverage in our markets, and bring with it, life changing services to individuals and communities.

From my home in Ghana I get to see our work in action. For example, farmers are now able to share pictures and details of their crops and find new markets for them. And it's always a privilege to see remote schools connecting to the world's knowledge and experiences for the first time.

Governance

We were delighted to welcome Manjit Dhillon to the Board on 1 January 2021, following his announced appointment as Chief Financial Officer ('CFO') in December 2020.

Otherwise, our composition remained unaltered. This continuity has served us well and we have a strong and diverse mix of genders and ethnicities, together with an appropriate balance of Non-Executive Directors, including the contribution of Sally Ashford as a representative of our colleagues.

As importantly, we have individuals with deep skills in the fields of towerco operation, mobile communications, HR and workforce engagement, and finance and business leadership.

Section 172(1)

We believe our strategy and actions reflect the requirements and our compliance of Section 172(1) with the information outlined in the Strategic Report on pages 52–57. This includes our commitment to our workforce, customers, suppliers, investors, communities and the environment, operating both sustainably and with integrity.

Our new CEO

In August 2021 we announced that Kash Pandya had elected to retire from his post as Chief Executive Officer ('CEO'), after a successful tenure spanning six years. He will step down in an orderly transition at the Annual General Meeting ('AGM') in April 2022.

Kash has led Helios Towers through a successful listing on the London Stock Exchange, as well as multiple financing transactions and the Company's expansion from four markets to ten including announced acquisition agreements. His strong leadership, and focus on customers' needs and the well-being of colleagues, will leave an indelible mark. His guidance and experience will also be staying with us; he has accepted the Board's request to continue to serve as a Non-Executive Deputy Chair.

We are also excited to appoint Tom Greenwood to succeed Kash as CEO. Tom was one of the Company's very first employees, rising to CFO in 2015 and leading the Group's journey to our IPO in 2019.

Tom was an exemplary candidate for the CEO role. As Chief Operating Officer ('COO') since 2020 he has overseen a period of significant growth, including the recent acquisition announcements. He was the natural choice to take up the reins, and we feel this is succession planning at its best.

Outlook 2022

We expect 2022 will be another significant year for the business, and one in which we continue to drive sustainable value for our stakeholders. Tom will formally assume the CEO position from our 2022 AGM, and will be detailing our new five-year strategy in due course.

Through our targeted entry into three new countries, and continued expansion within our existing markets, we have an exciting year ahead and will continue to deliver on our mission to drive the growth of mobile communications across Africa and the Middle East.

Sir Samuel Jonah KBE, OSG
Chair

Delivering for our stakeholders

Kash Pandya
CEO

In my final year as CEO, I am delighted with the team's performance. We delivered record achievements on multiple fronts and positioned the business for sustained success going forward.

A broader and stronger platform

Through multiple acquisition announcements in the year, alongside the closing of Free Senegal's tower portfolio first announced in 2020, we eclipsed our previously stated 2025 ambition of operating 12,000+ towers across 8+ markets, well ahead of plan. Combined, these acquisitions will effectively double our tower portfolio since IPO and extend our operations to ten markets.

The result of this highly productive year in M&A is that the Company emerges even stronger, broader, and with higher revenue visibility through improved hard currency earnings and increased contracted revenues.

As importantly, we complemented this inorganic success with one of our best ever years of organic tenancy additions. This reflects the exciting structural growth opportunity in each of our markets and our unrelenting focus on customer service excellence.

New business, from Africa to the Middle East

In 2021, we were delighted to continue delivering on our commitments laid out during our IPO in 2019.

Following the acquisition of Free Senegal's tower portfolio announced in 2020, we signed four separate agreements with Airtel Africa in March 2021. These included two acquisition agreements for the purchase of Airtel Africa's tower companies in Madagascar and Malawi, collectively representing over 1,200 sites.

We closed the acquisition in Madagascar, with its 490 sites, in early November, and continue to progress with the acquisition closing in Malawi. We also signed two exclusive memorandum of understanding arrangements for the potential acquisition of Airtel Africa's tower portfolios in Chad and Gabon.

Although the agreement with Chad was allowed to expire in February 2022, we continue to pursue the proposed acquisition in Gabon.

Separately, in May 2021, we announced a further deal that takes us into the Middle East. We agreed to acquire the tower portfolio of Oman Telecommunications Company ('Omantel'), gaining close to 3,000 sites. We view the Middle East region as a natural extension of our geographic focus, sharing many of the same attractive fundamentals as Africa.

We are extremely pleased to have commenced operations in Senegal and Madagascar in 2021, successfully integrating both portfolios, and building a strong team in each market. We are equally excited to start operations in our three other announced markets and, through these acquisitions, establish Helios Towers as the most geographically diverse towerco in Africa and the Middle East.

Breaking organic records

Since our listing in 2019, we have consistently delivered on our organic tenancy guidance. This achievement reflects the huge structural growth opportunity in our markets, as well as our continued focus on customer service excellence.

In complex environments, we aim to remove the challenges for our customers. We do this by delivering reliable power to our towers and enabling our customers to quickly expand their network coverage, either through new BTS or colocations.

We were delighted in 2021 to deliver one of our strongest ever years of organic tenancy additions. We also achieved a record 99.99% power uptime across our tower assets; in fact, we delivered less than one minute's downtime per tower per week, in four months of the year. When I first joined the Company as CEO in 2015, this metric stood at 22 minutes, and so it is extremely rewarding to see this progress, driven by our dedicated and talented local teams and partners.

2021 performance overview

Helios Towers delivered robust financial performance in the year, driven by the acquisitions in Senegal and Madagascar, alongside organic tenancy growth. Revenues increased by 8% to US$449 million and Adjusted EBITDA expanded 6% to US$241 million. Our operating profit also continued to expand, growing 5% year-on-year from US$56 million in 2020 to US$59 million in 2021.

We invested over US$390 million during the year, including delivering 1,262 organic tenancies and the acquisitions in Senegal and Madagascar. Combined with a strong commercial pipeline and announced acquisitions targeted to close in 2022, these investments position us well for strong growth and high-quality earnings in 2022 and beyond.

Our commitment to reducing carbon

As a young company created just over a decade ago, acting sustainably is not a culture change or add-on for us. It has been part of our purpose from day one.

Indeed, our business model is innately sustainable: by bringing together MNOs to share our towers, we reduce the need for duplicate infrastructure, including generators, and significantly reduce both cost and the overall environmental impact and emissions.

However, we always want to do more. Last year we set out our Sustainable Business Strategy, and in November 2021 we added to our sustainability disclosure and targets by defining a Carbon Reduction Roadmap. For the first time, we have set out our commitment to minimise our carbon emissions, and disclose our performance relative to these targets.

While our principal business lies in driving the growth of mobile communications across Africa and the Middle East, we will do so while setting ourselves ambitious goals to reduce our carbon intensity, in markets where grid power is either unavailable or inconsistent.

We provide more detail on pages 30–31 and within our **Sustainable Business Report**.

Primed for further success

As we enter 2022, I am pleased to report that the entrepreneurial spirit that has driven our success is very much alive and well. Twelve years on from our original formation, we now combine this with maturity, solidity and lived-experience. I believe this is a potent combination of characteristics and positions us well for future growth.

On the back of a busy year in M&A, we have positioned the Company for an exciting year ahead and the team looks forward to driving mobile communications in each of our new and established markets.

On a personal note, and with the Company structurally set for future growth, I see this as an opportune time to step down as CEO at the AGM in April 2022 and to take up a new non-executive role as the Company's Deputy Chair. I joined back in 2015, little imagining we were destined for the adventure of an IPO and taking our place as a FTSE 250 company. I am also delighted to have such an able and talented successor in Tom Greenwood, who has served as both CFO and COO.

The Company has always focused on talent development and providing opportunity for individuals to reach their full potential. I have very much enjoyed seeing talent mature into highly inspirational senior leaders and am delighted that I will continue to see the business go from strength to strength. I thank all my colleagues, partners and stakeholders for their hard work and constant support.

Kash Pandya
CEO

Q&A with our CEO-Designate

Expanding our portfolio and driving business excellence

Tom Greenwood
CEO-Designate

Tom Greenwood, CEO-Designate, on Helios Towers' new strategy, carbon reduction, M&A and the outlook for 2022.

Q

Tom, 2021 was a record-breaking year for Helios Towers in many ways. How would you describe it?

A

I am delighted with our performance and would describe it as a transformational year. Through multiple acquisition agreements, on top of our Senegal transaction which closed in the year, we expect to establish Helios Towers as the most diversified tower company across Africa and the Middle East, and effectively double the size of our tower portfolio. We have created a broader and stronger platform, primed for growth and sustainable value creation.

As importantly, we have achieved this without compromising on serving our customers within our established markets. Quite the reverse, in fact – we delivered our highest organic tenancy growth in six years of 1,262 net additions, and record customer service levels of 99.99% power uptime.

It's been a real testament to the tenacity and skill of our colleagues and partners. It also shows how we are regarded among the major network operators. When we are chosen as their partner in a tower portfolio sale and leaseback, or for network rollout and expansion, they are entrusting us to deliver passive infrastructure services in complex environments. They look to us to make a significant contribution to the quality of their service delivery to their customers.

I would describe 2021 as a transformational year. We have created a broader and stronger platform, primed for growth and sustainable value creation.

Tom Greenwood
CEO-Designate

Q
The rate and speed of these deals was also impressive...

A
With each new deal we refine the process. Of course some things are partly or largely out of our control, such as timing and speed of regulatory permissions and licences. But the number and quality of these deals is pleasing because we are highly selective. For us, many criteria have to align before we are interested, from demographics and market penetration to hard currency earnings and long-term contracts.

In fact, it is worth noting that whilst over the past 18 months we have closed or are working to close five deals, we also walked away from seven deals during the period as well, due to misalignment with our acquisition criteria. We will continue to be as selective and disciplined in deal assessment going forward.

Q
Equally, how do you manage such rapid growth?

A
Without the right people and the right processes, doubling the size of any company is a challenge. Over the past 18 months, we have built a New Markets Launch team and a regional CEO structure to ensure management capacity, and we are seeing the dividends of that already. We have developed a 100-day plan of actions to prepare for a new market launch, and then a further 200-day plan to carry on with the integration post-closing, driving our culture of business excellence, customer service, and our 'One Team, One Business' ethos. With each deal we continue to adapt, develop and learn a little more, and we always need to flex to address local needs, which aligns exactly with our Lean Six Sigma continuous improvement foundation.

Q
How does all this affect your strategy?

A
We have been in the positive position of needing to reframe it. It was conceived prior to our IPO in 2019, when we aimed to grow from 7,000 to 12,000+ towers, and from five to eight or more markets, over a five-year horizon. But a little over two years later, once we have closed the announced deals, we'll effectively have 14,000 towers across ten markets and be the leading independent towerco in seven of them.

So back in the second half of 2021, all of the senior leadership got together to map out a refreshed strategy, drawing on what we have learned, including receiving feedback from across the organisation and identifying where we want to be in another five years.

We have been finalising this strategy, and look forward to unveiling this in detail in 2022.

Q
And of course sustainability is a further driver...

A
Absolutely. One shared tower, one maintenance visit, one power supply – the decreased impact in emissions, cost and maintenance miles driven is vast. Overlay the inherent benefits of shared infrastructure with our carbon reduction strategy, and we are delivering a huge environmental benefit. And of course, the MNOs are being asked the same questions that every business faces about reducing their environmental impact. Tower sharing delivers that in a measurable way.

Q
How did you go about setting a carbon reduction target?

A
So, our aim is to reduce carbon intensity per tenant by 46% by 2030, which equates to maintaining our absolute Scope 1 and 2 emissions at 2020 levels. This target reflects months of work from multiple functions across the Company and feedback from wider stakeholders, as we wanted the output to be stretched and ambitious but also realistic. We have also committed to Project 100 – which will see us invest US$100 million into low-carbon solutions through to 2030.

Q&A with the CEO-Designate continued

It is a complex challenge. There is significant demand for mobile infrastructure in our markets; approximately 50% of the population are connected to mobile, and tower density per person is a fraction of that in the developed world. And we know that mobile is instrumental in alleviating poverty, furthering education, enhancing healthcare, creating opportunities for new businesses and employment. In fact, the mobile industry is unique in that it contributes to all 17 of the United Nations Sustainable Development Goals.

So while growth in mobile is so important, we have set carbon targets that will significantly reduce our carbon intensity as we deliver those benefits. This is reflected by a detailed set of initiatives up to 2026, where we have created, and started to implement, a site-level internal plan. Then, we have defined 2027 to 2030 as our carbon innovation phase, where we anticipate further progress in technologies will enable us to invest further, driving a similar level of carbon reduction performance.

Longer term, we were also extremely pleased to announce our ambition to become net zero by 2040.

Q

On the people side, and working through Covid-19, how did 2021 shape up?

A

Well, of course we started working from home in 2020, and I think we've continued to prove that we are a resilient workforce who can work from pretty much anywhere. Nothing in our service levels has been affected – in fact, in power uptime, for example, we again achieved all-time highs.

Equally, while some people prefer working from home, others can feel quite disconnected and miss human company and interaction. This is one reason why we launched our new Wellbeing Programme. This is actually a third-party confidential service that anyone can call for expert help, whether for emotional counselling, practical help with family or financial worries, or access to well-being resources. As well as this, we had a large number of internal initiatives, designed to provide virtual support, social interactions and mental health improvements for everyone across the business.

Separately, we also launched a Learning Management System that gives everyone access to all kinds of off-the-shelf and custom-created learning and training.

Another initiative was our new employee share plan. All our employees received phantom shares, and that was in part a thank you for all of the tremendous work delivered over the past few years, but also supportive in driving a focus on value creation across the Company in which everyone can participate.

More generally, we are delighted with the exceptional performance of the team during a period that has been challenging for many globally. We have supported the expansion of reliable mobile connectivity across our markets and continued to deliver on our commitments laid out at IPO. Our performance really does highlight the structural need for mobile across our markets, and we are delighted to be playing a key role in that.

Q

Finally Tom, you will be stepping up to the role of CEO in April 2022 when Kash Pandya becomes Deputy Chair. What are your priorities going forward?

A

I have been privileged to work closely with Kash for the past seven years, firstly in a CFO capacity and over the past two years as COO. Under his leadership we have instilled a culture of business excellence and a sharp focus on delivering exceptional customer service, both of which will firmly continue under my stewardship.

I am delighted to be continuing this work and assuming the leadership position for the Company as we double in size and become a larger, more diversified business.

I wish Kash all the best in his new position and other new ventures. I have learned a great deal from him over the past seven years and look forward to continuing to work together in our new capacities.

Our focus at Helios Towers will be centred on business excellence, customer service excellence and sustainable value creation. The latter refers to creating value and benefits for all stakeholders – which means for our people, our communities and our environment, while also delivering superior financial returns for our investors. I believe that Helios Towers is in a rare position to be able to deliver on all of this – both impact and financial returns – for years to come.

Africa and the Middle East: growth dynamics

With a young, growing population and strong GDP expansion forecast, Africa and the Middle East share an acute need for mobile communications. The organic and inorganic growth opportunities for Helios Towers are considerable.

Africa: the great growth story

The vast continent of Africa is one of the most exciting places for telecommunications growth in the world, underpinned by strong macroeconomic tailwinds.

Over the next five years, the continent is expected to see some of the fastest growth globally, with the region forecast to deliver five of the top ten fastest-growing economies and nine of the top ten fastest-growing cities[3,4].

Indeed, the United Nations ('UN') forecasts that Africa alone will account for almost 60% of the two billion people added to the global population by 2050. The continent's population will almost double during this period.

Drill down, and you find that more than 67% of Africa's population is under 30 and it is the young who drive the demand for mobile.

And yet, mobile penetration in Africa is still low: less than half the population uses mobile. And of all mobile users, only 20% are experiencing 4G[5], but excitingly, demand is growing rapidly.

The Middle East: a significant opportunity

The Middle East mirrors many of Africa's attractive characteristics.

It has a rapidly growing population, forecast to see 39% growth from its current 257 million to 357 million by 2050[2].

Mobile penetration, although higher than Africa at 66%, remains below developed markets, such as the US at 85%[5]. Additionally, data usage is expected to grow substantially with 4G and 5G subscriptions expected to increase by 80% between 2021–26[5].

In addition, there is a significant inorganic opportunity. Approximately 85% of the Middle East's towers are still owned by the region's MNOs.[7]

Organic growth drivers across our ten markets
(including our three signed acquisition agreements[1])

Positive macro drivers
Our markets have young, growing and urbanising populations

+41m[2]
more people by 2026

+30m[3]
more people living in cities by 2026

67%[2]
of the population aged under 30

+4.1%[4]
real GDP growth (2021–26 CAGR)

Low mobile penetration
Strong demographic and macro fundamentals, alongside low mobile penetration today, are driving the demand for mobile

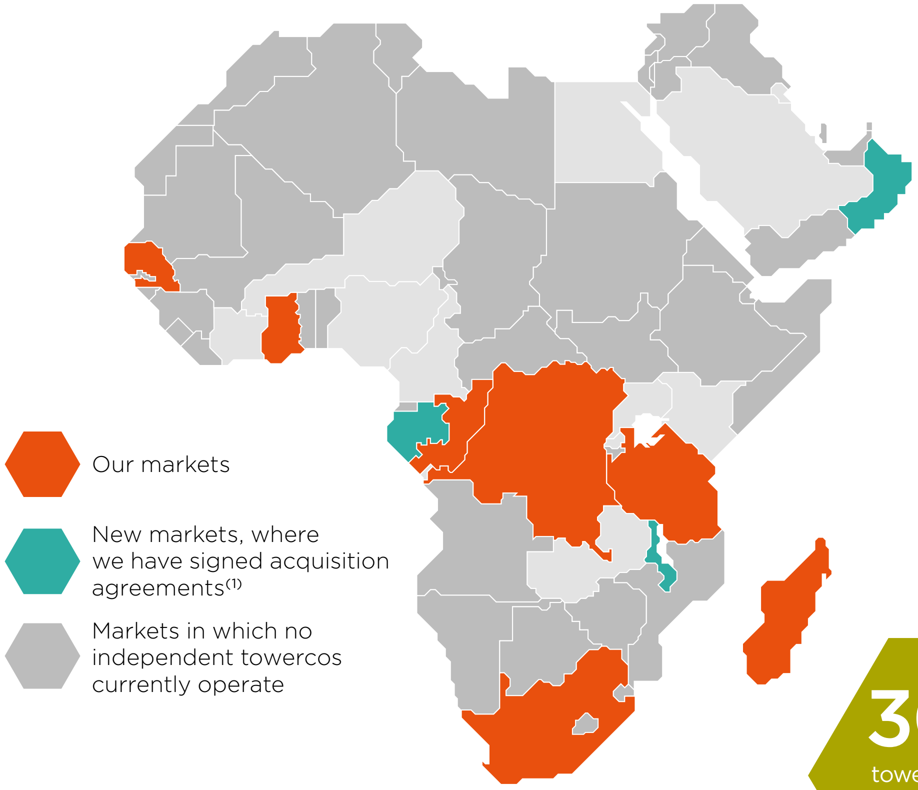
+4%[5]
mobile penetration by 2026

+63m[6]
more mobile connections

High equipment growth

+25k[6]
Forecast new PoS requirement (2021–26)

There is a significant opportunity for organic and inorganic growth across Africa and the Middle East



300k
towers still owned by MNOs in Africa and the Middle East

Significant inorganic opportunity

MNOs are increasingly looking to divest their owned tower networks, to concentrate on their core business and release capital for investment in active infrastructure. MNOs still own 76% of all towers across Africa and the Middle East, compared to c.30% ownership globally.

The structural organic growth drivers, combined with the potential inorganic opportunities, make Africa and the Middle East a compelling region for telecommunication infrastructure

(1) Reflects signed acquisition agreements with Omantel and Airtel Africa for their respective tower portfolios in Oman and Malawi, and a signed memorandum of understanding arrangement with Airtel Africa for the potential acquisition of its tower portfolio in Gabon.
(2) UN World Population Prospects, June 2019.
(3) UN World Urbanization Prospects 2018.
(4) IMF 2021. Real GDP calculated on a weighted basis using 2021 site count, pro forma for site portfolios across Oman, Malawi and Gabon.
(5) GSMA Database, accessed January 2022. Figure reflects market penetration; unique mobile subscribers weighted using 2021 site count, pro forma for site portfolios across Oman, Malawi and Gabon.
(6) Analysys Mason report, February 2022.
(7) TowerXchange Q4 2021 MENA and SSA guides.

Business model

What and how

We play a pivotal role in advancing mobile telecoms in our markets by providing sustainable and cost-efficient tower and power services. In turn, these contribute to driving social and economic development.

What we do

Our mission

To drive the growth of mobile communications across Africa and the Middle East.

Our purpose

To deliver exceptional customer service through our business excellence platform, and create sustainable value for all our people, environments, customers, communities and investors.

Our values

Throughout the Company we hold true to our three core values:

- Integrity
- Partnership
- Excellence

Tower space services

- Anchor tenants
- Colocation tenants
- Amendment colocations

Reliable power service

- Grid connectivity
- Hybrid and solar
- Generators

Ancillary services

- In-building solutions
- Data centres
- Fibre backhaul
- Small cells

How we do it

We leverage our strengths and resources...

Leading market positions

- The leading independent towerco in the majority of our markets
- Attractive portfolio of unique tower locations within each market

Strong relationships

- 'One Team, One Business' ethos, working in partnership with all our contractors
- Working collaboratively with our customers and suppliers to deliver a best-in-class service

Financial strength

- Long-term contracts with blue-chip operators
- Stable and robust cash flows
- Strong balance sheet, with funding flexibility at competitive rates

Our people

- Talented localised workforce in each market
- Highly experienced management team
- Training including Lean Six Sigma to support our colleagues to develop personally and professionally

Knowledge platform

- Deep expertise in tower and power infrastructure has informed our systems and procedures for challenging markets
- Innovative use of cleaner power sources
- Digital solutions

...driven by a strategy of sustainable profitable growth...

Network access and sustainable development

- Organic and inorganic growth
- Expanded network coverage
- Supporting local communities

Business excellence and efficiency

- Supply chain optimisation
- Lean Six Sigma training
- Maximised continuous network delivery
- Minimising our environmental impact

Empowered people and partnerships

- Local employees for local markets
- Employee training for safety and professional development
- Collaborating with all our stakeholders

For more information please see pages 22–39, and our separate **Sustainable Business Report**.

...to deliver value to our stakeholders

Customers

- More cost effective tower usage: on average, our leases are priced at a substantial discount to an MNO's total cost of ownership
- We reduce MNOs' passive infrastructure capex burden, allowing them to focus their resources on active equipment and technology upgrades

Community and environment

- Reduced environmental footprint through improved power efficiencies and enabling infrastructure-sharing
- We contribute to building local economies and extending network coverage to reach rural locations

Our people

- Employment, training and promotion opportunities for local people, both with us and our partners
- Health and Safety is a key priority for us, and we have aligned ourselves to the highest international standards

Investors

- Aim to maximise value generation through full execution of the strategy
- Potential development of a sustainable dividend distribution policy in the medium term

Supplier partners

- Integrated partnerships with benefits including training and shared offices

Strategic progress

Overview

We made strong progress against our Sustainable Business Strategy in 2021.

2021 highlights

- Signed acquisition agreements that on closing, and together with the Free Senegal tower portfolio acquisition closed in May 2021, support exceeding our 2025 target of 12,000+ towers in 8+ markets, well ahead of plan;
- Delivered highest level of organic tenancy additions in six years of +1,262;
- Delivered record power uptime performance of 99.99% and, in four months of the year, achieved our 2025 target of less than one-minute downtime per tower per week.

From a financial performance perspective, we continued to deliver robust Adjusted EBITDA growth. Although ROIC decreased, we view this positively; through multiple acquisitions we have expanded our asset base on which we can drive lease-up and returns.

Network access and sustainable development

When the signed acquisitions have closed we will have achieved our targets of operating in 8+ markets and 12,000+ towers, well ahead of plan. Organically, we drove one of our highest ever years of organic site additions. Our towers now cover a population of more than 139 million, compared to 109 million a year ago.

Business excellence and efficiency

We continued to deliver exceptional customer service with power downtime performance of less than one minute per tower per week in four months of the year. Given the challenges of power in our markets, we are delighted with our operational performance.

Empowered people and partnerships

We made meaningful progress in the year, including the implementation of our Learning Management System. We maintained our commitment to Lean Six Sigma training, and although the percentage trained decreased from 37% to 31%, this reflected the significant expansion of our team.

On the following page we highlight some of our main KPIs for each of our Sustainable Business Strategy pillars above, and provide further context within the following section.

Financial performance

Adjusted EBITDA^Δ
US$m

2021	240.6
2020	226.6
2019	205.2

Portfolio free cash flow^Δ
US$m

2021	168.3
2020	174.4
2019	168.9

Return on invested capital^Δ
%

2021	11.8
2020	14.5
2019	14.4

Our strategy and KPIs

Network access and sustainable development

This contributes to the following UN SDGs:

See more on pages 24–27

Markets
(#)

2021	7
2020	5
2019	5

Sites
(#)

2021	9,560
2020	7,356
2019	6,974

Population coverage[1]
(m)

2021	>139m
2020	>109m

Rural sites[1]
(#)

2021	3,289
2020	2,471

Business excellence and efficiency

This contributes to the following UN SDGs:

See more on pages 28–33

Tenancies
(#)

2021	18,776
2020	15,656
2019	14,591

Tenancy ratio
(x)

2021	1.96x
2020	2.13x
2019	2.09x

Tenancy ratio for new BTS[1]
(x)

2021	1.37x
2020	1.16x

Adjusted EBITDA margin$^{\Delta}$
(%)

2021	53.6
2020	54.7
2019	52.9

Downtime per tower per week
(minutes)

2021	1.10
2020	1.32
2019	1.42

Carbon emissions per tenant
(tCO_2e)

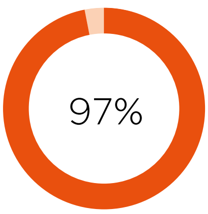
2021	10.4
2020	11.2
2019	11.5

Empowered people and partnerships

This contributes to the following UN SDGs:

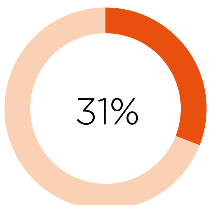
See more on pages 34–37

Local employees in our operating companies
(%)



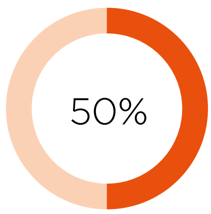
2020: 98%

Employees trained in Lean Six Sigma
(%)



2020: 37%

Maintenance partners with ISO 45001 certification
(%)



2020: 30%

See our **Sustainable Business Report** for additional commentary on our performance.

(1) 2020 is the baseline year as we set these measures as strategic targets in 2020.

Network access and sustainable development

Doubling our reach

2
new markets entered

Continued development of mobile connectivity, improving livelihoods and strengthening economies

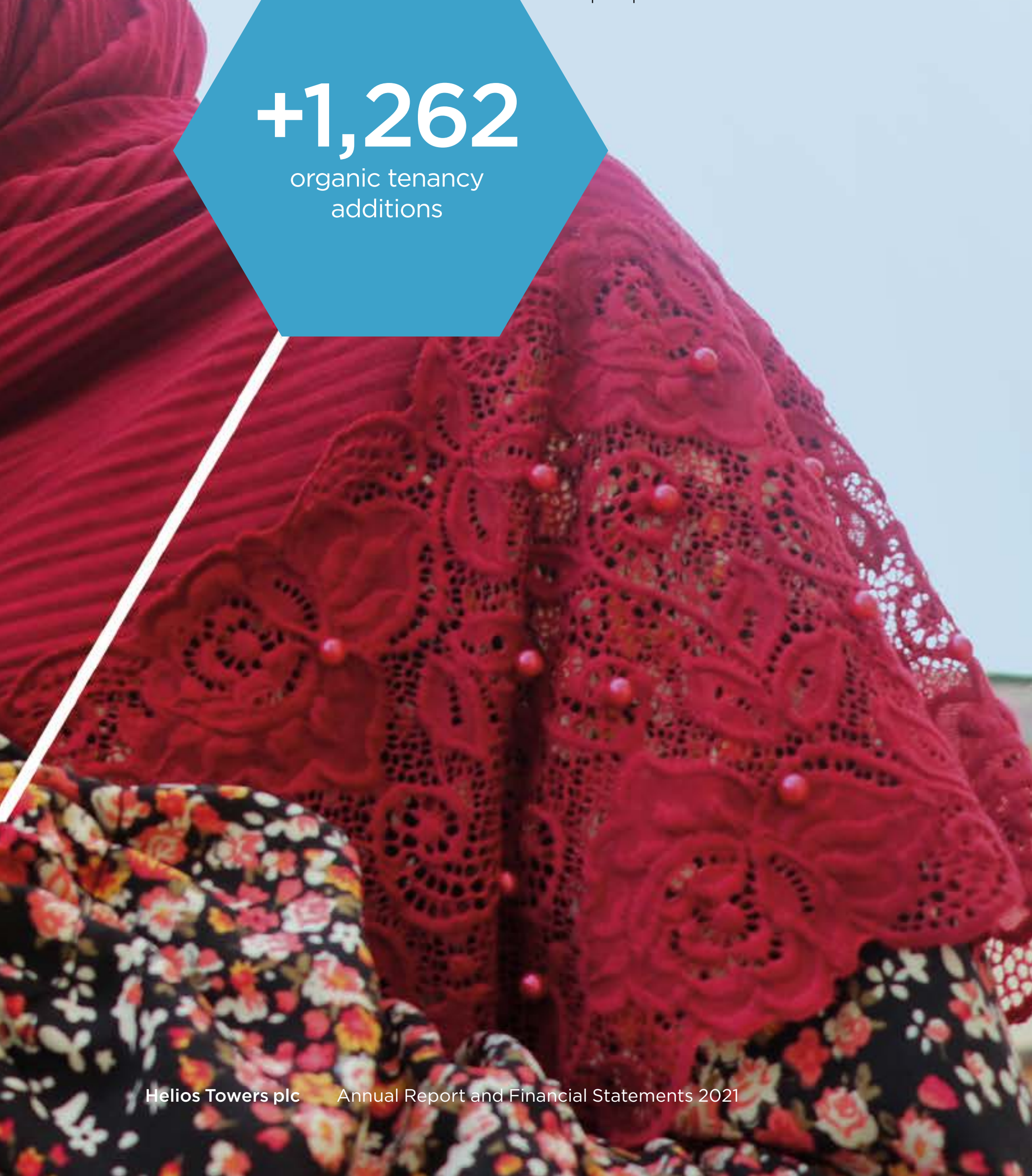
2021 highlights:

- Record tower additions of 2,204, expanding to 9,560 towers across seven markets;
- Delivered one of our highest ever years of organic tenancy additions (+1,262);
- Signed acquisition agreements that, upon closing, deliver our 2025 ambitions of 12,000+ towers and 8+ markets, well ahead of plan.

Network access: doubling our reach

In a region where fixed line connectivity is minimal, mobile is playing the critical role of delivering voice and data access to individuals and communities. Covid-19 has emphasised the importance of mobile networks, which remains the only form of voice and internet access for many people in Sub-Saharan Africa.

+1,262
organic tenancy additions



Communities and individuals are increasingly using mobile to access life-enhancing services that contribute to achieving the UN Sustainable Development Goals ('SDGs') – from education and healthcare to finance and gender equality.

However, despite the benefits mobile has already brought to the region, there remains a vast mobile infrastructure and connectivity gap in Africa and the Middle East compared to more developed parts of the world. Approximately 50% of the population across Africa and the Middle East are not connected to mobile, reflecting 780 million people not connected – more than the entire population of Europe.

At the same time, population growth in Africa and the Middle East is expected to far exceed the rest of the world. By 2050, it is projected to increase by 75% to 2.8 billion, far exceeding the 10% growth forecast across the world's other regions. To close the vast mobile infrastructure gap today and prepare for the significant expected demand for mobile, the efficient rollout and densification of the mobile communications we provide will play a crucial role in the future social and economic development of our markets.

As such, we were delighted that in 2021 we delivered one of our highest ever years of organic tenancy growth and signed agreements that upon closing, effectively double the size of our tower portfolio and the number of markets where we will support mobile operators reliably and efficiently deliver mobile services.

Strategic progress continued

Network access and sustainable development

Significant progress in 2021

Agreements signed in 2021
2021 was a highly productive year for Helios Towers. Through announced acquisition agreements and the closing of the Free Senegal transaction (announced in 2020), the 2025 target we set at the time of our IPO in 2019 – to own 12,000+ towers and to operate in 8+ markets – was effectively achieved in just two years.

During 2021 we began operations in Senegal and Madagascar, and our dedicated New Markets Launch team, established in 2020, is guiding the smooth launch and operations of our other announced transactions in Malawi, Gabon and Oman.

The latter marks our first steps into the Middle East, where the characteristics of the market echo those in Sub-Saharan Africa: under-penetrated markets, populated by young, tech-savvy users and served by multiple, high-quality MNOs.

Alongside significant inorganic growth, we also added 1,262 organic tenancies during the year, one of our best ever years of organic rollout. Since IPO, we have consistently delivered on our annual tenancy guidance of 1,000–1,500, which highlights both the structural demand for mobile and our solid positioning within each of our markets.

As a result of both the acquisitions and continued organic growth, we have increased our population coverage from more than 109 million at the end of 2020 to over 139 million today.

Tower density (towers per million people)

Towers needed across the region to align with EU/US penetration

c.1m

A force for local good
Our towers create employment, both directly to build and maintain them, and indirectly through the host of opportunities for businesses that network access creates.

Additionally, Helios Towers has a community strategy that focuses on two key areas:

- Education and digital inclusion: Championing education and ICT skills development opportunities, with a focus on supporting women and rural communities; and
- Access to power and wireless internet.

Under these two focus areas, we have supported a number of projects and partnerships in our markets during 2021. For example:

- In northern Ghana, we are building a school ICT lab in a rural community using recycled and refurbished cell site containers equipped with solar panels. We will also be providing recycled laptops and broadband connectivity to bring digital education to more than 200 pupils in the first year.
- In South Africa, we are partnering with the NGO iSchool Africa to help close the gap in resources between state and private education. We are providing funding for an ICT lab and bursaries, as well as practical help with careers guidance.
- In Tanzania, colleagues have visited schools to give talks and training on science, technology, engineering and mathematics ('STEM') and we have donated laptops and provided funding to CAMARA, a charity to support education in economically-deprived areas.

Contributing to the SDGs
The mobile industry is unique in its ability to contribute to each of the 17 SDGs. For developing nations in particular, it is an essential resource on the journey to improving the welfare and quality of life for societies and economies. We are therefore proud to be a driving force for positive change in developing mobile infrastructure. Through our business activities we support ten SDGs and make the greatest positive contribution to SDGs 8 and 9.

For more detail, please see our **Sustainable Business Report 2021**

Our 'School of Engineers' programme will recruit young people locally and provide them with long-term career opportunities at Helios Towers, and enable us to develop and train a pipeline of talent for us and our partners.

Tom Greenwood
CEO-Designate

CASE STUDY:

Helios Towers 'School of Engineers' internship programme

Africa's youth population is expected to double to over 830 million by 2050[1]. Investing in skills development that improves employability has the potential to support increased productivity and stronger, more inclusive economic growth across the continent.

To help address this need, we have established our new flagship internship programme 'School of Engineers' to drive skills development and improve employability.

We will provide a number of final year engineering students and recent graduates with hands-on work experience across our business functions.

We have launched the programme in DRC and will be bringing the first cohort of interns into our business in 2022. We will expand the programme to our other markets in due course.

DRC internship programme assessment center

(1) Jobs for Youth in Africa, African Development Bank.

Business excellence and efficiency

New heights in excellence and efficiency

99.99%
Record power uptime performance in 2021

Resilience, continuity and innovation for long-term business performance and growth

2021 highlights:

- We delivered record power uptime performance, and in four months of the year, achieved our 2025 target of less than one-minute of downtime per tower per week;
- We increased tenancies by 3,120, of which 1,262 were organic additions, one of our highest ever years. Tenancy ratio decreased from 2.13x to 1.96x, reflecting the dilutive impact of new acquisitions, which provides the basis for strong growth and returns going forward. In our five established markets, we saw robust tenancy ratio expansion of 0.02x;
- We set our 2030 carbon target of 46% CO_2e reduction per tenant(1) and announced Project 100 – our pledge to invest US$100 million in our carbon reduction and innovation programmes between 2022 and 2030.

-7%
reduction in carbon emissions per tenant in 2021(1)

Reliable, efficient infrastructure solutions

When operating in markets with limited or non-existent grid connectivity, our expertise in providing power solutions is crucial to our MNO customers and means that millions of people benefit from a highly dependable mobile service.

Therefore, having the processes, people and systems to power towers reliably and efficiently is critical. Our strategy of business excellence underpins our ability to deliver this.

We have a dedicated team that constantly assesses optimal power solutions to reduce cost and carbon intensity. Where there is no grid availability, this demands the skilled use of remote technologies and hybrid and solar solutions, with a generator as a back-up power source of last resort. This optimisation also calls for maintenance programmes that reduce the need for engineers' visits and kilometres driven – coupled with responsive action should the need arise.

In 2021, we took our service levels to all-time highs. Alongside this, we published our roadmap for ambitious carbon reduction and a significant commitment to invest in carbon reduction initiatives and innovative low-carbon solutions.

(1) Reflects scope 1 and 2 emissions for our five operational markets as of 2020, against a 2020 baseline.

Strategic progress continued

Business excellence and efficiency

Significant progress in 2021

Tenancy growth
In 2021 we delivered one of our highest ever year of organic tenancy additions (1,262) and signed acquisition agreements that, upon closing, effectively doubles the size of our tower portfolio and the number of markets we serve.

Through the addition of two attractive site portfolios in the year, our Adjusted EBITDA margin and tenancy ratio decreased. These investments provide a larger base of assets, from which we can continue to drive growth and compounding returns. In our five established markets, we continued to drive tenancy ratio expansion, reaching a record 2.15x.

99.99% network power uptime
The ability to power MNOs' equipment is our true differentiator and power uptime is the key KPI of our service levels to customers. In 2021, this reached an average of 99.99%, meaning that our customers and their customers enjoyed exceptional reliability.

To gain further improvement we utilise Lean Six Sigma principles and focus on achieving downtime levels measured in seconds. Our 2025 target is for average downtime across the Group to be below one minute per tower per week. In 2021 we achieved a record 70 seconds. In some of our markets, we have exceeded the target; for example in Tanzania we have seen 23 seconds downtime and in Ghana 15 seconds.

We look at our towers holistically, assessing the optimal power configuration to maximise uptime, lower fuel consumption and reduce greenhouse gas ('GHG') emissions. Our Site Performance Analysis function monitors site data, logged every five minutes over a seven-day period, to assess all key components of a site's performance and identify urgent issues as soon as they arise, as well as areas for ongoing improvements.

Our successful pilot of a new remote monitoring strategy ('RMS') is expected to deliver significant improvements across the Group. Regardless of how remote a site may be, we are leveraging existing RMS along with new RMS technologies to support real time site performance and analysis.

In turn, this allows us to reduce our fuel consumption and emissions, through optimising performance, while also keeping track of site load and performance with our customers.

As Sub-Saharan Africa has the lowest grid energy access rates in the world, the majority of our sites need generators to guarantee power for our customers' equipment. We are committed to reducing this dependence and always look to use grid power wherever available and reliable. We are also using solar and hybrid solutions wherever they meet site performance requirements. These investments both reduce emissions and drive further Adjusted EBITDA growth for our business.

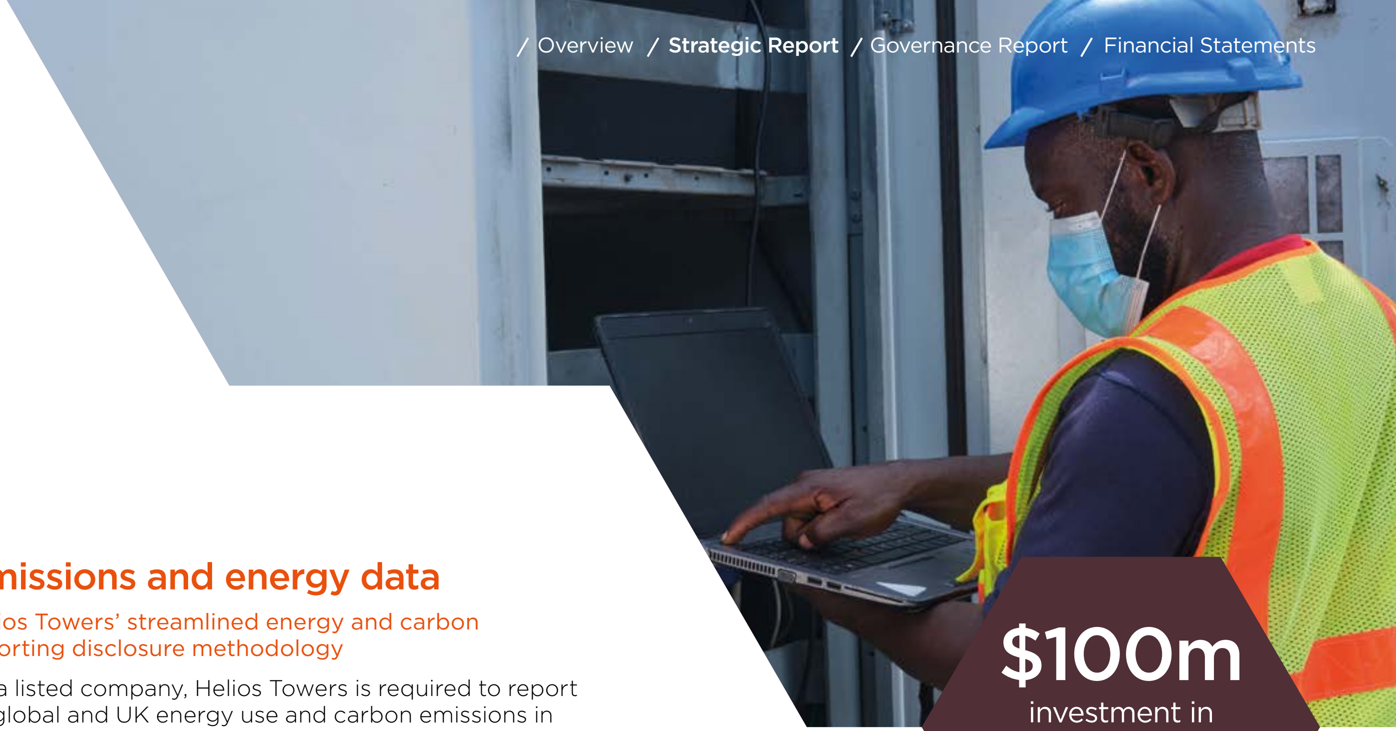
Across the Group, we closed the year with 1,404 more sites using grid connections, and with 31% of sites being powered by hybrid or solar technology.

Reducing environmental impact
Our colocation business model reduces environmental impact compared to the traditional operator-owned model. It enables infrastructure sharing, meaning only one generator or power supply is needed to cater for multiple tenants, minimising the need for duplicate generators and maintenance visits and saving thousands of kilometres driven a month. We added 755 organic colocation tenants to our portfolio during 2021. A tower with two tenants reduces diesel emissions per tenant by 37%. These reductions increase as we add more tenants: for example, a tower with three tenants reduces diesel emissions per tenant by 44%[1].

Reducing our carbon footprint is a challenge we take incredibly seriously. We are also committed to understanding the impact of climate change on our business so that we can adapt and ensure we remain resilient in the long term.

Manjit Dhillon
CFO

(1) Calculated from actual diesel consumption figures for whole Group, comparing consumption on towers with 1, 2 and 3 tenants.



$100m
investment in carbon reduction and innovation between 2022–30

Emissions and energy data

Helios Towers' streamlined energy and carbon reporting disclosure methodology

As a listed company, Helios Towers is required to report its global and UK energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in these tables represent emissions and energy use for which Helios Towers is responsible. To calculate our emissions, we have used the main requirements of the Greenhouse Gas Protocol Corporate Standard along with the UK Government GHG Conversion Factors for Company Reporting 2020 and 2021. Any estimates included in our totals are derived from actual data which have been extrapolated to cover the full reporting periods. For more information and detailed breakdowns of our energy sources, please refer to our **Sustainable Business Report** 2021, page 25.

	2021		2020	
	UK and Offshore	Global	UK and Offshore	Global
Scope 1[(1)]	**n/a**	**115,917**	n/a	117,688
Scope 2[(2)]	**10**	**65,009**	20	48,779
Scope 3[(3)]	**3,173**	**100,259**	3,071	74,717
Total gross Scope 1 and Scope 2 emissions (tCO_2e)	**10**	**180,926**	20	166,467
tCO_2e per million US$ turnover	**n/a**	**403**	n/a	402
tCO_2e per tower[(4)]	**n/a**	**22.41**	n/a	23.43
tCO_2e per tenant[(4)]	**n/a**	**10.43**	n/a	11.17
Energy consumption used to calculate above emissions (kWh)[(5)]	**92,167**	**666,489,952**	84,101	633,866,793

(1) Scope 1 includes tower diesel and vehicle petrol/diesel.
(2) Scope 2 includes tower grid electricity and office electricity.
(3) Scope 3 includes well to tank and transmission and distribution of energy, purchased goods and services, business travel, freight, and downstream leased assets. The most material Scope 3 category is related to the emissions from the upstream activities of extracting, refining and distribution of fuels and electricity for our towers.
(4) Per tower and per tenant numbers are calculated based on a monthly average of towers and tenants across the year. The intensity data is based on scope 1 and 2 emissions only and covers the five markets where Helios Towers was operational in 2020; in line with our 2030 carbon target.
(5) Energy consumption used to calculate emissions in kWh' has been restated for 2020. Following clarified guidance from BEIS regarding the conversion from litres of fuel used in vehicles to kWh, calculations have been updated to apply the Net CV value by fuel type as opposed to the Gross CV value.
(6) World Bank Database.

CASE STUDY:

Carbon reduction target and net zero

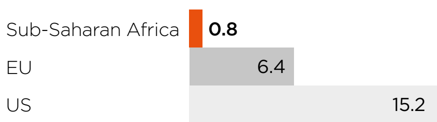
In 2021, we published our Carbon Reduction Roadmap and our long-term ambition to become a net zero carbon emissions business by 2040. We are committed to reducing our carbon footprint and supporting our customers to meet their reduction targets. By 2030, we aim to achieve a reduction of 46% CO_2e per tenant[(4)], which equates to us maintaining our emissions at 2020 levels, despite significant business growth plans.

The target builds on our strategy over the last five years to reduce reliance on generators, connect to the grid and use hybrid and solar solutions wherever possible.

We announced Project 100 – our pledge to invest US$100 million in cleaner, greener solutions in the period 2022–30. This includes planned spend on our carbon reduction programme as well as investment in carbon reduction innovation. We saw a 7% reduction in emissions per tenant in 2021, showing progress toward our 2030 target of a 46% reduction.

For more detail, please see our **Carbon Reduction Roadmap**

CO_2 emissions per capita[(6)] Metric tons



Business excellence and efficiency

Improving our climate disclosure and aligning with TCFD recommendations

Helios Towers plc has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with the following exceptions:

Strategy
2a: Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

- Helios Towers will be doing a robust assessment of how specific climate related risks and opportunities impact the business, across each time horizon, in the different markets in which it operates. Our focus in 2021 was on setting our carbon reduction target, which involved significant stakeholder engagement with investors, customers, and our internal teams to develop our roadmap. We will provide further disclosure on our risk assessment in the 2022 Annual Report. At the point of disclosure, it was considered that the work in progress was not sufficiently advanced to meet the requirement of the disclosure recommendation.

2b: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning and 2c: Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario

- As the analysis described above is not complete, we have not yet assessed the impact of climate-related risks and opportunities on our business, strategy and financial planning. We therefore have not conducted scenario analysis to assess the resilience of our business strategy in various climate scenarios. We plan to do this in 2023 on key risks identified to inform long-term strategic and financial planning and provide further disclosure in the 2023 Annual Report. At the point of disclosure, it was considered that this analysis was not sufficiently advanced to meet the requirement of the disclosure recommendation.

Risk Management
3a-b: Describe the organisation's process for identifying, assessing and managing climate-related risks and;

3c: Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

- Helios Towers is assessing the impacts of transition and physical risks as set out above, in order to develop plans for managing them and integrating them into our Enterprise Group Risk Management framework and is therefore unable to comply with the Risk Management disclosure recommendations. We will provide such disclosures after the risks have been assessed.

We support the aims of TCFD and are using their recommendations to guide our approach to tackling climate change. We are committed to continually improving our progress and transparency against the four elements. We have started reporting to CDP (aligned to the TCFD) and scored a B- in our first response to the CDP climate questionnaire in 2021.

Governance

Board oversight and a robust management approach to embed climate change in decision-making at the highest level

Board oversight
The Board has ultimate accountability for Helios Towers' Sustainable Business Strategy and our Carbon Reduction Roadmap is a key part of this. Sustainable business is a priority on the agenda at every Board meeting, with members receiving an update from the Director of Property and SHEQ and the Group Head of Sustainability, on progress against targets, achievements, challenges and strategic plans. For example, throughout 2021, the Board was kept updated on our target-setting process and the challenges and opportunities for various target options. We ensure Board members are informed and knowledgeable on climate-related issues, and in June 2021 all members received training from an external carbon consultancy. This covered the latest climate science, our stakeholders' views on climate and discussion around its implication for our future business strategy, and provided a solid foundation for the Board to review and approve our ambitious carbon reduction target and net zero ambition, announced in November 2021.

A robust management approach
The CEO, with involvement and support from the CEO-Designate and CFO, has the highest level of responsibility for climate and other sustainability issues. The annual bonus for the Executive Directors is based on Adjusted EBITDA, portfolio free cash flow, network performance and international standards targets. With diesel being the largest operating cost at a tower site, reducing diesel and associated emissions is directly linked to our Adjusted EBITDA and portfolio free cash flow.

The CEO-Designate and CFO also lead on our carbon reduction strategy. They were integral to the carbon target setting process and chair monthly meetings to monitor progress against that target. They guide, assess and have ultimate decision-making responsibility on climate-related issues, for example, on Project 100; investing US$100 million in carbon reduction and innovation between 2022–30.

Supporting the Executive Directors to implement our climate strategy, our Group Head of Sustainability works with business functions such as Operations and

Technology, Finance and Compliance to consider how climate impacts our business strategy, risk management and operations. Our dedicated Performance Engineering function is responsible for continually reviewing the most environmentally friendly and cost-effective power solutions for our sites. As each site is unique, the team identifies alternative energy sources depending on site-design requirements, commercial and technical feasibility and power needs.

Integrating climate considerations into business planning
To support our ambition of becoming a net zero carbon emissions business by 2040, we set an intensity reduction target in November 2021 (see page 31). All operating companies' budgets and forecasts now include carbon emissions to help understand the impact of business decisions on our 2030 carbon reduction target and net zero ambition. We also created a cross-functional working group including Sustainability, Finance, Commercial, Supply Chain and Compliance to promote climate action across the business.

Next steps:
- Continue to provide updates and briefings to the Board on climate topics and strengthen their capacity to integrate climate-related issues in strategic decision-making.
- Develop a plan for how to assess climate-related issues when reviewing major capital expenditures and future acquisition strategies.

Strategy

Understanding climate risks and opportunities and integrating them into business strategy

Climate-related risks and opportunities
In 2021, we made progress towards understanding the impact of climate change on our business strategy and financial planning. An external carbon consultancy facilitated a workshop with colleagues from Operations, Finance, Sustainability and Compliance to identify the risks and opportunities that climate change poses for our business. These included:

- Physical risks such as increased frequency and severity of extreme weather events impacting our tower infrastructure and making access to sites difficult for maintenance and refuelling which could impact our revenues.
- Transition risks such as fuel availability, which could increase our costs due to a potentially higher cost of diesel.

Next steps:
- Review time horizons and financial impact of each risk.
- Develop plans to conduct scenario analysis in 2023 on key risks identified to inform long-term strategic and financial planning.

Risk management

Strengthening our climate change risk assessment and management processes

Identifying climate risks
Based on the initial climate risk assessment in 2021 (see Strategy section above), climate change has been included as a principal risk for the business (see page 65). This is due to continuing and increasing focus by regulators, investors and communities on the impacts of carbon emissions on business and society. In March 2022, the Audit Committee, which monitors the nature and extent of risk exposure against the Group's risk appetite, reviewed and approved the addition of climate change as a principal risk for the business.

Next steps:
- Assess the impacts of transition and physical risks on our business over different time horizons and develop plans for managing them.
- Embed climate-related risk and opportunity understanding into our enterprise Group risk management framework to ensure a systematic approach to managing them.

Metrics and targets

Measuring our climate impacts and setting a carbon target

Reducing our carbon footprint, and supporting our customers' reduction targets, is a key part of our Sustainable Business Strategy. We monitor and report our Scope 1, 2 and 3 emissions (see page 31 for the disclosures, along with the methodology used to calculate them). In 2021 we set out an intensity target to reduce carbon emissions per tenant by 46% (against a 2020 baseline) by 2030 and become a net zero business by 2040 (page 31). As we expand into new markets and begin to gather operational data, we will rebaseline our target.

Next steps:
- As part of our commitment to continually improve our scope 3 reporting, we will explore opportunities for more detailed reporting of indirect value chain emissions[(1)].
- Rebaseline target to include our operations in Senegal and Madagascar.
- Review and improve data collection processes to prepare for external assurance for carbon footprint in 2023.

(1) We report Scope 3 emissions (on page 31) for five relevant indirect emissions categories including purchased goods and services, well to tank and transmission and distribution of energy, business travel, freight, and downstream leased assets.

Strategic progress continued

Empowered people and partnerships

31%
of our staff trained in Lean Six Sigma

Building a network for shared success, with safety as a priority for all

2021 highlights:

- We continued to invest in developing our people and partners. 31% of colleagues are now trained in Lean Six Sigma;
- We are committed to building talented local teams in our markets. 97% of our OpCo workforce are local people;
- In developing an open reporting culture for safety, we saw a 130% increase in the near-miss reporting rate.

One Team, One Business

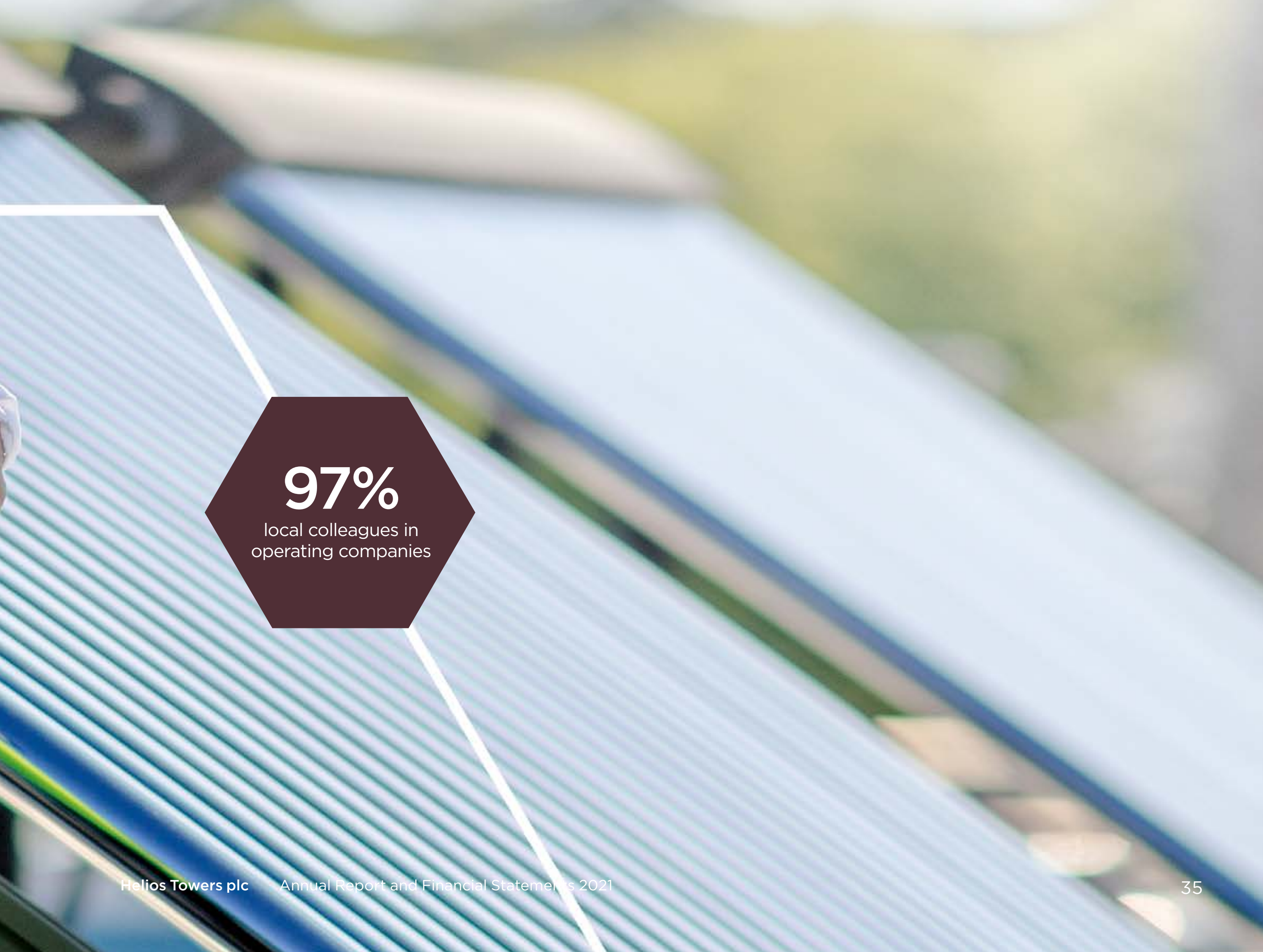
Our business performance is built on shared success and a working environment that is safe, fair and equal for all. We strive to promote diversity and inclusion as well as promoting a culture of learning and development.

Health and safety is the first item on the agenda at every Board and executive meeting. Our primary responsibility is the safety of everyone who works with us, whether they are employees or contractors. For this reason we monitor, and act on, our partners' performance as well as our own.

Key to our approach is close collaboration with our contractors and our 'One Team, One Business' ethos. Our service resilience during the pandemic showed the value of strong engagement and collaboration with all our stakeholders, and this remains central to cultivating a long-term sustainable business.

This includes sharing offices with our maintenance partners and embedding business excellence and Lean Six Sigma principles into their own practices. We also make significant investments in our maintenance partners' skills. Developing the technical knowledge of their field teams is central to meeting our rigorous uptime targets.

To maximise the positive impact we have in our markets and to harness local talent and skills, we focus on hiring and empowering localised workforces in our operating markets. In 2021 we had 97% local workforce in our operating companies. We are proud to champion local talent and ensure they drive the growth of the Company.



97%

local colleagues in operating companies

Strategic progress continued

Empowered people and partnerships

Significant progress in 2021

Safety
The greatest safety challenge we face is actually unrelated to either towers or power. Rather, it is the dangers of road traffic accidents.

Due to the dispersed nature of our operations, we drive more than 15 million kilometres a year.

In addition, road conditions in remote areas can add a further risk of incidents. For this reason, everyone driving on Helios Towers business is now monitored by in-vehicle monitoring systems ('IVMS'). This technology checks for signs of 'at risk' driving, such as harsh acceleration, speed and sudden braking and over-steering. The data recorded by IVMS is analysed and performance-managed during our monthly safety, health, environmental and quality ('SHEQ') governance meetings. This approach has delivered measurable safety benefits. Indeed, no driver who consistently drove beneath our threshold limits was involved in a significant (i.e. needing in-patient care) road traffic accident.

However, and with deep regret, we recorded four fatal incidents involving our contracted partners. Three were deemed to be unavoidable road traffic accidents, and the fourth was caused by operational drop from height incident that occurred during tower construction. The investigation into the latter incident has led to significant reforms being implemented across the Helios Towers management system for controlling outsourced tower construction activities.

Communicating and driving a safety culture is a continuous task. In 2021 we produced a powerful film, and supporting material, focusing on our principal risk areas of driving, electricity and working at height. We are also making these available to all our partners, together with our new Life Saving Rules that make safety everyone's responsibility.

Diversity
We see diversity as essential, desirable and a positive business benefit. We therefore strive to create a diverse, inclusive and open work environment. At Board level, ethnic diversity representation stands at 45%, and the gender split is 73% male and 27% female.

Across all our colleagues, ethnic diversity stands at 81%, and overall we have a 76% male and 24% female gender split. This latter statistic partly reflects that our sector has historically been seen as male-orientated. The nature of field maintenance roles can also present risks for women (such as working alone at remote site locations).

Even so, we are determined to bridge the gender gap both inside our Company and more widely in society. In 2021, we held an employee forum with female leaders from the business sharing experiences and challenges faced by women in their careers.

Diversity of gender and ethnicity (2021 year-end)

Board

Gender %

Male 73% (8) Female 27% (3)

Ethnicity %

Ethnically diverse backgrounds 45% (5)
Others 55% (6)

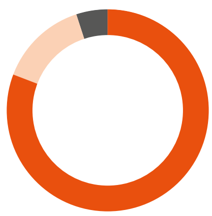
Management(1)

Male 76% (137) Female 24% (43)

Ethnically diverse backgrounds 76% (137)
Others 19% (34)
Not disclosed 5% (9)

Employees

Male 76% (420) Female 24% (130)



Ethnically diverse backgrounds 81% (452)
Others 14% (73)
Not disclosed 5% (25)

(1) Management includes permanent employees with line management responsibility or in leadership positions (defined as band 2 employees).

> Attracting and developing diverse talent is key in delivering on our strategic objectives. We're delighted to have improved development opportunities for our colleagues in 2021 through a new learning platform while continuing to promote Lean Six Sigma training across the organisation.

Tom Greenwood
CEO–Designate

CASE STUDY:

Investing in developing our people and partners

Our success as a business depends on the knowledge and capabilities of both our own people and our maintenance partners.

We also work in a fast-moving sector characterised by new and exciting technologies. We therefore invest heavily in learning and development for everyone, to enhance our reliability and uptime and to upskill our people for new opportunities.

In 2021 we took this commitment to the next level with the launch of our Learning Management System. This new online resource gives access to more than 4,000 learning modules, ranging from technology and field-based preventative maintenance to compliance and SHEQ.

We also continued to invest in Lean Six Sigma training to improve customer service, transparency, operational excellence and business resilience.

4,000+
modules in our new Learning Management System

Culture and governance

Helios Towers has an entrepreneurial culture with a flat structure, and a refreshing proactive approach to decision-making and action.

Formed just over a decade ago, we pride ourselves in developing a dedicated and talented workforce, and providing a stage on which they can perform and grow.

Over the last year, Helios Towers' combination of organic and inorganic growth has effectively doubled the size of the Company. This places an even greater emphasis on the need to grow on firm foundations, with sound governance and our proven entrepreneurial culture.

In 2021, in keeping with this culture, we launched a new employee share plan, HT SharingPlan, which requires no financial investment or risk. Everyone receives an equal allocation of virtual shares which mirrors the movement of our quoted share price. The plan is free to all colleagues and gives everyone a vested interest, and a thank-you, for contributing to our shared success.

We also introduced a new Wellbeing Programme. Although many of our people have adjusted well to lockdown measures and working from home, others have found the sense of disconnection and a lack of personal interaction a challenge. The programme, which is entirely confidential and run by an independent third-party, offers counselling, practical help and online well-being resources to address emotional problems, family issues, finance worries and much more.

Compliance

The Company applies the highest standards of governance and complies with all applicable laws and best practice. With our rapid expansion into new markets, part of the challenge of managing growth is to ensure our compliance is uncompromised wherever we do business.

In 2021, we enhanced our compliance team with new managers recruited for our Anglophone markets and recruited a manager for our Francophone markets in early 2022. They are supported by a network of local compliance champions.

We also implemented a new third-party risk management system. This will further aid our due diligence when partnering with customers, suppliers, landlords and other counterparties.

Target

Maintain our accreditations in four management systems:

- ISO 9001 (Quality Management System)
- ISO 14001 (Environmental Management System)
- ISO 45001 (Occupational Health & Safety Management System)
- ISO 37001 (Anti-Bribery Management System)

2021 progress

In 2021, we successfully maintained our accreditations in all four systems that cover Group-wide operations.

WE SUPPORT

We signed up to the UN Global Compact in 2021

Anti-bribery and corruption

We do not tolerate any form of bribery or corruption and expect all of our employees and our partners to uphold our standards, as set out in our Code of Conduct, our internal Integrity Policy and our Third-Party Code of Conduct.

Our systems to ensure compliance with all relevant laws and regulations include in-depth training, an anonymous reporting hotline and a compliance monitoring programme conducted in each of our operating companies at least twice a year.

In 2021, our ISO 37001 accreditation for our anti-bribery measures was recertified. We commissioned an independent consultancy to carry out two assessments: an 'adequate procedures' review focusing on managing risk, bribery and corruption and similar threats, and a second on the area of anti-tax evasion. Overall, Helios Towers was placed just outside the top quartile of companies reviewed, and no high-risk issues were noted.

Discrimination, human rights and modern slavery

Our work advancing mobile connectivity can positively promote a number of fundamental human rights and freedoms by enabling access to life-enhancing services, education and healthcare.

We are committed to conducting our business in a way that respects the human rights of all our stakeholders, including our employees, workers within our supply chain, and members of the communities where we operate. We reinforced this commitment through the development of our first Human Rights Policy.

We do not tolerate any form of discrimination, and ensure that opportunities are open equally to all regardless of age, gender, disability, gender identity, sexual orientation, cultural background and belief.

Our Codes of Conduct prohibit any form of modern slavery or child labour and we apply the same requirements of ethical conduct to our contractors, suppliers and partners. We reserve the right to check and inspect our partners' records and processes, and we actively do so. We provide periodic compliance training and investigate promptly any concerns raised regarding potential violations of our Codes.

CASE STUDY:

Committed to collective action

We signed up to the UN Global Compact in 2021, a framework for businesses that are committed to aligning operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

These principles support our strategy and responsible business practices. We are proud to join the world's largest global corporate sustainability initiative and commit to operating responsibly and reporting our progress in alignment with the principles.

For our annual Communication on Progress, please see our **Sustainable Business Report 2021**.

Our markets and performance

Helios Towers continued to drive robust growth in 2021.

Group financial highlights

Revenue

+8%

2021: US$449.1m
2020: US$414.0m

Adjusted EBITDA[Δ]

+6%

2021: US$240.6m
2020: US$226.6m

Operating profit

+5%

2021: US$59.0m
2020: US$56.3m

Tanzania

POPULATION[1]
61M

POPULATION GROWTH[1] (2021–26)
15%

UNIQUE MOBILE SUBSCRIBERS[2]
26M

4G CONNECTIONS[1,2] (% POPULATION)
9%

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

Revenue

+2%

2021: US$170.4m
2020: US$167.1m

Adjusted EBITDAΔ

+8%

2021: US$113.2m
2020: US$105.0m

Key highlights (US$ millions)	**FY21**	FY20
Revenue	170.4	167.1
Adjusted EBITDAΔ	113.2	105.0
Total sites	4,005	3,821
Total tenancies	9,012	8,625
Tenancy ratio	2.25x	2.26x

Mobile penetration (2021)[2]

42%

Mobile connections CAGR[3] (2021–26)

5%

PoS additions[3] (2021–26)

6,500

Market leader

We are pleased with the performance in 2021, a year which highlighted our focus on exceptional customer service and business excellence. We took our power uptime performance to record levels, delivered one of our strongest years of organic tenancy growth and continued to manage our cost base effectively.

Gwakisa Stadi
Managing Director

Overview
With one of the fastest-growing economies in the world, a growing population and increasing urbanisation, Tanzania continues to be an exceptional growth market for Helios Towers. Our MNO customers continue to invest, with PoS expected to grow by 8% annually.

2021 operating highlights
- Our Tanzanian operating company delivered strong tenancy growth in 2021, adding 184 sites and 387 tenancies.
- Revenues grew by 2%, while Adjusted EBITDA increased by 8% driven by strong organic tenancy additions and cost management.

Philippe Loridon
Regional CEO – Middle East, East & West Africa

Gwakisa Stadi
MD Helios Towers Tanzania

DRC

POPULATION[1]
92M

POPULATION GROWTH[1] (2021–26)
16%

UNIQUE MOBILE SUBSCRIBERS[2]
37M

4G CONNECTIONS[1,2] (% POPULATION)
2%

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

Revenue

+1%

2021: US$176.4m
2020: US$174.0m

Adjusted EBITDA^Δ

(2)%

2021: US$101.0m
2020: US$103.5m

Key highlights (US$ millions)	**FY21**	FY20
Revenue	176.4	174.0
Adjusted EBITDA^Δ	101.0	103.5
Total sites	2,062	1,895
Total tenancies	4,701	4,096
Tenancy ratio	2.28x	2.16x

Mobile penetration (2021)[2]

40%

Mobile connections CAGR[3] (2021–26)

6%

PoS additions[3] (2021–26)

5,700

Market leader

We delivered record organic site and tenancy additions in 2021. These investments position us well for growth into 2022, and we are pleased to play a critical role in supporting all of the MNOs as they expand and densify their networks across the DRC.

Eric Waku
Managing Director

Overview

This vast and vibrant country, the second largest in Africa, saw us engage in intense build activity and colocation growth in 2021. There are strong structural factors supporting this; with continued population growth, low mobile penetration and four attractive MNOs, it is a great market for Helios Towers. With 12% PoS growth forecast annually over the next five years, we expect this to continue.

2021 operating highlights

- Record organic tenancy growth saw the addition of 167 sites and 605 tenancies, resulting in a tenancy ratio of 2.28x at year-end.
- 85% of new tenancies came online in the second half of the year, positioning the company well for growth into 2022.
- Adjusted EBITDA declined 2% year-on-year, with the benefit of organic tenancy growth offset by an update to the license fee to 3% of local revenues.

Sainesh Vallabh
Regional CEO – South & Central Africa

Eric Waku
MD Helios Towers DRC

Ghana

POPULATION[1]
32M

POPULATION GROWTH[1] (2021–26)
11%

UNIQUE MOBILE SUBSCRIBERS[2]
18M

4G CONNECTIONS[1,2] (% POPULATION)
18%

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

Revenue

0%

2021: US$42.8m
2020: US$42.9m

Adjusted EBITDA^Δ

(6)%

2021: US$25.8m
2020: US$27.4m

Key highlights (US$ millions)	**FY21**	FY20
Revenue	42.8	42.9
Adjusted EBITDA^Δ	25.8	27.4
Total sites	1,040	978
Total tenancies	2,041	1,914
Tenancy ratio	1.96x	1.96x

Mobile penetration (2021)[2]

56%

Mobile connections CAGR[3] (2021–26)

3%

PoS additions[3] (2021–26)

2,700

While we saw Adjusted EBITDA decline in 2021, driven by higher non-power opex and following strong performance in 2020, we continued to expand our attractive site portfolio while delivering record power uptime for our customers, positioning us well for growth as we enter 2022.

Fritz Dzeklo
Managing Director

Overview

Our first ever market of operation, Ghana continues to have the same qualities as when we first entered: multiple blue-chip MNOs, a young and growing population and low mobile penetration. Independent forecasts estimate a requirement of approximately 2,700 points of service over the next five years, representing 5% annual growth over the period.

2021 operating highlights

- Our Ghanaian operating company delivered continued tenancy growth, adding 62 sites and 127 tenancies, with a tenancy ratio of 1.96x remaining flat year-on-year.
- With the majority of new tenancies coming online in the second half of year, revenue growth was flat year-on-year, with Adjusted EBITDA declining 6% year-on-year, reflecting higher opex per site in the year.

Sainesh Vallabh
Regional CEO – South & Central Africa

Fritz Dzeklo
MD Helios Towers Ghana & Regional Director of Central Africa

South Africa

POPULATION[1]
60M

POPULATION GROWTH[1] (2021–26)
6%

UNIQUE MOBILE SUBSCRIBERS[2]
41M

4G CONNECTIONS (% POPULATION)[1,2]
73%

Revenue

+76%

2021: US$6.0m
2020: US$3.4m

Adjusted EBITDAΔ

+136%

2021: US$2.6m
2020: US$1.1m

Key highlights (US$ millions)	**FY21**	FY20
Revenue	6.0	3.4
Adjusted EBITDAΔ	2.6	1.1
Total sites	272	236
Total tenancies	464	404
Tenancy ratio	1.71x	1.71x

Mobile penetration (2021)[2]

68%

Mobile connections CAGR[3] **(2021–26)**

3%

PoS additions[3] **(2021–26)**

1,800

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

We are pleased with the continued organic momentum in South Africa, and after less than three years of operation, achieving a tenancy ratio of 1.7x. We saw considerable operating leverage in the year through our portfolio expansion, and expect that to continue.

Marinus Gieselbach
Managing Director

Overview

The only market in which we entered on a greenfield basis continues to have exciting qualities: continued PoS growth forecast over the next five years and only 68% mobile penetration.

Additionally, as the most developed mobile market in Africa in terms of technologies deployed, we view this market as an incubator for testing ancillary technologies, such as data centre management.

2021 operating highlights

- Our South African entity continued to drive tenancy growth, adding 36 sites and 60 tenancies, with a tenancy ratio of 1.71x at year-end.
- Adjusted EBITDA expanded +136% year-on-year, reflecting the continued operating leverage for the business as tenancies are added to the portfolio.

Sainesh Vallabh
Regional CEO – South & Central Africa

Marinus Gieselbach
MD Helios Towers South Africa & Regional Director of Southern Africa

Congo B

POPULATION[1]
6M

POPULATION GROWTH[1] (2021–26)
13%

UNIQUE MOBILE SUBSCRIBERS[2]
3M

4G CONNECTIONS (% POPULATION)[1,2]
14%

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

Revenue

+4%

2021: US$27.7m
2020: US$26.6m

Adjusted EBITDA^Δ

+3%

2021: US$13.1m
2020: US$12.7m

Key highlights (US$ millions)	FY21	FY20
Revenue	27.7	26.6
Adjusted EBITDA^Δ	13.1	12.7
Total sites	459	426
Total tenancies	661	617
Tenancy ratio	1.44x	1.45x

Mobile penetration (2021)[2]

48%

Mobile connections CAGR[3] (2021–26)

4%

PoS additions[3] (2021–26)

800

Market leader

The team delivered steady Adjusted EBITDA growth in 2021, driven by continued tenancy expansion. We continue to focus on business excellence, and delivering exceptional service levels for our customers.

Colard Nkole Tshiyoyo
Managing Director

Overview
Historically a steady contributor to the Group, Congo Brazzaville saw a successful year. Similar to many of our other markets, Congo B has an attractive structural growth opportunity with strong population growth forecast and low mobile penetration.

2021 operating highlights

- Our operating company in Congo Brazzaville delivered 33 sites and 44 tenancies in the year, marking one of its strongest years since operations began in 2015.
- Revenues and Adjusted EBITDA grew 4% and 3% respectively, largely reflecting the continued tenancy growth.

Sainesh Vallabh
Regional CEO – South & Central Africa

Colard Nkole Tshiyoyo
MD Helios Towers Congo Brazzaville

Senegal

POPULATION[1]
17M

POPULATION GROWTH (2021–26)[1]
14%[1]

UNIQUE MOBILE SUBSCRIBERS[2]
9M

4G CONNECTIONS (% POPULATION)[1,2]
16%

> Although we have only been operational since May 2021, we are delighted with our progress and focus on business excellence. We have seen strong power uptime improvements already, and continue to engage with the MNOs to efficiently support their expansion plans.
>
> **Karim Ndiaye**
> Managing Director

Key highlights
(US$ millions)

	FY21
Revenue	23.4
Adjusted EBITDA$^{\Delta}$	12.7
Total sites	1,232
Total tenancies	1,303
Tenancy ratio	1.06x

Mobile penetration (2021)[2]

53%

Mobile connections CAGR[3] (2021–26)

4%

PoS additions[3] (2021–26)

1,800

Market leader

Overview

Following closure of our acquisition agreement with the MNO, Free Senegal, our new operation went live in May 2021. Helios Towers is the first and only independent towerco operating in the country, in a market that is perfectly aligned to our criteria: multiple MNOs, a hard currency market and a tower and power infrastructure gap.

With a strong pool of local talent to recruit from, together with our New Markets Launch team and regional CEO leadership, the acquisition has enjoyed a textbook integration process.

2021 operating highlights

- We closed acquisition of 1,207 sites and 1,264 tenancies in May 2021, with financial and operational performance continuing to be in line with the Company's expectations.
- The operating company saw quarter-on-quarter Adjusted EBITDA growth through the year and delivered continuous improvements in power uptime for our customers.

Philippe Loridon
Regional CEO – Middle East, East & West Africa

Karim Ndiaye
MD Helios Towers Senegal & Regional Director of West Africa

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

Madagascar

POPULATION[1]
28M

POPULATION GROWTH[1] (2021–26)
14%

UNIQUE MOBILE SUBSCRIBERS[2]
11M

4G CONNECTIONS (% POPULATION)[1,2]
11%

(1) UN World Population Prospects, June 2019.
(2) GSMA database, accessed January 2022.
(3) Analysys Mason report, February 2022.

I am delighted to be part of the Helios Towers team and driving operations in Madagascar, which launched in November 2021. I truly believe we have the opportunity, with our dynamic and experienced team, to support all mobile operators to expand and densify their networks over the coming years and contribute to bridging the digital divide in this emerging market.

Jérôme Gautier
Acting MD Helios Towers Madagascar

Key highlights (US$ millions)	**FY21**
Revenue	2.4
Adjusted EBITDA$^{\Delta}$	0.9
Total sites	490
Total tenancies	594
Tenancy ratio	1.21x

Mobile penetration (2021)[2]

37%

Mobile connections CAGR[3] (2021–26)

5%

PoS additions[3] (2021–26)

1,100

Overview

We closed the acquisition of Airtel Africa's passive infrastructure company in Madagascar in November 2021, adding 490 sites to our portfolio. Madagascar is an attractive market for mobile communications, with 37% mobile penetration today and 14% population growth projected between 2021–26.

Madagascar meets many of our acquisition criteria, with four high-quality MNOs, a population of 28 million and a tower and power infrastructure gap. We look forward to supporting MNOs to expand their networks in this attractive market, efficiently and cost-effectively.

2021 operating highlights

- We closed the acquisition of 490 sites and 594 tenancies in November 2021, with a strong team in place, ready to support driving site growth and colocation lease-up in the attractive Madagascar market in 2022 and beyond.

Sainesh Vallabh
Regional CEO – South & Central Africa

Jérôme Gautier
Acting MD Helios Towers Madagascar

Announced acquisitions

Expansion into new markets

Helios Towers announced a number of acquisition agreements in 2020 and 2021. Our New Markets Launch team, which closed acquisitions in Senegal and Madagascar in 2021, continues to explore opportunities in a number of structurally attractive markets.

Market overviews

	Malawi	Gabon	Oman
Population[1]	20m	2m	5m
GDP CAGR (2021–26)[2]	4%	3%	3%
Mobile penetration[3]	34%	63%	71%
Mobile connections CAGR (2021–26)[4]	6%	1%	4%
#MNOs	2	2	3
PoS CAGR (2021–26)[4]	8%	3%	9%

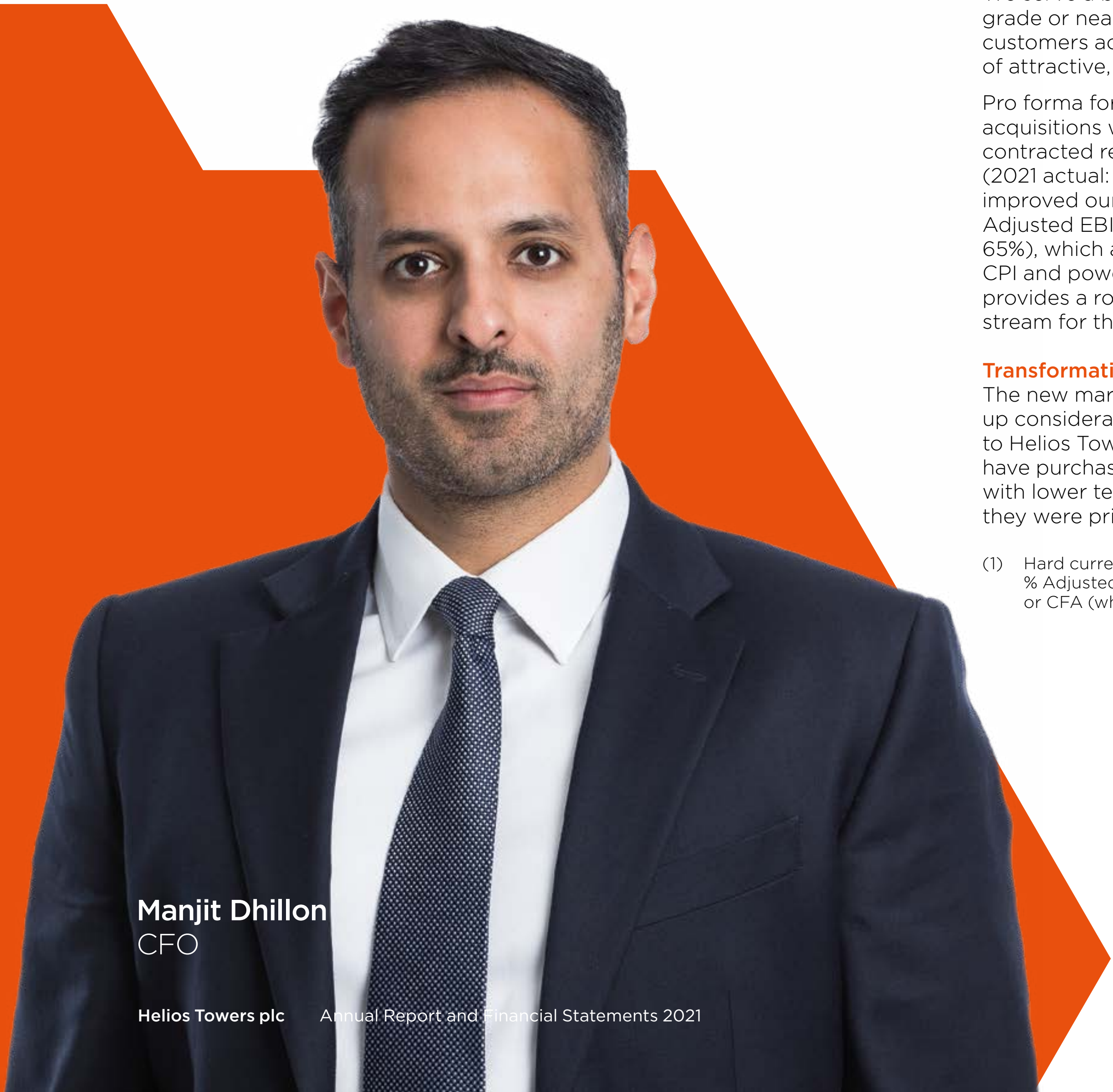
Transaction KPIs

	Malawi	Gabon	Oman
Sites	735	459	2,890
Tenancy ratio	1.4x	1.0x	1.2x
Y1 revenues[5]	$23m	$22m	$59m
Y1 Adjusted EBITDA[5]	$8m	$7m	$40m

(1) UN World Population Prospects, June 2019.
(2) IMF World Economic Outlook, October 2021. GDP CAGR reflects annual growth using current prices.
(3) GSMA database, accessed January 2022.
(4) Analysys Mason report, February 2022.
(5) Y1 Revenues and Adjusted EBITDA reflect expected performance of the acquired assets in the first full year of ownership, with further growth expected through the committed BTS and colocation lease-up.

Chief Financial Officer's statement

2021: A platform built for compounding growth and returns



Manjit Dhillon
CFO

2021 was a standout year for Helios Towers. Alongside record performance from an organic tenancy growth and operational perspective, we strengthened our Company through further customer and geographic diversification, improved earnings visibility and reduced cost of capital.

It was a year in which we effectively doubled our tower count, both through our announced acquisitions and by the welcome addition of Senegal in May 2021.

These portfolios expand our asset base and, importantly, offer considerable opportunities for lease-up and compounding cash flow returns. In addition to the strong organic growth opportunity from each of these acquisitions, they also improve our diversification, hard currency mix and earnings visibility. We serve a broader set of investment grade or near-investment grade customers across a broader number of attractive, high-growth markets.

Pro forma for the announced acquisitions we increased our contracted revenues to US$5.3 billion (2021 actual: US$3.9 billion) and improved our hard currency[(1)] Adjusted EBITDA to 72% (2021 actual: 65%), which alongside our contractual CPI and power price escalators provides a robust and resilient income stream for the Company.

Transformational growth

The new market acquisitions also open up considerable growth opportunities to Helios Towers. The portfolios we have purchased from the MNOs come with lower tenancy ratios on day-1 as they were principally built and

(1) Hard currency earnings reflect % Adjusted EBITDA in either US$ or CFA (which is pegged to the Euro).

Chief Financial Officer's statement continued

operated for a sole MNO. So while the tenancy ratio and EBITDA margins will be lower than the Group margins, they offer a fantastic opportunity to lease-up the portfolio and serve the needs of all the MNOs in these markets. Following closing of the signed transactions we will effectively double in size and therefore will see a period of transition, with a number of our Group metrics becoming diluted in the short-term; however, we will see these rebound as we continue to build new sites, lease up the portfolio and operate the assets more efficiently.

More detail can be found on pages 08 and 09.

The capital markets

During the year we were active in the capital markets and attracted significant support, diversifying our funding instruments, tapping new pockets of investor demand, lowering our cost of capital and positioning us well for the significant investments being made across both 2021 and 2022.

This included our first raising of convertible bonds in March 2021, which we also subsequently tapped, in total raising US$300 million. Additionally, we raised a small amount of primary equity in the year of approximately US$110 million, which further strengthened our balance sheet in advance of closing the announced acquisitions. Finally, we also raised a €120 million local facility in Senegal to support the acquisition and the committed pipeline of 400 BTS in that market.

The net result of this activity, and alongside our financing actions in 2020, is that we have significantly reduced the cost of our financing. Just two years ago, our cost of debt was approximately 9%. Now, on a blended basis, taking into account all of our activity, that rate is lower than 6%, and we look forward to continuing to drive that down further.

Whilst our activity in the capital markets has positioned us well for the closings of the announced acquisitions, it has resulted in an increase in financing costs on an absolute basis which reduced statutory profitability in the short term.

Group performance: continued growth and significant investment

We closed the year with revenue and Adjusted EBITDA growth of 8% and 6% respectively, and delivered a record operating profit of US$59 million, increasing 5% year-on-year, all of which was driven by continued tenancy growth. Our Adjusted EBITDA margin was largely unchanged from 2020, decreasing 1ppt from 55% to 54% year-on-year, which reflects the increase in SG&A to support the period of significant portfolio expansion.

The Group's loss before tax was US$(119) million, increasing from a loss of US$(21) million in 2020. This was principally related to movements in our derivative financial instruments that reflects the embedded call option in our bond, and also higher finance costs. The higher finance costs reflect capital raised to support our two acquisitions closed during 2021 (portfolios in Senegal and Madagascar), as well as strengthening our balance sheet in advance of closing other announced acquisitions, which are targeted to close through 2022.

We anticipate that we will see continued statutory Group losses as we integrate the acquired assets. However, as we drive colocation lease-up and operational improvements, we expect to see improved profitability in the near term. We are seeing this dynamic in our established markets, with our business transitioning from being loss to profit making.

Cash flow generation from our existing asset base, or portfolio free cash flow ('PFCF'), slightly decreased year-on-year, down 3% to US$168 million. The decrease principally related to higher tax and ground lease payments, offsetting the Adjusted EBITDA growth delivered in the year. Cash conversion decreased from 77% in 2020 to 70% in 2021. As we continue to close the announced acquisitions, we anticipate our cash conversion to remain flat or decrease slightly from this level, but increase over the medium term as we lease-up our tower assets.

We invested US$395 million capex in the year, of which US$373 million was discretionary capex, supporting our entry into two new attractive markets (purchasing 1,697 sites across Senegal and Madagascar) and delivering one of our highest ever years of organic tenancy additions (1,262). The majority of these organic additions came in the second half of the year, so we enter 2022 in a very strong position that is further complemented by three announced acquisition deals that are targeted to close in 2022.

Quality of revenues and earnings

Our business has a high quality earnings profile, which reflects a combination of diverse blue-chip customers, robust contract structure with long tenors, and best in class operational execution.

Customer mix: we serve Africa's largest MNOs, which account for approximately 98% of our 2021 revenues. Importantly, this is spread across a number of blue-chip MNOs, with no single customer accounting for more than 26% of our 2021 revenues. We also price sustainably, with our lease rates approximately 30% lower than the MNOs' total cost of ownership.

Long-term contracts: our contracts typically have initial terms of 10–15 years, with automatic renewals thereafter. As at 31 December 2021, we had an average of 7.6 initial term years remaining across the Group. This represents US$3.9 billion of future revenue already contracted; a strong underlying base (of high quality customers) on which we can grow. Pro forma for announced acquisitions, our contracted revenue increases to US$ 5.3 billion, with an average remaining life of 8.6 years.

Hard currency earnings and escalations: one of the key strengths of our business is hard currency earnings. This is largely due to the fact we operate in hard currency markets: DRC, Senegal and Congo Brazzaville are either dollarised or pegged to the Euro. Across the Group, 65% of our Adjusted EBITDA is in hard currency, and this is further complemented by contractual escalators for power and CPI which provide further earnings protection.

Liquidity and net debt

During 2021 we strengthened our liquidity position, finishing the year with US$529 million of cash and cash equivalents, an increase of US$100 million from US$429 million in 2020. This was partly a result of the equity placing, convertible bond issuance and subsequent tap. Our net leverage was 3.6x at the end of 2021, an increase of 0.7x compared to our 2020 position, reflecting significant capital investment through the year. Importantly, we retain strong funding capacity with leverage still at the low end of our medium term target range of 3.5x – 4.5x. Following closing all of the announced acquisitions, we anticipate net leverage to be slightly above our medium term range, with a clear path back within our range in the near term.

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 2021. 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

With our significant investment and strong tenancy additions in 2021, in addition to signed acquisitions targeted to close this year, we expect 2022 to be another exciting year for the business, and one in which we will continue to drive sustainable value creation.

We have made significant investments to build an enlarged platform, from which we can drive strong growth and compounding returns. Our robust business model and high quality earning base underpins our growth. It comprises a combination of long-term contracts with a diverse set of blue-chip MNOs across a diverse set of attractive high growth geographies, many of which are hard currency.

We were pleased to deliver our Carbon Reduction Roadmap in November 2021, and lay out ambitious, but achievable targets for the business in 2022 and beyond. As part of that, we introduced Project 100, pledging to invest US$100 million between 2022–30. In line with this, we have identified a number of value accretive and carbon reducing initiatives, which we look forward to rolling out through the year and discussing in due course.

We have created a fantastic and compelling platform for growth and we remain laser-focused on delivering exceptional customer service, business excellence and sustainable value creation for all our stakeholders.

Manjit Dhillon
CFO

Section 172(1) Statement

Promoting the success of the Company

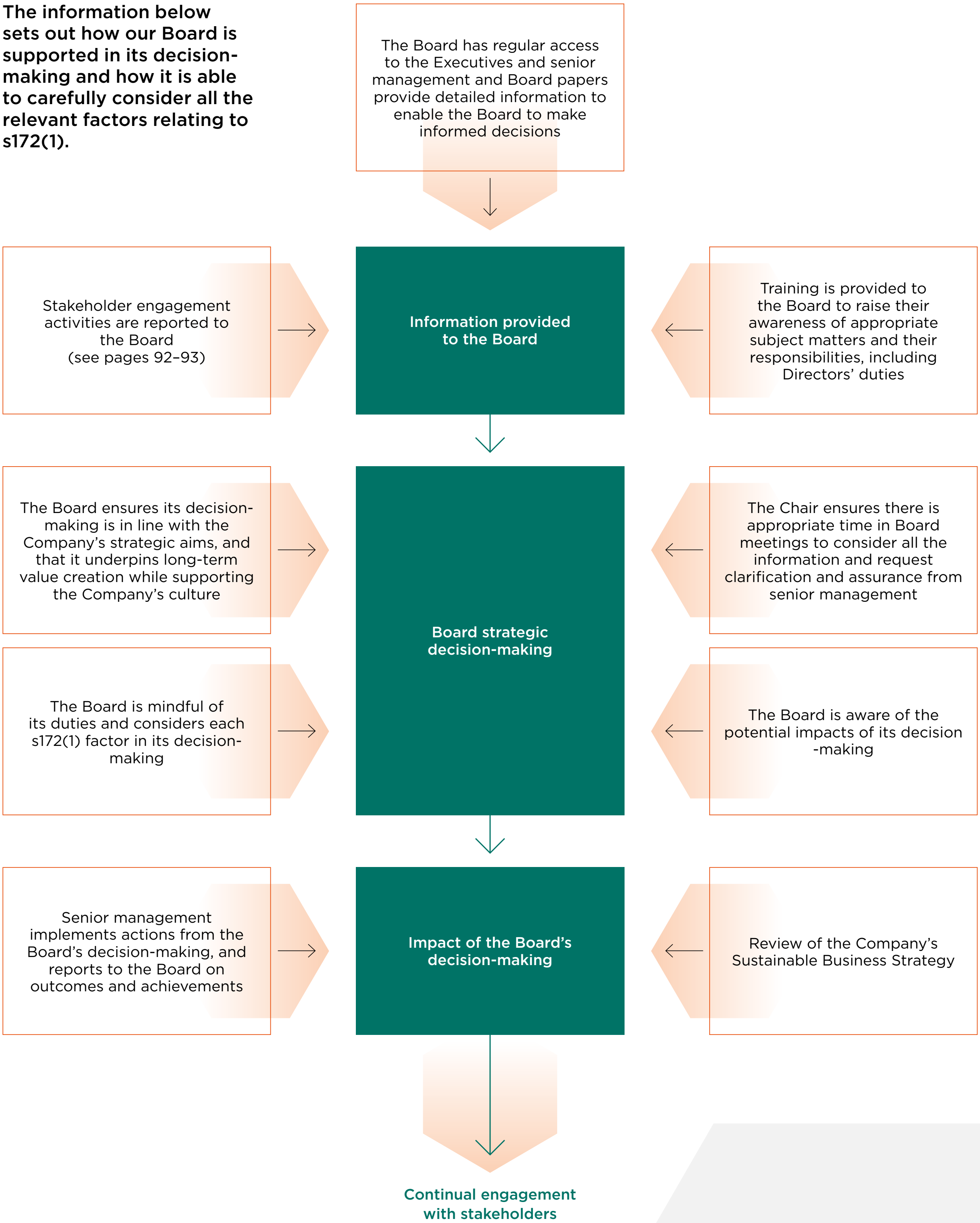
The Board has a duty to promote the success of the Company for the benefit of its members as a whole under Section 172(1) of the Companies Act 2006 (the 'Act'). In doing so, the Board must have regard to a number of key issues (among other matters) including the interests of the Company's employees, its business relationships with customers, supplier partners and investors, and the impact of its operations on communities and the environment.

The Directors have always, both collectively and individually, taken decisions for the long-term and consistently aim to uphold the highest standards of business conduct. The following pages comprise our Section 172(1) Statement, setting out how the Board has had regard to the matters set out in Section 172(1) (a) to (f) of the Act and how the Board has considered the Company's key stakeholders in its strategic decision-making during the year to 31 December 2021.

The Board recognises and appreciates the importance of considering all its key stakeholders when making strategic decisions. Maintaining strong relationships with the Company's stakeholders is critical to the continued success of the business and the Company's Sustainable Business Strategy, which is outlined on pages 22–39. In addition, the Company's senior management team formally and informally provides the Board with updates and information relating to the Company's key stakeholders.

Further information on the Board's decision-making can be found on pages 54–55 and on the Company's interaction with its key stakeholders on pages 56–57.

The information below sets out how our Board is supported in its decision-making and how it is able to carefully consider all the relevant factors relating to s172(1).



Section 172(1) Statement continued

Key strategic decisions

Convertible bond/equity issue

Strategic decisions taken

Consideration by the Board of s172(1) factors
The Board carefully considered its decision to proceed with the US$250 million Senior Unsecured Guaranteed Convertible Bonds (the 'Convertible Bond Offering') in March 2021; the concurrent US$109 million non-pre-emptive placing of new ordinary shares in the Company; and a placing and pricing of a US$50 million convertible bond tap issuance (the 'Placing'). It concluded that proceeding with the Convertible Bond Offering and the Placing would benefit the Company's employees and members, as it would ensure the Company's continued growth in new and existing markets.

The Convertible Bond Offering also enabled the Company to develop its relationships with existing investors and to attract a new pool of long-term investors.

Outcome
Additional financing capacity at attractive rates to enable the Company to acquire various tower portfolios that will support the Company's continued long-term growth at a lower cost of capital.

Omantel announced acquisition

Strategic decisions taken

Consideration by the Board of s172(1) factors
As part of the Company's long-term strategic ambition, the Board carefully considered the expansion of its operations and establishing its presence in new markets. The Company announced an agreement to acquire Omantel's passive tower infrastructure portfolio of 2,890 sites in May 2021, providing the Company with the opportunity to establish its presence in the Middle East. Shareholders approved the acquisition at the General Meeting held on 4 June 2021. Through this acquisition, the Company will become a leading independent towers infrastructure provider in Oman.

Establishing a presence in a new market requires a local workforce, complemented and supported by existing employees to establish the Company's business practices, thus providing opportunities for existing employees to expand their experience. In line with the Board's ethos on succession planning (explained on page 96), a number of existing employees were relocated to Oman to drive the development of the new business.

As part of its decision-making on this acquisition, the Board considered the Company's existing relationships with suppliers and customers. In addition to the opportunities a new market presents for existing and new employees, new market entry enables establishing relationships with new suppliers, customers, tenants and third-party contractors.

In keeping with the Company's strategic aims and promotion of its high standards of business conduct, the Board considered the impact on the Company's processes such as finance, supply chain and governance and the implementation of such processes Group-wide, in particular in new markets such as Oman. The Board is mindful of the impact the Company's operations have on the community and environment and considered the location of the acquired sites in the context of the Company continuing to work towards its environmental strategic aims.

The Company regularly considers various M&A opportunities that might be of interest. In line with previously published acquisition criteria, not all of these opportunities will be pursued if the majority of the key criteria are not met, thus ensuring the preservation of the Company's future success.

Outcome
A new operating company providing a strategic foothold for the Company in the Middle East, employment opportunities and long-term sustainable growth for investors.

Key

- Likely consequences of any decision in the long-term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company

The HT SharingPlan

Strategic decisions taken

Consideration by the Board of s172(1) factors
Following the positive feedback from colleagues in the Company's first Employee Engagement Survey in 2020, the Board took the decision to implement a share plan enabling all colleagues across the Group to participate and have a vested interest in the growth of the Company over the long-term.

The Company obtained shareholder approval for a UK Share Purchase Plan and Global Share Purchase Plan at the 2021 AGM. Extensive research was conducted to ensure all employees would be treated equally in line with the Company's culture and the 'One Team, One Business' ethos in all our countries, and no employee would be discouraged from participating due to the regulatory burdens that could be placed on individuals in some of the Company's markets. With this in mind, the Board decided to simplify the structure of the share plan, by awarding free shares that track the value of Helios Towers plc's ordinary shares, to all employees on the same value and terms regardless of role and country. This ensured there were no restrictions to employees enjoying this opportunity to benefit from the Company's long-term growth. The Board decided to grant all employees an additional one-off 'Covid-19 Thank You Award' due to the efforts made by everyone during a challenging year.

Further information on the HT SharingPlan can be found on page 121.

Outcome
Employees feel invested in the Company's continued growth and are able to benefit from its shared success. They also have an element of remuneration that aligns their long-term interests with those of shareholders. The Company has a share-based plan to attract and retain talented employees at all levels of the organisation and across all markets.

Carbon reduction target

Strategic decisions taken

Consideration by the Board of s172(1) factors
In 2020, we developed an integrated Sustainable Business Strategy, which reflects our economic, environmental and social impact. Under the business excellence and efficiency pillar of the strategy, which includes minimising our environmental impact, we committed to develop a carbon reduction roadmap and target. The senior management team was heavily involved in the process in 2021, discussing how we can reduce our environmental impact while still delivering the transformational benefits of mobile to our communities and driving economic growth in our markets. There was also significant discussion at Board level with the Board receiving a climate training session from an external carbon specialist and approving the Carbon Reduction Roadmap.

The vast majority of the Company's operations are in Africa, where the contribution to global carbon emissions is approximately 2%[1] and is disproportionately lower on a per capita basis than regions such as Europe and the US. The Company's published carbon reduction roadmap focuses on our sustainable business model of colocation as well as utilisation of lower-carbon and renewable solutions in powering our towers. The more colocations there are, the fewer new towers need to be built, leading to a reduction in overall carbon emissions.

The Company's 2030 goal is a 46% carbon intensity reduction per tenant, which equates to maintaining the Company's absolute emissions at 2020 levels. Our target covers the five markets where we were operational for the full year of 2020. As the Company expands into new markets, the baseline target will be reviewed accordingly.

More information can be found in Business excellence and efficiency on pages 28–33.

Outcome
The Company has established carbon reduction targets that drive its long-term sustainable growth whilst addressing the impact of the Company's operations on the communities and the environments in which it operates.

(1) **Carbon Reduction Roadmap**.

Section 172(1) Statement continued

Engaging with our stakeholders

Engaging and maintaining strong relationships with our stakeholders is critical to the current and future success of the Company. Whilst we do have mechanisms in place to measure feedback from our stakeholders, we also work proactively to capture feedback to develop our action plans for continuous improvement. The following shows how the Company, as a whole, engages with its stakeholders. Information on the Board's stakeholder engagement can be found on pages 92–93.

Workforce

Why it's important to engage
Our people are a key asset for our business. We nurture and invest in our people by giving them the tools to be effective in their work and by growing their skills as we grow. Our ambition is to build an engaged, happy, creative and productive workforce by fostering an inclusive and collaborative environment that reflects our vision and our values.

How we engaged during the year
- Quarterly town hall meetings and regular business updates
- Training and development, and wellness programmes
- Mobility opportunities across our markets
- Code of ethics and conflict of interest awareness sessions
- Team building and round table events
- Diversity & inclusion initiatives

2021 highlights
- Launch of the HT SharingPlan for all employees with a take up nearing 100%
- Review of employee policies and practices across the Group
- Implementation of a new Learning Management System
- Introduction of a leadership development programme
- Introduction of the HR4U initiative to improve collaboration
- Design of a new layer of management to give room for internal moves across the operating companies

Customers

Why it's important to engage
Our customers are at the centre of everything we do. Our customers choose us to accelerate their growth ambitions and to lower their costs of delivering crucial services. Regular engagement is vital for speed and efficiency of service, and is therefore critical to our customers. Our performance drives theirs in turn.

How we engaged during the year
- Regular meetings and communication
- Customer surveys
- Industry conferences
- Involvement in industry partnership programmes and industry groups

2021 highlights
- One of our best years for organic tenancy growth in line with our tenancy targets for the year and delivering for our customers as they densify their network and expand into new regions
- Key milestones reached in Tanzania, DRC and Ghana with site counts surpassing 4,000, 2,000 and 1,000 sites respectively
- Considerable colocation growth across our markets as customers continue to see value in our portfolio and leverage our locations to cover new areas and population hubs
- Using our strategic sales methodology to formalise our engagement with new customers in our new markets, developing our partnerships and creating a strong foundation for future growth

Supplier Partners

Why it's important to engage
To develop our supplier relationships into true partnerships takes time and effort by both parties to bring about successful collaborations. We streamline our supplier base so that we can focus on, and invest in, a select few, developing true partnerships that create mutual value. Cultivating sustainable long-term relationships is essential in order to build and maintain assets that need to last for decades.

How we engaged during the year
- Regular business reviews
- Industry training activities
- Industry symposiums

2021 highlights
- Digitalisation of supplier onboarding
- Local and regional sourcing strategies
- Assurance of supply programme
- Logistics management programme
- Providing access to our new Learning Management System and training

Investors

Why it's important to engage
Investors have provided the business with the capital to invest. Regular engagement with investors is vital to ensure they understand the business model, strategy, opportunities and risks. This will ensure they continue to provide the funding flexibility required for full execution of the strategy, and in turn enable us to continue to deliver value to their investments.

How we engaged during the year
- Quarterly reporting, including preliminary and half year results
- Annual Report and Sustainable Business Report publications
- RNS announcements
- Annual General Meeting
- Class 1 shareholder circular and General Meeting
- Management conference calls and presentations
- Investor roadshows, conferences and fireside chats
- Sell-side equity research analyst engagement

2021 highlights
- Met with over 250 institutional investors, including over 90% of our institutional shareholder base, attending over 20 investor events
- Hosted seven management webcast presentations, including quarterly reporting, acquisition and carbon reduction announcements
- Published the inaugural Sustainable Business Report, as well as the 2021 Annual Report, quarterly reporting and other RNS announcements

Community

Why it's important to engage
Alongside providing network access and tackling the major digital divide in our operating markets, we have a key role to play in supporting people in the communities where we live and work. We want to maximise the positive impact of our towers through supporting education and digital inclusion and improving access to power and the internet.

How we engaged during the year
- Championed education and ICT skills development opportunities with a focus on supporting women and underserved rural communities through digital inclusion projects in South Africa, Tanzania and Ghana
- Well-established consultation and community engagement during site planning

2021 highlights
- Established the Helios Towers 'School of Engineers' flagship internship programme starting in DRC to offer final-year engineering students and recent graduates hands-on work experience
- Supported education through funding infrastructure, laptops, ICT equipment and WiFi in schools as well as our team giving talks to students about STEM and career options

Environment

Why it's important to engage
Nurturing a sustainable environment is crucial to the well-being of our communities – the end consumers of mobile technology – and the long-term success of our business. We strive to protect the environment and minimise any negative impact, which is predominantly related to carbon emissions.

How we engaged during the year
- Piloted a new remote monitoring system to optimise site power and efficiency thereby reducing our carbon emissions
- Connected to the grid wherever possible and reliable, and invested in hybrid and solar solutions to reduce our emissions
- Reported to the CDP climate questionnaire for the first time and conducted an initial assessment of climate-related risks and opportunities

2021 highlights
- Established and published our carbon reduction target of reducing Scope 1 and 2 emissions per tenant by 46% by 2030 against a 2020 baseline
- Announced Project 100: the Company's commitment to invest US$100 million on efficient, low-carbon solutions between 2022 and 2030

Non-financial information statement

The table below outlines where the key contents requirements of the non-financial information statement can be found within this document (as required by sections 414CA and 414CB of the Companies Act 2006). Helios Towers' sustainable business reporting also follows other international frameworks, including the Global Reporting Initiative, and the GHG Reporting Protocol. All Helios Towers' policies and materials as referred to below can be found on the **Company website**.

Reporting requirements	Helios Towers' policies and approach	Section within Annual Report
Stakeholders	Maintaining strong relationships with key stakeholders is critical to the long-term success of the business.	Stakeholder engagement, pages 56–57, Section 172(1) Statement, pages 52–57, Board engagement, pages 92–93.
Environmental matters	Our business strategy and business practices have sustainability at their core. • Environmental Policy • Sustainable Business Strategy • Sustainable Business Report	TCFD reporting, environmental KPIs and targets are included in the Strategic progress section of the Strategic Report, pages 31–33.
Employees	We support our employees equally, through training and opportunities, to achieve their full potential. • Anti-Discrimination Policy • Employee Code of Conduct • Diversity and Inclusion Policy	Section 172(1) Statement, pages 52–57, Board engagement pages 92–93.
Human rights	We conduct our business in a way that protects and respects the human rights of all our stakeholders. • Modern Slavery Statement • Modern Slavery Report	Governance section in the Strategic Report, page 39.
Anti-bribery and corruption	We have zero tolerance for any form of bribery or corruption. • Code of Conduct • Third-Party Code of Conduct	Governance section in the Strategic Report, page 39.
Social and community matters	Our aim is to maximise the benefits of our towers and network access for the communities where we live and work.	Network access and sustainable development section in the Strategic Report, pages 24–27, Section 172(1) Statement, pages 52–57.
Policy embedding due diligence and outcomes	Our performance is supported by rigorous due diligence processes across all areas of our business. • Third-Party Engagement and Due Diligence Policy • Code of Conduct • Third-Party Code of Conduct	Governance section in the Strategic Report, pages 38–39.
Description of principal risks and impact of business activity	Our principal risks and uncertainties address the key operational, regulatory and financial risks the business faces.	Risk management section in the Strategic Report, pages 60–65.
Description of business model	This demonstrates how we deliver on our purpose of driving the growth of communications in Africa and the Middle East.	Business model section in the Strategic Report, pages 20–21.
Non-financial key performance indicators	We consider a range of operational and strategic KPIs to measure our progress against our Sustainable Business Strategy.	Group KPIs are shown in the 2021 highlights on page 1, Sustainable Business Strategy KPIs and targets are included in the Strategic Report, page 22–37.

Risk management

Risk appetite

The Group defines risk appetite as the amount of risk that the business is prepared to take in order to deliver safe, effective working practices while maintaining and growing the business. The Group dedicates resources and focus to understanding and ensuring risk is identified, assessed, managed and monitored. Controls and mitigating actions are designed as appropriate to reflect the risk appetite in each instance. Determining risk appetite for the Group is the responsibility of the Board. The current risk appetite has been defined as high, given the Group's particular countries of operation, and its experience in these markets. This represents no change on the 2020 Annual Report.

Risk governance

Risk management is integral to the Group's strategy and to achieving its long-term goals. The Group's continued success as an organisation depends on its ability to identify and pursue the opportunities generated by its business and the markets in which it operates. The Board has overall responsibility for risk management, compliance and internal controls, and is supported by the Audit Committee.

The Audit Committee, as delegated by the Board, monitors the nature and extent of risk exposure against the Group's risk appetite. The Committee is responsible for identifying, mitigating and managing risk, as well as setting the risk appetite for the business with advice from the Executive Team. The creation and maintenance of the Group risk register involves the whole business – with operating company and functional head input being consolidated by Group Compliance into a register for discussion and agreement at executive level, prior to submission to the Audit Committee and the Board. The risk register is updated twice a year after these discussions and a review of the external environment for any emerging risks. All risks are classified into six broad risk types: Strategic, Reputational, Compliance (including Legal), Financial, Operational and People. All risks are assessed according to the probability and significance of the consequence of them materialising and a determination made to accept, avoid, or control and mitigate (in which case mitigating controls are clearly defined). Each risk has a risk owner. Climate change has been added as a principal risk during 2021 given the potential impact for our communities, stakeholders and investors and the continued and increasing regulatory and disclosure requirements. There has been no material change in the nature, probability or potential impact of previously identified risks.

During bi-annual discussions with Executive Management and functional heads of department, potential emerging risks are also discussed. These may result from internal developments: changes in organisational structure/personnel; potential new products or markets being considered; or changes in the external environment such as regulatory changes, and socio-economic, political or health and safety matters.

Emerging risks related to increased corporate governance and disclosure requirements, holistic third-party management and continuing cyber-risk threats have also been identified for ongoing management and monitoring. During 2022 there will be ongoing work, in conjunction with external experts, to develop further the Group's assessment and management of climate change risk.

Business development and new market integration remain key focus areas during 2022 to ensure robust due diligence is conducted in a timely manner on prospective market opportunities and business partners.

Helios Towers have been monitoring the global impact of the Ukraine conflict on its operations and to date there have been no significant impacts.

Governance structure

Board/Audit Committee

Executive team

1st line of defence
Owns and manages risks and implements/operates business controls

Who is responsible
- Operational staff/management

Activity/controls
- Policies and procedures
- Internal controls
- Planning, budgeting/forecasting processes
- Delegation of authority matrix
- Business workflows/IT systems controls
- Personal objectives and incentives

2nd line of defence
Oversight of risk and control compliance

Who is responsible
- Compliance/functional teams

Activity/controls
- Safety, Health, Environment and Quality (SHEQ)
- Regulatory compliance
- Management/Board reporting and review of KPIs and financial performance
- Corporate policies and Group functions' oversight

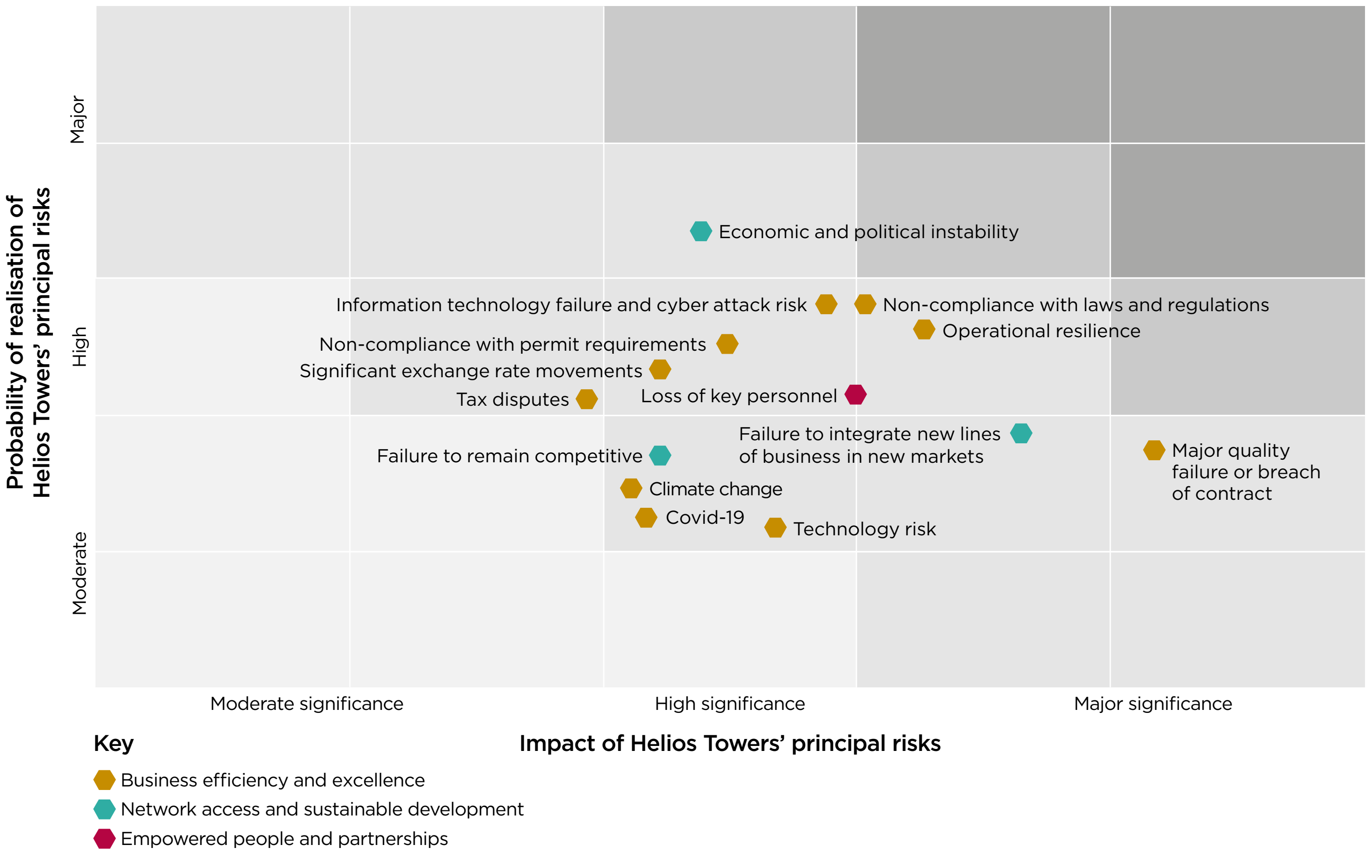
3rd line of defence
Independent assurance

Who is responsible
- Internal Audit

Activity/controls
- Internal Audit risk assessment
- Approved Internal Audit plan
- Internal Audit reporting line to Audit Committee

Principal risks and uncertainties

Principal risks heatmap



Principal risks

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

Risk	Category	Description	Mitigation	Status
1. Major quality failure or breach of contract	• Reputational • Financial	The Group's reputation and profitability could be damaged if the Group 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.	• Continued skills development and training programmes for the project and operational delivery team; • Detailed and defined project scoping and lifecycle management through project delivery and transfer to ongoing operations; • Contract and dispute management processes in place; • Continuous monitoring and management of customer relationships; and • Use of long-term contracting with minimal termination rights.	

Key

- Risk increasing
- Risk decreasing
- No change
- New risk

Principal risks and uncertainties continued

Risk	Category	Description	Mitigation	Status
2. Non-compliance with laws and regulations, such as: • **Safety, health and environmental laws** • **Anti-bribery and corruption provisions**	• Compliance • Financial • Reputational	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, 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.	• Constant monitoring of potential changes to laws and regulatory requirements; • In-person and virtual training on Safety, Health and Environmental matters provided to employees and relevant third-party contractors; • Ongoing refresh of compliance and related policies implemented in 2018 including specific details covering: anti-bribery and corruption; anti-facilitation of Tax Evasion; anti-money laundering; • Compliance monitoring activities and periodic reporting requirements introduced; • Ongoing engagement with external lawyers and 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; • Supplier audits and performance reviews; • ISO Certifications maintained; • Regionalisation of the Compliance function and recruitment of additional resource; and • Internal audit function adding additional checks and balances.	No change
3. Economic and political instability	• Operational • Financial	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 market where the Group has operations.	• Ongoing market analysis and business intelligence gathering activities; • Market share growth strategy in place; • Close monitoring of any potential risks that may affect operations; and • Business continuity and contingency plans in place to respond to any emergency situations.	No change
4. Significant exchange rate movements	• Financial	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 such movements have on Group third-party customers and strategic suppliers.	• USD and EUR pegged contracts; • 'Natural' hedge of local currencies (revenue vs. opex); • Monthly review of exchange rate differences; and • Regular upstream of cash with the majority of cash held in hard currency, i.e. USD/GBP at Group.	No change

Key

- Risk increasing
- Risk decreasing
- No change
- New risk

Risk	Category	Description	Mitigation	Status
5. Non-compliance with permit requirements	• Operational	The Group may not always operate with the necessary required approvals and permits for some of its tower sites, particularly in the case of existing tower portfolios acquired from a third party. Vagueness, uncertainty and changes in interpretation of regulatory requirements are frequent and often 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.	• Inventory of required licences and permits maintained for each operating company; • Compliance registers maintained with any potential non-conformities identified by the relevant government authority with a timetable for rectification; • Periodic engagement with external lawyers and advisors and participation in industry groups; and • Active and ongoing engagement with relevant regulatory authorities to proactively identify, assess and manage actual and potential regulation changes.	
6. Loss of key personnel	• People	The Group's successful operational activities and growth is 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.	• Talent identification and succession-planning exit for key roles; • Competitive benchmarked performance-related remuneration plans; and • Staff performance and development/support plans.	
7. Technology risk	• Strategic	Advances in technology that enhance the efficiency of wireless networks and 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 tenants, service needs and decreasing revenue streams. Examples of such new technologies may include spectrally efficient technologies which could potentially relieve certain network capacity problems or complementary voice over internet protocol access technologies that could be used to offload a portion of subscriber traffic away from the traditional tower-based networks.	• Strategic long-term planning; • Business intelligence; • Exploring alternatives; • Continuously improving product offering to enable adaptation to new wireless technologies; and • Applying for new licences to provision active infrastructure services in certain markets.	
8. Failure to remain competitive	• Financial	Competition in, or consolidation of the telecommunications tower industry may create pricing pressures that materially and adversely affect the Group.	• KPI monitoring and benchmarking against competitors; • Total cost of ownership ('TCO') analysis for MNOs to run towers; • Fair and competitive pricing structure; • Business intelligence and review of competitors' activities; • Strong tendering team to ensure high win/retention rate; and • Continuous capex investment to ensure that the Group can facilitate customer needs quickly.	

Principal risks and uncertainties continued

Risk	Category	Description	Mitigation	Status
9. Failure to integrate new lines of business in new markets	• Strategic • Financial • Operational	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 organisation culture.	• 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 plans; • Ongoing measurement of performance vs. plan and Group strategic objectives; and • Implementation of a regional CEO and support function governance and oversight structure.	
10. Tax disputes	• Compliance • Financial • Operational • Reputational	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.	• Frequent interaction and transparent communication with relevant governmental authorities and representatives; • Engagement of external legal and tax advisors 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; and • Strengthening of the Group tax team and continued recruitment of in-house tax expertise at both Group and OpCo levels.	
11. Operational resilience	• Strategic • Reputational • Operational	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.	• 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 previously identified to deal with potential disruption to the strategic supply chain; and • Ongoing review and involvement of the Human Resources function at an early stage in organisation design and development activities.	
12. Covid-19	• Operational • Financial	In addition to the risk to the Health and Safety of 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 of 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.	• Health and Safety protocols established and implemented; • Business continuity plans implemented with ongoing monitoring; • Financial modelling, scenario building and stress testing; • Continuous scanning of the external environment; • Increased fuel purchases; and • Review of contractual terms and conditions.	

Key

Risk increasing

Risk decreasing

No change

New risk

Risk	Category	Description	Mitigation	Status
13. Information management failure and cyber attack risk	• Operational • Financial • Reputational	We are increasingly dependent on the performance and effectiveness of our IT systems. Failure of our key systems, exposure to the increasing risk 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.	• 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 ITIL® best practice – identification, containment, eradication, recovery and lessons learned; and • New supplier risk management assessments and due diligence carried out.	
14. Climate change	• Operational • Financial • Reputational	There is continuing and increasing focus by regulators, investors and communities on the impacts of GHG emissions on business and society. Business risks we may face as a result of climate change relate to physical risks to our assets, operations and personnel (i.e. events arising due to the frequency and severity of extreme weather events or shifts in climate patterns) and transition risks (i.e. economic, technology or regulatory changes related to the move towards a low-carbon economy). Governments in our operating markets, in addition to increasing qualitative and quantitative disclosure requirements, may take action to address climate change such as the introduction of a carbon tax or mandate net zero requirements which could impact our business through higher costs or reduced flexibility of operations.	• Carbon reduction intensity target to 2030 with an ambition to decarbonise our emissions to net zero by 2040; • Monitoring changes to carbon legislation and regulations in all our markets; • Investing in solutions which reduce our carbon footprint and reliance on diesel such as installing hybrid and solar solutions in many of our towers and connecting to grid power where possible; • Additional capital expenditure in carbon reduction innovation; • Factoring emissions and climate risk into strategy and growth plans. All operating companies' budgets and forecasts include calculated emissions to evaluate trends vs. our 2030 carbon target; • Aligning with the TCFD framework; and • Dedicated sustainability team at Group level.	

NOTE: Principal risks identified, may combine and amalgamate elements of individual risks included in the detailed Group risk register.

Viability statement

1) Assessment of prospects: context

The Group's activities are long-term in nature, as is its business model. The Group is either the sole and/or leading independent operator in four of its seven operating markets, and will also be either the sole and/or leading independent operator in Oman, Malawi and Gabon upon closing the various acquisition agreements announced through 2021. The Group has demonstrated consistent and continued Adjusted EBITDA growth for the last five years, and from 2016 to 2021, operating loss has improved from US$(35) million to an operating profit of US$59 million. Our investment in new acquisitions as well as financing activity to support them in 2020 and 2021 generated a loss before tax of US$(119) million in 2021; pages 08–09 describe how the Group's business model will generate profits in future years as the tenancy ratio expands going forward.

The Group is well capitalised, strengthened by multiple capital raising activities completed across 2020 and 2021. In 2021, the Group raised US$300 million through a convertible bond issuance in March and subsequent tap in June. This instrument carries a coupon of 2.875%, and matures in 2027 with a conversion price of US$2.9312. Additionally, in June 2021 the Group raised US$109 million gross proceeds through a non-pre-emptive equity placing and in May 2021, Helios Towers Senegal raised facilities representing €120 million, to partially fund the acquisition consideration in addition to the 400 committed BTS sites over the next five years. This follows our bond issuance and subsequent tap, and term loan and RCF facilities raised in 2020 which materially reduced the Group's cost of debt. The Group has strong financial capacity to support its future growth, with net leverage of 3.6x at the end of 2021, the low end of the Group's medium-term target range of 3.5x–4.5x.

The Board continues to take a balanced approach to the Group's strategy and the focus is primarily on exercising opportunities for growth in new markets, strengthening revenue streams from existing assets and cost control management. Decisions relating to entry into new markets are made consistent with the Group's current risk appetite and are subject to robust commercial analysis, diligence and Board oversight and approval. Similar controls operate in relation to significant new customers and tower colocation opportunities.

The Group's focus is on identifying further opportunities for expansion into new markets, growing its existing tower and tenant portfolio in existing markets and identifying potential for new product development and related technologies. This is consistent with the Group's existing strategy and risk profile, which is overseen and considered by the Board.

2) Key assumptions and the assessment process

Group prospects are assessed through its strategic planning process, which is led by the CEO and the Executive Management team and involves all relevant functions such as Finance, Commercial, Operations, Legal and Compliance. The Board, through its regularly scheduled meetings, oversees this process. The Board's role is to assess whether the strategic plan's outputs take account of external dynamics including political, social, technological and macroeconomic factors. The output of this process is a set of objectives, financial forecasts and an assessment of any key risks that may impact delivery of the plan. The latest updates to this strategic plan were finalised in 2021. This considered the Group's current positions and business prospects for the next five years, focusing on potential market expansion, growth opportunities in existing markets and the scope for new product development.

Based on this analysis, detailed financial forecasts were prepared for a five-year period. The forecasts for the first year represent the Group's operating budget, which is subject to ongoing review and formal monitoring during the year in addition to announced, but not yet closed, acquisitions in Malawi and Oman. A similar level of detail is included in the second year of the forecast and this is flexed, based on the actual results obtained in year one. Forecasts for the remaining years are extrapolated from these first two years, based on the overall content of the strategic plan. We assume that debt refinancing will be available in all plausible market conditions and that there will be no material change to the Group's capital structure over the period. The forecasts take into account the Group's commitments with respect to the $100m capital spend required to meet its net zero target (see page 31).

The key assumptions reflect the principal risks of the Group, which are explained on pages 61–65 of this Annual Report. The purpose of this summary is to set out those key risks that could prevent the Group from achieving its strategy. Depending on the nature or impact of aspects of these principal risks, the Group's ability to continue in business in its current form could be affected, if these were realised. This was considered as part of the Group's viability assessment, outlined here.

3) Assessment of viability

While the Group's strategic plan reflects the Directors' best estimates of the future prospects of the business, the Group has also considered a number of downside scenarios by quantifying their potential financial impact and assessing the potential impact on planned delivery. All of the scenarios modelled are based on aspects of the principal risks and represent 'severe but plausible' circumstances that could affect the Group, its operations, and its business activities. The assessment of viability started with the available headroom as of 31 December 2021 and considered the plans and projections prepared as part of the forecasting cycle, which include the Group's cash flows, planned commitments, required funding and other key financial ratios.

The results of this stress-testing, and assessment of significant quantitative and qualitative factors, demonstrated that the Group would be able to withstand these impacts over the period of its financial forecasts, and have strong liquidity and headroom against its covenants, before taking into account any consideration of mitigating actions. This is due to the inherent stability of its core business and by making necessary adjustments to its business-as-usual operational and activity plans.

The Group also considered a number of 'break-case' scenarios, hypothetically calculating how much a change in portfolio structure (i.e. sites going offline or customers not paying for services provided) would be required for the business to run out of cash and available debt facilities. This testing highlighted that close to 50% of its portfolio would need to go offline or all customers not to pay for Helios Towers' services for close to two years for the business to run out of cash and available debt facilities.

4) Viability statement

The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over this five-year period, based on the assessment of prospects and viability detailed above.

5) Going concern

The Directors also considered it appropriate to prepare the Financial Statements on a going concern basis, as explained in Note 2a to the Group Financial Statements included in this Annual Report.

Approval of Strategic Report

This Strategic Report has been prepared in accordance with the requirements of the Companies Act 2006 and has been approved and signed for on behalf of the Board.

Kash Pandya
Chief Executive Officer
16 March 2022

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 purpose 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. Other adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence. Adjusted EBITDA margin is calculated as 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 facilitate a better understanding of the Group’s underlying trading performance.

Reconciliation between APM and IFRS	2021 US$m	2020 US$m
Loss before tax	(119.4)	(20.9)
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Project costs(1)	–	4.4
Deal costs(2)	19.3	8.8
Share-based payments and long-term incentive plan charges(3)	2.0	1.0
Loss on disposal of property, plant and equipment	0.5	8.1
Other gains and losses	28.0	(40.1)
Depreciation of property, plant and equipment	142.2	128.4
Amortisation of intangible assets	2.3	5.6
Depreciation of right-of-use assets	15.3	14.0
Interest receivable	(0.7)	(0.8)
Finance costs	151.1	118.1
Adjusted EBITDA	240.6	226.6
Revenue	449.1	414.0
Adjusted EBITDA margin	54%	55%

(1) Project costs in 2020 relate to the preparation for debt refinancing which cannot be capitalised.
(2) Deal costs comprise costs related to potential acquisitions and the exploration of investment opportunities, which cannot be capitalised. These comprise employee costs, professional fees, travel costs and set up costs incurred prior to operating activities commencing.
(3) Share-based payments and long-term incentive plan charges and associated costs.

Adjusted gross profit and adjusted gross margin

Definition

Adjusted gross profit means gross profit, adding back site and warehouse depreciation, divided by revenue. Adjusted gross margin means Adjusted gross profit 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	2021 US$m	2020 US$m
Gross profit	153.8	147.9
Add back: Site and warehouse depreciation	145.1	132.6
Adjusted gross profit	298.9	280.5
Revenue	449.1	414.0
Adjusted gross margin	67%	68%

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. For a reconciliation please see page 74.

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	2021 US$m	2020 US$m
Cash generated from operations	195.9	209.6
Adjustments applied:		
Movement in working capital	25.4	3.8
Adjusting items:		
Project costs(1)	–	4.4
Deal costs(2)	19.3	8.8
Adjusted EBITDA	240.6	226.6
Less: Maintenance and corporate capital additions	(22.1)	(16.6)
Less: Payments of lease liabilities(3)	(31.0)	(25.5)
Less: Tax paid	(19.2)	(10.1)
Portfolio free cash flow	168.3	174.4

(1) Project costs in 2020 relate to the preparation for debt refinancing which cannot be capitalised.

(2) Deal costs comprise costs related to potential acquisitions and the exploration of investment opportunities, which cannot be capitalised. These comprise employee costs, professional fees, travel costs and set up costs incurred prior to operating activities commencing.

(3) Payment of lease liabilities includes interest and principal repayments of lease liabilities.

Alternative Performance Measures continued

Gross debt, net debt and net leverage

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 cash and cash equivalents. Net leverage is calculated as net debt divided by annualised Adjusted EBITDA[1].

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's medium term net leverage target is to be broadly in the range of 3.5x – 4.5x.

Reconciliation between IFRS and APM	2021 US$m	2020 US$m
External debt	1,295.5	989.4
Lease liabilities	181.9	131.7
Gross debt	1,477.4	1,121.1
Cash and cash equivalents	528.9	428.7
Net debt	948.5	692.4
Annualised Adjusted EBITDA[1]	264.0	240.4
Net leverage	3.6x	2.9x

(1) Annualised Adjusted EBITDA calculated as per the Senior Notes definition as the most recent fiscal quarter multiplied by four, adjusted to reflect the annualised contribution from acquisitions that have closed in the most recent fiscal quarter. This is not a forecast of future results.

Return on invested capital

Definition

Return on invested capital ('ROIC') is defined as defined as annualised portfolio free cash flow divided by invested capital. Invested capital is defined as gross property, plant and equipment and gross intangible assets, less accumulated maintenance and corporate capital expenditure, adjusted for IFRS 3 accounting adjustments and deferred consideration for future sites.

Purpose

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

Reconciliation between IFRS and APM	2021 US$m	2020 US$m
Property, plant and equipment	718.7	594.7
Accumulated depreciation	833.3	713.0
Accumulated maintenance and corporate capital expenditure	(202.7)	(180.6)
Intangible assets	227.3	23.2
Accumulated amortisation	24.5	56.4
Accounting adjustments and deferred consideration for future sites	(93.2)	–
Total invested capital	1,507.9	1,206.7
Annualised portfolio free cash flow[1]	177.3	174.4
Return on invested capital	11.8%	14.5%

(1) Annualised portfolio free cash flow is calculated as portfolio free cash flow for the respective period, adjusted to annualise the impact of acquisitions closed during the respective period.

Detailed financial review

Consolidated Income Statement

For the year ended 31 December

(US$m)	Year ended 31 December 2021	2020
Revenue	449.1	414.0
Cost of sales	(295.3)	(266.1)
Gross profit	153.8	147.9
Administrative expenses	(94.3)	(83.5)
Loss on disposal of property, plant and equipment	(0.5)	(8.1)
Operating profit	59.0	56.3
Interest receivable	0.7	0.8
Other gains and losses	(28.0)	40.1
Finance costs	(151.1)	(118.1)
Loss before tax	(119.4)	(20.9)
Tax expense	(36.8)	(15.8)
Loss after tax	(156.2)	(36.7)

Segmental key performance indicators

For the year ended 31 December

$ values are presented as US$m	Group 2021	Group 2020	Tanzania 2021	Tanzania 2020	DRC 2021	DRC 2020	Congo Brazzaville 2021	Congo Brazzaville 2020
Revenue for the year	$449.1	$414.0	$170.4	$167.1	$176.4	$174.0	$27.7	$26.6
Adjusted gross margin^Δ	67%	68%	69%	67%	64%	67%	65%	66%
Sites at beginning of the year	7,356	6,974	3,821	3,661	1,895	1,850	426	384
Sites at year end	9,560	7,356	4,005	3,821	2,062	1,895	459	426
Tenancies at beginning of the year	15,656	14,591	8,625	8,099	4,096	3,828	617	568
Tenancies at year end	18,776	15,656	9,012	8,625	4,701	4,096	661	617
Tenancy ratio at year end	1.96x	2.13x	2.25x	2.26x	2.28x	2.16x	1.44x	1.45x
Adjusted EBITDA^Δ for the year(1)	$240.6	$226.6	$113.2	$105.0	$101.0	$103.5	$13.1	$12.7
Adjusted EBITDA margin^Δ for the year	54%	55%	66%	63%	57%	59%	47%	48%

$ values are presented as US$m	Ghana 2021	Ghana 2020	South Africa 2021	South Africa 2020	Senegal 2021	Senegal 2020	Madagascar 2021	Madagascar 2020
Revenue for the year	$42.8	$42.9	$6.0	$3.4	$23.4	–	$2.4	–
Adjusted gross margin^Δ	69%	72%	75%	77%	64%	–	50%	–
Sites at beginning of the year	978	961	236	118	–	–	–	–
Sites at year end	1,040	978	272	236	1,232	–	490	–
Tenancies at beginning of the year	1,914	1,888	404	208	–	–	–	–
Tenancies at year end	2,041	1,914	464	404	1,303	–	594	–
Tenancy ratio at year end	1.96x	1.96x	1.71x	1.71x	1.06x	–	1.21x	–
Adjusted EBITDA^Δ for the year(1)	$25.8	$27.4	$2.6	$1.1	$12.7	–	$0.9	–
Adjusted EBITDA margin^Δ for the year	60%	64%	44%	32%	54%	–	37%	–

(1) Group Adjusted EBITDA for the year includes corporate costs of US$28.7 million (2020: US$23.1 million).

Detailed financial review continued

Total tenancies as at 31 December

	Group		Tanzania		DRC		Congo Brazzaville	
	2021	2020	2021	2020	2021	2020	2021	2020
Standard colocations	8,256	7,421	4,432	4,268	2,536	2,097	179	173
Amendment colocations	960	879	575	536	103	104	23	18
Total colocations	9,216	8,300	5,007	4,804	2,639	2,201	202	191
Total sites	9,560	7,356	4,005	3,821	2,062	1,895	459	426
Total tenancies	18,776	15,656	9,012	8,625	4,701	4,096	661	617

	Ghana		South Africa		Senegal		Madagascar	
	2021	2020	2021	2020	2021	2020	2021	2020
Standard colocations	752	718	187	165	70	–	100	–
Amendment colocations	249	218	5	3	1	–	4	–
Total colocations	1,001	936	192	168	71	–	104	–
Total sites	1,040	978	272	236	1,232	–	490	–
Total tenancies	2,041	1,914	464	404	1,303	–	594	–

Revenue

Revenue increased by 8% to US$449.1 million in the year ended 31 December 2021 from US$414.0 million in the year ended 31 December 2020. The increase in revenue was largely driven by the 20% increase in tenancies from 15,656 as of 31 December 2020 to 18,776 as of 31 December 2021, including the addition of 1,303 tenancies and 594 tenancies in Senegal and Madagascar respectively during the year.

Cost of sales

	Year ended 31 December			
		% of Revenue		% of Revenue
(US$m)	2021	2021	2020	2020
Power	85.4	19.0%	79.9	19.3%
Non-power	64.8	14.4%	53.6	12.9%
Site and warehouse depreciation	145.1	32.4%	132.6	32.0%
Total cost of sales	295.3	65.8%	266.1	64.3%

The table below shows an analysis of the cost of sales on a country-by-country basis for the year ended 31 December 2021 and 2020.

	Group		Tanzania		DRC		Congo Brazzaville	
(US$m)	2021	2020	2021	2020	2021	2020	2021	2020
Power	85.4	79.9	25.9	27.8	40.1	40.5	3.3	3.1
Non-power	64.8	53.6	26.8	26.6	23.3	16.8	6.5	6.1
Site and warehouse depreciation	145.1	132.6	53.2	55.5	53.7	56.9	10.5	10.1
Total cost of sales	295.3	266.1	105.9	109.9	117.1	114.2	20.3	19.3

	Ghana		South Africa		Senegal		Madagascar	
(US$m)	2021	2020	2021	2020	2021	2020	2021	2020
Power	9.0	7.9	1.3	0.6	5.0	–	0.8	–
Non-power	4.3	3.9	0.2	0.2	3.3	–	0.4	–
Site and warehouse depreciation	8.4	8.5	2.9	1.6	16.1	–	0.3	–
Total cost of sales	21.7	20.3	4.4	2.4	24.4	–	1.5	–

Year-on-year, cost of sales increased to US$295.3 million in the year ended 31 December 2021 from US$266.1 million in the year ended 31 December 2020, due primarily to the acquisition of Free Senegal's passive infrastructure assets, with non-power cost increases also partially driven by an update to the licence fee in DRC to 3% of local revenues, effective 1 January 2021. As a result, the Adjusted gross margin reduced by 1% to 67%.

Administrative expenses

Administrative expenses increased by 13% to US$94.3 million in the year ended 31 December 2021 from US$83.5 million in the year ended 31 December 2020. The increase in administrative expenses is primarily due to adjusting items of US$21.3 million in the year ended 31 December 2021, compared to US$14.2 million in the year ended 31 December 2020, reflecting higher deal costs in the year.

	Year ended 31 December			
		% of Revenue		% of Revenue
(US$m)	2021	2021	2020	2020
Other administrative costs	58.3	13.0%	53.9	13.0%
Depreciation and amortisation	14.7	3.3%	15.4	3.7%
Adjusting items	21.3	4.7%	14.2	3.4%
Total administrative expense	94.3	21.0%	83.5	20.2%

Adjusted EBITDA

Adjusted EBITDA was US$240.6 million in the year ended 31 December 2021 compared to US$226.6 million in the year ended 31 December 2020. The increase in Adjusted EBITDA between periods is primarily attributable to the changes in revenue, cost of sales and administrative expenses, as discussed above. Please refer to the Alternative Performance Measures section for more details and Note 4 of the Group Financial Statements for a reconciliation of aggregate Adjusted EBITDA to loss before tax.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$0.5 million in the year ended 31 December 2021, compared to a loss of US$8.1 million during the year ended 31 December 2020. This decrease in loss on disposal was primarily a result of a reduction in site consolidations in the current year.

Other gains and losses

Other gains and losses recognised in the year ended 31 December 2021 was a loss of US$28.0 million, compared to a gain of US$40.1 million in the year ended 31 December 2020. This is related to the fair value movement of the embedded derivative valuation of the put and call options embedded within the terms of the Senior Notes. See Note 20 of the Group Financial Statements

Finance costs

Finance costs of US$151.1 million for the year ended 31 December 2021 included an interest cost of US$110.2 million that reflects interest on the Group's bond instruments, fees on available Group and local term and RCF facilities, withholding taxes and amortisation. The swing from a gain in foreign exchange differences in 2020, to a loss in the year ended 31 December 2021, is driven primarily by the fluctuations year-on-year of the Central African Franc and Ghana Cedi devaluing against the US Dollar.

	Year ended 31 December	
(US$m)	2021	2020
Foreign exchange differences	21.6	(3.6)
Interest cost	110.2	80.5
Early redemption expenses	–	23.9
Interest cost on lease liabilities	19.3	17.3
Total finance costs	151.1	118.1

Tax expense

Tax expense was US$36.8 million in the year ended 31 December 2021 as compared to US$15.8 million in the year ended 31 December 2020. The total tax charge includes charges in respect of Change of Control Taxes in a number of jurisdictions. While in cash terms these are fully funded by a capital contribution from the pre-IPO shareholders, which has been drawn down from funds held in escrow, these give rise to tax charges in the current period.

Though entities in Congo Brazzaville and Senegal are loss making for tax purposes, minimum income taxes have been levied based on revenue, as stipulated by law in these jurisdictions. DRC, Ghana, Madagascar, Tanzania and two entities in South Africa are profitable for tax purposes and subject to income tax thereon.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2021 for each year from 2022 to 2026, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2021 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.

Detailed financial review continued

(US$m)	Year ended 31 December 2022	2023	2024	2025	2026
Tanzania	177.7	176.7	176.5	176.5	120.9
DRC	190.5	191.4	191.1	164.2	139.0
Congo Brazzaville	27.9	28.0	28.0	18.0	11.0
Ghana	40.2	34.5	32.1	32.5	32.3
South Africa	6.0	6.2	6.3	6.2	5.9
Senegal	37.6	38.9	40.7	42.4	46.9
Madagascar	13.6	12.0	12.6	15.5	15.5
Total	493.5	487.7	487.3	455.3	371.5

The following table provides our total undiscounted contracted revenue by key customers as of 31 December 2021 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 2021 held constant. As at 31 December 2021, total contracted revenue was US$3.9 billion, of which 99.0% is from Multinational MNOs, with an average remaining life of 7.6 years. Our contracted revenue calculation for each year presented assumes the same basis as above.

(US$m)	Total committed revenues	% of total committed revenues
Multinational MNOs	3,877.2	99.0%
Other	39.4	1.0%
Total	3,916.6	100.0%

Management cash flow

(US$m)	Year ended 31 December 2021	2020
Adjusted EBITDA	240.6	226.6
Less:		
Maintenance and corporate capital additions	(22.1)	(16.6)
Payments of lease liabilities(1)	(31.0)	(25.5)
Corporate taxes paid	(19.2)	(10.1)
Portfolio free cash flow(2)	168.3	174.4
Cash conversion %(3)	70%	77%
Net payment of interest(4)	(93.3)	(92.6)
Levered portfolio free cash flow	75.0	81.8
Discretionary capital additions(5)	(373.3)	(80.3)
Adjusted free cash flow	(298.3)	1.5
Net change in working capital(6)	(11.6)	(22.2)
Cash paid for exceptional and one-off items, and proceeds on disposal of assets(7)	(75.1)	(50.0)
Free cash flow	(385.0)	(70.7)
Transactions with non-controlling interests	–	(1.6)
Net cash flow from financing activities(8)	487.3	279.8
Net cash flow	102.3	207.5
Opening cash balance	428.7	221.1
Foreign exchange movement	(2.1)	0.1
Closing cash balance	528.9	428.7

(1) Payment of lease liabilities includes interest and principal repayments of lease liabilities.
(2) Refer to reconciliation of cash generated from operating activities to portfolio free cash flow in the Alternative Performance Measures section.
(3) Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.
(4) 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.
(5) Discretionary capital additions includes acquisition, growth and upgrade capital additions.
(6) Working capital means the current assets less the current liabilities for the Group. Net change in working capital corresponds to movements in working capital, excluding cash paid for exceptional and one-off items and including movements in capital expenditure related working capital.
(7) Cash paid for exceptional and one-off items and proceeds on disposal of assets includes project costs, deal costs, deposits in relation to acquisitions, proceeds on disposal of assets and non-recurring taxes. Non-recurring taxes were US$38 million and US$29 million in 2020 and 2021, respectively, and were fully-funded by Helios Towers' pre-IPO shareholders.
(8) Net cash flow from financing activities includes gross proceeds from issue of equity share capital, share issue costs, loan drawdowns, loan issue costs, repayment of loan and capital contributions in the Consolidated Statement of Cash Flows.

Cash conversion has decreased from 77% for the year ended 31 December 2020 to 70% for the year ended 31 December 2021. 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 increased profitability in DRC, Ghana and Tanzania, partially offset with an increase in Adjusted EBITDA. Net change in working capital improved by US$10.6 million year-on-year due to a decrease in receivables days, from 53 days, for the year ended 31 December 2020, to 46 days in the year ended 31 December 2021 and an increase in trade and other payables.

The Group's Consolidated Statement of Cash Flows is set out on page 142.

Capital expenditure

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

	2021		2020	
	US$m	% of total capex	US$m	% of total capex
Acquisition	237.6	60.1%	15.9	16.4%
Growth	117.9	29.8%	48.9	50.5%
Upgrade	17.8	4.5%	15.5	16.0%
Maintenance	20.3	5.1%	15.4	15.9%
Corporate	1.8	0.5%	1.2	1.2%
Total	395.4	100.0%	96.9	100.0%

Acquisition capex in the year ended 31 December 2021 relates primarily to the acquisitions in Senegal and Madagascar, excluding the fair value of assets and liabilities acquired and goodwill recognised under IFRS 3. See Note 30 of the Group Financial Statements.

Trade and other receivables

Trade and other receivables increased from US$137.6 million at 31 December 2020 to US$186.6 million at 31 December 2021, primarily due to a US$24.1 million receivable paid into an escrow accounts in relation to the potential Oman transaction with Omantel and an increase in contract and sundry receivables, as a result of the acquisitions in Senegal and Madagascar.

Trade and other payables

Trade and other payables increased from US$174.7 million at 31 December 2020 to US$249.0 million at 31 December 2021, driven by a US$59.4 million increase in deferred consideration, relating to the Senegal and Madagascar acquisitions, and a US$29.6 million increase in accruals due to acquisitions in the year and capital projects around year end.

Cash and cash equivalents

Cash and cash equivalents increased by US$100.2 million year on year, primarily due to the issue of US$300.0 million of convertible bonds and US$109.3 million of equity, partially offset by US$214.1 million in consideration paid to acquire Senegal and Madagascar and US$170.5 million payments to acquire plant, property and equipment.

Cash flows from operations, investing and financing activities

Cash generated from operations reduced by 7% to US$195.9 million due to working capital movements offset by the increase in Adjusted EBITDA. Net cash used in investing activities was US$407.6 million for the year ended 31 December 2021, up from US$123.5 million in the prior year. The increase was primarily as a result of cash paid for acquisition in the year and the organic growth in sites during the year. Net cash generated from financing activities during the year was US$474.0 million, which primarily related to the issue of US$300 million of convertible bonds and $109.3 million of equity.

Loans and borrowings

As of 31 December 2021 and 31 December 2020 the HT Group's outstanding loans and borrowings, excluding lease liabilities, were US$1,295.5 million (net of issue costs) and US$989.4 million respectively, and net leverage of 3.6x and 2.9x respectively. Indebtedness and leverage as at 31 December 2021 reflect the US$975 million Senior Notes refinance which was completed during the year ended 31 December 2020, US$300 million of convertible bonds of which US$250 million was issued in March 2021 with a coupon of 2.875% due in 2027, and US$50 million of the same Notes tapped in June 2021. Further details of the refinance are provided in Note 20 of the Group Financial Statements.

Chair's introduction to the Governance Report

Dear Shareholder

I am pleased to present the Corporate Governance Report for the year ended 31 December 2021. This report sets out our governance framework, the operation of the Board and its Committees, the Board's activities and our engagement with key stakeholders, each of which enables the Board to promote the long-term sustainable success of the Company for the benefit of its members, its stakeholders and the communities in which the Company operates. The Board sets the tone from the top with regard to values, purpose, culture and high standards of business conduct, which are emulated throughout the Group.

The Company's Sustainable Business Strategy

Through the closing of two acquisitions in 2021 and a further three material acquisitions targeted to close in 2022, the Company will have succeeded in meeting one of its strategic targets of expanding operations to over eight markets operating over 12,000 towers. I am delighted to report that it has effectively delivered this in advance of the 2025 target. This growth has been underpinned by the Board's commitment to the highest standards of corporate governance and the continuation of the Company's full compliance with the UK Corporate Governance Code, details of which can be found on page 77. The Board strongly supports the Company's Sustainable Business Strategy and Carbon Reduction Roadmap and their implementation and operation across all our operating companies.

Due to the ongoing Covid-19 restrictions in place across our markets, Board meetings continued to be held virtually throughout 2021. Whilst we are hopeful that these restrictions will continue to ease, enabling Board and Committee meetings to begin to be held in person next year, I would like to express my gratitude for my fellow Directors and colleagues across the Company for the effectiveness of the virtual meetings held in 2021.

CEO transition and Board composition

In August 2021, we announced the retirement of our CEO, Kash Pandya, at the AGM in April 2022, and the appointment of our COO, Tom Greenwood, as CEO-Designate with the transition continuing until the AGM when Tom will take over as CEO. Following the AGM, I am delighted that Kash will continue to serve the Board in a new role as Non-Executive Deputy Chair. During his tenure as CEO, Kash has overseen the significant development of the Group and value creation for all stakeholders, building on the Group's early success and creating a compelling growth strategy combined with strong leadership, processes and operating disciplines. Customers' needs and the welfare of our employees have also been a focus for Kash, creating values and a culture that we are all proud of. I, on behalf of the Board, give thanks to Kash for his commitment and significant contribution throughout his tenure.

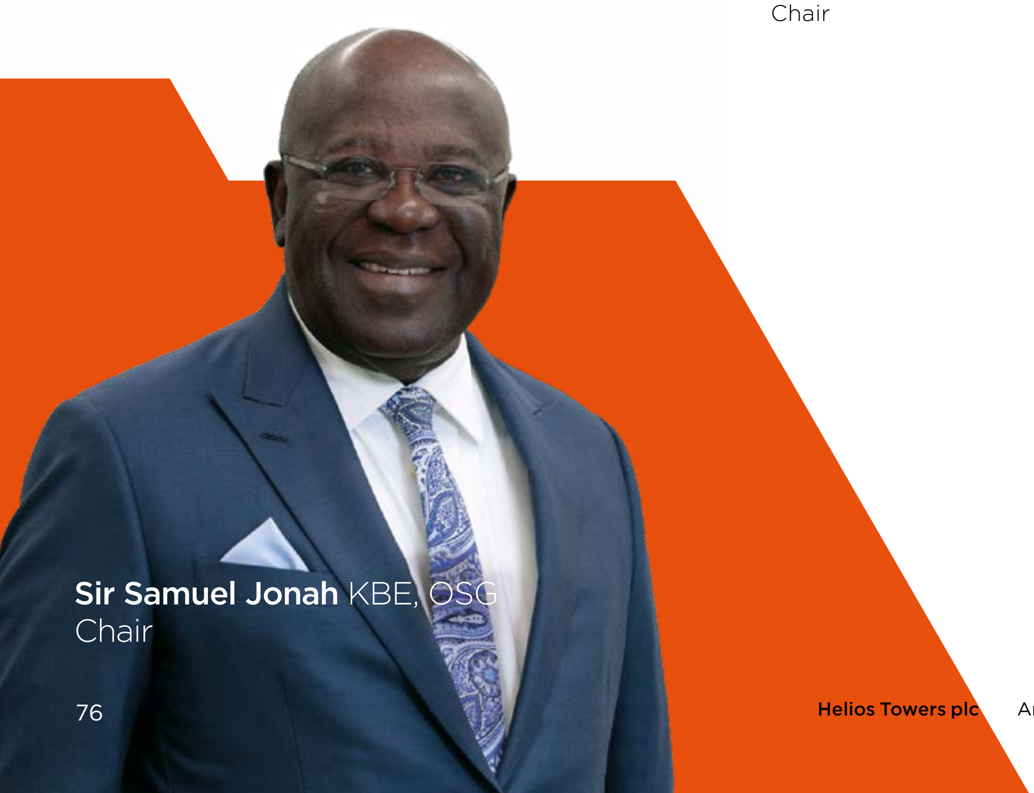
As noted in more detail in the Nomination Committee Report on pages 94–97, the Board complies with the requirements of the Parker Review on ethnicity, and as of March 2022, also complies with the Hampton-Alexander Review.

Board evaluation

This year we took a slightly different approach to our Board and Committee evaluation and enlisted the assistance of Independent Audit Limited and their 'Thinking Board' platform to produce our evaluation questionnaires and present the results to the Board. I am pleased to confirm that the Board and its Committees continue to operate effectively and any actions, as noted on page 97, will be implemented during 2022.

I am very much looking forward to meeting shareholders in person at our 2022 AGM and addressing any questions you may have.

Sir Samuel Jonah KBE, OSG
Chair



Compliance with 2018 UK Corporate Governance Code

The Board is supportive of and is committed to the Company's compliance with the UK Corporate Governance Code 2018 ('the Code'), which is available to view on the Financial Reporting Council's ('FRC's') **website**. As of 31 December 2021, the Board confirms that the Company has applied the principles and complied with the provisions set out in the Code. The Corporate Governance Report, together with the Directors' and Remuneration Reports, describe how the Company has applied the principles and complied with the provisions of the Code.

The Board is mindful of the current composition of the Board, which reflects the rights of the Company's largest shareholder, Quantum Strategic Partners Ltd. to appoint a Director to the Board under the Shareholders' Agreement. Lath Holdings, Ltd's right to appoint a Director fell away earlier this year when its shareholding fell below 10%. Temitope Lawani, (Lath Non-Executive Director) was, however, invited to stay on the Board. Further information on the independence of Board members and the Shareholders' Agreement can be found on pages 89–90.

> The Board strongly supports the Company's Sustainable Business Strategy and Carbon Reduction Roadmap and their implementation and operation across all the operating companies.

Sir Samuel Jonah KBE, OSG
Chair

The following table shows where shareholders can find information in this report on the application by the Company of the principles and provisions of the Code.

Key to Committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- C Committee Chair

Board of Directors

(as at 31 December 2021)

Sir Samuel Jonah
KBE, OSG
Chair

Appointed to the Board
12 September 2019

Committees

C

Skills and experience
Sir Samuel Jonah KBE, OSG has extensive listed company experience, having served on the boards of various public and private companies including Vodafone Group plc, Lonhro plc, the Global Advisory Council of the Bank of America corporation and Standard Bank Group. He has been Chairman of Roscan Gold Corporation Inc. since January 2020 and a Non-Executive Director of Grit Real Estate Income Group Limited since February 2019. He previously worked for Ashanti Goldfields and later became Executive President of AngloGold Ashanti Limited.

He was born and educated in Ghana and obtained a Master's degree in Management from Imperial College London and is a member of the American Academy of Engineering.

Other current listed appointments
Grit Real Estate Income Group Limited, listed on the Johannesburg and London Stock Exchanges, and Roscan Gold Corporation Inc. listed in Canada on the TSX Venture Exchange.

Kash Pandya
Chief Executive Officer

Appointed to the Board
12 September 2019

Committees
None

Skills and experience
Kash Pandya joined Helios Towers in August 2015 as CEO, having previously been a Board Director with Aggreko plc, the world's largest temporary power generation company, for eight years. This included five years as Managing Director, overseeing a doubling of its international business.

Kash has worked for various engineering and manufacturing companies including Jaguar, General Electric Company, Ford Motor Company and Novar plc (then Caradon plc). In 1999, he joined APW Ltd., a global manufacturing services company, to lead all operations outside the US. In 2004, he became the CEO of Johnston Group, a publicly quoted company, leaving the business on its sale to Ennstone plc. Kash became a non-executive director of James Fisher & Sons plc in October 2021.

Kash began his career through an engineering apprenticeship and holds a Bachelor's degree in Technology Engineering and a Master's degree in Manufacturing.

Other current listed appointments
James Fisher & Sons plc

Tom Greenwood
CEO-Designate

Appointed to the Board
12 September 2019

Committees
None

Skills and experience
Tom Greenwood joined Helios Towers in 2010. He became Finance Director in 2012 before taking up the role of CFO in 2015. Following his transition to the newly created position of COO in 2020, Tom was appointed CEO-Designate in August 2021 with immediate effect and will formally take up the CEO role after the AGM in April 2022.

In his tenure at Helios Towers so far, Tom has overseen all major M&A transactions, the taking public of the Company in 2019, and driving the Group's business excellence power uptime delivery to a record 99.99% in 2021.

Tom joined Helios Towers from PwC and is a qualified Chartered Accountant of the Institute of Chartered Accountants of England and Wales.

Other current listed appointments
None

Manjit Dhillon
Chief Financial Officer

Appointed to the Board
1 January 2021

Committees
None

Skills and experience
Manjit Dhillon joined Helios Towers in 2016. He was appointed CFO in January 2021, having held the positions of interim CFO and Head of Investor Relations and Corporate Finance. Sustainability and IT report into the CFO.

Manjit has overseen transactions including capital raisings of c.US$3 billion, substantially reducing the cost of capital, and the acquisitions of multiple tower portfolios across six new high growth markets. He also played a key role throughout the successful IPO of Helios Towers on the London Stock Exchange in 2019.

Prior to Helios Towers, Manjit has held a number of positions in the financial services sector, including with Deloitte, Goldman Sachs and Lyceum Capital. He is a qualified Chartered Accountant of the Institute of Chartered Accountants of England and Wales.

Other current listed appointments
None

Magnus Mandersson
Senior Independent Director

Appointed to the Board
12 September 2019

Committees

Skills and experience
Magnus Mandersson was appointed Senior Independent Director on 12 September 2019. He has more than 25 years of experience in the Telecommunications and Media sectors.

Magnus worked at Telefonaktiebolaget LM Ericsson for 14 years, where he held various positions including Executive Vice President. He was also President and Chief Executive Officer of SEC, the parent company for Tele2 Europe, held a number of leadership positions in the IKEA Group and Millicom S.A., and was Chair of Next Biometrics Group ASA.

He is Chair of Karnov Group AB and Tampnet ASA, and a board member of Albert Immo Holding S.à.r.l., PMM Advisors S.A. and Interogo Foundation.

He has a Bachelor of Science in Business Administration from Lund University in Sweden.

Other current listed appointments
Chair of Karnov Group AB, a Sweden-listed company on NASDAQ.

Alison Baker
Independent Non-Executive Director

Appointed to the Board
12 September 2019

Committees

C

Skills and experience
Alison Baker has more than 25 years of experience in auditing, capital markets and assurance services. She has worked extensively in emerging markets, including those in Africa.

Until January 2017, Alison was a partner at PwC LLP and, previously, a partner at EY LLP. She is Senior Independent Director of Rockhopper Exploration Plc and Non-Executive Director of Endeavour Mining Plc.

She is a qualified Chartered Accountant of the Institute of Chartered Accountants of England and Wales, and gained a Bachelor of Science in Mathematical Sciences from Bath University.

Other current listed appointments
Rockhopper Exploration Plc, listed on the London Stock Exchange, Endeavour Mining Plc, listed on the Toronto and London Stock Exchanges.

Richard Byrne
Independent Non-Executive Director

Appointed to the Board
12 September 2019

Committees

C

Skills and experience
Richard Byrne was appointed to the Board on 12 September 2019, having previously been a Director of Helios Towers, Ltd. since December 2010. Richard co-founded TowerCo in 2004, serving as the company's President and Chief Executive Officer. He was a member of the board of directors from its inception until his retirement in December 2018.

Before TowerCo, he was President of the tower division of SpectraSite Communications, Inc. Richard has also served as National Director of Business Development at Nextel Communications Inc. From 2008 to 2018, he served on the board of directors of the Wireless Infrastructure Trade Association ('WIA') in the US.

Other current listed ppointments
None

Temitope Lawani
Non-Executive Director

Appointed to the Board
12 September 2019

Committees

Skills and experience
Temitope Lawani was previously a Director of Helios Towers, Ltd., serving since February 2010. A Nigerian national, he was co-founder and Managing Partner, and is now co-Chief Executive and Director of Helios Fairfax Partners Corporation ('Helios', formerly named Helios Investment Partners) and has more than 25 years of principal investment experience. He is also Non-Executive Director of Vivo Energy Holdings plc and Director of Pershing Square Holdings Ltd.

Prior to forming Helios, Temitope was a principal in the San Francisco and London offices of TPG Capital, a global private equity firm. Temitope began his career as a corporate development analyst at the Walt Disney Company. He received a Bachelor of Science in Chemical Engineering from the Massachusetts Institute of Technology, a Juris Doctorate (cum laude) from Harvard Law School and an MBA from Harvard Business School.

Other current appointments
Vivo Energy Holding plc and Pershing Square Holdings Ltd, both listed on the London Stock Exchange, and Helios Fairfax Partners, listed on the Toronto Stock Exchange.

Key to Committees:

Audit Committee

Nomination Committee

Remuneration Committee

Committee Chair

Board of Directors continued

David Wassong

Non-Executive Director

Appointed to the Board

12 September 2019

Committees

None

Skills and experience

David Wassong was previously a Director of Helios Towers, Ltd., serving from January 2010. He is Managing Partner of Newlight Partners LP, an independent investment manager firm formed in October 2018 when part of the Strategic Investments Group of Soros Fund Management LLC ('SFM'), spun out of SFM. Previously, David was co-head of the Strategic Investments Group and jointly responsible for overseeing its investment portfolios. Before SFM, David was Vice President at Lauder Gaspar Ventures, LLC.

He started his career in finance as an analyst and then as an associate in the investment banking group of Schroder Wertheim & Co., Inc. David received an MBA from the Wharton School at the University of Pennsylvania and gained his Bachelor's degree in Economics from the University of Pennsylvania.

Other current listed appointments

None

Sally Ashford

Independent Non-Executive Director, Non-Executive Director for workforce engagement

Appointed to the Board

15 June 2020

Committees

Skills and experience

Sally Ashford joined the Helios Towers Board in June 2020 as Non-Executive Director for workforce engagement. Sally is currently Group HR Director at Informa plc, a role she commenced in June 2021.

Sally has over 30 years' experience in the field of Human Resources ('HR') including significant expertise in reward, talent and business transformation. In her early career, Sally worked in HR research and consultancy before moving in-house. She spent 15 years working in a variety of HR roles in the Telecoms industry at BT, O2 and Telefonica, including European HR Director and Deputy Global HR Director. In 2015, Sally joined Royal Mail where she became Chief Human Resources Officer in June 2018, a role she held until February 2021.

She holds a Bachelor of Science degree in Management Science from the University of Manchester and a Master's degree in Industrial Relations from the University of Warwick.

Other current listed appointments

None

Carole Wamuyu Wainaina

Independent Non-Executive Director

Appointed to the Board

13 August 2020

Committees

Skills and experience

Carole Wamuyu Wainaina is currently Senior Advisor to the CEO at the Africa50 Infrastructure Fund. She joined Africa50 in 2017 as the COO.

This followed her role as an Assistant Secretary General at the United Nations in the Department of Management. Carole was previously Executive Vice President and Chief HR Officer at Koninklijke Philips N.V., and also spent 13 years with The Coca Cola Company. There, she held several senior roles across Europe, Eurasia and Africa and also worked as the Chief of Staff to the Global Chairman and CEO.

She is Non-Executive Director for the Equatorial Coca-Cola Bottling Company and Non-Executive Board Member for the Nairobi International Finance Centre. Carole holds a Bachelor of Business degree from the University of Southern Queensland in Australia, majoring in Marketing, Human Resources and Organisational Development.

Other current listed appointments

None

Executive Management

Philippe Loridon
Regional CEO – Middle East, East & West Africa

Joined 2011

Philippe Loridon has held a Regional CEO position with Helios Towers since August 2020. His position covers the Tanzanian and Senegalese markets and also Malawi and Oman, subject to the closing of the relevant transactions with Airtel Africa and Omantel for these new markets.

Philippe previously held the position of CEO of Helios Towers Tanzania from January 2015, and the CEO of Helios Towers Congo and Helios Towers DRC from May 2019 and was previously CEO of Helios Towers DRC between December 2011 and December 2014. He previously served as CEO at Equateur Telecom Congo, where he re-launched Equateur Telecom Congo in Congo Brazzaville.

Prior to this, Philippe accumulated 20 years' experience in the Telecommunications industry with MNOs based in San Marino, Israel and Papua New Guinea. This included 13 years at Hutchison Whampoa, fulfilling senior roles in sales, marketing and business development before first becoming CEO of Hutchison Sri Lanka in 1998, and then head of Hutchison Telecommunications' Latin American operations between 2000 and 2002. He was also previously a Director at Be-Mobile. He is a French citizen.

Sainesh Vallabh
Regional CEO – South & Central Africa

Joined 2020

Sainesh Vallabh joined Helios Towers as CEO of Southern & Central Africa in August 2020. Sainesh's position now covers the markets of South Africa, Madagascar, DRC and Congo Brazzaville in order to optimise the synergies of customer crossover between these markets.

Previously, Sainesh was the Managing Executive of Mergers & Acquisitions for Vodacom Group Limited, where he was responsible for the development and execution of Vodacom's expansion strategy across the continent, a role he held for over seven years.

Before joining Vodacom, Sainesh spent approximately 10 years as an Investment Banker at HSBC Bank Plc, HSBC Africa and Rothschild, where his primary focus was advising MNOs on their African expansion and related strategies. He is a citizen of South Africa.

Karim Ndiaye
MD Helios Towers Senegal & Regional Director of West Africa

Joined 2021

Karim Ndiaye joined Helios Towers as Managing Director for Senegal in March 2021, launching operations in our sixth market. Prior to joining Helios Towers, Karim held the role of Regional Asset Management Director for the Meridiam Investment Africa Fund, an infrastructure investment fund. In this role, he supported the fund in the opening of their Dakar office and was responsible for the management of several large infrastructure projects across West and Central Africa in sectors including Renewable Energy and Transport & Logistics.

Karim is an accredited Lean Six Sigma Orange Belt with over 16 years of international experience in senior management roles in companies including Man Energy Solutions, Aggreko and Ericsson, delivering power projects across Sub-Saharan Africa. He is a Senegalese national.

Fritz Dzeklo
MD Helios Towers Ghana & Regional Director of Central Africa

Joined 2012

Fritz Dzeklo has been Managing Director of Helios Towers Ghana since July 2019. Fritz joined Helios Towers in October 2012, having held various senior roles during his time, including Project Director for Helios Towers Tanzania and Head of Projects for Helios Towers Ghana. Prior to Helios Towers Ghana, he was at Vodafone Ghana.

Fritz has experience in East Africa and West Africa, is a certified Lean Six Sigma professional and is a citizen of Ghana.

Executive Management continued

Ramsey Koola
MD Helios Towers Oman & Regional Director of Middle East & East Africa

Joined 2015
Ramsey Koola was appointed Managing Director ('MD') of Helios Towers Oman in July 2021. Ramsey will lead the integration and operational teams in this new market, further to the announced Omantel tower portfolio acquisition earlier this year. Prior to this appointment, Ramsey held the position of MD for Helios Towers Tanzania. He was instrumental in growing the Helios Towers Tanzania business and delivering on our strategic plan in Tanzania.

Ramsey joined Helios Towers in 2015 as Head of NOC, later taking on the role of Group Head of NOC, in which he delivered technology upgrades and process improvements across the business. Prior to Helios Towers, Ramsey was a Technical Support Manager with Siemens Telecommunications (Pty) Ltd and CELLC (Pty) in South Africa and has over 20 years' experience in the African Telecommunications industry. He is a certified Lean Six Sigma Black Belt and a citizen of Tanzania.

Marinus Gieselbach
MD Helios Towers South Africa & Regional Director of Southern Africa

Joined 2019
Marinus Gieselbach has been the Managing Director of Helios Towers South Africa since June 2020. Marinus joined Helios Towers South Africa as the Operations Director in 2019. Prior to joining Helios Towers, he held executive positions in operations, commercial and finance with Vulatel, Dimension Data Advanced Infrastructure and Plessey. During this time, he delivered various tower, fibre and data centre projects in 12 African countries over a period of 14 years.

Marinus holds a Bachelor of Commerce Honours in Financial Management from the University of Pretoria. He is a citizen of South Africa.

Gwakisa Stadi
MD Helios Towers Tanzania

Joined 2015
Gwakisa Stadi has been the Managing Director of Helios Towers Tanzania since July 2021. Prior to this appointment, Gwakisa held the position of Finance Director for Helios Towers Tanzania from 2017, where he successfully led the Finance function in our largest market, having joined the business in 2015 as Financial Controller.

Prior to joining Helios Towers Tanzania, Gwakisa worked as an external auditor at Deloitte Tanzania Ltd. In this role he provided auditing and assurance services to national and multinational corporates across sectors including Telecommuniations, Financial Services and Manufacturing, among others. He holds a Bachelor of Commerce in Accounting and Auditing from the University of Dar es Salaam. He is a Certified Public Accountant – CPA(T) registered with the National Board of Accountants and Auditors ('NBAA'). He is a certified Lean Six Sigma Black Belt and a citizen of Tanzania.

Eric Waku
MD Helios Towers DRC

Joined 2021
Eric Waku joined Helios Towers as Managing Director for DRC in May 2021. Prior to joining Helios Towers, Eric worked in Deloitte's Francophone Africa team where he advised large clients on infrastructure and investment projects. Eric has a wealth experience of more than 20 years within the IT and Telecommunications sectors, working at Alcatel-Lucent, Nokia, and Smartmatic as Vice President of Sales, leading teams that designed strategic partnerships and implemented greenfield and turnkey projects in multiple African countries, including Vodacom's DRC network.

Eric is passionate about sustainable development in Africa in the Telecommunications sector. He holds an MBA from ESCP Business School in France and McCombs School of Business in Texas (United States). Eric is a Congolese (DRC) national.

Colard Nkole Tshiyoyo
MD Helios Towers Congo Brazzaville

Joined 2011
Colard Nkole Tshiyoyo has been the Managing Director of Helios Towers Congo since January 2020. Colard joined Helios Towers in 2011 and has undertaken many roles including Project Manager, Project Director and Head of Performance Engineering. Colard is a Civil Engineer from the University of Kinshasa and, since 2009, has been a Professor Assistant in the Civil Engineering department at the University and a certified Project Manager since 2016.

Colard has over 17 years' experience in the Telecommunications industry and before joining Helios, Colard was working for Airtel as the Site Supervisor in 2004 and then Project Supervisor in 2006. Colard is a Congolese (DRC) citizen.

Jérôme Gautier
Acting MD Helios Towers Madagascar

Joined 2021
Jérôme Gautier joined Helios Towers Madagascar in December 2021 as Finance Director. Prior to joining Helios Towers, Jérôme was an independent consultant in Madagascar serving local companies on financial matters and business development.

Jérôme has over 20 years experience in various financial and senior management roles for major banks in Europe, Asia and Africa. In Madagascar, he was also General Manager for a leading micro finance bank.

Jérôme holds a Master's degree in Finance from ESSCA School of Management and SKEMA Business School. He is a member of various local associations dedicated to alleviating poverty, improving local living conditions and facilitating education. He is a French citizen.

Matthews Mtumbuka
MD Helios Towers Malawi

Joined 2021
Matthews Mtumbuka joined Helios Towers as Managing Director of Helios Towers Malawi in December 2021. Prior to joining Helios Towers Malawi Matthews was CEO at UbuntuNet Alliance, providers of ICT services to universities in 26 countries in Eastern and Southern Africa. Matthews also held senior management roles in Airtel for eight years, in Malawi, Rwanda and at the African Head Office in Kenya.

He holds a PhD in Engineering Science from Oxford University. He was also president of the Malawi Institution of Engineers from 2011 to 2013. He is a citizen of Malawi.

Executive Management continued

Paul Barrett
General Counsel & Company Secretary

Joined 2020
Paul Barrett joined Helios Towers plc as General Counsel and Company Secretary in April 2020. Prior to joining Helios Towers, Paul was Director of Legal and Company Secretary at RAC Motoring Services, a position which he assumed in July 2018. Before this, he held interim positions as General Counsel of Helios Towers, Ltd. and Legal Director at Prudential plc. From 2006 until February 2017, Paul was Head of Legal Affairs at Home Retail Group plc, the then parent company of Argos and Homebase and the UK's largest non-food retailer.

Paul has an LLB (Hons) in Business Law and qualified as a Barrister before moving into industry. He has extensive senior management and board level experience, domestically and internationally, in both listed and private companies. He is a British citizen.

Jeffrey Schumacher
Director of Commercial

Joined 2011
Jeffrey Schumacher has been Director of Commercial since August 2020, a role which focuses on Commercial and Business Development opportunities across the continent. Jeffrey previously held the position of CEO of Helios Towers Ghana since 2015, CEO of Helios Towers South Africa since 2019 and Group Commercial Officer since July 2020.

Jeffrey joined Helios Towers in 2011 and has held senior positions during our set-up, launch and growth phases, including as CEO of Helios Towers Congo, Managing Director of Helios Towers Chad and Chief Commercial Officer of Helios Towers DRC. Prior to joining Helios Towers, Jeffrey was an Investment Professional at Soros Fund Management where he was actively involved with Helios Towers since its formation in 2009.

He holds a Bachelor of Science in mechanical engineering (magna cum laude) from Northwestern University in the United States and is an American citizen.

Leon-Paul Manya Okitanyenda
Director of Integration

Joined 2011
Leon-Paul Manya Okitanyenda is Director of Integration, having acted as Group Technical Advisor for New Markets since August 2020. Previously, Leon-Paul held the position of CEO of Helios Towers DRC since January 2015, and was previously appointed Network Operations Director in February 2011.

Leon-Paul has over 21 years of experience in the Telecommunications industry. Prior to joining Helios Towers in 2011, Leon-Paul worked as a Sales Supervisor for Oasis SA (now Tigo), Contract Execution Manager at Telefonaktiebolaget LM Ericsson and Project Supervisor for MER Group. Before MER Group, he was Operations Manager for Venture and Logistics Manager at Plessey Company plc. He holds a master's degree in Economics Mathematics and is a Congolese (DRC) citizen.

Allan Fairbairn
Director of Operations & Technology

Joined 2021
Allan Fairbairn joined Helios Towers as Director of Operations and Technology in June 2021. In this role, Allan is focused on Performance engineering and Delivery functions of the Group, including Operations, Supply Chain and PMO. He joined Helios Towers from Aggreko, where he held a number of senior positions including Area General Manager for West and Central Africa, a position he held since 2016, and led operations for Africa as an Operations Director in the EMEA team, a position he held for four years prior.

Allan has extensive international experience in setting up and managing technical operations in markets across Africa and the Middle East. He is a Chartered Electrical and Electronic Engineer, a Fellow of the Institute of Engineering and Technology, an accredited Lean Six Sigma Black Belt and is a British citizen.

Craig James
Group IT Director

Joined 2019
Craig James joined Helios Towers in October 2019, having previously been Head of Information Technology ('IT') at Ophir Energy, an African and Asian focused oil and gas exploration and production company. Craig has over 25 years' experience in the field of Information Technology. He started his career at Barclays, has experience in the Telecommunications sector and previously held roles as Global IT Architect and Head of IT (Asia Pacific) at a FTSE 100 multinational mining organisation. Craig also has consulting experience with BP, AWE and Credit Suisse.

Craig holds IT industry qualifications and has over 15 years' experience working across Africa. He also holds an MBA Essentials certification from the London School of Economics. He is a British citizen.

Nick Summers
Director of Property & SHEQ

Joined 2010
Nick Summers has been Director of Property & SHEQ since January 2022 and was previously Director of Sustainability & Property, Director of Sustainability & Organisational Development and a member of the executive team since 2015, when he was appointed Director of Corporate Services. Human Resources reports into Nick.

Nick joined Helios Towers in 2010 after spending nine years with Vodafone both in the United Kingdom and abroad. His final role at Vodafone Group Plc was National Head of RAN Deployment for Vodafone Ghana (previously state-owned Ghana Telecom). Nick is the head of the London office. He is responsible for the Group's HSE and Quality programmes, in addition to managing our property estate across the portfolio.

Nick has a Bachelor of Science (Hons) in Rural Enterprise and Land Management and holds a National General Certificate ('NEBOSH') in Health & Safety and an environmental Associate Member Certificate ('IEMA'). He is a British citizen.

Board leadership and Company purpose

The Company's purpose, values and culture

The Company's purpose, values, culture and strategic pillars are the essential building blocks of the business and their alignment is critical to ensure the Company's continued long-term sustainable growth and achievement of its strategic targets.

The Board assesses, monitors and promotes the culture of the Group and firmly believes in setting the tone from the top. Culture is important across the whole business ensuring our colleagues remain engaged, operating in a compliant manner and are able to flourish with career progression and support the Company's growth.

Culture remains a key topic of discussion at Board meetings through the feedback received from the 'Voice of the Employee' sessions held by Sally Ashford and from employee initiatives carried out in the operating companies. Cultural and compliance issues are also discussed in detail at Audit Committee meetings with specific issues raised by the Chair of the Audit Committee at Board meetings as required.

As part of the Company's ongoing compliance development programme, an external review by the Good Corporation was commissioned with a particular focus on anti-bribery and corruption, anti-tax evasion, and aspects of fraud and third-party management. The outcomes from this review, which were presented to the Board, showed that the Group's adequate procedures were strong with good tone from the top.

Board and Committee attendance

Directors' attendance at scheduled Board and Committee meetings during 2021 is set out below. Non-attendance at Board or Committee meetings reflects a Director's pre-existing commitments or illness. Some Directors also attended Committee meetings as invitees during the year. In addition, and not reflected in the table below, a number of meetings of a sub-Committee of the Board were held during the year to discuss and approve time-critical matters such as the Omantel tower portfolio acquisition, the Placing and Convertible Bond Offering, and the Airtel Africa tower portfolio transactions.

Director	Board (of 6)	Audit Committee (of 5)	Nomination Committee (of 2)	Remuneration Committee (of 7)
Sir Samuel Jonah	6	n/a	2	6
Kash Pandya	6	n/a	n/a	n/a
Tom Greenwood	6	n/a	n/a	n/a
Manjit Dhillon	6	n/a	n/a	n/a
Magnus Mandersson	5	3	2	n/a
Alison Baker	6	5	n/a	6
Richard Byrne	5	5	n/a	7
David Wassong	6	n/a	n/a	n/a
Temitope Lawani	6	n/a	0	n/a
Sally Ashford	6	n/a	2	7
Carole Wamuyu Wainaina	5	4	1	n/a

Governance framework

The Company has a governance framework that enables the Board and its Committees to be effective in their decision-making, which is integral to ensuring the successful delivery of the Company's strategy. Matters Reserved for the Board were reviewed and approved by the Board during 2021. The Board has established Committees and has delegated responsibility for certain matters to them. Written terms of reference setting out roles and responsibilities were reviewed and approved by each Committee and the Board during the year.

Both the Matters Reserved for the Board and Committee terms of reference can be found **here**.

Board

Responsible for the long-term sustainable success of the Company, ensuring leadership through effective oversight and setting the strategic direction for the Group. It shapes the Group's purpose, values and culture, promotes corporate governance and oversees the implementation of appropriate risk management systems and processes to identify, manage and mitigate the Group's principal risk and uncertainties.

Audit Committee

Responsible for monitoring the integrity of financial and narrative reporting, reviewing the effectiveness of the Group's internal controls, risk management systems and the effectiveness of internal and external auditors.

Nomination Committee

Responsible for assisting the Board in discharging its responsibilities relating to the size, structure and composition of the Board and its Committees. The Committee also ensures a balance of skills, knowledge and experience of both the Board and senior executives and assists the Board on matters such as succession planning, conflicts of interest and independence.

Remuneration Committee

Responsible for establishing the Company's policy and making recommendations to the Board on the remuneration of the Executive and Non-Executive Directors and certain senior managers.

Disclosure Committee

Responsible for the identification and disclosure of inside information.

Key to stakeholders:
- Customers and suppliers
- Community
- Workforce
- Shareholders and investors

Board activities

Principal matters considered and key considerations addressed during the year

M&A transactions
- Discussed in-depth and approved the entry into agreements with Airtel Africa for acquisitions in Madagascar and Malawi and the entry into exclusive memorandum of understanding arrangements in Chad and Gabon, covering over 2,500 sites across the four markets; and
- Discussed in-depth and approved the acquisition of passive tower infrastructure assets representing 2,890 sites from Omantel in Oman and a Class 1 circular.

Stakeholders considered:

Strategy, business development and operational performance
- Carried out in-depth reviews of the ongoing implementation of the Company's Sustainable Business Strategy;
- Provided with progress reports on Senegal and new market integration;
- Reviewed operational performance across the operating companies;
- Discussed and reviewed business development in accordance with the Company's Sustainable Business Strategy and Carbon Reduction Roadmap;
- Reviewed and approved quarterly, half-year and full-year financial results, including their release to the market;
- Received updates from Tax, Finance, Legal, Investor Relations and Technology functions; and
- Reviewed and approved the 2020 Annual Report and 2020 Sustainable Business Report.

Stakeholders considered:

Financing
- Reviewed and approved operating company financing and funding;
- Discussed and approved the issue of US$250 million of convertible bonds, US$110 million equity placing and US$50 million tap issue of convertible bonds; and
- Reviewed and approved the budget for the 2021 financial year.

Stakeholders considered:

Safety, health, environment and quality ('SHEQ')
- Received updates from across the business, including Covid-19 measures, health and safety performance and employee well-being.

Stakeholders considered:

Employee engagement
- Received reports on employee engagement activities and action plans;
- Reviewed the outputs and actions from the 'Voice of the Employee' roundtable meetings;
- Reviewed the implementation of the output and results from the 2020 Employee Engagement and Culture Survey; and
- Approved the launch and granting of inaugural awards under the all-employee HT SharingPlan.

Stakeholders considered:

People development and succession planning
- Discussed and reviewed succession planning activities within the Company and detailed engagement processes, including leadership and management development training; and
- Reviewed resourcing requirements following various acquisitions.

Stakeholders considered:

Audit tender
- Received updates on the audit tender process from the Audit Committee Chair.

Stakeholders considered:

Site leases and permits
- Received updates in relation to leases and site permits across each operating company.

Stakeholders considered:

Board standing agenda items
- SHEQ
- Sustainable Business update
- Business development update
- Operational performance update
- Financial and investor relations update
- 'Voice of the Employee' updates from Sally Ashford and the Head of Human Resources
- Legal and Company Secretarial reports from the General Counsel & Company Secretary
- Reports and updates from the Chairs of the Audit, Nomination and Remuneration Committees

Matters Reserved for the Board, Committee terms of reference and Articles of Association can be found **here**.

Division of responsibilities

The Board is responsible for the long-term success of the Company and has a suitable combination of Executive and Non-Executive Directors. Board members have distinct roles and responsibilities and the roles of Chair and Chief Executive Officer are exercised by separate individuals and are clearly defined, as set out here.

The division of responsibilities is reviewed and approved annually by the Board and is available **here**.

The Board's role is to promote the long-term sustainable success of the Company in accordance with good corporate governance, and set the Group's culture, purpose and values. It oversees the Group's operations, ensuring internal controls and risk management are in place for the Group to meet its objectives and has a schedule of Matters Reserved for the Board, which can be found **here**.

The day-to-day operations of the Company are delegated to an experienced and dedicated Executive Management team, whose biographies can be found on pages 81 to 85, and who promote the Group's strategy and its implementation and reinforce the Company's culture, purpose and values. The Executive Management team, including the Executive Directors, meet regularly to discuss the ongoing management of the Group, with any significant matters escalated to the Board in a timely manner.

The Board's role is to promote the long-term sustainable success of the Company.

Sir Samuel Jonah KBE, OSG
Chair

Roles and responsibilities

Chair

Sir Samuel Jonah KBE, OSG

- Leads the Board and is responsible for its overall effectiveness in directing the Company;
- Effectively runs the Board ensuring its agenda is forward-thinking and has an emphasis on strategy, performance, value creation, culture, stakeholders and accountability;
- Promotes a culture of openness and debate and fostering relationships based on trust, mutual respect and open communication between the Non-Executive Directors and the Executive Management team;
- Facilitates the effective contribution of Non-Executive Directors, ensuring constructive relations between Board members;
- Ensures meetings are held with the Non-Executive Directors without the Executives present;
- Ensures all Directors receive accurate, clear and timely information to support sound decision-making;
- Ensures the Board reviews continuously all key metrics in line with the Company's strategy;
- Ensures the Board determines the nature and extent of significant risks the Company is willing to embrace in the implementation of its strategy;
- Provides advice, support and leadership to the Chief Executive Officer and guidance as appropriate to other key senior managers across the Group;
- Ensures effective communication by the Group with its key stakeholders, including regular engagement with major shareholders; and
- Ensures the Board as a whole has a clear understanding of the views of its key stakeholders.

Chief Executive Officer

Kash Pandya

- Manages the Group on a day-to-day basis within the authority delegated by the Board;
- Develops and proposes Group strategy, annual budget and business plans and commercial objectives to the Board;
- Leads and monitors the Executive Management team in the day-to-day management of the Group;
- Identifies and executes acquisitions and disposals, examines all business investments and major capital expenditure proposed by the Group and makes recommendations to the Board;
- Manages the Group's risk profile in line with the risk appetite approved by the Board; and
- Promotes a Group culture that fosters a prudent, safe and sound business with long-term sustainability and which conducts itself with appropriate standards and behaviours.

CEO-Designate
Tom Greenwood

- Works closely with the CEO to lead, direct and develop the Group's strategy;
- Actively manages and develops relationships with key customers;
- Works closely with the Regional CEO's;
- Develops and maintains systems of operational internal control; and
- Develops and maintains strong relationships with the Group's investors.

Chief Financial Officer
Manjit Dhillon

- Develops and executes the Group strategy along with the Executive Management team;
- Develops and leads the Finance function which forecasts, manages and reports on the financial and operational performance of the Group against its strategic goals;
- Develops and maintains systems of financial internal control;
- Drives the organic and inorganic growth of the business;
- Engages the global investor and analyst community and manages the Company's capital resources to enable expansion and M&A to take place; and
- Promotes and drives the Group's values, ethics and sustainability.

Senior Independent Director
Magnus Mandersson

- Acts as a sounding board for the Chair and serves as an intermediary for the other Directors;
- Leads the process for evaluating the performance of the Chair;
- Leads meetings with the Non-Executive Directors without the Chair present; and
- Acts as an additional contact for shareholders should any concern be unresolved by the Chair, CEO or CFO.

Non-Executive Directors (as at 31 December 2021)
Alison Baker, Richard Byrne, Temitope Lawani, David Wassong, Sally Ashford, Carole Wainaina

- Provide independent views, judgement, constructive challenge and offer specialist advice at Board and Committee meetings and to the Executive Management team;
- Oversee the delivery and scrutinise the achievement of both the Company's strategy by, and the performance of, the Executive Management team;
- Satisfy themselves on the integrity of financial information and determine whether internal controls and risk management systems are robust; and
- Play a key role in the succession planning of the Board and Executive Management team.

Non-Executive Director for workforce engagement
Sally Ashford

- In addition to the above responsibilities of a Non-Executive Director, Sally engages with employees across the Group, holding 'Voice of the Employee' sessions, providing feedback to the Board; and
- Oversees the implementation of employee engagement surveys across the Group, in conjunction with the Head of Human Resources, feeding the results back to the Board.

General Counsel & Company Secretary
Paul Barrett

- Provides advice and support in relation to legal and corporate governance matters to the Board, its Committees, the Chair and other Directors individually as required;
- Ensures the Board has access to the Company's policies and procedures;
- Ensures the Board receives information in a timely manner prior to each Board and Committee meeting and that all papers are available via a secure online portal; and
- Facilitates inductions for new Directors and co-ordinates the Board evaluation in conjunction with the Chair and the Nomination Committee.

Shareholders' Agreement
Shortly prior to its Admission in 2019, certain founders and early investors of the Group (the 'Principal Shareholders'), entered into a Shareholders' Agreement with the Company which included specific governance rights. Quantum Strategic Partners Ltd has the right to appoint a Director to the Board for such time as it and its associates are entitled to exercise or control 10% or more of the voting rights in the Company. Quantum Strategic Partners Ltd has taken up this right. Lath Holdings Ltd enjoyed the same right until 30 June 2021 when its shareholding fell below 10%. The Board invited Temitope Lawani to remain on the Board in view of the skills and experience that he brings, notwithstanding that Lath Holdings Ltd's shareholding was below 10%, and Temitope Lawani agreed to do so. In view of this, Temitope Lawani is no longer considered a shareholder appointed Non-Executive Director.

Directors' conflicts of interest
In accordance with the Company's Articles of Association, the Board is able to authorise and approve any potential conflicts of interest. There is a formal procedure in place whereby the Directors firstly make the Chair and Company Secretary aware of any new external interests and any actual or perceived conflicts of interest. The Board then considers each interest or conflict on its own merit in conjunction with the Company's Articles of Association and any existing external appointments held by the Director, to ensure that the Director's independent judgement is not compromised. The Company Secretary records the outcome of the Board's decision and approval in the Board minutes.

Division of responsibilities continued

If any Director has a concern about the operation of the Board or the management of the Company that cannot be resolved, the Company Secretary will record the Director's concerns in the Board minutes.

Time commitment and external appointments

The Board takes into account any other demands on Directors' time when making new appointments to the Board. Prior to appointment, significant commitments are disclosed to the Chair and the Nomination Committee with an indication of the time involved. On appointment to the Board, the average time commitment of each Director is clearly set out in their letters of appointment and Directors are expected to devote sufficient additional time as may be required to fulfil their roles.

As shown on pages 78–80, Board members have external interests and the nature and number of external directorships held by the Directors is closely monitored to ensure any additional appointments do not adversely impact the time commitment to their role with the Company or breach the over boarding limit endorsed by the proxy advisory firms. There is a clear and formal process for the approval of all external appointments by Board members, including approval by the Chair in the first instance followed by Board approval. The Company Secretary retains records of all external interests and potential conflicts of interest for both the Board and senior management.

The Board believes other commitments held by the Directors enhances the capability, skills and knowledge of the Board and is satisfied with the external directorships held by each of the Directors.

Independence

The Board is comprised of the Chair, who was independent on appointment, five independent Non-Executive Directors (Sally Ashford, Alison Baker, Richard Byrne, Magnus Mandersson and Carole Wainaina) who are independent in judgement and character and two non-independent Non-Executive Directors (Temitope Lawani and Helis Zulijani-Boye, following her appointment in March 2022, as noted on page 96). The Board regards Richard Byrne as independent notwithstanding his membership as a Director of the Board since 2010, and considers his continued membership of the Board is in the best interests of the Company. After careful consideration, the Board is satisfied that Richard continues to demonstrate independence in carrying out his role as a Non-Executive Director and Chair of the Remuneration Committee. The Board considers that he continues to be independent in his character and perspective, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

Helis Zulijani-Boye, as a representative Director nominated by Quantum Strategic Partners Ltd, was appointed to the Board under the Shareholders' Agreement in March 2022 and is not regarded as independent by the Board. Temitope Lawani is no longer a representative Director as Lath Holdings Ltd's shareholding fell below 10% in 2021 and remains on the Board as a non-independent Non-Executive Director. Information about the Shareholders' Agreement can be found on page 89.

Company Secretary and legal advice

All Directors have access to the advice and support of the Company Secretary, who ensures the Board receives information to enable it to function efficiently and effectively and whose responsibilities are outlined on pages 88–89. In addition, all Directors may take independent professional advice at the expense of the Company to carry out their duties, if they believe it is necessary.

Tax strategy

The Group is committed to complying with its statutory obligations in relation to the payment of tax, including full disclosure of all relevant facts to the appropriate tax authorities. Whilst the Board has ultimate responsibility for the Group's tax strategy, the day-to-day management rests with the CFO and the Group Head of Tax and Treasury, who reports directly to the CFO.

Further information on the Group's tax strategy is available **here**.

Risk management and internal control

The Board has overall responsibility for the Group's risk management and internal controls and sets the Group's risk strategy, risk appetite and monitors risk exposure consistent with strategic priorities. The Board has delegated responsibility for risk management and internal controls to the Audit Committee, which regularly reports to the Board. The Audit Committee report can be found on pages 98–105 and includes its activities in relation to risk management and internal control during 2021.

The Company established a Group-wide system of risk management and internal control whose effectiveness is regularly reviewed by the Audit Committee and the Board and which enables management, and the Board, to evaluate and manage the Group's emerging and principal risks and uncertainties. The Group's risk management framework is also reviewed by the Audit Committee and the Board on a regular basis with particular consideration given to material financial, operational, compliance and sustainability (including climate) risks and controls and the appropriate steps required to mitigate those risks.

The Board confirms that throughout 2021, and up to the date of approval of this Annual Report and Financial Statements, there have been rigorous processes in place to identify, evaluate and manage the emerging and principal risks faced by the Group.

The Group's risk management framework and internal controls, including the Group's approach to risk management and the risks it identifies and how it profiles those risks, are explained in detail in the Risk management and Principal risks and uncertainties section of this Annual Report on pages 60–65 and in the Audit Committee Report on pages 98–105.

Composition, succession and evaluation

Board composition

As at 31 December 2021, the Board comprised of 11 members, the Chair, CEO, CEO-Designate, CFO and seven Non-Executive Directors, of whom five are considered independent by the Board and under the requirements of the Code.

The Board comprises of five Directors from non-white ethnic groups and as such complies with the requirements of the Parker Review for a FTSE 250 company to have one director from a non-white ethnic group by 2024. The Board is aware that its female representation was below the Hampton-Alexander target of 33% as at 31 December 2021. The Nomination Committee Report on page 96 contains further information on the Company's compliance with both the Parker Review and Hampton-Alexander Review.

The biographies of the Board, including Committee memberships, can be found on pages 78–80 and their roles and responsibilities on pages 88–89. The skills, experience and tenure of Board members are set out on page 95.

Board appointments

The Nomination Committee leads a formal, rigorous and transparent process for the appointment of a new Director to the Board, taking into consideration succession plans, skills, experience, knowledge and diversity in all forms. All Directors are subject to annual re-election at the AGM and Non-Executive Directors are expected to serve no more than three three-year terms providing a total of nine years' service.

Non-Executive Directors receive letters of appointment on joining the Board and these are available for shareholders to view at the Company's registered office and before and after the AGM.

Training and induction

On appointment to the Board, all Non-Executive Directors receive a formal tailored and comprehensive induction, including one-to-one meetings with the Chair, the CEO, the CEO-Designate, CFO, the other Non-Executive Directors and the Company Secretary. Meetings are also arranged with senior management to gain an insight and understanding of each OpCo and site visits are encouraged and carried out wherever possible.

It is important that all Board members keep their skills and knowledge up to date by having an awareness of recent and upcoming developments on matters that are relevant to the Company and individual Directors. Training is provided on recent and relevant topics to all Directors each year by our external advisors and additional training or development needs are recognised and addressed as appropriate throughout the year. During the year, the Directors received training on relevant matters including Directors' duties, section 172(1), climate-related disclosures, sustainability, anti-bribery, and audit and governance reforms.

> The Board comprises of five Directors from non-white ethnic groups and as such complies with the requirements of the Parker Review.

Sir Samuel Jonah KBE, OSG
Chair, Nomination Committee

Stakeholder engagement

The Company's Section 172(1) Statement can be found on pages 52–57. This includes case studies which serve to demonstrate the Board's strategic decision-making during the year to 31 December 2021 and details of the Company's engagement with its key stakeholders.

The Board challenges and oversees the Company's engagement with its key stakeholders, which the Board has identified as its workforce, customers, suppliers, investors and the communities in which the Company operates. Both the Executive Directors and senior management, who report frequently to the Board on outcomes and potential concerns raised by stakeholders, primarily carry out this engagement.

How engagement with stakeholders influenced the Board's decision-making during the year.

Convertible bond/equity issue
Additional financing capability to enable the acquisition of various tower portfolios.

For more information see pages 54

Omantel acquisition
The acquisition of Omantel's passive tower infrastructure portfolio in May 2021.

For more information see pages 54

The HT SharingPlan
The launch of the HT SharingPlan in September 2021.

For more information see pages 55

Carbon reduction target
The establishment of carbon reduction targets.

For more information see pages 55

Customers and supplier partners

Our customers and supplier partners are key stakeholders and senior management regularly provide the Board with information relating to customer service and supplier excellence. The Board is supportive of the Company's work with local economies and suppliers around the world to meet the needs of our business and customers. During 2021, the Board has been supportive of the work carried out to build closer relationships with our strategic equipment suppliers to minimise the disruption to the supply chain due to Covid-19.

Community

Community engagement is part of the Network Access and Sustainable Development pillar of our Sustainable Business Strategy for which the Board is ultimately responsible. Network access provides communities with access to life-enhancing services that contribute to the achievement of the UN SDGs. Building on this, we want to maximise the positive impact of our towers and network access for the communities where we operate through education and digital inclusion, and access to power and amenities.

The Board is regularly provided with information relating to our communities and supports our teams on the ground working to support projects to help address the digital divide and provide young people with opportunities to gain work experience.

Further information on our work with our customers, supplier partners and communities can be found in our 2021 Sustainable Business Report.

Workforce

As the designated Non-Executive Director for workforce engagement, Sally Ashford continued to engage with the workforce throughout 2021, holding various 'Voice of the Employee' focus group sessions across the Group and welcoming colleagues from our new businesses, including Senegal. Observations from focus group sessions were fed back to the Board, with any opportunities for improvement or action discussed in detail by the Board. The focus group sessions provided the Board with in-depth insight into the Company's strong culture and committed workforce, which was evident in all the sessions. The sessions also brought to the fore any colleague opportunities, improvements or actions that could be made or carried out Group-wide as the Company continues to grow.

Following the positive feedback from the Company's 2020 Employee Engagement Survey regarding employee share ownership, the Company launched the HT SharingPlan for colleagues across the Group in September 2021. This followed shareholder approval for a UK Share Purchase Plan and a Global Share Purchase Plan at the 2021 AGM.

The Board is committed to creating an inclusive culture that promotes the 'One Team, One Business' ethos throughout the Company and wants all colleagues to share in the success of the Group. The HT SharingPlan allows all colleagues to benefit equally from the value of the Company's shares over a three year period.

The Board was delighted with the positive feedback from colleagues to the plan and the participation rate for the first grant of awards of almost 100%. In addition, the Company was pleased to be able to thank colleagues for their hard work and dedication during the Covid-19 pandemic, with a one-off 'Covid-19 Thank You Award' that will vest in March 2022. This award will also serve to demonstrate the benefits of the HT SharingPlan to colleagues. Further information can be found on page 121.

The Company operates a confidential reporting hotline, EthicsPoint, where anyone can raise concerns in confidence about any actual or potential non-compliance with policies or procedures. Reports are provided by the Group Head of Compliance to the Audit Committee at every meeting and any significant matters are discussed in detail and reported to the Board as required. Further detail can be found in the Audit Committee Report on page 100.

Investors

The interests of our shareholders and investors are a key factor in the Board's decision-making and the Board ensures it acts fairly between all its members. The Board actively engages with the Group's debt and equity investors, with the Executive Directors holding meetings and calls with investors on a regular basis. This engagement may include formal roadshows, conferences or quarterly results presentations and Q&A's. In addition, all Directors, including the Chair and Committee Chairs, are available to answer shareholders questions at the AGM and on any significant matters as required throughout the year.

The support and engagement of shareholders and investors is essential to the Company's ongoing success, with investor relations being a standing agenda item at all Board meetings. The Board and the investor relations team recognise this and ensure an active programme of engagement is carried out during the year. The key activities with shareholders and investors during 2021 are shown below.

This programme of events is closely followed and adapted as required to ensure discussions take place on key topics relevant to the Company.

2021 AGM

The 2021 AGM was held on Thursday, 15 April 2021 at Linklaters, One Silk Street, London, EC2Y 8HQ as a closed meeting. Shareholders were requested not to attend due to the ongoing restrictions and limitations imposed on public gatherings by the UK Government at the time, but were instead encouraged to vote by proxy and submit questions to our investor relations team in advance. All resolutions were passed on a poll by the requisite majority.

The results of the 2021 AGM can be found **here**.

2022 AGM

The 2022 AGM will be held at 10.00 a.m. on Thursday 28 April 2022 at Linklaters, One Silk Street, London, EC2Y 8HQ as an open meeting and shareholders are encouraged to attend and vote in person. The Notice of AGM will be sent to all shareholders as a separate document and will be made available **here**. The Notice will set out the resolutions to be proposed at the AGM together with an explanation of each one.

Investor relations activities during the year

Q1

- Webcast presentations for full-year results and acquisition announcement
- Follow-up meetings with institutional investors, individually and at conferences
- 80+ investor meetings

Q2

- Webcast presentations for Q1 results
- Airtel acquisitions announcement
- Annual General Meeting
- General meeting to approve a Class 1 transaction (the Omantel acquisition)
- 40+ investor meetings

Q3

- Webcast presentations for H1 results
- Follow-on meetings with institutional investors, individually and at conferences
- 60+ investor meetings

Q4

- Webcast presentations for Q3 results and Carbon Reduction Roadmap
- Follow-on meetings with institutional investors, individually and at conferences
- 40+ investor meetings

Nomination Committee Report

Dear Shareholder,

I am pleased to present the report of the Nomination Committee (the 'Committee') for the year ended 31 December 2021.

Role of the Committee

The role of the Committee is to:

- regularly review the structure, size and composition of the Board and its Committees, ensuring the right balance of skills, experience and knowledge for the future needs of the Group, and identifying and nominating candidates to fulfil Board vacancies for Board approval;
- ensuring plans are in place for the orderly succession to the Board and senior management positions and oversee the development of a diverse pipeline for succession;
- overseeing, with the Chair, the annual evaluation of the performance of the Board, its Committees and individual Directors; and
- considering and reviewing the Company's policy on diversity and progress against that policy, and working with Human Resources to set and meet diversity objectives and strategies.

The Committee's terms of reference can be found **here**.

Sir Samuel Jonah KBE, OSG
Chair

Key activities during 2021

The Committee met twice during 2021, to consider and, where appropriate, approve the following key matters:

- the independence of the Non-Executive Directors;
- the Nomination Committee Report for the 2020 Annual Report;
- review of the composition of the Board;
- Chief Executive Officer's succession and general succession plans; and
- approval of Independent Audit Limited to assist with the 2021 Board Evaluation process.

Independence

The Committee reviewed the composition of the Board and the independence of the Non-Executive Directors during the year. It concluded that all Non-Executive Directors, with the exception of David Wassong and Temitope Lawani, continue to be independent in character and judgement and the overall balance of skills, knowledge, experience and diversity remains appropriate for the future needs of the Board and the Group. Further information concerning David Wassong and Temitope Lawani can be found on page 89. The Committee is satisfied that all Directors except David Wassong, stand for re-election at the AGM in April 2022. Following the resignation of David Wassong and the appointment of Helis Zulijani-Boye in March 2022 as noted on page 96, Helis will stand for election at the AGM. In addition, Kash Pandya will retire from the Company as CEO and will stand for re-election as a Director of the Company at the AGM in his new role as Non-Executive Deputy Chair.

Committee membership and attendance

Membership	Attendance (of 2)
Sir Samuel Jonah KBE, OSG (Chair)	2
Magnus Mandersson	2
Temitope Lawani[1]	0
Sally Ashford	2
Carole Wamuyu Wainaina[2]	1

(1) Temitope Lawani was unable to attend both meetings due to pre-existing commitments.
(2) Carole Wainaina was unable to attend the August Committee meeting due to illness.

The biographies of Committee members can be found on pages 78–80

Diversity and inclusion

The Company has a Diversity and Inclusion Policy in place and the Committee, and the Board, are fully committed to ensuring that the Company upholds the overriding objective of the Policy to promote a diverse and tolerant culture that provides appropriate development opportunities for all colleagues, thereby creating a diverse, inclusive and collaborative work environment in which all our colleagues are equally supported to embody our corporate values of Integrity, Partnership and Excellence. The Committee recognises that the continued success of the Company relies on recruiting and retaining the best people, selected purely on merit. Diversity and inclusion are essential elements of the Empowered people and partnerships pillar of the Company's Sustainable Business Strategy, demonstrating their importance to the Company's continued strategic progress.

At the same time, the Committee recognises that building a gender-diverse workforce is a challenge in the sector and in the markets we operate in, as well as in relation to the personal security of female workers in operational and field roles. To promote women's advancement within the organisation, during 2021 we implemented virtual talks with senior female leaders, an experience sharing open forum on topics including the challenges faced by women in senior leadership positions, the impact of the pandemic on women's careers and work-life balance, and a virtual workshop on 'Women's Leadership in a Covid-19 world', exploring the challenges faced by women during uncertain times.

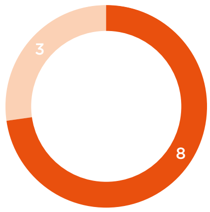
In 2022, we will be looking to develop a leadership and mentoring programme for women, update our parental leave policy and bridge the gender gap in our industry through outreach and education, a process which has already commenced in Tanzania through talks to girls on careers in STEM at two schools.

In relation to ethnic diversity, the Board is proud that it not only meets, but exceeds, the targets set out in the Parker

Skills and experience

	Number of Directors
Corporate Governance	6
Emerging Markets (including Africa)	10
Executive Remuneration	6
Financial	8
Human Resources	2
International	11
Listed company	9
M&A	10
Organisational/business transformations	8
Strategy & Leadership	11
Sustainability	4
Telecommunications sector	9

Gender of the Board (% of Directors)

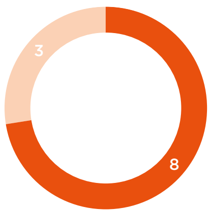


Male 73%
Female 27%

Average age of Directors

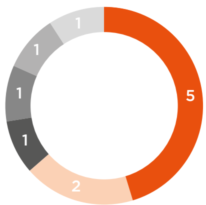
30 to 40
40 to 50
50 to 60
60 to 70
70 to 80

Tenure (number of Directors)



2–3 years
1–2 years

Nationality (number of Directors)

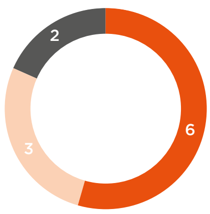


British
American
Swedish
Ghanaian
Kenyan
Nigerian

Gender of Senior Management & direct reports (%)

Male 71%
Female 29%

Ethnicity (number of Directors)



White
Black
Asian

All data is correct as of 31 December 2021, however following the resignation of David Wassong and the appointment of Helis Zulijani-Boye as noted on page 96, gender diversity of the Board is now 36% female and 64% male.

Nomination Committee Report continued

Review to have at least one director from a non-white ethnic group by 2024, with diversity at all levels being a key KPI in driving the Sustainable Business Strategy.

In respect of gender representation, as at 31 December 2021, the Board had three female Directors, equating to 27% female representation. Following the resignation of David Wassong and the appointment of Helis Zulijani-Boye by Quantum Strategic Partners Ltd. in March 2022, in accordance with the Shareholders' Agreement, the Committee is delighted to confirm that the Board now meets the gender diversity requirements under the Hampton-Alexander Review.

The Head of Human Resources regularly updates the Board and the Committee on the Company's progress on diversity and inclusion and meeting its objectives and strategy. This includes addressing any matters relating to diversity and inclusion, which have been raised through employee surveys, such as the 2020 Employee Engagement and Culture Survey where actions were put in place to address any concerns. The next Employee Engagement and Culture Survey is expected to be carried out in 2022. The gender balance of our colleagues is explained on page 36 and on our website **here**. In accordance with the Code, the gender balance of the senior management and their direct reports can be found on page 95.

Succession planning

Succession planning is a key initiative for the Board and the Committee. As with appointments to the Board, succession plans more generally are based on merit, objective criteria and promote diversity in all its forms. People development is a regular discussion topic at Board meetings, with internal promotions, successors and female representation in senior level roles being a focus during the year.

The Committee regularly reviews the structure, size and composition, including skills, knowledge, experience and diversity, of the Board to ensure it has the right mix to support and deliver the Company's strategy and for the future needs of the Group. Consideration is also given to the length of service of the Directors, along with their independence status. A rigorous and formal process is carried out for all Board appointments with the Committee recommending any new Director to the Board for approval. No such new appointments were made during 2021. However, the Company announced Kash's retirement as CEO and his appointment to the new role of Non-Executive Deputy Chair following the AGM in April 2022, as explained in detail opposite. The Board firmly believes that both the process for appointing new Board members and the Company's succession planning activities provide a diverse pipeline reflecting the Board's commitment to the development of the Company's employees, providing merit-based career pathways to the top of the organisation.

Information on the Board's skills, experience, tenure, gender and ethnicity can be found on pages 78–80 and on page 95.

CEO succession

The Company announced on 18 August 2021 that Kash Pandya would retire from the Board at the conclusion of the Company's AGM in April 2022, moving into a new role as Non-Executive Deputy Chair, with Tom Greenwood appointed as CEO-Designate and formally taking up the position of CEO in April 2022 following the AGM.

The Committee would like to place on record its thanks to Kash for his significant contribution to the success of the Company. During his tenure as CEO, the Company has successfully listed on the London Stock Exchange, expanded from four to 11 markets (once ongoing acquisitions complete) and undertaken multiple financing transactions across the equity, equity-linked and debt capital markets to ensure the Company is well placed to pursue attractive growth opportunities. We have been very fortunate to benefit from Kash's leadership and experience over the last six years and we are pleased that he will be continuing on the Board in a non-executive capacity.

At the same time, the Committee is delighted that Tom has been appointed as CEO with effect from the AGM in April 2022. Tom's appointment was the result of a thorough succession planning process, led by the Committee and overseen by the Board, which included an external benchmarking exercise and review of Helios Towers' peer set and the broader market. Tom's exemplary experience as both CFO and COO made him the obvious choice to succeed Kash and his appointment demonstrates the Company's continued commitment to the ongoing development of its people. The Committee would like to express its gratitude to both Kash and Tom for the constructive and collaborative manner in which they have worked together since the announcement of Kash's retirement.

Board evaluation

The Committee is responsible for the completion of a formal evaluation of the Board and its Committees each year. An internal evaluation was conducted in 2020 and 2021 and, in line with the requirements of the Code, an external evaluation will be carried out during 2022.

The evaluation process provides an opportunity for the Board and its Committees to gain meaningful insight into its performance, composition and how well members worked together during the year. Performance evaluations of individual Directors are also carried out annually to demonstrate that each Director continues to contribute effectively to decision-making at Board and Committee meetings. The Senior Independent Director leads the performance evaluation of the Chair in conjunction with the other Non-Executive Directors.

The Chair acts on the results of the Board evaluation and works with the Company Secretary to ensure any strengths are recognised and any focus or action areas are considered and implemented during the next financial year.

2021 evaluation

An internal evaluation was carried out in 2021 with the assistance of Independent Audit Limited, an independent consultancy, who have no connection with the Company. A questionnaire was provided to the Directors, which included questions bespoke to the Company, via Independent Audit's electronic platform, 'Thinking Board'. On this occasion, Independent Audit were not requested to, and therefore did not, complete a review of Board and Committee papers as part of this internal evaluation or carry out one-to-one interviews with each of the Directors.

Process

October

- A questionnaire was provided by Independent Audit in conjunction with input from the Company Secretary;
- The questionnaire was circulated to each Director via 'Thinking Board' for each Director to complete;
- An evaluation of each Director's performance was carried out; and
- The Senior Independent Director completed the evaluation of the Directors.

November

- Results of the questionnaire were collated and a report was presented to the Board; and
- The Board discussed the results of the evaluation in depth.

Findings

Overall, respondents to this facilitated self-assessment were satisfied with the way that the Board is performing, with members noting that the Board is working well with management and has been doing so throughout the challenging period of the pandemic. Virtual meetings are felt to have worked well enough to maintain a healthy dynamic and to enable the Board to discharge its responsibilities effectively. Additionally, all three of the Board Committees were seen to be working well.

Outcomes

Whilst respondents did not highlight any obvious or specific need for improvement, they did flag a number of issues as prompts for further discussion as to how the effectiveness of the Board might be further enhanced. Issues identified included the following:

- ensuring Board agendas focus on the key areas for discussion and the issues that really matter to the Company;
- whether the Board would prefer position tables for effective discussion, highlighting the questions the Board should consider and spend its time working through;
- continuing to leverage the expertise and experience of individual Directors to maximise the value they bring to the business;
- whether the Board would benefit from greater discussion on risk acceptance and risk management; and
- whether more time should be given to the discussion of changes in the external environment, particularly macroeconomic and competitor shifts and the opportunities and challenges presented by technological trends.

The Board will consider the above conclusions during 2022 and implement initiatives where practical to do so, to further enhance Board effectiveness.

Sir Samuel Jonah KBE, OSG
Chair, Nomination Committee
16 March 2022

Audit Committee Report

Dear Shareholder,

I am pleased to present our Audit Committee (the ‘Committee’) report for the year ended 31 December 2021.

Key objectives

The Committee’s key objectives include:

- the provision of effective governance over the appropriateness of financial reporting of the Group, including the adequacy of related disclosures;
- the performance of both the internal audit function and the external auditor; and
- oversight of the Group’s internal control systems, business risks and related compliance activities.

In this transformational year for the Company, we have maintained our focus on the continuous improvement of our internal control environment, integrating new markets and continuing to navigate the impact of Covid-19.

During 2021, we have actively engaged with regulators as the FRC’s Audit Quality Review team reviewed Deloitte’s work on the FY20 audit and we have responded to the FRC’s Corporate Reporting Review letter we received. Our responses were accepted and their review was closed in November 2021 with no significant findings.

The Committee reports to the Board with its assessment of effective governance in financial reporting, internal control and assurance processes, and on the procedures in place to identify and manage risk.

In recent months, the Committee has focused on engagement with regulators, retendering the audit, monitoring the control environment, and reviewing the controls and accounting process as we enter new markets.

This report provides an overview of how the Committee operated, an insight into the Committee’s activities and its role in ensuring the integrity of the Group’s published financial information and ensuring the effectiveness of its risk management, controls and related processes.

In addition to the scheduled Committee meetings, I have met regularly with the CFO, Head of Internal Audit and the external audit partner to discuss their reports and any relevant issues. I regularly meet the Deloitte audit team as part of my ongoing review of their effectiveness and quality.

Committee membership and attendance

	Meetings attended
Alison Baker (Chair)	
Magnus Mandersson(1)	
Richard Byrne	
Carole Wamuyu Wainaina(2)	

(1) Magnus Mandersson was unable to attend the October and November Committee meetings due to pre-existing commitments.
(2) Carole Wainaina was unable to attend the August Committee meeting due to illness.

Alison Baker
Chair

Key responsibilities

Detailed responsibilities are set out in the Committee's terms of reference, which can be found **here**.

Accounting and financial reporting matters

- Monitoring the integrity of the quarterly financial information and Annual Report and Accounts, and any formal announcements relating to the Group's financial performance;
- Reviewing significant financial reporting judgements and accounting policies;
- Advising the Board on whether, as a whole, the Annual Report and Financial Statements, along with other price-sensitive public records and reports, are fair, balanced and understandable;
- Considering the going concern statement; and
- Considering and reviewing the statement of the Group's viability over a specified period.

Risk management and internal control

- Reviewing the Group's financial controls and internal control effectiveness and maturity;
- Reviewing the Group's risk management systems and risk appetite;
- Considering whistleblowing arrangements by which employees may raise concerns about possible improprieties in financial reporting or other matters; and
- Reviewing the systems which have been in place for the year under review and up to the date of approval of the Annual Report and Financial Statements.

Internal audit

- Monitoring and reviewing the effectiveness of the Group's Internal Audit function;
- Considering the results and conclusions of work performed by Internal Audit; and
- Considering the major findings of internal investigations.

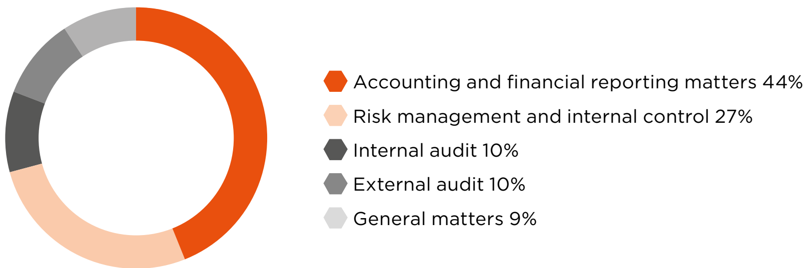
External audit

- Conducting a tender process, as required, and recommendation of the external auditor appointment to the shareholders at the Annual General Meeting and approving their remuneration;
- Reviewing the results and conclusions of work performed by the external auditor;
- Reviewing and monitoring the relationship with the external auditor, including their independence, objectivity, effectiveness and terms of engagement; and
- Developing and implementing the Company's policy on non-audit services.

General matters

- Any specific topics as defined by the Board;
- Referring matters to the Board which, in its opinion, should be addressed at a meeting of the Board;
- Providing advice to the Remuneration Committee on financial reporting matters and related judgements as they affect executive remuneration performance objectives; and
- Engaging with financial regulators as required.

Time spent on each area of responsibility during meetings in FY21



Audit Committee Report continued

Committee membership and attendance

In compliance with the Code, the Committee is composed exclusively of Non-Executive Directors, and each member is considered to be independent by the Company. The Chair of the Company, Sir Samuel Jonah KBE, OSG, is not a member of the Committee. There have been no changes to the membership of the Committee during the year.

The Board is satisfied that I have recent and relevant financial experience to Chair the Committee. I am a Chartered Accountant and chair audit committees of other listed companies, and I am recognised by the Board as being well qualified to undertake this role effectively.

The Committee was unable to meet in person due to the global Covid-19 pandemic. Video conferencing has worked very well and ensured that the Committee has been able to fulfil its duties. Details of the members and attendance at each of the scheduled meetings is shown in the table on page 86 and the biographies and qualifications of the members are shown on pages 78–80.

In addition, one meeting was held subsequent to the year end, with full Committee attendance.

I would like to thank my fellow Committee members Richard Byrne, Magnus Mandersson and Carole Wainaina, whose insightful contributions have enabled the Committee to perform its duties effectively.

Various officers and senior leaders of the Company attend Committee meetings by invitation. These include the Chair, CEO, CEO-Designate, CFO, Group Finance Director, Group Financial Controller, General Counsel & Company Secretary, Group Head of Compliance, Director of Property & SHEQ, who leads the Health & Safety and HR functions and representatives from the external and Internal Audit teams.

After each meeting I, as the Chair of the Committee, report to the Board on the business undertaken.

Committee effectiveness review

We have actively engaged with the FRC, both through the Audit Quality Review team's review of Deloitte's work on the FY20 audit, and through the Corporate Reporting Review letter received. Both the Audit Quality Review and the Corporate Reporting Review were closed with no significant findings.

Covid-19

The Covid-19 pandemic has continued to have some impact in all of our markets in 2021. However, due to our status as an essential service provider in our markets, operationally and financially there has been less of an impact than in 2020. The Committee have continued to monitor the situation throughout the year. The key considerations are summarised as follows.

Principal and emerging risks

The impact of Covid-19 on the Group's principal and emerging risks and uncertainties has been reviewed in depth together with related mitigations. This work is summarised on pages 61–65.

Corporate governance

The financial close process and external audit

In response to governments' advice and restrictions regarding social distancing and travel, many of the Group's employees involved in the preparation of ongoing management information, financial reporting and supporting the external audit have been utilising hybrid working and working from home where required, as are Deloitte's audit teams.

Similar arrangements were in place last year and continue to operate effectively.

Internal controls systems

We have reviewed our financial controls and have concluded that they remain appropriate for hybrid working following the limited changes made in 2020.

Financial reporting

Significant financial reporting judgements

The impact of Covid-19 has been factored into certain of our significant financial reporting judgements, notably impairment testing.

Long-term viability statement

The Committee provides advice to the Board on the form and basis of conclusions underlying the long-term viability statement, as set out on pages 66–67, and the going concern assessment. In response to Covid-19, the Committee challenged management on its financial risk assessment as part of its consideration of the long-term viability statement.

This included scrutiny of forecast liquidity, balance sheet stress tests and the availability of cash and cash equivalents through new or existing financing facilities.

Committee activity in 2021

In planning its own agenda, and reviewing the audit plans of the internal and external auditor, the Committee takes account of significant issues and risks, both operational and financial that may have an impact on the Group's Financial Statements and/or the execution and delivery of its strategy. The Committee requested management to provide a number of in-depth reviews as part of the meeting agenda. These reviews and other Committee activities in 2021 are summarised below. Following these reviews, action items were agreed, and progress against each item is being tracked and reviewed by the Committee.

Subject of review	Details of Committee activity
Covid-19 business risk impact	Business risk impact of the Covid-19 pandemic, considering the global economic disruption risk, including the impact on other high-risk areas, controls and Internal Audit plans. Review and update of the Business Continuity Plan. This was undertaken with the CFO.
New markets finance	In anticipation of the Group's growth strategy and the announcements made to the market in 2021 regarding entry into new markets, the Committee have considered risks and controls implemented to support the setup of new operations in these markets.
Business process reviews, carried out in conjunction with internal audit	End to end process reviews, including process maps, risk and control matrices and any internal audit findings and remediation activities. These were undertaken by the Group process and control owner: • SAP general IT controls • Data Privacy and data governance • Warehouse and inventory management • Group consolidation • Supply chain management • Taxation process • Process for identifying related party transactions
IT update	Update from the Group IT Director in relation to the overall IT strategy, in particular systems architecture and cyber risk.
Cyber security	Cyber security and information security, including user security, supplier security and cyber defence, network authentication and business continuity management from the Group IT Director.
Climate risk and TCFD plan	Presentation and approval of the climate change action and reporting roadmap. Gaining an understanding of sources and reliability of non-financial data and understanding the plans for meeting compliance with TCFD reporting and any other climate-related considerations.
Ongoing quarterly updates	Each quarter the Committee reviews management papers covering the following key areas: • Judgements and estimates • Tax risk management and reporting • Litigation update • Going concern assessment • Internal control update • Internal audit – summary findings, outstanding actions, plan and progress • Compliance update, including whistleblower report and fraud risk management • Risk management and disclosure, including emerging risk considerations
Audit tender	A comprehensive audit tender process was undertaken resulting in a recommendation to reappoint Deloitte LLP at the AGM in 2022.
Engagement with the FRC	In September 2021, the Corporate Reporting Review department of the FRC advised that our Annual Report for the year ended 31 December 2020 had been subject to their review and explanations were requested on certain accounting and disclosure matters. Our responses were accepted by the FRC and their review was closed in November 2021. This review resulted in enhancements to certain disclosures, which are reflected within this Annual Report. The FRC's Audit Quality Review team selected to review the audit of the 2020 Helios Towers plc financial statements as part of their annual inspection of audit firms. The FRC review covered selected aspects of the audit only and focused on identifying areas where improvements were required. As Committee Chair, I received a full copy of the findings from the Audit Quality Review team and have discussed these with Deloitte. The Committee confirmed that there were no significant areas for improvement identified within the report and was satisfied that there is nothing within the report which might have a bearing on the audit appointment.

Audit Committee Report continued

Significant Group financial reporting judgements and estimates

The table below includes the key matters considered by the Committee, with support and challenge from the external auditor.

Key matter	Action taken by management	Action taken by the Committee
Taxation	Due to the evolving nature of tax legislation and its application in our operating countries, management is required to make judgements and estimates in relation to tax risks, the outcomes of which can be less predictable than in other jurisdictions. Management has determined its best estimates for taxes payable, in conjunction with local advisors, and accounted for them accordingly.	The Committee considered papers from both management and Deloitte. After receiving input from the CFO on the latest position with regards to ongoing matters it concluded that the Group's tax position had been appropriately accounted for and that there was adequate disclosure in relation to the key known uncertain matters as set out in Note 10 to the Financial Statements.
Recoverability of receivables and accrued revenue	The Group's customer base is primarily large MNOs who account for 74% of the receivables balance. Accordingly, management's review for impairment of receivables focuses on the smaller operators, or where there is evidence of a customer dispute.	The Committee received detailed analysis of the receivables and accrued revenue balances for consideration. The Committee challenged management on the recoverability of receivables, accrued revenue balances and revenue recognition for amounts under dispute to ensure the level of revenue recognised was in accordance with the Group's policy and the contract and that there was appropriate supporting documentation to allow this to be recognised as revenue under the contract and that provisions were appropriately made for receivables. A detailed policy was presented to the Committee for approval to ensure a consistent approach.
Business combinations	The Consolidated Financial Statements include the provisional accounting for the fair value of assets and liabilities acquired in business combinations in the period. Accounting standards allow the fair value of acquired assets and liabilities to be revised within 12 months following the transaction date. Management have engaged third-party experts to identify and value assets and liabilities acquired.	The Committee have considered papers from both management and Deloitte regarding the accounting for each acquisition. These have considered if the acquisition meets the definition of a business under IFRS 3, the key judgements and estimates and disclosure in the Financial Statements. Following due consideration and discussion the Committee have concluded that they are satisfied the acquisitions have been accounted for appropriately.

In addition to the significant judgements and estimates noted above, the Committee reviewed the Alternative Performance Measures used within the Annual Report and Financial Statements and concluded that the disclosures were appropriate.

Effectiveness of internal control and risk management process

With the assistance of the Internal Audit team, the Committee has, on behalf of the Board, monitored and regularly reviewed the effectiveness of internal controls and risk management systems, including ESG risk.

Internal control effectiveness

The Committee received a report from Internal Audit setting out the key aspects of our risk management practices and system of internal control during the year, summarising the work performed across our three lines of defence. The Committee also received a detailed insights report from Deloitte following the conclusion of the 2020 audit.

The Committee was satisfied that an effective review of the system of risk management and internal control took place during the 2021 financial year. Where specific areas of improvement were noted as part of the different reviews conducted by internal and external audit, mitigating alternative controls and processes were either in place, implemented, or steps to address the identified points were taken during the year, and up to the date of this report.

A particular area of focus was the entry into new markets in the year. The Committee received input from management and Internal Audit regarding the processes in place both at a Group level and a local level. A post-implementation report on the new operations in Senegal was received from Internal Audit with no significant concerns noted. The Committee plans to receive a report from Internal Audit in 2022 for each new market between 6 and 12 months of operations beginning.

Principal risks

The Committee reviewed and recommended to the Board the principal risk disclosures for approval, including emerging risk considerations, for inclusion in the 2021 Annual Report.

Following a robust assessment of the principal risks by the Committee during the year, climate change was added as an additional principal risk.

Details on how the Group implements its risk management framework and monitors its controls on a Group-wide basis are set out on pages 60–65.

Independent assurance

During the year, the Committee has commissioned and reviewed reports to gain assurance over non-financial metrics including emissions targets. A number of reports were also commissioned into financial areas such as intangible valuations and derivative valuations. This is an area that the Committee are aware is receiving increasing focus and will look to continue to challenge management going forwards.

Going concern and long-term viability

The Committee reviewed and challenged management's assumptions in assessing the going concern basis of preparation and the scenarios and disclosure of longer-term viability, including the impact of Covid-19.

With respect to going concern, the Committee:

- reviewed the detailed cash flow forecasts prepared by management and challenged the underlying assumptions including downside scenarios and the impact of Covid-19 and the necessary capital commitments to meet our carbon emission targets;
- assessed the Group's available facilities and headroom including compliance with bond and banking covenants;
- reviewed comments from Deloitte on the assumptions and judgements made; and
- satisfied with the robustness of the review, recommended to the Board the appropriateness of the going concern assumption and the related disclosures.

Further details on the Group's going concern assessment can be found in Note 2(a) to the Financial Statements.

With regard to the viability statement, the Committee:

- reviewed and challenged management on its recommended viability period as well as on its robust modelling, stress-testing scenarios (including the impact of Covid-19) and conclusions; and
- satisfied itself that a five-year outlook is appropriate. This period is driven principally by the fact that it is covered by the Group's strategic plan and reflects the nature of the Group's principal risks (some of which are external and have the potential to impact in the short term).

The viability statement, and a full explanation, can be found on pages 66–67.

Fair, balanced and understandable

The Board is responsible for ensuring that the Annual Reports are fair, balanced and understandable.

The Committee assessed and recommended to the Board (which it subsequently endorsed) that, taken as a whole, the 2021 Annual Report and Financial Statements is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

In forming its opinion, the Committee reflected on information it had received from management, Internal Audit, external auditors and Committee discussions during the year. The Committee's assessment included:

- understanding the detailed process undertaken in drafting the Annual Report;
- feedback from investors;
- work presented by Internal Audit, at our March 2021 meeting, on assurance surrounding non-financial KPIs and management information; and
- results from work undertaken by Deloitte on their review of the Annual Report.

Alternative Performance Measures

Historically, the tower industry has used a wide range of APMs to compare and assess business performance. This is a function of differing lease and debt structures, as well as asset life.

As noted above, the Committee reviewed in detail the use of APMs within the Annual Report. We requested that the external auditor specifically comment on the APMs against disclosure of the ESMA guidance.

The external auditor challenged the balance of APMs and importance of equal prominence and additional disclosures in relation to adjusting items. In order to ensure appropriate balance and not giving undue prominence, we requested that management present all of the APM reconciliations and explanations in a separate section of the Annual Report and Financial Statements. This can be found on pages 68–70. In response to the challenge, management have also enhanced the number of statutory measures provided in the front half of the Annual Report.

Internal Audit

I meet with the Head of Internal Audit outside of the formal meetings, typically monthly, to discuss the output from the Internal Audit function and aspects of risk management. The Head of Internal Audit attends each of the Committee meetings and also has a private session with the Committee without management present.

At each meeting, the Committee considers the results of the internal audits undertaken and the appropriateness of management's response to matters raised. The Committee also tracks long-outstanding items. I am satisfied that the Head of Internal Audit is receiving adequate support from the business to undertake his reviews and senior sponsorship is strong in ensuring that there is timely follow-through of recommendations.

At present, the rolling Internal Audit plan is addressing, in turn, each of the key business cycles across the operating companies and central functions where appropriate. As the Group continues to grow, we will reassess the adequacy of the Internal Audit function to ensure that it is fit for growth and emerging risk requirements.

Internal Audit effectiveness review

During the year, we assessed the effectiveness of Internal Audit against the 5P maturity model and the Institute of Internal Audit Code of Professional Practice and Code of Ethics. We will seek to perform an external review of its effectiveness in 2022 once we have further developed the function.

The focus areas for 2022 are the review of new markets, development of our audit assurance policy and developing the Internal Audit function in line with the growth ambitions of the Group, to ensure that we have robust assurance plans across our three lines of defence.

Compliance and whistleblowing

The Group Head of Compliance attends the Committee meetings and presents any whistleblowing incidents and an update on ongoing investigations.

The Committee assessed the adequacy of the Group's whistleblowing arrangements and the procedures for detecting fraud. We did not experience any material frauds during the year.

The Committee were satisfied with the outcomes from the investigations and compliance audits.

External auditor

During the year, the CFO and I have had regular discussions on accounting matters, internal control and fees with our external audit partner, in addition to the detailed discussions undertaken by the Committee.

Prior to the audit tender, Deloitte introduced new partners to the account with extensive experience of Group audits and emerging markets.

Professional scepticism and challenge

The FRC's Audit Quality Review team selected to review the audit of the 2020 Helios Towers plc financial statements as part of their annual inspection of audit firms. The FRC review covered selected aspects of the audit only and focused on identifying areas where improvements were required. I received a full copy of the findings from the Audit Quality Review team and have discussed these with Deloitte. The Committee confirmed that there were no significant areas for improvement identified within the report and was satisfied that there is nothing within the report which might have a bearing on the audit appointment.

The quality of the audit is of paramount importance to the Committee and the agenda and accounting matters presented to the Committee are often the outcome of many weeks or months of work undertaken by Deloitte and the Finance function. The regular discussions held outside of the Committee meeting allow me to assess the level of professional scepticism and challenge that our external auditor applies to management.

After each Committee meeting, we also hold a private session with the external auditor, without management being present, where we challenge the external auditor on whether they have maintained their independence and objectivity from management in considering key matters and whether there are areas of concern that they wish to bring to the Committee's attention.

In addition to the key matters set out on page 102, areas where the external auditor has challenged management included:

- key sources of estimation and inclusion of sensitivities to help users understand the impact of estimates including derivative valuation; and
- APM disclosures as set out above.

The Committee received a detailed report from Deloitte in advance of our March 2022 meeting and I can report that all key matters and areas of challenge were satisfactorily resolved with no disagreements between the external auditor and management. Some immaterial audit differences were noted and reported to the Committee.

As part of our review of the Deloitte Audit Plan we requested further feedback on the quality of the control environment across the Group.

Audit Committee assessment of external auditor quality and effectiveness

In its assessment of audit quality, the Committee took into account:

- the detailed audit scope and strategy for the year, including the coverage of emerging risks in all markets and recent acquisitions;
- Group materiality and component materiality;
- how the external auditor communicated any key accounting judgements and conclusions; and
- feedback from management on the performance of the external auditor.

We reviewed the FRC's 2020/21 Audit Quality Inspection Report on Deloitte LLP which takes into account all of the Deloitte audits inspected by the FRC's Audit Quality Review Team. The results highlighted the need to:

- improve the evaluation and challenge of key assumptions of impairment assessments of goodwill and other assets;
- enhance the consistency of group audit teams' oversight of component audit teams; and
- strengthen the effectiveness and consistency of the testing of revenue.

The Committee considered that the audit process as a whole had been conducted robustly and the team had been effective and professional.

External auditor independence and objectivity
The Committee seeks to ensure the objectivity and independence of our external auditor through:

- focus on the assignment and rotation of key personnel;
- the adequacy of audit resource and level of senior hours; and
- policies in relation to non-audit work.

Audit and non-audit fees
Total audit and non-audit fees payable to Deloitte LLP in the year ended 31 December 2021 are disclosed in Note 5b to the Financial Statements. The Committee reviews and approves all audit and non-audit fees payable to Deloitte LLP in line with the policy updated in 2020.

External audit tendering
Following the IPO, and after Helios Towers became a constituent of the FTSE 250 in December 2019, Helios Towers became a Public Interest Entity ('PIE') as defined under the Companies Act 2006. As a PIE, and in accordance with the Code, Audit Directive and auditing standards, Helios Towers is required to comply with all requirements regarding auditor tendering every 10 years and rotation after 20 years.

Following approval received from the FRC to delay this process from 2020 to 2021 we embarked on the tender process in Q2 2021.

We have utilised a five step process set out below to enable the tendering firms to understand our business and our corporate values as shown below.

The Committee engaged in each stage of the process, holding interviews with the lead audit partners, reviewing the written submissions and attending the oral presentations.

Following the conclusion of the tender process, the Committee recommended to the Board that Deloitte LLP be recommended to the shareholders for appointment for the 2022 statutory audit. Accordingly, a resolution proposing the appointment of Deloitte LLP as our auditor will be put to the shareholders at the 2022 AGM.

The Committee will continue to review the external auditor performance, independence and objectivity and will need to retender the audit no later than 2029.

Looking ahead
In planning our agenda for 2022, we will comply with the requirements of the Code and follow best practice guidance for audit committees, recently updated by the FRC.

The Committee will continue to receive in-depth presentations from management on the challenges faced by the business and the operation of internal controls across the business cycles. The Committee agenda will also continue to respond to the issues raised by our 'three lines of defence' internally – management, risk and compliance, and Internal Audit – as well as the evolving external risk landscape and regulatory environment.

Specific areas of focus in 2022 are:

- new market Company site visits (Covid-19 permitting) to assess the quality of Finance functions, succession planning and development;
- development of our Audit Assurance Policy in line with the final BEIS guidance;
- monitoring and development of our internal controls in line with the growth of the Group; and
- monitoring of our climate-related financial disclosures and associated risk and governance processes.

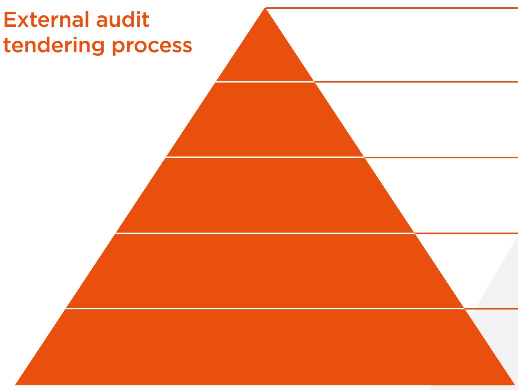
Over the next 12 months, and in addition to its usual duties, the Committee will assess the policy package of audit reforms that are expected to be presented by the UK Government and the new audit regulator. A strong, high-quality regulator will be good for audit quality and it remains our key priority to ensure that we maintain the integrity of our Financial Statements through a rigorous audit process.

We also seek to respond to shareholders' expectations in our reporting and, as always, welcome any feedback from them. I will be available in person at the AGM in April and welcome any questions relating to the work of the Committee and our forward agenda.

I hope to meet with you then.

Alison Baker
Chair, Audit Committee
16 March 2022

External audit tendering process



Proposal to Board	• Audit Committee proposal to the Board ahead of shareholder approval at the AGM.
Oral presentation	• An oral presentation from the participating firms to the Audit Committee followed by a question and answer session.
Written proposal	• Submission of a written proposal outlining the audit team, audit approach, transition approach, independence and fee proposal.
Meetings with senior management	• 14 meetings held with management of each operating unit and key Group functions.
Data room access	• Documentation to allow the firms to gain an understanding of how the Group operates.

Directors' Remuneration Report

Chair's introduction

Dear Shareholder,

On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present the Helios Towers Directors' Remuneration Report for the 2021 financial year.

2021 was a transformational year for the Company where there was continued organic growth and operational performance in the established markets, complemented by inorganic growth through the new market acquisitions.

The Group expanded from five to seven markets after commencing operations in Senegal and Madagascar, and is working towards completing further acquisitions in Oman, Malawi and Gabon. This expansion lays the foundation for further growth in 2022 and beyond.

The Committee met seven times during the year to discuss and resolve on agenda items including the 2020 Directors' Remuneration Report, Directors' remuneration, executive share awards, remuneration in respect of the pending CEO transition and the implementation of the all-employee share-based award scheme approved by shareholders at the AGM held in April 2021.

We thank our shareholders for their support at our 2021 AGM. The 2020 Directors' Remuneration Report was approved with 99.5% 'votes for'.

Pay in respect of the 2021 financial year

As disclosed in the 2020 Directors' Remuneration Report, the new salaries for the Executive Directors were effective from 1 January 2021. There were no further changes to their salaries during the year.

Richard Byrne
Chair

The annual bonus for the Executive Directors was based on Adjusted EBITDA, portfolio free cash flow, network performance and international standards targets. The performance targets for the bonus were set and approved by the Committee in January 2021 with consideration of the appropriateness of the performance conditions, the 2021 business plan and market expectations.

Kash Pandya (CEO), Tom Greenwood (CEO-Designate) and Manjit Dhillon (CFO) will receive annual bonuses equal to 107.8%, 84.6% and 84.6% of salary respectively; this represents 62%, 56% and 56% of their maximum bonus opportunities respectively, compared to a 67% average for the wider workforce.

The Committee considered the formulaic outcomes and determined it was appropriate to award a discretionary uplift to the bonuses for the Executive Directors and the wider workforce. The adjustment accounts for Group-wide efforts made during the year to expand both organically and inorganically, including signing acquisitions, commencing operations in two new markets, and readying the business to close further acquisitions during 2022, thereby positioning the Company to deliver significant future growth. A 3ppt uplift based on overall performance vs. target bonus measures was awarded to the Executive Directors. In monetary terms, the uplift increased the bonuses of Kash, Tom and Manjit by 2.9%, 2.7% and 2.7% respectively. The Committee also considered the efforts of the wider workforce and approved discretionary bonus uplifts that resulted in an average bonus increase of 5.4% for employees, being above the increases received by the Executive Directors. 50% of the Executive Director bonuses in excess of target will be deferred in shares for three years.

No Long-Term Incentive Plan ('LTIP') awards vested during the year. The first LTIP award granted following the IPO is due to vest in March 2023.

The Directors' Remuneration Policy (the 'Policy') operated as intended. As in prior years, no dividends will be paid for the year ended 31 December 2021 given the scale of the current opportunity to invest and grow the business.

LTIP awards in respect of the 2021 financial year were granted in March 2021. Kash, Tom and Manjit were granted LTIP awards of 200%, 150% and 150% of salary respectively

Remuneration Committee membership and attendance

Membership	Attendance (of 7)
Richard Byrne (Chair)	
Sir Samuel Jonah KBE, OSG	
Sally Ashford	
Alison Baker	

(1) Sir Samuel Jonah KBE, OSG and Alison Baker did not attend one Committee meeting each due to pre-existing commitments.

and the performance targets are shown on page 115. No further share incentive scheme awards were granted to the Executive Directors during the year.

Executive Director changes, Board changes and remuneration in 2022

In August 2021, the Company announced that Kash Pandya had informed the Board of his decision to retire as CEO. At the Board's request, Kash will move into a new role as Non-Executive Deputy Chair. Tom Greenwood was appointed to the new role of CEO-Designate and will formally become the CEO. The Board considered the appropriate timing for the transition and decided this will happen immediately following the next AGM in April 2022.

In line with the Company's historical practice, until the end of his notice period in August 2022, Kash will continue to receive his current salary and will be entitled to a prorated annual bonus. Kash will not be granted an LTIP award during 2022 and his unvested LTIP awards will be prorated to reflect the proportion of the vesting period elapsed up to the end of his notice period. The vesting schedule of unvested LTIP awards will remain unchanged.

Immediately following the end of his notice period, Kash will receive a Director fee of £130,000 per year for his Deputy Chair role. The Committee, in consultation with its advisors and with consideration given to the fees earned by the Company's Non-Executive Directors, deemed the level of remuneration in this new role to be appropriate.

There were no changes to Tom's salary or remuneration arrangements following the August announcement. Upon his appointment as CEO, the Committee has decided his salary will be £600,000, approximately 5% below the salary of the previous CEO. In line with practice for other employees who receive a promotion and/or salary increase during the year, Tom's annual bonus opportunity will be prorated to reflect his transition from CEO-Designate to CEO in terms of salary, maximum opportunity and time spent in each role. In accordance with the Policy, Tom's 2022 LTIP award will be granted with a maximum LTIP opportunity equal to 200% of his CEO salary.

The Committee deemed Tom's remuneration changes to be reasonable considering he has been CEO-Designate since August 2021, the timing of his pending appointment as CEO, wider workforce practices and to ensure Tom is appropriately incentivised in his new role.

The Board has decided to increase Manjit Dhillon's salary by 7% to £375,000 effective from 1 April 2022. The Committee deemed the increase appropriate on account of Manjit's strong performance since his appointment as CFO in January 2021, his current salary being below that of the previous CFO and that there has been no increase to the CFO's salary in the 2.5 years since the IPO. The increase is equivalent to 2.8% per annum since the IPO, in line with the salary increases received by the UK workforce during the same period. Manjit's other remuneration arrangements will remain unchanged in 2022.

After the transition, the Company will revert to two Executive Directors, the CEO and the CFO, on the Board. No further Executive Director appointments are currently anticipated.

The Committee decided to introduce an additional bonus condition to the existing ones based on the implementation of certain strategic initiatives during 2022. There are no changes to the LTIP performance conditions. Targets for the LTIP measures are set out on page 119. After the initial three-year vesting period, the 2022 LTIP awards are subject to a further two-year holding period for Executive Directors, resulting in a total vesting and holding period of five years. Share-based schemes will be used for bonus deferrals and LTIP awards.

Introduction of the all-employee HT SharingPlan

Thank you to our shareholders for voting to approve the all-employee share plans at our 2021 AGM. In September 2021, the Board granted the inaugural awards under the HT SharingPlan, allowing all employees of Helios Towers group companies to share in the success of the Group.

The Board is committed to creating an inclusive culture that promotes our 'One Team, One Business' ethos in all our countries. Therefore, each employee was granted a 2021 award of equal value and on the same terms regardless of role or location. The award has a three-year vesting period.

Due to the efforts made during the pandemic, the Board decided to grant all employees an additional one-off Covid-19 Thank You Award with a six-month vesting period.

We were pleased with the acceptance rate which exceeded 99%. The vesting of the awards is subject to continued employment with the Company. Under the current remuneration policy, Executive Directors are not permitted to participate in the HT SharingPlan.

We believe that our remuneration approach continues to align the interests of the Executive Directors with those of our shareholders, colleagues and wider stakeholders. We remain committed to considering the views of all our shareholders and we welcome any comments on this report. The Committee will be reviewing the Directors' Remuneration Policy during 2022 ahead of the publication of the 2022 Annual Report and the 2023 AGM. Our review will cover all elements of the policy including a review of the existing performance metrics as we consider how best to incentivise the Executive Directors to deliver the Company's ESG priorities. I look forward to engaging with our shareholders as part of our review of the remuneration policy ahead of the publication of next year's Annual Report and the 2023 AGM.

Richard Byrne
Chair, Remuneration Committee

2021 was a transformational year for the Company.

Directors' Remuneration Report continued

At a glance

2021 highlights

Market expansion

Closed acquisitions and commenced operations in Senegal and Madagascar

Agreements to acquire c.3,600 sites in Oman and Malawi

Number of sites

9,560
+30%
YoY increase

Number of tenancies

18,776
+20%
YoY increase

Revenue

US$449m
+8%
YoY increase

Adjusted EBITDA

US$241m
+6%
YoY increase

Operating profit

US$59m
+5%
YoY increase

Key objectives of approach to remuneration

- Market competitive to attract and retain talent
- Performance-linked incentives
- Encourage out-performance
- Align with shareholder interests
- Align with UK corporate governance practices
- Support sustainable growth

Executive Directors' remuneration in respect of 2021

The following table sets out the base salary, benefits, pension and annual bonus received by the Executive Directors during 2021. No LTIP awards vested during the year.

	Base salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	LTIP £'000	Total £'000
CEO: Kash Pandya	634	45	57	683	–	1,420
CEO-Designate: Tom Greenwood	440	32	40	372	–	884
CFO: Manjit Dhillon	350	7	32	296	–	685

In March 2021, the CEO, CEO-Designate and CFO were granted LTIP awards in respect of 2021, equal to 200%, 150% and 150% of salary respectively. The performance measures of relative total shareholder return ('TSR'), Adjusted EBITDA and ROIC are equally weighted and assessed over the three-year period from 1 January 2021 to 31 December 2023. The awards, targets and vesting ranges are disclosed on page 115.

Executive Directors' shareholding as of 31 December 2021

	Shareholding requirement % of base salary	Shareholding as of 31 December 2021 % of base salary
CEO: Kash Pandya	200%	2,199%
CEO-Designate: Tom Greenwood	150%	1,941%
CFO: Manjit Dhillon(1)	150%	92%

(1) Manjit Dhillon became CFO on 1 January 2021 and, under the Policy, has five years to attain the shareholding requirement. He held shares with a value equivalent to 92% of salary as of 31 December 2021 however; he has the right to sell these shares in the future because they were attained prior to his appointment as CFO.

Proposed application of the Remuneration Policy in 2022

Overview of quantum

	Base salary					
	before the 2022 AGM £'000	following the 2022 AGM £'000	from 18 August 2022 £'000	Pension % of base salary	Annual bonus maximum % of base salary	LTIP maximum % of base salary
Kash Pandya	634	634	–(1)	9%	175% prorated(2)	–
Tom Greenwood	440	600(3)	600	9%	150% / 175%(4)	200%(5)
Manjit Dhillon	350	375(6)	375	9%	150%	150%

(1) Kash Pandya will step down from his CEO role following the 2022 AGM. He will be paid his normal CEO salary until his notice period ends on 17 August 2022.
(2) Kash Pandya's annual bonus will be prorated for the period between 1 January 2022 and 17 August 2022.
(3) Tom Greenwood will become the CEO following the 2022 AGM.
(4) Tom Greenwood's annual bonus will be prorated to reflect his transition from CEO-Designate to CEO in terms of salary, maximum opportunity and time spent in each role. This practice is in line with the approach for other Helios Towers employees.
(5) Tom Greenwood's LTIP will be calculated based on his post-AGM salary.
(6) Manjit Dhillon's salary will increase from £350,000 to £375,000 effective from 1 April 2022, prior to the 2022 AGM.

2022 annual bonus operation

Performance measures:

Adjusted EBITDA *(financial)*	Portfolio free cash flow *(financial)*	Network performance *(non-financial)*	Strategic projects *(non-financial)*	International standards *(non-financial)*
50%	30%	7.5%	7.5%	5%

The targets, and performance against them, will be fully disclosed in next year's Remuneration Report.

50% of any bonus amounts that are in excess of target performance levels will be awarded as restricted share awards ('RSAs') with a three-year vesting period.

2022 Long-Term Incentive Plan operation

Performance measures are assessed over a three-year period with the following threshold (25%) vesting to maximum (100%) vesting ranges:

Relative TSR vs. FTSE 250 (excluding financial services and investment trusts)	Adjusted EBITDA per share	ROIC
33.3% Targets: median – upper quartile performance	**33.3%** Targets: 8%–14% 3-year CAGR (FY21–FY24)	**33.3%** Targets: 8%-14% FY24

There is a two-year holding period post-vesting, making a five-year vesting and holding period in total.

Malus and clawback

Cash bonuses can be clawed back within three years, and malus applied to any deferred bonus at any time prior to vesting.

LTIP awards can be clawed back within two years of vesting, and malus applied at any time prior to vesting.

Annual report on remuneration

This section of the report provides details of the Directors' remuneration for the year ending 31 December 2021 and how we propose to apply the Policy for 2022.

The Directors Remuneration Policy, approved by shareholders at the 2020 AGM held on 9 April 2020 and detailed on pages 80–86 of the **2019 Annual Report**, was developed based on the following principles:

- remuneration should be competitive with the market, but above-market pay should only be earned for outperformance against the market;
- remuneration should be sufficient to attract and retain talent in the event of the departure of any executive; and
- the design of remuneration should follow principles and governance similar to other FTSE-listed companies.

The Company is committed to achieving high standards of corporate governance, therefore the principles of the revised UK Corporate Governance Code 2018 were taken into consideration when developing the Policy. In particular, the Committee believes the Company and the Policy meet the requirements of Provision 40 of the Code as set out in the following table.

Provision 40 requirement	How this has been addressed
Simplicity and clarity	The Company's inaugural remuneration policy was approved by shareholders at the 2020 AGM. As a relatively new company to the public markets our intention is to implement remuneration structures with rationales and operations that are established and widely adopted, and therefore easily understood by our shareholders, the workforce and the wider public. An important objective of the Committee when developing the Policy was to ensure it is simple by aligning with market practice for UK-listed companies and particularly constituents of the FTSE 250. Working with our advisors and using best practice by UK-listed companies, we made efforts to ensure the Policy as presented in the 2019 Annual Report is clear and transparent.
Risk	The Policy includes features to ensure Executive Director remuneration supports the long-term sustainability of the business and is risk-aligned with shareholders. These include: • malus and clawback provisions; • a minimum shareholding requirement, including a two-year post-employment period; • a two-year holding period for vested LTIPs; and • 50% of bonus amounts in excess of target are deferred in shares for three years. Bonus and LTIP performance metrics are aligned to financial and non-financial measures that are appropriate and considered with respect to the Group's near-term and long-term strategies (see 'Alignment of remuneration with Company strategy' on pages 111–112. The Committee may apply discretion to override formulaic outcomes if they are considered to be inconsistent with the underlying performance of the Group.
Predictability	The Policy governs the minimum and maximum opportunities for the Executive Directors in relation to their annual bonuses and LTIP awards, providing clearly defined limits.
Proportionality	A large element of Executive Director remuneration is share-based, thereby ensuring the Executive Directors are aligned with shareholders. The minimum shareholding requirement, vested LTIP holding period and bonus deferral in shares maintain this alignment over the longer-term.
Alignment to culture	The Company undertakes a biennial employee engagement survey to help understand any needs and developments required within the organisation to enhance performance and culture. In addition to being a member of the Committee, Sally Ashford is the designated Non-Executive Director for workforce engagement. Sally speaks regularly with employees across our markets and in the UK to understand how colleagues feel about working for Helios Towers, as well as identify any concerns or issues. Our remuneration practices support the Company's purpose and core values.

The views of shareholders and their advisory bodies are also central to our thinking. We are committed to open dialogue with our shareholders and hope that the level of disclosure we provide will ensure that the Committee's decisions on remuneration are fully explained.

This full Directors' Remuneration Report will be subject to an advisory vote at the AGM to be held in April 2022.

Remuneration Committee

Roles and responsibilities

The role of the Committee is to assist the Board in determining its responsibilities in relation to remuneration, including:

- establishing a formal and transparent procedure for developing the policy on executive remuneration;
- making recommendations to the Board on the Company's policy on executive remuneration, including setting the overarching principles, parameters and governance framework of the Group's Remuneration Policy;
- aligning the approach to remuneration throughout the Company with long-term sustainable success;
- determining the individual remuneration and benefits package of each of the Company's Executive Directors and certain senior executives, including the Company Secretary;
- setting the remuneration for the Company Chair;
- reviewing wider workforce remuneration policies and practices and taking these into account when determining the approach for executives;
- reviewing and approving the design of performance-related pay schemes; and
- ensuring compliance with the UK Corporate Governance Code in relation to remuneration.

The Committee meets at least three times a year and has formal terms of reference which can be viewed on the Company's website **here**. Committee attendance during 2021 is set out on page 106.

Membership

The Board considers the Group to be in compliance with the Code requirements relating to Committee composition and roles; namely, a Remuneration Committee should comprise at least three members who are all independent Non-Executive Directors, and that the Chair of the Board should not also chair the Remuneration Committee.

Independent Non-Executive Director	Date of appointment to the Committee
Richard Byrne (Remuneration Committee Chair)	12 September 2019
Sir Samuel Jonah KBE, OSG	12 September 2019
Alison Baker	12 September 2019
Sally Ashford	15 June 2020

Alignment of remuneration with Company strategy

Our approach to remuneration is designed to balance short-term goals and long-term ambitions to deliver the Company's strategy and create value for shareholders. To help the Board and senior executives assess delivery against this strategy, we track progress against a number of KPIs and APMs – see pages 68–70.

Several of our KPIs and APMs are included as performance measures used to assess bonus and LTIP awards. This helps us align the focus of Executive Directors with the interests of our shareholders and provides clarity to all stakeholders on the relationship between the successful implementation of the Company's strategy and the remuneration paid.

All employees with at least three months of service are eligible to receive an annual bonus prorated to their time of service during the year and based on Company and individual performance. Its purpose is to reward activities that drive our success in the near term. The annual bonuses awarded to Executive Directors are based on disclosed performance conditions which are currently focused on:

- operating and financial performance (Adjusted EBITDA and portfolio free cash flow);
- customer service (network performance);
- strategic projects; and
- international standards (quality, environment, health and safety, anti-bribery).

Achieving our near-term objectives is critical to setting the foundation to achieve our longer-term growth strategy, providing the funds for us to invest further in our existing markets and pursue opportunities in new markets.

LTIP awards are granted to Executive Directors and other selected senior executives and key personnel to ensure they are retained and incentivised to deliver the longer-term business plan and sustainable long-term returns for shareholders.

The three performance conditions currently used for LTIP awards have been selected to incentivise value creation and profitable growth:

- Relative TSR: a market-based measure to assess the relative value created for our shareholders;
- Adjusted EBITDA per share: measures underlying operating performance on a per share basis; and
- ROIC: evaluates asset efficiency and the effectiveness of the Group's capital allocation.

The financial measures adopted for the bonus and LTIP inherently reflect the Company's performance with regards to our Sustainable Business Strategy. Building telecommunications infrastructure and promoting infrastructure sharing is central to the business model, providing growth and operating leverage that drives Adjusted EBITDA, portfolio free cash flow and return on invested capital. It is also central to creating sustainable value by increasing network access and population coverage while minimising the cost, waste, environmental impact and carbon footprint of communications networks.

Directors' Remuneration Report continued

Award	Performance measure	Business excellence and efficiency	Network access and sustainable development	Empowered people and partnerships
Annual bonus	Adjusted EBITDA[1]	✓	✓	
	Portfolio free cash flow[1]	✓	✓	
	Network performance	✓	✓	
	Strategic projects	✓	✓	
	International standards			✓
LTIP	Relative total shareholder return ('TSR')	✓	✓	✓
	Adjusted EBITDA[1] per share	✓	✓	
	Return on invested capital[1] ('ROIC')	✓	✓	

(1) Defined in the Alternative Performance Measures section on pages 68–70.

To maintain the alignment of remuneration with strategy and shareholder interests over time, the Committee will assess and adjust performance conditions as and when appropriate.

Main activities

The Committee met seven times during the year. The agenda items discussed at these meetings included:

- 2020 annual bonus outcomes;
- 2020 Directors' Remuneration Report;
- 2021 annual bonus and 2021 LTIP performance metrics and targets;
- Executive Director succession planning;
- remuneration for the Non-Executive Deputy Chair role;
- the all-employee HT SharingPlan; and
- advisory fees.

Statement on shareholder voting

The following table details the results of the shareholder votes for the Directors' Remuneration Policy at the 2020 AGM, as well as the shareholder votes at the 2021 AGM, held on 15 April 2021, on the approvals for Directors' Remuneration Report for the year ended 31 December 2020 and the all-employee share plans.

Resolution	Votes for	Votes against	% of issued share capital voted	Votes withheld
To approve the Directors' Remuneration Policy (2020 AGM held on 9 April 2020)	692,418,280 99.4%	4,477,870 0.6%	69.6%	1,694,555
To approve the annual statement by the Chair of the Remuneration Committee and the Directors' Remuneration Report for the year ended 31 December 2020	565,256,250 94.5%	33,051,453 5.5%	59.83%	–
To approve the HT UK Share Purchase Plan	598,307,058 100.0%	646 0.0%	59.83%	–
To approve the HT Global Share Purchase Plan	598,307,058 100.0%	646 0.0%	59.83%	–

Remuneration in respect of 2021

As required by the regulations, statutory figures for Helios Towers plc are reported for the financial year ended 31 December 2021.

As previously disclosed in the Directors' Remuneration Report in the 2020 Annual Report, the Committee approved salary increases for Kash Pandya and Tom Greenwood. Tom Greenwood's salary increase reflected his new role as Group COO. The Committee deemed the increases to be fair and appropriate with consideration to individual and Company performance, role changes and market levels. Details of each decision are set out on page 93 of the 2020 Annual Report. There was no subsequent change to Tom Greenwood's remuneration arrangements when he was appointed CEO-Designate in August 2021.

Manjit Dhillon was promoted to the CFO role from 1 January 2021. Manjit's salary on appointment was set at £350,000, slightly below the level of the previous CFO. Manjit's remuneration package is in line with the Policy.

Statutory single figure table for the Executive Directors (audited)

The following tables show the information mandated by the Remuneration Reporting Requirements for 2021 and 2020.

Executive Director	Base salary £'000	Taxable benefits(1) £'000	Other benefits(1) £'000	Pension(2) £'000	Fixed remuneration £'000	Annual bonus £'000	LTIP £'000	Variable remuneration £'000	Total remuneration £'000
Kash Pandya									
2021	634	32	13	57	736	683	–	683	1,420
2020	579	33	12	52	676	646	–	646	1,323
Tom Greenwood									
2021	440	23	9	40	512	372	–	372	884
2020	355	20	8	32	414	311	–	311	725
Manjit Dhillon									
2021	350	–	7	32	389	296	–	296	685
2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) In 2021, worldwide medical insurance (excluding the US) was the only taxable benefit received by Kash Pandya and Tom Greenwood. The other benefit received by the Executive Directors was life insurance cover equal to 4x base salary. The most significant benefit received was medical insurance, representing 100% of taxable benefits and 65% of total benefits received by the Executive Directors.

(2) In 2021, the Executive Directors received a pension contribution equal to 9% of base salary, in line with the wider workforce.

Annual bonus

The Policy was applied to setting the threshold, target and maximum awards for the Executive Directors for the 2021 annual bonus scheme. The maximum bonus opportunity awards for the CEO, CEO-Designate and CFO were 175%, 150% and 150% of salary respectively.

Role	Name	Threshold performance % of salary	Target performance % of salary	Maximum performance % of salary
CEO	Kash Pandya	0% (£0k)	100% (£634k)	175% (£1,110k)
CEO-Designate	Tom Greenwood	0% (£0k)	75% (£330k)	150% (£660k)
CFO	Manjit Dhillon	0% (£0k)	75% (£263k)	150% (£525k)

The performance conditions for the 2021 annual bonus scheme were set in January 2021 and based on achievement against Adjusted EBITDA, portfolio free cash flow, network performance and international standards targets.

The Committee considered the 2021 annual bonus scheme in the round including performance conditions, relative weightings, targets, value of award, performance against targets and resulting levels of award.

The Committee considered the formulaic outcomes and determined it was appropriate to award a discretionary uplift to the bonuses for the Executive Directors and the wider workforce. The adjustment accounts for Group-wide efforts made during the year to expand both organically and inorganically, including signing acquisitions, commencing operations in two new markets, and readying the business to close further acquisitions during 2022, thereby positioning the Company to deliver significant future growth. A 3ppt uplift based on overall performance vs. target bonus measures was awarded to the Executive Directors. As a percentage of salary, this equated to 3.0%, 2.2% and 2.2% for the CEO, CEO-Designate and CFO respectively. In monetary terms, the uplift increased the bonuses of the CEO, CEO-Designate and CFO by 2.9%, 2.7% and 2.7% respectively. The Committee also considered the efforts of the wider workforce and approved discretionary bonus uplifts that resulted in an average bonus increase of 5.4% for employees, which is above the percentage increases received by the Executive Directors.

Kash Pandya (CEO), Tom Greenwood (CEO-Designate) and Manjit Dhillon (CFO) will receive annual bonuses equal to 107.8%, 84.6% and 84.6% of salary respectively; this represents 62%, 56% and 56% of their maximum bonus opportunities respectively, compared to a 67% average for the wider workforce.

50% of the Executive Director bonuses in excess of target is deferred in shares for three years.

The bonus targets, achievement against them and discretionary uplifts to bonuses are detailed in the following table.

Measure	Weighting	Threshold	Target	Maximum	Actual	CEO bonus % of base salary	CEO-Designate bonus % of base salary	CFO bonus % of base salary
Adjusted EBITDA(1)	50%	$199m	$248m	$298m	$241m	42.1%	31.6%	31.6%
Portfolio free cash flow(1)	30%	$137m	$171m	$205m	$168m	27.7%	20.8%	20.8%
Network performance(2)	15%	3 months	n/a	12 months	12 months	26.3%	22.5%	22.5%
International standards(3)	5%	0 retained	n/a	4 retained	4 retained	8.7%	7.5%	7.5%
Formulaic bonus outcome (% of base salary)						104.8%	82.4%	82.4%
Discretionary bonus uplift						+3.0%	+2.2%	+2.2%
Total bonus outcome (% base salary)						107.8%	84.6%	84.6%
Total bonus outcome (% of maximum opportunity)						61.6%	56.4%	56.4%

(1) Defined in the Alternative Performance Measures section on pages 68–70.

(2) Based on compliance with service level agreements ('SLAs') with anchor tenants for all operating subsidiaries. The 2021 annual bonus performance criteria for network performance based on cumulative SLA compliance across all operating subsidiaries measured at the end of each month were as follows:
- 3 months or less of meeting or exceeding average customer SLA: no award (Threshold);
- 4–11 months of meeting or exceeding average customer SLA: Linear increase between Threshold and Maximum award; and
- 12 months of meeting or exceeding average customer SLA: Maximum. 26.25% of salary for the CEO and 22.5% of salary for the CEO-Designate and CFO respectively.

(3) The performance criteria for international standards was based on the retention of Group-wide certificates (ISO 9001, ISO 14001, ISO 37001 and ISO 45001):
- No certificates retained: no award;
- One certificate retained: 25% of target. 1.25% of salary for the CEO and 0.94% of salary for both the CEO-Designate and CFO;
- Two certificates retained: 50% of target. 2.5% of salary for the CEO and 1.88% of salary for both the CEO-Designate and CFO;
- Three certificates retained: 75% of target. 3.75% of salary for the CEO and 2.81% of salary for both the CEO-Designate and CFO;
- Four certificates retained: Maximum. 8.75% of salary for the CEO and 7.5% of salary for both the CEO-Designate and CFO.

The Committee is aware of the view of some shareholders that annual bonuses should not be paid where the Company has cancelled dividends. As in prior years, no dividends will be paid for the year ended 31 December 2021 given recent and pending acquisitions, as well as the scale of the current opportunity to invest and grow the business. Therefore, the Committee did not consider it appropriate to adjust the annual bonus outcome on that basis.

In February 2022, the Committee approved the payment of the 2021 annual bonuses. In accordance with the Policy to defer 50% of any bonus received above target, 96.4% of the CEO's bonus, 94.3% of the CEO-Designate's bonus and 94.3% of the CFO's bonus will be paid in cash and the remaining amounts deferred in shares for three years.

Long-Term Incentive Plan awards vesting

No LTIP award concluded its performance period during the financial year ended 31 December 2021. As a result, no LTIP awards vested during the year.

Scheme interests awarded in the year (audited)

In March 2021, the 2021 LTIP awards were granted to Executive Directors and other selected senior executives and key personnel of the Company. This is to ensure they are retained and incentivised to deliver longer-term business plans and sustainable long-term returns for shareholders. The awards were granted in the form of nil-cost options.

The maximum LTIP awards for the 2021 financial year are 200% of salary for the CEO, 150% of salary for the CEO-Designate and 150% of salary for the CFO. The quantum awarded to management and employees below Board level are based on an appropriate cascade. The values of the awards granted to the Executive Directors are detailed in the following table.

Role	Name	Base salary (£'000)	Face value of 2020 LTIP award (% of base salary)	Face value of 2020 LTIP award (£'000)	Number of nil-cost options granted[1]
CEO	Kash Pandya	634	200%	1,268	809,319
CEO-Designate	Tom Greenwood	440	150%	660	421,254
CFO	Manjit Dhillon	350	150%	525	335,089

(1) Calculated using a reference share price of 1.56675, equal to the arithmetical average of the closing prices on the London Stock Exchange during fourth quarter of 2020.

The 2021 LTIP awards are expected to vest in March 2024, subject to performance conditions measured over a three-year period from 1 January 2021 to 31 December 2023. Each performance condition for the LTIP is assessed independently.

Metric	Purpose	Definition	Weighting	Threshold 25% vesting	Target	Maximum 100% vesting
Relative total shareholder return ('TSR')	Measure of shareholder value creation	Helios Towers plc's TSR relative to the FTSE 250 index, excluding financial services and investment trusts, based on the average TSR over a three-month period immediately prior to the start and end of the performance period.	33.3%	Threshold vesting when performance is at least the median TSR of the peer group.	Straight-line vesting between threshold and maximum.	Maximum vesting performance is ranked in the upper quartile of the peer group.
Adjusted EBITDA[1] per share 3-year CAGR FY20–FY23	Measure of profitability	Adjusted EBITDA on a per share basis.	33.3%	10.0%	Straight-line vesting between threshold and maximum.	15.5%
Return on invested capital ('ROIC')[1] % in FY23	Measure of efficiency	ROIC is calculated as annualised portfolio free cash flow divided by invested capital.	33.3%	11.0%	Straight-line vesting between threshold and maximum.	13.4%

(1) Defined in the Alternative Performance Measures section on pages 68–70.

In accordance with the Policy, vested awards will be subject to a two-year holding period post-vesting, making a five-year vesting and holding period in total. Malus and clawback will apply.

Changes to scheme interests during the year

In relation to outstanding scheme interests that were previously granted, there were no changes to the number of shares and/or share options granted or offered, nor the main conditions for the exercise of the rights, including the exercise price and date and any change thereof, during the financial year ended 31 December 2021.

Directors’ Remuneration Report continued

Single figure table for Non-Executive Directors (audited)
The following table sets out the total remuneration for Non-Executive Directors and the Chair of the Board for the year ended 31 December 2021.

Name	Position/role	Board Committee Chair position	Fixed fees £’000	Variable fees £’000	Total fees[1] £’000
Sir Samuel Jonah KBE, OSG	Chair of the Board	Nomination Committee Chair	240.0	–	240.0
Magnus Mandersson	Senior Independent Non-Executive Director		85.5	–	85.5
Sally Ashford[2]	Independent Non-Executive Director		85.5	–	85.5
Alison Baker	Independent Non-Executive Director	Audit Committee Chair	85.5	–	85.5
Richard Byrne	Independent Non-Executive Director	Remuneration Committee Chair	85.5	–	85.5
Carole Wamuyu Wainaina	Independent Non-Executive Director		68.5	–	68.5
Temitope Lawani	Non-Executive Director		–	–	–
David Wassong	Non-Executive Director		–	–	–

(1) No taxable benefits were paid to the Non-Executive Directors during the year; therefore, the figures above are total payments.
(2) Sally Ashford’s figure includes a fee of £17,000 per year for her role as the designated Non-Executive Director for workforce engagement.

Statement of Directors’ shareholding and share interests (audited)
The following table shows the interests of the Directors and connected persons in shares owned outright or vested, as of 31 December 2021. There has been no change in the Directors’ shareholdings and share interests between 31 December 2021 and the publication of this report.

	Shares owned outright	Vested legacy incentive plan options (exercisable)[1]	Unvested legacy incentive plan options (non-exercisable)[2]	Options subject to performance (unvested)[3]	Deferred bonus shares (unvested)[4]	Total interest (number of shares and options)
Executive Directors						
Kash Pandya	8,083,160	–	–	1,770,793	22,064	9,876,017
Tom Greenwood	4,951,494	–	–	863,798	14,519	5,829,811
Manjit Dhillon	160,825	42,204	7,449	423,929	–	634,407
Non–Executive Directors						
Sir Samuel Jonah KBE, OSG	–	–	–	–	–	–
Magnus Mandersson	–	–	–	–	–	–
Sally Ashford	–	–	–	–	–	–
Alison Baker	5,856	–	–	–	–	5,856
Richard Byrne[5]	782,286	–	–	–	–	782,286
Carole Wamuyu Wainaina	–	–	–	–	–	–
Temitope Lawani	–	–	–	–	–	–
David Wassong	–	–	–	–	–	–

(1) Legacy incentive plan nil-cost options that have vested and are exercisable.
(2) Legacy incentive plan nil-cost options that remain unvested and non-exercisable.
(3) The 2020 and 2021 LTIP awards granted in November 2019 and March 2021 respectively.
(4) 50% of any bonuses awarded for above-target performance are deferred for three years in shares.
(5) On 23 March 2021, Richard Byrne exercised 62,067 legacy incentive plan options and retained the underlying shares.

To ensure close alignment with shareholder interests, the shareholding guidelines for the current CEO, CEO-Designate and CFO are 200%, 150% and 150% of salary respectively. The CEO and CEO-Designate met this requirement as of 31 December 2021, holding 2,199% and 1,941% of salary[1] respectively. The CFO assumed his role on 1 January 2021 and, under the Policy, has five years to attain the shareholding requirement. As of 31 December 2021, the CFO held shares with a value equivalent to 92% of salary(1); however, he has the right to sell these shares in the future because they were attained prior to his appointment as CFO.

(1) Calculated as the sum of shares held outright, vested legacy incentive plan options, unvested legacy incentive plan options and deferred bonus shares multiplied by the closing price on the London Stock Exchange (£1.72) divided by base salary. The number of shares and options used in the calculation are net of any applicable employment taxes and social security contributions.

Payments to past Directors (audited)

There were no payments to past Directors during the financial year ended 31 December 2021.

Payments for loss of office (audited)

No payments were made for loss of office during the financial year ended 31 December 2021.

Application of the Remuneration Policy in 2022

On 18 August 2021, the Company announced that Kash Pandya had informed the Board of his decision to retire as CEO. Tom Greenwood, CEO-Designate, will formally take up the CEO role from Kash Pandya following the AGM in April 2022. Kash Pandya will remain on the Board in a new role as Non-Executive Deputy Chair. The Board considered the AGM to be the appropriate time for the transition. Following the transition the number of Executive Directors will revert to two, being the CEO and CFO.

Kash Pandya's remuneration arrangements will remain unchanged until the end of his notice period on 17 August 2022. Up to this date, he will continue to receive an annual salary of £634,000 and his annual bonus will be prorated accordingly. Kash will not receive an LTIP award in 2022. His unvested LTIP awards will continue to vest as scheduled, and the number of nil-cost options underlying the awards will be prorated to reflect the proportion of the vesting period elapsed up to the end of his notice period. Kash will retain his deferred bonus shares with no change to the vesting schedule. Immediately following the end of his notice period, Kash will receive an annual fee of £130,000 for his role as Non-Executive Deputy Chair.

Upon his formal appointment as CEO following the 2022 AGM, Tom Greenwood's salary will increase to £600,000, slightly below the level of the previous CEO. In line with the approach for other Company employees who receive a promotion and/or salary increase during the financial year, Tom's annual bonus opportunity will be prorated to reflect his transition from CEO-Designate to CEO in terms of salary, maximum opportunity and time served in each role. In accordance with the Policy, Tom's 2022 LTIP award will be granted with a maximum LTIP opportunity equal to 200% of his CEO salary.

The Committee deemed this to be reasonable considering Tom has been CEO-Designate since August 2021, the timing of his pending appointment as CEO, wider workforce practices and to ensure Tom is appropriately incentivised in his new role.

The Board has decided to increase Manjit Dhillon's salary by 7% to £375,000 effective from 1 April 2022. The Committee deemed the increase appropriate on account of Manjit's strong performance since his appointment as CFO role in January 2021, his current salary being below that of the previous CFO, plus there has been no increase to the CFO's salary in the 2.5 years since the IPO. The increase is equivalent to 2.8% per annum since the IPO, aligned with the salary increases received by the UK workforce during the same period. Manjit's other remuneration arrangements will remain unchanged.

Base salary

The annual base salaries for the Executive Directors are shown in the following table, including the changes during the leadership transition. The Committee will continue to review salaries annually going forward.

Current Role	Name	Pre-AGM 2022 £'000	Post-AGM 2022 £'000	From 18 August 2021 £'000
CEO	Kash Pandya(1)	634	634	–
CEO-Designate	Tom Greenwood(2)	440	600 (CEO)	600 (CEO)
CFO	Manjit Dhillon(3)	350	375	375

(1) Kash Pandya will retire from his CEO role following the 2022 AGM. He will be paid his normal CEO salary until his notice period ends on 17 August 2022.
(2) Tom Greenwood will become the CEO following the 2022 AGM. His CEO salary will be effective from that date.
(3) Manjit Dhillon's salary will increase from £350,000 to £375,000 effective from 1 April 2022, prior to the 2022 AGM.

Pension

Executive Directors receive a pension contribution equal to 9% of base salary, in line with the wider workforce.

Benefits

All Executive Directors are eligible for worldwide medical insurance (excluding the US), life insurance cover equal to 4x base salary, gym membership and 25 days' annual leave.

Directors' Remuneration Report continued

Annual bonus

For the 2022 financial year, the maximum bonus opportunities for the CEO, CEO-Designate and CFO are set out in the following table. Kash Pandya's annual bonus will be prorated to reflect the proportion of the year to the end of his notice period. Tom Greenwood's annual bonus will be prorated to reflect his transition from CEO-Designate to CEO in terms of base salary, maximum opportunity and time spent in each role. This practice aligns with the approach for other Helios Towers employees who are promoted and/or receive a salary increase during the year. The levels of bonus awarded are subject to financial and non-financial performance conditions measured over the 2022 financial year. They are calculated on a straight-line basis between threshold and target performance, and target and maximum performance.

Role	Name	Threshold performance % of base salary	Target performance % of base salary	Maximum performance % of base salary
CEO(1)	Kash Pandya	0%	100% prorated	175% prorated
CEO-Designate(2)	Tom Greenwood	0%	75% / 100% prorated	150% / 175% prorated
CFO	Manjit Dhillon	0%	75%	150%

(1) Kash Pandya's bonus will be prorated to reflect to reflect the proportion of the year up to the end of his notice period on 17 August 2022.
(2) Tom Greenwood's annual bonus will be prorated to reflect his transition from CEO-Designate to CEO in terms of base salary, maximum opportunity and time spent in each role. This practice is in line with the approach for other Helios Towers employees.

The bonus performance conditions for the 2022 financial year are set out in the following table. The targets were approved by the Committee in March 2022. The Committee decided to introduce an additional non-financial bonus condition based on the implementation of certain strategic initiatives during the 2022 financial year. The targets are deemed to be commercially sensitive; they will be disclosed in full in next year's Directors' Remuneration Report, at around the time when the bonuses are paid. 50% of any bonus amount earned above target will be deferred in shares for a three-year period.

Metric	Weighting	Rationale for inclusion as a performance measure
Adjusted EBITDA(1) *(financial)*	50%	Measures operating performance by eliminating differences caused by changes in capital structures (affecting interest and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. Adjustments are made for certain items the Company believes are not indicative of underlying trading performance.
Portfolio free cash flow(1) *(financial)*	30%	Measures 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.
Network performance *(non-financial)*	7.5%	Network performance is a key operational performance metric. It is a measure of uptime of the site network relative to levels specified in our customer service-level agreements.
Strategic projects *(non-financial)*	7.5%	Based on the implementation of certain strategic initiatives during the financial year.
International standards *(non-financial)*	5%	Performance will be measured in relation to continued retention of our four ISO accreditations, as well as gaining accreditations in our new markets: • ISO 9001 (Quality Management); • ISO 14001 (Environmental Management); • ISO 45001 (Occupational Health & Safety); and • ISO 37001 (Anti-Bribery Management).

(1) Defined in the Alternative Performance Measures section on pages 68–70.

Long-Term Incentive Plan awards

In March 2022, the Committee approved the performance conditions and targets for the 2022 LTIP awards to be granted to the Executive Directors and other selected senior executives and key personnel of the Company. The awards are designed to ensure they are retained and incentivised to deliver longer-term business plans and sustainable long-term returns for shareholders. The 2022 LTIP awards are expected to be granted during the year in the form of nil-cost options. The Committee intends to calculate the number of options granted using the average closing share price on the London Stock Exchange during the fourth quarter of the previous financial year (i.e. Q4 2021).

The maximum LTIP awards for the 2022 financial year are 200% and 150% of salary for the CEO-Designate and the CFO respectively. Given the pending transition of the CEO role, Kash Pandya will not be granted an LTIP award in 2022 and Tom Greenwood will be granted an 2022 LTIP award based on his new CEO role and his new salary.

The quantum awarded to management and employees below Board level are based on an appropriate cascade. The values of the awards to be granted to the Executive Directors are detailed in the following table:

Current Role	Name	Base salary £'000	Face value of 2022 LTIP award % of base salary	Face value of 2022 LTIP award £'000
CEO(1)	Kash Pandya	634	–	–
CEO-Designate(2)	Tom Greenwood	600	200%	1,200
CFO(3)	Manjit Dhillon	375	150%	563

(1) Kash Pandya will not be granted an LTIP award in 2022.
(2) Tom Greenwood's 2022 LTIP award reflects his pending new role and salary as CEO.
(3) Manjit Dhillon's award reflects his new salary.

The 2022 LTIP awards will vest in March 2025, subject to performance conditions to be measured over a three-year performance period between 1 January 2022 and 31 December 2024. Each performance condition is assessed independently.

The 2022 LTIP performance conditions and selected targets are set out in the following table.

Metric	Purpose	Definition	Weighting	Threshold 25% vesting	Target	Maximum 100% vesting
Relative total shareholder return ('TSR')	Measure of shareholder value creation	Helios Towers plc's TSR relative to the FTSE 250 index, excluding financial services and investment trusts, based on the average TSR over a three-month period immediately prior to the start and end of the performance period.	33.3%	Threshold vesting when performance is at least the median TSR of the peer group.	Straight-line vesting between threshold and maximum.	Maximum vesting performance is ranked in the upper quartile of the peer group.
Adjusted EBITDA(1) per share 3-year CAGR FY20 – FY23	Measure of profitability	Adjusted EBITDA on a per share basis.	33.3%	8%	Straight-line vesting between threshold and maximum.	14%
Return on invested capital ('ROIC')(1) % in FY23	Measure of efficiency	ROIC is calculated as annualised portfolio free cash flow divided by invested capital.	33.3%	8%	Straight-line vesting between threshold and maximum.	14%

(1) Defined in the Alternative Performance Measures section on pages 68–70.

In accordance with the Policy, vested awards will be subject to a two-year holding period post-vesting, making a five-year vesting and holding period in total. Malus and clawback will apply.

The Committee does not plan to grant further LTIP awards to Executive Directors until 2023.

Directors' Remuneration Report continued

Non-Executive Directors' fees

Non-Executive Directors' fees are unchanged for the year 2022 and are summarised in the following table. Fees will continue to be reviewed annually.

Position/role	Fee £
Chair of the Board	240,000
Deputy Chair of the Board(1)	130,000
Independent Non-Executive Director fee	60,000
Non-Executive Director fee(2)	–
Additional fee for Senior Independent Director	17,000
Additional fee for Board Audit Committee Chair/Remuneration Committee Chair	17,000
Additional fee for committee membership	8,500

(1) Kash Pandya will assume this new non-executive role immediately following the AGM to be held in April 2022. Kash will continue to earn his current salary until the end of his notice period on 17 August 2022. Kash will receive his Non-Executive Director fee as Deputy Chair from 18 August 2022.

(2) Relates to the Non-Executive Directors representing certain legacy institutional shareholders; Temitope Lawani (Lath Holdings Ltd) and David Wassong (Quantum Strategic Partners Ltd).

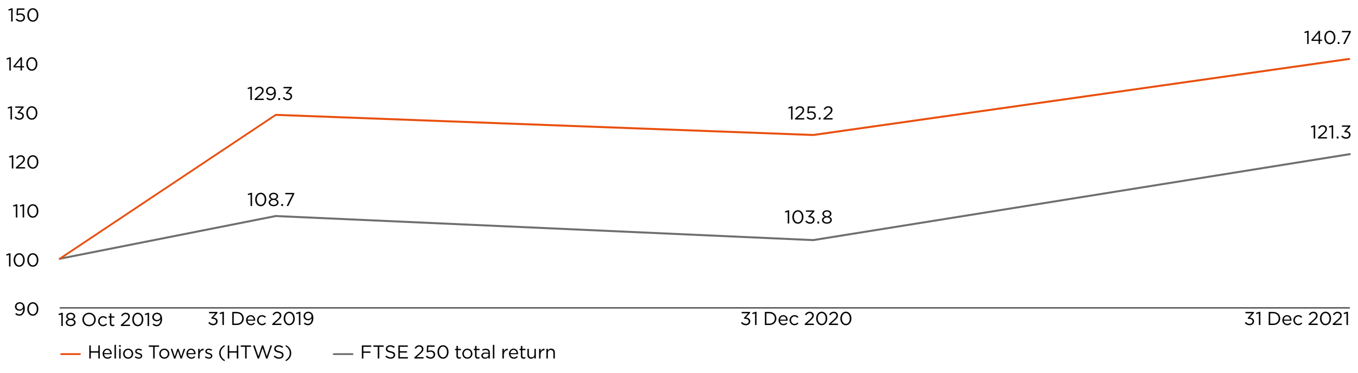
Non-Executive Directors are entitled to an additional fee if they are required to perform any specific and additional services. Sally Ashford will continue to be paid an additional annual fee of £17,000 for her role as the designated Non-Executive Director for workforce engagement.

Other remuneration items

TSR performance graph

The following graph shows the TSR of the Company relative to the FTSE 250 index, from 18 October 2019, when the Company's shares were admitted to trading on the Main Market of the London Stock Exchange, to 31 December 2021. The FTSE 250 is considered an appropriate comparator for Helios Towers because the Company has been a constituent of the index since 23 December 2019.

Total shareholder return vs. FTSE 250



Source: Datastream from Refinitiv (rebased to 100)

Engagement with the workforce

In her role as the designated Non-Executive Director for workforce engagement, Sally Ashford held 'Voice of the Employee' meetings during the year with employees in the UK and our operating companies. This included new London-based employees who joined during the pandemic, representatives from various departments across the Group and welcoming colleagues in our new business in Senegal. The purpose of these meetings is to allow employees to share their views of, and experiences working at, Helios Towers including working conditions and remuneration.

No concerns were raised in relation to executive pay during these sessions, however employees did discuss certain topics and concerns that are important to them. These were summarised (anonymously) and relayed to Management who responded and took action where appropriate. The key topics discussed included:

- working from home during the COVID-19 pandemic and the challenges associated with this in terms of working environment, work-life balance and face-to-face interaction with colleagues. Management is aware of these challenges and appreciates working from home is difficult for some employees. Across the Group and where possible, steps were taken to allow colleagues to return to offices with a staggered and sensible approach. The Company is seeking to balance risk with a return to normality, with employee health and safety being the primary consideration;

- support for improving gender representation at senior levels. Management is keen to improve gender representation and have discussed this at Board level several times;
- promotion and support for employee well-being. The Helios Towers Well-being Programme was launched in September 2021, provided by ICAS International, who support over one million employees worldwide. Employees have access to an online platform and a helpline. The core services are available 24 hours a day, 365 days a year and include counselling sessions for emotional and psychological support, online health and well-being resources, and guidance on financial, legal, family and work matters;
- opportunities for assignments elsewhere within the Group to support career development. Management have discussed this topic at Company Town Halls and have been providing colleagues with opportunities to work abroad or within other departments and will continue to provide such opportunities; and
- Improvement through investment in processes and automation. Management debated this topic and, as part of the new five-year strategy, will be seeking to automate processes to provide employees with more time to focus on other important and value-enhancing activities.

Sally will continue her workforce engagement activities during 2022, including considering wider workforce pay conditions and remuneration practices as the Committee develops the new Directors' Remuneration Policy ahead of the publication of the 2022 Annual Report and the 2023 AGM.

The Company will conduct its second Company-wide employee survey, carried out by an independent specialist organisation, providing employees with the opportunity to express their views on the Company and their employment within the Company. Following the first employee survey conducted in 2020 and based on feedback and positive interest from employees, the Company developed and launched the all-employee HT SharingPlan during 2021 to allow employees to share in the success and performance of the Company.

Launch of the all-employee HT SharingPlan

At the 2021 AGM, shareholders approved the all-employee share plan schemes. In September 2021, the Board granted the inaugural 'HT SharingPlan' awards under the rules of the HT Global Share Purchase Plan, allowing all employees of Helios Towers Group companies to share in the success of the Group. The plan does not form part of employees' contractual or pensionable benefits.

The Board is committed to creating an inclusive culture that promotes our 'One Team, One Business' vision in all our countries. Therefore, each employee was granted awards with the same value and on identical terms regardless of their role or the country they work in.

To achieve this, and following careful diligence and investigation into the legal, regulatory and tax requirements for the Group and individual employees in our countries of operation, the Board decided to grant free awards over notional shares that track the value of Helios Towers plc ordinary shares.

The 2021 Award has a three-year vesting period. Due to the efforts made by everyone during a challenging year, the Board decided to grant employees a one-off Covid-19 Thank You Award with a six-month vesting period. The vesting of both awards is subject to continued employment.

The Committee was encouraged by the employee acceptance rate which exceeded 99%. Based on feedback from Sally Ashford's engagements with employees during 2020, we were aware of the interest from employees to gain exposure to Helios Towers shares following the IPO in 2019. The high acceptance rate, as well as the positive feedback voiced by employees during the HT SharingPlan launch town halls held in each country, further corroborates the decision to introduce an all-employee plan, supported by shareholders and the Board.

The Committee supports having a share-based reward scheme available to all employees and believes the introduction of the HT SharingPlan will be mutually beneficial for:

- employees: having the ability to share in the Company's success through an additional remuneration element linked to share performance;
- shareholders: aligning employee interests more closely to their own; and
- the Company: having share-based plans to support recruitment and retention of talented employees.

Under the current Policy, Executive Directors are not permitted to participate in the HT SharingPlan.

Directors’ Remuneration Report continued

Percentage change in remuneration of Directors versus employee average

The following table shows the year-on-year percentage change in Directors’ remuneration in 2021 and 2020 compared to the Company’s employees. The Company was admitted to the London Stock Exchange on 18 October 2019. For comparability, the percentage change between 2019 and 2020 is measured using annualised 2019 remuneration figures during the period from admission to 31 December 2019. Similarly, annualised figures are used for comparability where a Director was appointed to the Board, or an employee began their employment, during a financial year.

	YoY % increase/(decrease) in remuneration in 2021			YoY % increase/(decrease) in remuneration in 2020		
Director	Salary/Fees	Taxable benefits	Bonus	Salary/Fees	Taxable benefits	Bonus
Kash Pandya[(1)]	+9%	(1%)	+6%	0%	+4%	(14%)
Tom Greenwood[(2)]	+24%	+17%	+20%	0%	+5%	(16%)
Manjit Dhillon[(3)]	n/a	n/a	n/a	n/a	n/a	n/a
Sir Samuel Jonah KBE, OSG	0%	–	–	0%	–	–
Magnus Mandersson[(4)]	+2%	–	–	+10%	–	–
Sally Ashford[(5)]	0%	–	–	n/a	n/a	n/a
Alison Baker[(4)]	+2%	–	–	+10%	–	–
Richard Byrne[(4)]	+2%	–	–	+10%	–	–
Carole Wamuyu Wainaina[(5)]	0%	–	–	n/a	n/a	n/a
Temitope Lawani[(6)]	–	–	–	–	–	–
David Wassong[(6)]	–	–	–	–	–	–
Helios Towers plc employees[(7)]	n/a	n/a	n/a	n/a	n/a	n/a
Group employees[(8)]	+3%	+22%	+3%	+3%	+10%	+8%

(1) Kash Pandya’s increase in 2021 reflects the change to his salary from 1 January 2021.
(2) Tom Greenwood’s increase in 2021 reflects the change to his salary from 1 January 2021 and following his appointment as COO having previously been the CFO.
(3) Manjit Dhillon was appointed to the CFO role on 1 January 2021; comparative prior year information is not available.
(4) The 2% year-on-year increase to fees earned in 2021 relates to additional fees for committee memberships that started in March 2020. Twelve months of these additional fees were earned in 2021 compared to ten months in 2020.
(5) Appointed to the Board of Directors during 2020; comparative prior year information is not available for 2020.
(6) Non-Executive Directors representing legacy institutional shareholders; Temitope Lawani (Lath Holdings Ltd) and David Wassong (Quantum Strategic Partners Ltd) do not receive remuneration for their Directorship roles on the Board.
(7) Helios Towers plc, the parent company of the Group, did not have any employees during the years ended 31 December 2020 and 31 December 2021.
(8) Median percentage increase for employees of Helios Towers Group companies.

Historic CEO remuneration

The following table shows the CEO’s remuneration since Admission to the London Stock Exchange on 18 October 2019.

	2021	2020	2019[(1)]
CEO single figure total remuneration (£’000)	1,420	1,323	292
Annual bonus (as % of maximum opportunity)	62%	64%	74%
Long-term incentive vesting (as % of maximum opportunity)	–	–	–

(1) The single figure of total remuneration for 2019 relates to the period from 18 October 2019 to 31 December 2019.

CEO pay ratio and gender pay gap

Helios Towers has fewer than 250 UK employees and therefore is not required at this stage to report or disclose our CEO: median employee pay ratio or gender pay gap information.

The Committee fully supports the sharper focus on wider workforce pay and conditions, and is committed to taking this into consideration when making decisions on executive remuneration. We are also mindful of shareholder expectations to promote fair and equal treatment of male and female employees in relation to remuneration, i.e. ensuring employees receive equal pay for performing the same job to the same standards. In the interest of transparency, the Company has disclosed gender pay gap information on its website **here**.

The Company regularly reviews the pay rates throughout the Company and will keep its approach to disclosing a UK and/or Group-wide pay ratio and/or gender pay gap information under review over the coming years.

Relative importance of expenditure on pay

The following table shows the Company's expenditure on pay compared to shareholders' distributions by way of dividend and share buyback.

	2021 US$m	2020 US$m	YoY % Change
Distributions to shareholders	–	–	–
Total employee pay	30.9	27.0	+14%

Dilution limits

The Company's employee share plans and discretionary employee share plans are subject to dilution limits that are aligned to market practice and the Investment Association's Principles of Remuneration.

Awards cannot be granted if the cumulative number shares issued or committed to be issued under employee share plans exceeds 10% of the ordinary share capital of the Company in any ten-year rolling period. An equivalent 5% dilution limit applies to discretionary employee share plans.

Advice to the Committee

Members of the Executive Management team are invited to attend Committee meetings where appropriate, except when their own remuneration is being discussed. During the year Kash Pandya (CEO), Tom Greenwood (CEO-Designate), Manjit Dhillon (CFO), Paul Barrett (General Counsel and Company Secretary), and Nick Summers (Director of Property and SHEQ) attended certain meetings at the Committee's invitation.

During 2021, the Committee retained PwC to provide independent advice on remuneration matters. PwC was appointed to support the Company in the design of the Directors' Remuneration Policy prior to the IPO and was retained as Remuneration Committee advisor following the IPO. PwC is a member of the Remuneration Consultants' Group and, as such, operates voluntarily under its Group Code of Conduct in relation to executive remuneration consulting in the UK. The Committee was satisfied that the advice provided by PwC was independent and objective.

The firm also acted as tax advisor to the Company during 2021, as well as providing an opinion as an independent valuer for the Class 1 Circular to Shareholders in relation to the proposed acquisition of 2,890 sites from Oman Telecommunications Company (S.A.O.G). The Committee reviewed the nature of all the services provided during the year by PwC, which included tax advice, and was satisfied that no conflict of interest exists or existed in the provision of these services. PwC does not have any other connections with the Company or its Directors.

Total fees received by PwC in relation to remuneration advice that materially assisted the Committee during the financial year ended 31 December 2021 amounted to £121,945. PwC's services are charged on a fixed fee basis with additional items charged on a time and materials basis.

The Committee will continue to seek remuneration advice from PwC in 2022.

Approval

This report has been approved by the Board of Directors and signed on its behalf by:

Richard Byrne
Chair, Remuneration Committee
16 March 2022

Directors' Report

The Directors of Helios Towers plc present their Annual Report and audited Financial Statements for the year ended 31 December 2021.

Additional disclosures

This section, together with the Strategic Report, Corporate Governance Report and Directors' Remuneration Report on pages 10–123 and other information cross-referenced in the table below, constitute the Directors' Report for the purposes of section 415 of the Companies Act 2006, and the information required by both schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and Listing Rule ('LR') 9.8.6R. As per LR 9.8.6R(8), the Company's TCFD disclosures, including greenhouse gas emissions and energy consumption, are explained on pages 30–33 and further information can be found in the 2021 **Sustainable Business Report**. No disclosures are required by the Company pursuant to LR 9.8.4R, except for LR 9.8.4R (4) as noted below.

The Directors' Report together with the Strategic Report on pages 10–75 constitute the management report for the purposes of rule 4.1.8R of the Disclosure Guidance and Transparency Rules (the 'DTR'). The Strategic Report and the Corporate Governance Report on pages 10 to 123 constitute the corporate governance statement for the purposes of 7.2.1R of the DTR.

Operations and performance

Results

Results for the year ended 31 December 2021 are set out in the detailed financial review on pages 71–75 and the Financial Statements on pages 138–186.

Dividends

The Directors do not intend to pay a final dividend for the year ended 31 December 2021.

Activities in research and development

The Company undertook no activities in research and development during the year ended 31 December 2021.

Branches outside the UK

The Company has no branches outside the UK.

Articles of Association

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment and removal of Directors and the conduct of the Board and general meetings. Copies are available from the Company Secretary. The Articles of Association may be amended in accordance with the provisions of the Companies Act 2006 by way of a special resolution of the Company's shareholders. The Company's Articles of Association were last amended and approved by shareholders at the 2021 AGM and can be found **here**.

Annual General Meeting

The Company's AGM will be held on Thursday 28 April 2022 at 10.00 a.m. at Linklaters, One Silk Street, London, EC2Y 8HQ. The Chair, and the Chairs of the Audit and Remuneration Committees, will be present to answer shareholders' questions. Shareholders will have the ability to appoint a proxy electronically either through our Registrar's website or CREST services by 10.00 a.m. on Tuesday 26 April 2022. A copy of the 2022 Notice of AGM can be found **here**. Voting will be conducted by way of a poll and voting results will be published on a Regulatory News Service and on the Company's website **here** after the conclusion of the AGM.

Additional disclosure	Section of this Annual Report	Page
Future developments	Strategic Report	18
Section 172(1) Statement	Strategic Report	52–57
Employee engagement	Strategic Report	37 and 56
Engagement with suppliers, customers and other stakeholders	Strategic Report	56–57
Principal risks and uncertainties	Risk management and principal risks	61–65
Directors' interests	Remuneration Report	116
Long-term incentive plans	Remuneration Report	114
Directors' Responsibility Statement	Statement of Directors' responsibilities	127
Financial instruments, financial risk management objectives and policies	Financial Statements: Note 26	172–177
Post balance sheet events	Financial Statements: Note 31	180

Directors

The names, biographical details and Committee memberships of the Directors as at 31 December 2021 are set out on pages 78–80.

Appointment and replacement of Directors

The Company's Articles of Association set out the rules on the appointment and replacement of Directors. The Directors have the power to remove another Director by ordinary resolution and elect another person in place of a Director removed from office. The Articles of Association require that all Directors be elected by shareholders at the AGM following their appointment to the Board, and retire and be re-elected by shareholders at each subsequent AGM.

Powers of the Directors

The Company's Articles of Association set out the powers of the Directors and allow the Board to exercise those powers.

Directors' and Officers' liability insurance and indemnities

To the extent permitted by English law and the Articles of Association, the Company indemnifies each Director against legal actions that may arise as a result of that Director's positions within the Group. Each UK subsidiary company also indemnifies its directors. All indemnities given are 'qualifying indemnity provisions' as defined in s236 of the Companies Act 2006. The Company maintains Directors' and Officers' liability insurance in respect of legal actions brought against its Group's Directors and Officers as a result of their positions within the Group.

Shareholders and share capital

Share capital

Helios Towers plc is a public company limited by shares, incorporated in England and Wales, with a premium listing on the London Stock Exchange. The Company's issued share capital is set out in Note 18 to the Financial Statements and consists of one class of share of 1p nominal value, which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

As at 31 December 2021, the Company's issued share capital comprised 1,048,000,000 ordinary shares of £0.01 each, all with voting rights. Pursuant to the placing announcement made on 16 June 2021, a total of 46,750,000 new ordinary shares were placed by the Joint Global Coordinators and Joint Bookrunners in connection with the placing, and a total of 1,250,000 new ordinary shares were subscribed by retail investors, both at the placing price of 163 pence per placing share.

Authority to purchase own shares

The Company has the authority, pursuant to the 2021 AGM, to make market purchases of its own shares of up to 100,000,000 ordinary shares of £0.01 each, representing 10% of its issued share capital as at the date of the Notice of the 2021 AGM. This authority, which was not exercised during 2021 or to the date of this report, will expire at the conclusion of the 2022 AGM, when the Directors will propose that the authority is renewed.

Rights, restrictions and transfer of shares

The rights attaching to the Company's shares, restrictions and any variation of rights are set out in the Articles of Association, which can be found on the Company's website **here**.

Shares held in employee benefit trusts

The Company has established a trust (the 'EBT') in connection with the Company's share plans, which holds treasury shares (as described in Note 18 to the Financial Statements) on trust for the benefit of employees of the Group. The trustee(s) of the EBT (the 'Trustee') may vote or abstain from voting in respect of the Company's shares held unallocated in the EBT. In respect of any allocated shares, unless the Company requests otherwise, the Trustee must seek voting directions from beneficial holders of the shares and vote in accordance with any directions received (or otherwise abstain from voting).

In accordance with good practice, unless the Company directs otherwise, the Trustee will waive its entitlement to receive any dividends above a maximum of one pence in aggregate in respect of shares which are the beneficial property of the EBT.

Notifiable interests in shares

As at 31 December 2021, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights in accordance with the FCA's Disclosure Guidance and Transparency Rules (DTR 5). The information was correct as at the date of notification to the Company. All notifications made to the Company under DTR5 are published on a Regulatory News Service and on the Company's website **here**.

Shareholder	Number of voting rights	%
Helios Investment Partners	79,030,721	7.54
RIT Capital Partners	51,866,841	4.95
T. Rowe Price	51,915,857	4.95
Rivulet Opportunity Fund	47,782,421	4.78

The Company has not been notified of any changes to the above information up to the date of this report.

Directors' Report continued

Stakeholders and policies

Modern Slavery Statement

In accordance with the Modern Slavery Act 2015, the Company has approved and published on its website its Modern Slavery Statement, which can be found **here**.

Anti-Discrimination Policy

The Company's Anti-Discrimination Policy applies to all Group staff (including non-permanent workers) as well as contractors, consultants and any other workers and adopts a zero tolerance approach to any unlawful discrimination when a person is harassed or treated arbitrarily or differently due to a relevant protected characteristic. The Company encourages all its workforce to report any instance of discrimination, which they witness or which comes to their attention and the policy makes it clear that selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability only. The policy is reviewed periodically to take account of legislative changes.

Significant agreements

The Company is required to disclose any significant agreements that take effect, alter or terminate on a change of control of the Company following a successful takeover bid.

The Company has committed debt facilities and has issued US$975 million senior bonds and US$300 million unsecured convertible bonds, all of which are directly or indirectly subject to change of control provisions, albeit neither the facilities, the senior bonds nor the convertible bonds necessarily require mandatory prepayment on a change of control and the convertible bonds are not automatically converted on a change of control.

The Shareholders' Agreement, details of which are set out on page 89, will terminate either if: (i) the shares of the Company cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange; (ii) no Founding Shareholder holds 3% or more of the shares of the Company; or (iii) there is only one Founding Shareholder who holds 3% or more of the shares in the Company and none of Quantum Strategic Partners Ltd, Lath Holdings Ltd, or Millicom Holding B.V. holds 10% or more of the shares of the Company.

Political contributions

The Company did not make any donations to any political party or other political organisation during the year. The Company has the authority, pursuant to the shareholder approval granted at the 2021 AGM, to make political donations not exceeding £50,000 and incur political expenditure not exceeding £50,000 in total. Further details of this authority can be found in the Notice to the 2021 AGM. This authority, which was not exercised during 2021 or to the date of this report, will expire at the conclusion of the 2022 AGM, when the Directors will propose that the authority is renewed.

Employee share plans

The Company's shareholders approved the HT UK Share Purchase Plan and HT Global Share Purchase Plan at its 2021 AGM. As is noted on pages 55 and 121, the Company implemented the HT SharingPlan with the first grant to all colleagues taking place in September 2021.

Auditor and audit information

External auditor

A resolution to reappoint Deloitte LLP as external auditor will be proposed at the 2022 AGM.

In accordance with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Responsibilities) Order 2014, the Company conducted an audit tender in 2021. Following the conclusion of this process, the Audit Committee recommended to the Board that the appointment of Deloitte LLP be recommended to shareholders for their approval at the 2022 AGM. Further information on the audit tender process can be found in the Audit Committee Report on page 105.

Audit information

Each of the Directors at the date of the approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's external auditor is unaware; and
- they have taken all reasonable steps as Directors to make themselves aware of any relevant audit information, and to establish that the Company's external auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors' Report was approved by the Board of Directors of Helios Towers plc on 16 March 2022.

Signed on behalf of the Board of Directors by:

Paul Barrett
Company Secretary
Helios Towers plc
Company number 12134855

Statement of Directors' responsibilities

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements, and the Group Financial Statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under the law, the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ('IFRSs'). The Directors have elected to prepare the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), which is the United Kingdom Accounting Standards and applicable law, including the Financial Reporting Standard Applicable in the UK and Republic of Ireland ('FRS 102'). Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing the parent company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement under the UK Corporate Governance Code

In accordance with Provision 27 of the 2018 UK Corporate Governance Code, the Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides information to enable shareholders to assess the Company's performance, business model and strategy.

Responsibility statement

Each of the Directors whose names are listed on pages 78–80 confirm that to the best of their knowledge:

- the Group 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 Group and 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 position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 16 March 2022 and is signed on its behalf by:

Kash Pandya
Chief Executive Officer

Manjit Dhillon
Chief Financial Officer

Independent auditor's report to the members of Helios Towers plc

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of Helios Towers plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs);
- the Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Other Comprehensive Income;
- the Consolidated and Company Statements of Financial Position;
- the Consolidated and Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the Statement of compliance and presentation of Financial Statements; and
- the related notes to the consolidated Financial Statements 1 to 31 and notes to the Company Financial Statements 1 to 7.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company Financial Statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 5b to the Financial Statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition and recoverability of receivables; • Valuation of uncertain tax positions; and • Valuation of acquired intangibles on the Senegal acquisition. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group Financial Statements was US$7.4m (2020: US$7.0m) which was determined based on a combination of 1.6% (2020: 1.7%) of revenue and 3% (2020: 3%) of Adjusted EBITDA (as defined in note 4) benchmarks to the Group Financial Statements.
Scoping	We have performed a full scope audit on the Group's key trading entities in Tanzania, Democratic Republic of the Congo, Ghana and the Republic of the Congo. We have performed specified audit procedures over Senegal, South Africa and Madagascar. Based on this assessment, our audit coverage was 98% of Group revenue (2020: 99%), 96% of Group Adjusted EBITDA (2020:99%) and 88% of Group net assets (2020: 88%).
Significant changes in our approach	We modified our scoping to take into account the Group's acquisitions in Senegal and Madagascar. We identified a new key audit matter in respect of the valuation of intangible assets recognised upon the acquisition in Senegal.

4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls over the Group's forecasting process;
- Assessing the Group's financing facilities including the nature of facilities, their repayment terms and covenants;
- Challenging the linkage of the forecasts to the Group's business model and medium-term risks by assessing market data and the Group's commitments regarding climate change;
- Assessing key assumptions used in the forecasts and the amount of headroom and performing sensitivity analysis;
- Testing the mathematical accuracy of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts;
- Assessing the historical accuracy of forecasts prepared by management; and
- Assessing the Financial Statement disclosures in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Helios Towers plc continued

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Revenue recognition and recoverability of receivables

Key audit matter description	Revenue is derived from leasing spaces on telecommunication towers to mobile network operators ("MNOs") and other fixed wireless operators, for a monthly or quarterly fee, which is accounted for under IFRS 15 *Revenue from contract with customers* ("IFRS 15"). As set out in the accounting policies on page 145 and note 2(a), this is generally the consideration received or expected to be received, and takes into account management's evaluation of whether, at the time the Group performs the services, it is probable that the Group will collect the consideration that it entitled to. At the balance sheet date, $11m (2020: $5.6m) of services had been provided to customers which had yet to meet the Group's probability criterion for revenue recognition under the Group's accounting policies. The receivables balance comprises balances with MNOs and other wireless operators and represents revenues that have previously been recognised within the income statement. IFRS 9 *Financial Instruments,* requires management to record an impairment against receivable balances (expected credit losses (ECL)) based on forward-looking information. As at 31 December 2021, the Group had trade receivables totalling US$84.1m (2020: US$50.9m). The Group has recognised an expected credit loss charge of US$7.6m (2020: US$5.8m) against these receivables. We have identified a key audit matter in respect of the revenue recognition and recoverability of balances where there is evidence of liquidity issues at or a dispute with the customer. Refer to notes 3, 15, 22 and the report of the Audit Committee on page 98 of the annual report.
How the scope of our audit responded to the key audit matter	In responding to this key audit matter, we performed the following procedures: • we obtained an understanding of management's controls relevant to the identification of receivables at risk of default, assessing their recoverability, appropriate level of ECL and determining revenue recognition with respect to the probability of collection; • we identified revenue streams for which collection may not be probable based on an analysis of recent payment history relative to contractual entitlement and discussions with Group and local management; • we identified receivables which may be disputed or may not be recoverable based on an analysis of aged items and discussions with Group and local management; • we requested confirmations of material debtors' balances, and where these were not received we have verified subsequent cash receipts and tested open invoices as at year end; • we agreed debtors balances to evidence of cash received since year-end, to the extent collected; • we assessed management's judgements relating to non-recognition of revenue for reasonableness and compliance with the requirements of IFRS 15; • we identified significant contract modifications during the year, and evaluated the revenue recognition and measurement implications arising from with respect to the requirements of IFRS15. • we assessed management's provision estimates for ECL and any impairment of receivables for compliance with IFRS 9; and • we assessed the disclosures in respect of material judgements made against the requirements of IFRS 15 and IFRS 9.
Key observations	We are satisfied that management's judgements in relation to non-recognition of revenue where collection is uncertain are appropriate, and that estimates of provisions for ECL and impairment of receivables are reasonable. We concluded that management's disclosures related to material judgements made against the requirements of IFRS 15 and IFRS 9 in notes 3,15 and 22 are appropriate.

5.2. Valuation of uncertain tax positions

Key audit matter description	The Group operates in a variety of tax jurisdictions within Africa. Historically, there have been a number of tax investigations and inspections by local tax authorities, the findings of which could result in the imposition of fines and penalties. There is often estimation uncertainty associated with valuing uncertain tax positions (UTPs) and contingent liabilities in these jurisdictions and we therefore consider this to be a key audit matter, as the range of possible outcomes of the investigations and inspections can be wide. These judgements can be complex as a result of the considerations required over multiple tax laws and regulations, and in the current year included consideration of Change of Control taxes in a number of subsidiaries, where the estimated tax charge depends on interpretation of tax law and company valuations. Refer to notes 10, 19 and the report of the Audit Committee on page 98
How the scope of our audit responded to the key audit matter	In responding to this key audit matter, we performed the following procedures: • obtained an understanding of management's controls relevant to the assessment of required provisions in respect of tax investigations and inspections and valuation of the UTPs; • engaged our tax experts in the UK and in the relevant jurisdictions in Africa to assist in assessing the technical treatment of UTPs and provisions and management's related judgements; • held discussions with Group and local management and local tax advisors to further understand current and historic UTPs; • assessed communication between the Group and the relevant tax authorities for all in-scope components; • tested the tax provision workings and considered whether these had been calculated in accordance with the applicable laws and regulations of the relevant jurisdiction; • assessed management's overall UTP provision and tax-related contingent liabilities estimates in the context of management's track record of resolving these in the past and considered whether there was any contradictory evidence; • engaged our valuations experts to assist in evaluating the Group's valuation assumptions underpinning the estimate of the tax liability in respect of Change of Control taxes; and • assessed the completeness and accuracy of disclosures related to tax valuation made in the annual report.
Key observations	We concluded that the tax provisions held by management were reasonable. We are satisfied that tax-related contingent liabilities and uncertainties are appropriately disclosed in notes 10 and 19.

5.3. Valuation of acquired intangibles on the Senegal acquisition

Key audit matter description	During the year, the Group recognised US$177m of intangible assets (comprising $171m of customer relationships and US$6m of goodwill) on the acquisition of 1,220 sites in Senegal for a total consideration of US$226.8m. The accounting for this was performed in accordance with the requirements of IFRS 3 "Business Combinations" ("IFRS 3"). The determination of the fair value of the acquired intangible assets (with the assistance of management's external valuations expert) relies on certain assumptions and estimates of future trading performance, including customer relationships expected life, revenue by customers, profitability and tax rates. We identified the valuation of the acquired intangible assets on the Senegal acquisition as a key audit matter due to the increased uncertainty created by the effects of Covid-19, and the judgements involved in determining the value of intangibles. Refer to note 30 and the report of the Audit Committee on page 98.

Independent auditor's report to the members of Helios Towers plc continued

5.3. Valuation of acquired intangibles on the Senegal acquisition ! (continued)

How the scope of our audit responded to the key audit matter	In responding to this key audit matter, we performed the following procedures: • obtained an understanding of management's controls relevant to the acquisition accounting, in particular the identification and measurement of acquired intangibles and controls over the acquisition accounting and related estimates and assumptions; • analysed management's paper on the acquisition and assessed the accounting treatment in accordance with the requirements of IFRS 3; • assessed the competence, capability and objectivity of management's expert; • engaged our valuations specialists to assist in evaluating the methodology and key assumptions used in the valuation of the intangible assets acquired; • benchmarked discount and long-term growth rates against external market sources; • challenged management's revenue and profit margin forecasts by comparing with approved business plans, assessing historical forecasting accuracy and considered whether there was any contradictory evidence; • assessed the methodology used to establish useful economic lives of assets with the assistance of our valuations specialists; • agreed data including contract length back to supporting documentation; • performing overall cross checks based on earnings multiples and the weighted average return on assets; • with the assistance of our tax team, assessed the tax implications arising from this acquisition, in particular the deferred tax liability; • reviewed of the share purchase agreement to corroborate the transaction price, and agreed the cash paid to supporting documentation; and • assessed whether the disclosures in note 30 to the Financial Statements are compliant with the requirements of IFRS 3.
Key observations	We concluded that the estimates and assumptions made by management were reasonable and that the associated accounting and disclosures made within the annual report in Note 30 comply with IFRS 3.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Company Financial Statements
Materiality	US$7,400,000 (2020: US$7,000,000)	US$2,960,000 (2020: US$2,800,000)
Basis for determining materiality	Materiality has been determined as a combination of 1.6% (2020: 1.7%) of revenue and 3% (2020: 3%) of Adjusted EBITDA (as defined in note 4) benchmarks derived from the Group Financial Statements.	Company materiality has been determined as 1% (2020: 1%) of net assets, which is capped at 40% (2020: 40%) of Group materiality.
Rationale for the benchmark applied	We believe that the revenue and Adjusted EBITDA metrics reflect the underlying performance of the Group. Also given the importance attached to these metrics by the investors and other readers of the Financial Statements, we concluded that these were the most appropriate metrics to use.	The Company acts principally as a holding company and therefore net assets is a key measure for this entity.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group Financial Statements	Parent company Financial Statements
Performance materiality	70% (2020: 65%) of Group materiality	70% (2020: 65%)of Company materiality.
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the Group's overall control environment and the level of uncorrected misstatements identified in previous periods. We have increased the performance materiality percentage from 65% to 70% as a result of the improvement made by management in the Group's controls environment, in particular remediation of general IT controls.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of US$370,000 (2020: US$350,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

7. An overview of the scope of our audit

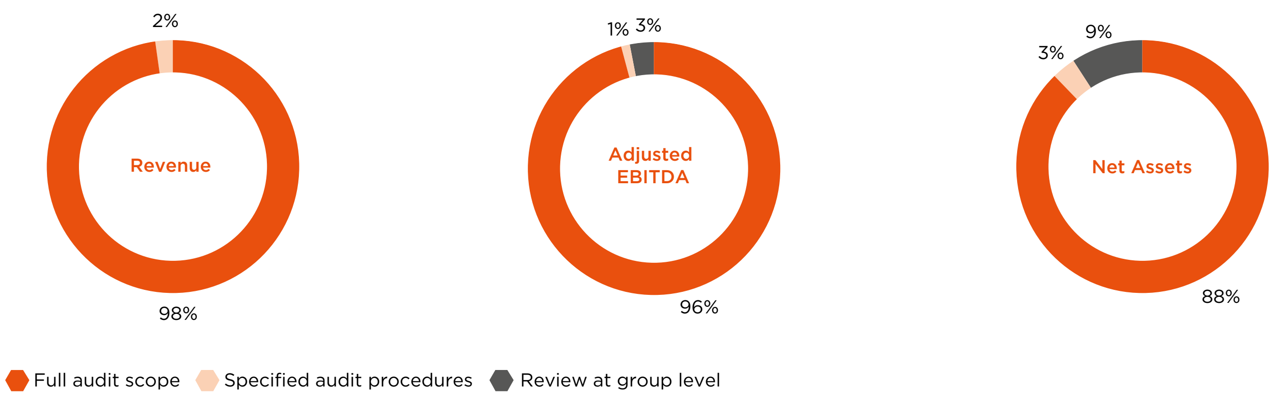
7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Although the Group has operating companies within Tanzania, Democratic Republic of the Congo, Ghana, the Republic of the Congo, Senegal, South Africa and Madagascar, the majority of its accounting function and supporting accounting records are located at its central office in the United Kingdom.

Therefore, based on the above risk assessment, a significant proportion of our audit effort is concentrated at a Group level. There was limited use of local audit teams under the Group team's direction to perform certain specified audit procedures as further described in section 7.3 below.

The statutory operating companies within each of the above countries were in full audit scope for the current year, with the exception of Senegal, South Africa and Madagascar on which we performed specified audit procedures only. Our component materiality ranged from US$0.4m to US$3.0m (2020: US$1.0m to US$3.0m).

Based on this approach, we achieved the following audit coverage over revenue 98% (2020: 99%), Group adjusted EBITDA 96% (2020: 99%) and net assets 88% (2020: 88%):



7.2. Our consideration of the control environment

In 2020, in order to assess the appropriateness of the controls over the financial reporting IT system, we engaged our IT audit specialists at the interim stage of the audit to evaluate controls over change management, user access and segregation of duties and to determine whether we could place reliance thereon. Through this testing we identified deficiencies within the general IT control environment, which were subsequently remediated by management in the fourth quarter of 2020 and the first half of 2021. In 2021 we have assessed the remediation actions taken by Management, however we were unable to take a control reliance approach over the financial reporting IT system for 2021 as the remediation took place part-way through the year.

We tested the controls over revenue and receivables and concluded that they operated effectively, although the interaction with system-generated information and the mid-year remediation of general IT control deficiencies described above meant that we did not adopt a controls reliance approach.

We also obtained an understanding of the relevant controls over budgeting and forecasting, uncertain tax positions and financial reporting including journal entries.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its Financial Statements.

As a part of our audit, we obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's Financial Statements. As explained on pages 32, 33 and 65, the key areas considered in the consolidated Financial Statements considered were the impact of the Group's net zero commitments on forecasts used in the going concern model and impairment assessments. Management concluded there was no material impact arising from climate change on the judgements and estimates made in the Financial Statements.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any reasonably possible risks of material misstatement. Our procedures included reading disclosures included in the Strategic Report to consider whether they are materially consistent with the Financial Statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The audits of all components were led by the Group audit team, with limited use of local audit teams to assist us in specific areas where local presence and/or knowledge was important, such as inventory counts, fixed asset verifications and assessment of uncertain tax positions. We exercised close supervision and oversight of local audit teams through the performance of the following procedures:

- we sent detailed instructions to all local audit teams specifying the procedures required;
- we included all local audit teams in team briefings, planning meetings and component risk assessments as relevant to their work;
- we reviewed supporting working papers prepared by local audit teams and related deliverables submitted to us; and
- we held close calls and regular status calls were held to discuss matters arising.

The restrictions on overseas travel due to Covid-19 did not have an impact on our ability to review local audit teams work, as we did not plan to visit overseas components this year. Instead, we have continued to have more frequent communications with our local audit teams throughout the audit process, such as conducting meetings with local audit teams via video conferencing.

At the Company entity level we also tested the consolidation process and carried out review procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full scope audit or specified audit procedures.

8. Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the **FRC's website**. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal compliance, and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance ;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including local audit teams and relevant internal specialists, including tax, valuations, IT, and forensic specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition, petty cash or small asset misappropriation, bribery and kickbacks. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code, Listing Rules and Tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's adherence to telecommunication and environmental regulations.

Independent auditor's report to the members of Helios Towers plc continued

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to this key audit matter. In addition to the above, our procedures to respond to fraud risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risks of material fraud in petty cash or small asset misappropriation and bribery and kickbacks, through consultation with our forensic specialists we designed and performed additional audit procedures including further focussed testing on unusual transactions and reviewing the Group's whistleblowing hotline.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 66;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 66;
- the Directors' statement on fair, balanced and understandable set out on page 127;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 60;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems 102–103; and
- the section describing the work of the audit committee 98.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

The Company was incorporated on 1 August 2019. We were appointed on 1 October 2019 by the Directors to audit the Financial Statements for the period ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ended 31 December 2019 to 31 December 2021.

However, we were appointed on 18 November 2010 for other Group entities (including the former parent company Helios Towers Ltd) to audit the Financial Statements for the year ended 31 December 2010. Following a competitive tender process, we were reappointed to audit the Financial Statements for the period ending 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 12 years, covering the years ended 31 December 2010 to 31 December 2021.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these Financial Statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Bevan Whitehead FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
16 March 2022

Consolidated Income Statement

For the year ended 31 December

	Note	2021 US$m	2020 US$m
Revenue	3	449.1	414.0
Cost of sales		(295.3)	(266.1)
Gross profit		153.8	147.9
Administrative expenses		(94.3)	(83.5)
Loss on disposal of property, plant and equipment		(0.5)	(8.1)
Operating profit	5a	59.0	56.3
Interest receivable	8	0.7	0.8
Other gains and (losses)	24	(28.0)	40.1
Finance costs	9	(151.1)	(118.1)
Loss before tax		(119.4)	(20.9)
Tax expense	10	(36.8)	(15.8)
Loss after tax for the year		(156.2)	(36.7)
Loss attributable to:			
Owners of the Company		(156.2)	(36.7)
Loss for the year		(156.2)	(36.7)
Loss per share:			
Basic loss per share (cents)	29	(15)	(4)
Diluted loss per share (cents)	29	(15)	(4)

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

	2021 US$m	2020 US$m
Loss after tax for the year	(156.2)	(36.7)
Other comprehensive (loss)/gain:		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	3.3	(9.2)
Total comprehensive loss for the year, net of tax	(152.9)	(45.9)
Total comprehensive loss attributable to:		
Owners of the Company	(152.9)	(45.9)
Total comprehensive loss for the year	(152.9)	(45.9)

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

Consolidated Statement of Financial Position

As at 31 December

Assets	Note	2021 US$m	2020 US$m
Non-current assets			
Intangible assets	11	227.3	23.2
Property, plant and equipment	12a	718.7	594.7
Right-of-use assets	12b	161.1	109.2
Derivative financial assets	26	57.7	88.8
		1,164.8	815.9
Current assets			
Inventories	14	10.5	9.0
Trade and other receivables	15	186.6	137.6
Prepayments	16	43.3	39.3
Cash and cash equivalents	17	528.9	428.7
		769.3	614.6
Total assets		1,934.1	1,430.5
Equity and liabilities			
Equity			
Share capital	18	13.5	12.8
Share premium	18	105.6	–
Other reserves		(87.0)	(87.0)
Convertible bond reserves	20	52.7	–
Share-based payments reserves	25	19.6	18.4
Treasury shares	18	(1.1)	(2.3)
Translation reserve		(88.6)	(91.9)
Retained earnings		153.3	280.3
Total equity		168.0	130.3
Current liabilities			
Trade and other payables	19	249.0	174.7
Short-term lease liabilities	21	33.0	23.5
Loans	20	2.8	2.6
		284.8	200.8
Non-current liabilities			
Deferred tax liabilities		39.7	4.4
Long-term lease liabilities	21	148.9	108.2
Loans	20	1,292.7	986.8
		1,481.3	1,099.4
Total liabilities		1,766.1	1,300.2
Total equity and liabilities		1,934.1	1,430.5

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

These Financial Statements were approved and authorised for issue by the Board on 16 March 2022 and signed on its behalf by:

Kash Pandya

Manjit Dhillon

Consolidated Statement of Changes in Equity

For the year ended 31 December

	Note	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share-based payments reserves US$m	Convertible bond reserves US$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 2020		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
Loss for the year		–	–	–	–	–	–	–	(156.2)	(156.2)	–	(156.2)
Other comprehensive loss		–	–	–	–	–	–	3.3	–	3.3	–	3.3
Total comprehensive loss for the year		–	–	–	–	–	–	3.3	(156.2)	(152.9)	–	(152.9)
Transactions with owners;												
Issue of share capital		0.7	105.6	–	–	–	–	–	–	106.3	–	106.3
Convertible bond reserves		–	–	–	–	–	52.7	–	–	52.7	–	52.7
Share-based payments	25	–	–	–	–	2.4	–	–	–	2.4	–	2.4
Transfer of treasury shares		–	–	–	1.2	(1.2)	–	–	–	–	–	–
Capital contribution	10	–	–	–	–	–	–	–	29.2	29.2	–	29.2
Balance at 31 December 2021		13.5	105.6	(87.0)	(1.1)	19.6	52.7	(88.6)	153.3	168.0	–	168.0

In March 2021 the Group issued US$250 million of convertible bonds with a coupon of 2.875%, due in 2027. In June 2021 the Group tapped the bond for an aggregate principal amount of US$50 million. On initial recognition of the convertible bond and the convertible bond tap, a liability and equity reserve component were recognised being US$242.4 million and US$52.7 million respectively including transaction costs.

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.

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.

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

Consolidated Statement of Cash Flows

For the year ended 31 December

	Note	2021 US$m	2020 US$m
Cash flows from operating activities			
Loss before tax		(119.4)	(20.9)
Adjustments for:			
Other gains and (losses)	24	28.0	(40.1)
Finance costs	9	151.1	118.1
Interest receivable	8	(0.7)	(0.8)
Depreciation and amortisation on property, plant and equipment	11, 12	159.8	148.0
Share-based payments and long-term incentive plans	25	2.0	1.0
Loss on disposal of property, plant and equipment	4	0.5	8.1
Movement in working capital:			
(Increase)/decrease in inventories		(1.6)	0.6
(Increase)/decrease in trade and other receivables		(18.1)	21.1
(Increase) in prepayments		(4.6)	(0.8)
(Decrease) in trade and other payables		(1.1)	(24.7)
Cash generated from operations		195.9	209.6
Interest paid		(111.7)	(102.3)
Tax paid	10	(48.3)	(47.8)
Net cash generated from operating activities		35.9	59.5
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(168.5)	(123.4)
Payments to acquire intangible assets		(2.0)	(0.3)
Acquisition of subsidiaries	30	(238.2)	–
Proceeds on disposal on assets		0.5	1.0
Transactions with non-controlling interests		–	(1.6)
Interest received		0.6	0.8
Net cash used in investing activities		(407.6)	(123.5)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		109.3	–
Share issue costs		(3.0)	–
Loan drawdowns		367.6	995.6
Loan issue costs		(15.8)	(26.0)
Repayment of loan		–	(689.8)
Repayment of lease liabilities		(13.3)	(8.3)
Capital contributions		29.2	–
Net cash generated from financing activities		474.0	271.5
Net increase in cash and cash equivalents		102.3	207.5
Foreign exchange on translation movement		(2.1)	0.1
Cash and cash equivalents at 1 January		428.7	221.1
Cash and cash equivalents at 31 December		528.9	428.7

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

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of compliance and presentation of financial statements

Helios Towers plc (the 'Company'), together with its subsidiaries (collectively, 'Helios', or the 'Group'), is an independent tower company, with operations across seven 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 United Kingdom ('IFRSs'), taking into account IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. The Financial Statements are presented in United States Dollars ('US$') and rounded to the nearest hundred thousand (US$0.1 million) except when otherwise indicated. Comparatives are updated where appropriate.

The principal accounting policies adopted are set out below.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that have present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2(a). Accounting policies (continued)

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, climate change considerations 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. 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 Statements. Forecast liquidity has been assessed under a number of stressed scenarios and a reverse stress test was performed to support this assertion.

New accounting policies in 2021

In the current financial year, the Group has adopted the following new and revised Standards, Amendments and Interpretations. Their adoption has not had a significant impact on the amounts reported in these Financial Statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform (Phase 2)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. The identifiable assets, liabilities and contingent liabilities ('identifiable net assets') are recognised at their fair value at the date of acquisition. Acquisition-related costs are expensed as incurred and included in administrative expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Uncertain tax positions and deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2(a). Accounting policies (continued)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired, and the fair value of the acquirer's previously held equity interest in the acquired (if any) over the net of the fair values of acquired assets and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (a period of no more than 12 months), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. The carrying value of contingent consideration is the present value of those cash flows (when the effect of the time value of money is material).

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Subsequently, changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments are recognised in the income statement, when contingent consideration amounts are remeasured to fair value at subsequent reporting dates.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units ('CGU') that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss is recognised directly in profit or loss. An impairment loss recognised for goodwill is not able to be reversed in subsequent periods. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

The Group recognises revenue from the rendering of tower services provided by utilisation of the Group's tower infrastructure pursuant to written contracts with its customers. The Group applies the five-step model in IFRS 15 Revenue from Contracts with Customers. Prescriptive guidance in IFRS 15 is followed to deal with specific scenarios and details of the impact of IFRS 15 on the Group's Consolidated Financial Statements are described below. Revenue is not recognised if uncertainties over a customer's intention and ability to pay means that collection is not probable.

On inception of the contract a 'performance obligation' is identified based on each of the distinct goods or services promised to the customer. The consideration specified in the contract with the customer is allocated to a performance obligation identified based on their relative standalone selling prices. In line with IFRS 15, the Group has one material performance obligation, which is providing a series of distinct tower space and site services. This performance obligation includes fees for the provision of tower infrastructure, power escalations and tower service contracts. This is the only material performance obligation for the Group at the balance sheet date.

Revenue from these services is recognised as the performance obligation is satisfied over time using the time elapsed output method for each customer to measure the Group's progress under the contract. Customers are usually billed in advance creating a deferred income which is then recognised as the performance obligation is met over a straight-line basis. Amounts billed in arrears are recognised as contract assets.

2(a). Accounting policies (continued)

Revenue recognition (continued)

Revenue is measured at the fair value of the consideration received or expected to be received and represents amounts receivable for services provided in the normal course of business, less VAT and other sales-related taxes. Where refunds are issued to customers, they are deducted from revenue in the relevant service period.

The entire estimated loss for a contract is recognised immediately when there is evidence that the contract is unprofitable. If these estimates indicate that any contract will be less profitable than previously forecasted, contract assets may have to be written down to the extent they are no longer considered to be fully recoverable. We perform ongoing profitability reviews of our contracts in order to determine whether the latest estimates are appropriate. Key factors reviewed include:

- transaction volumes or other inputs affecting future revenues which can vary depending on customer requirements, plans, market position and other factors such as general economic conditions;
- the status of commercial relations with customers and the implications for future revenue and cost projections;
- our estimates of future staff and third-party costs and the degree to which cost savings and efficiencies are deliverable;
- whether Covid-19 will have an impact on the assumptions listed above, including our future revenue projections, our ability to complete our contractual work on time, and our assessment of whether our force majeure contract clauses will prevent any contract penalties.

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Group, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Group; typically this is over the customer contract period as new commissions are payable on contract renewal.

Foreign currency translation

The individual Financial Statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in United States Dollars ('US$'), which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2(a). Accounting policies (continued)

Financial assets

Financial assets within the scope of IFRS 9 are classified as financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

At the current reporting period the Group did not elect to classify any financial instruments as fair value through OCI.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

(b) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

A derivative may be embedded in a non-derivative "host contract" such as put and call options over loans. Such combinations are known as hybrid instruments. If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, then the relevant classification and measurement requirements are applied to the entire contract at the date of initial recognition. Should the host contract not be a financial asset within the scope of IFRS 9, the embedded derivative is separated from the host contract, if it is not closely related to the host contract, and accounted for as a standalone derivative. Where the embedded derivative is separated, the host contract is accounted for in accordance with its relevant accounting policy, unless the entire instrument is designated at FVTPL in accordance with IFRS 9.

2(a). Accounting policies (continued)

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases
The Group applies IFRS 16 Leases. The Group holds leases primarily on land, buildings and motor vehicles used in the ordinary course of business. Based on the accounting policy applied the Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The Group depreciates the right-of-use asset from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable.

The lease payments are discounted using the incremental borrowing rate at the commencement of the lease contract or modification. Generally it is not possible to determine the interest rate implicit in the land and building leases. The incremental borrowing rate is estimated taking account of the economic environment of the lease, the currency of the lease and the lease term. The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Property, plant and equipment
Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses, if any.

Assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes material and labour and professional fees in accordance with the Group's accounting policy, and only those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Site assets – towers	Up to 15 years
Site assets – generators	8 years
Site assets – plant & machinery	3–5 years
Fixtures and fittings	3 years
IT equipment	3 years
Motor vehicles	5 years
Leasehold improvements	5–10 years

Directly attributable costs of acquiring tower assets are capitalised together with the towers acquired and depreciated over a period of up to 15 years in line with the assets estimated useful lives.

2(a). Accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit and loss.

Intangible assets

Contract-acquired-related intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over the life of the contract.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Customer contracts	Amortised over their contractual lives
Customer relationships	Up to 30 years
Colocation rights	Amortised over their contractual lives
Right of first refusal	Amortised over their contractual lives
Non-compete agreement	Amortised over their contractual lives
Computer software and licences	2–3 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At each reporting date, the Directors review the carrying amounts of its goodwill, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units – 'CGUs'). Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the CGU to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Any impairment is allocated pro-rata across all assets in a CGU unless there is an indication that a class of asset should be impaired in the first instance or a fair market value exists for one or more assets. Once an asset has been written down to its fair value less costs of disposal then any remaining impairment is allocated equally amongst all other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. Reversals are allocated pro-rata across all assets in the CGU unless there is an indication that a class of asset should be reversed in the first instance or a fair market value exists for one or more assets. A reversal of an impairment loss is recognised in the income statement immediately. An impairment loss recognised for goodwill is never reversed in subsequent periods.

Related parties

For the purpose of these Financial Statements, parties are considered to be related to the Group if they have the ability, directly or indirectly to control the Group or exercise significant influence over the Group in making financial or operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

2(a). Accounting policies (continued)

Share-based payments

The Group's management awards employee share options, from time to time, on a discretionary basis which are subject to vesting conditions. The economic cost of awarding the share options to its employees is recognised as an employee benefit expense in the income statement equivalent to the fair value of the benefit awarded over the vesting period. For further details refer to Note 25.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Cash and cash equivalents

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 and 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.

Interest expense

Interest expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

The effective interest method is a method of calculating the amortised cost of a financial asset/financial liability and of allocating interest income/interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial assets/financial liabilities, or, where appropriate, a shorter period.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised either for taxable temporary differences arising on investments in subsidiaries or on carrying value of taxable assets, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2(a). Accounting policies (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions

Provision is made for current tax liabilities when the Group has a present obligation as a result of past events, it is probable an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. The Group typically uses a weighted average of outcomes assessed as possible to determine the level of provision required, unless a single best estimate of the outcome is considered to be more appropriate. Assessments are made at the level of an individual tax uncertainty, unless uncertainties are considered to be related, in which case they are grouped together. Provisions, which are not discounted given the short period over which they are expected to be utilised, are included within current tax liabilities, together with any liability for penalties, which to date have not been significant. Any liability relating to interest on tax liabilities is included within finance costs.

Share capital

Ordinary shares are classified as equity.

Treasury shares

Treasury shares represents the shares of Helios Towers plc that are held by the Employee Benefit Trust ('EBT'). Treasury shares are recorded at cost and deducted from equity.

New accounting pronouncement

At 31 December 2021, the following Standards, Amendments and Interpretations were in issue but not yet effective:

- IFRS 17: Insurance contracts, IFRS 10 and IAS 28 (amendments): Sale or contribution of assets between an investor and an associate or joint venture, Amendments to IAS 1: Classification of liabilities, Amendments to IFRS 3: Reference to the Conceptual Framework, Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use, Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract, Annual Improvements to IFRS Standards: 2018–2020 Cycle, Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture, Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, Amendments to IAS 8: Definition of Accounting Estimates, Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The Directors do not expect that the adoption of the above Standards, Amendments and Interpretations will have a material impact on the Financial Statements of the Group in future periods.

2(b). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors, have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

2(b). Critical accounting judgements and key sources of estimation uncertainty (continued)

Revenue recognition
Revenue is recognised as service revenue in accordance with IFRS 15: Revenue from contracts with customers. In arriving at this assessment the Directors concluded that there is not an embedded lease, given customer contracts provide for an amount of space on a tower rather than a specific location on a tower. Our contracts permit us, subject to certain conditions, to relocate customer equipment on our towers in order to accommodate other tenants. Customer consent is usually required to move equipment, however, this should not be unreasonably withheld. The Directors believe these substitution rights are substantive, given the practical ability to move equipment and the economics of doing so. In applying the requirements of IFRS 15, management makes an evaluation as to whether it is probable that the Group will collect the consideration that it is entitled to under the contract. The amount of revenue that the Group is contractually entitled to but has not recognised is not material in any one year.

Contingent liabilities
The Group exercises judgement to determine whether to recognise provisions and the exposures to contingent liabilities related to pending litigations or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see Note 27). Judgement is necessary to assess the likelihood that a pending claim will succeed, or a liability will arise.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of derivative financial instruments
Derivative financial instruments are held at fair value with any changes in the year reflected in the profit and loss account. The Group's material derivatives represent the fair value of the put and call options embedded within the terms of the Group borrowings, which due to a number of unobservable inputs including credit spread, and the assessment of the probability of a change of control or major asset sale, is considered to be a Level 3 fair value. The Group engages a third-party qualified valuer to perform the valuation, and management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. Further information about the valuation techniques and inputs used in determining the fair value of the derivative financial instrument is disclosed in Note 26.

As at the reporting date, the call option had a fair value of US$57.7 million (31 December 2020: US$85.7 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 2020: US$0 million). A relative 5% increase in credit spread would result in an approximate US$5.7 million decrease in the valuation of the embedded derivatives.

The directors have considered whether certain other estimates included in the financial statements meet the criteria to be key sources of estimation uncertainty, as follows:

Provisions for litigation
Provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation (see Note 27) are subject to estimation uncertainty. Whilst the value of open claims across the group is material in aggregate, based on recent experiences of closing such cases, the resulting adjustments are generally not material and provisions held by the Group have accurately quantified the final amounts determined. Therefore, the Directors consider the current provisions held by the Group to be appropriate and do not anticipate a significant risk of a material change to the amounts accrued and provided at 31 December 2021 within the next financial year.

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- Designate, 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.

For the year to 31 December 2021	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Senegal US$m	Madagascar US$m	Total operating companies US$m
Revenue	170.4	176.4	27.7	42.8	6.0	23.4	2.4	449.1
Adjusted gross margin(1)	69%	64%	65%	69%	75%	64%	50%	67%
Adjusted EBITDA(2)	113.2	101.0	13.1	25.8	2.6	12.7	0.9	269.3
Adjusted EBITDA margin(3)	66%	57%	47%	60%	44%	54%	37%	60%
Financing costs								
Interest costs	(35.6)	(50.2)	(10.8)	(8.8)	(5.5)	(12.2)	(0.1)	(123.2)
Foreign exchange differences	(0.5)	0.3	(7.1)	(2.5)	(0.1)	(0.8)	–	(10.7)
Total finance costs	(36.1)	(49.9)	(17.9)	(11.3)	(5.6)	(13.0)	(0.1)	(133.9)
Other segmental information								
Non-current assets	302.1	306.6	36.1	55.4	52.3	262.9	73.7	1,089.1
Property, plant and equipment additions	60.0	56.7	10.9	14.5	9.3	100.1	27.9	279.4
Property, plant and equipment depreciation and amortisation	48.9	53.2	10.8	7.7	3.2	14.7	0.5	139.0

For the year to 31 December 2021	Total operating companies US$m	Corporate US$m	Group total US$m
Revenue	449.1	–	449.1
Adjusted gross margin(1)	67%	–	67%
Adjusted EBITDA(2)	269.3	(28.7)	240.6
Adjusted EBITDA margin(3)	60%	–	54%
Financing costs			
Interest costs	(123.2)	(6.3)	(129.5)
Foreign exchange differences	(10.7)	(10.9)	(21.6)
	(133.9)	(17.2)	(151.1)
Other segmental information			
Non-current assets	1,089.1	75.7	1,164.8
Property, plant and equipment additions	279.4	3.2	282.6
Property, plant and equipment depreciation and amortisation	139.0	5.5	144.5

(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. Other 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.

Notes to the Financial Statements continued

For the year ended 31 December 2021

3. Segmental reporting (continued)

For the year to 31 December 2020	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Senegal US$m	Madagascar US$m	Total operating companies US$m
Revenue	167.1	174.0	26.6	42.9	3.4	–	–	414.0
Adjusted gross margin(1)	67%	67%	66%	72%	77%	–	–	68%
Adjusted EBITDA(2)	105.0	103.5	12.7	27.4	1.1	–	–	249.7
Adjusted EBITDA margin(3)	63%	59%	48%	64%	32%	–	–	60%
Financing costs								
Interest costs	(36.2)	(49.6)	(9.5)	(7.3)	(2.9)	–	–	(105.5)
Foreign exchange differences	(1.8)	0.5	6.8	(2.2)	–	–	–	3.3
Total finance costs	(38.0)	(49.1)	(2.7)	(9.5)	(2.9)	–	–	(102.2)
Other segmental information								
Non-current assets	280.6	295.8	39.5	48.5	50.3	–	–	714.7
Property, plant and equipment additions	33.8	27.8	7.7	9.2	17.1	–	–	95.6
Property, plant and equipment depreciation and amortisation	(51.1)	(57.7)	(11.0)	(7.9)	(2.1)	–	–	(129.8)

For the year to 31 December 2020	Total operating companies US$m	Corporate US$m	Group total US$m
Revenue	414.0	–	414.0
Adjusted gross margin(1)	68%	–	68%
Adjusted EBITDA(2)	249.7	(23.1)	226.6
Adjusted EBITDA margin(3)	60%	–	55%
Financing costs			
Interest costs	(105.5)	7.7	(97.8)
Early redemption charges(4)	–	(23.9)	(23.9)
Foreign exchange differences	3.3	0.3	3.6
Total finance costs	(102.2)	(15.9)	(118.1)
Other segmental information			
Non-current assets	714.7	101.2	815.9
Property, plant and equipment additions	95.6	1.3	96.9
Property, plant and equipment depreciation and amortisation	(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. Other 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.

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. Other 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:

	2021 US$m	2020 US$m
Adjusted EBITDA	240.6	226.6
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Project costs[1]	–	(4.4)
Deal costs[2]	(19.3)	(8.8)
Share-based payments and long-term incentive plan charges[3]	(2.0)	(1.0)
Loss on disposal of property, plant and equipment	(0.5)	(8.1)
Other gains and (losses)	(28.0)	40.1
Depreciation of property, plant and equipment	(142.2)	(128.4)
Amortisation of intangible assets	(2.3)	(5.6)
Depreciation of right-of-use assets	(15.3)	(14.0)
Interest receivable	0.7	0.8
Finance costs	(151.1)	(118.1)
Loss before tax	(119.4)	(20.9)

(1) Project costs in 2020 relate to the preparation for debt refinancing which cannot be capitalised.
(2) Deal costs comprise costs related to potential acquisitions and the exploration of investment opportunities, which cannot be capitalised. These comprise employee costs, professional fees, travel costs and set up costs incurred prior to operating activities commencing.
(3) Share-based payments and long-term incentive plan charges and associated costs.

5a. Operating profit

Operating profit is stated after charging the following:

	2021 US$m	2020 US$m
Cost of inventory expensed	49.0	51.8
Auditor remuneration (see Note 5b)	2.8	2.8
Loss on disposal of property, plant and equipment	0.5	8.1
Depreciation and amortisation	159.8	148.0
Staff costs (Note 6)	31.7	27.5

5b. Audit remuneration

	2021 US$m	2020 US$m
Statutory audit of the Company's annual accounts	0.4	0.4
Statutory audit of the Group's subsidiaries	1.7	1.5
Audit fees:	2.1	1.9
Interim review engagements	0.3	0.4
Other assurance services	0.4	0.5
Audit related assurance services	0.7	0.9
Total non-audit fees	0.7	0.9
Total fees	2.8	2.8

6. Staff costs

Staff costs consist of the following components:

	2021 US$m	2020 US$m
Wages and salaries	29.0	25.6
Social security costs – employer contributions	1.9	1.4
Pension costs	0.8	0.5
	31.7	27.5

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

	2021	2020
Operations	239	137
Legal and regulatory	47	29
Administration	51	37
Finance	91	86
Sales and marketing	33	67
	461	356

Some departments previously classified as sales and marketing have been reallocated to operations within the current year.

7. Key management personnel compensation

	2021 US$m	2020 US$m
Salary, fees and bonus	4.6	3.3
Pension and benefits	0.3	0.2
Share based payment charge	0.6	0.3
	5.5	3.8

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

	2021 US$m	2020 US$m
Bank interest receivable	0.7	0.8

9. Finance costs

	2021 US$m	2020 US$m
Foreign exchange differences	21.6	(3.6)
Interest costs	110.2	80.5
Early redemption expenses	–	23.9
Interest costs on lease liabilities	19.3	17.3
	151.1	118.1

The year-on-year increase in foreign exchange differences for the year ended 31 December 2021 is driven primarily by the fluctuations year-on-year of the Central African Franc and Ghana Cedi.

10. Tax expense, tax paid and deferred tax

	2021 US$m	2020 US$m
(a) Tax expense:		
Current tax		
In respect of current year	29.5	12.2
Adjustment in respect of prior years	11.7	3.2
Total current tax	41.2	15.4
Deferred tax		
Originating temporary differences on acquisition of subsidiary undertakings	(0.2)	(0.6)
Originating temporary differences on capital assets	(4.2)	1.0
Total deferred tax	(4.4)	0.4
Total tax expense	36.8	15.8
(b) Tax reconciliation:		
Loss before tax	(119.4)	(20.9)
Tax computed at the local statutory tax rate	(20.9)	(4.2)
Tax effect of expenditure not deductible for tax purposes	39.4	25.0
Tax effect of income not taxable in determining taxable profit	(7.2)	(1.8)
Fixed asset timing differences	0.9	–
Deferred income tax movement not recognised	(1.4)	(9.3)
Prior year over/(under) provision	11.7	3.2
Change of Control Taxes	12.0	–
Minimum income taxes	0.3	2.3
Other	2.0	0.6
Total tax expense	36.8	15.8

The range of statutory income tax rates applicable to the Group's operating subsidiaries is between 20% and 30%.

A change of control (as defined by the relevant local tax authority) has been triggered in a number of the Group's subsidiaries. An amount has been set aside by the pre-IPO shareholders and held in escrow to cover cash outflows in respect of these taxes which the Group believes is sufficient to cover its current estimates. In Ghana the tax charge has been computed resulting from an enterprise valuation process with external advisors and the amount is based on the Directors' best estimate of the outcome. The nature of a valuation process is inherently judgemental and is subject to the confirmation by the local tax authority. As a result the tax charge recorded may change once the process is finalised, which is expected during 2022, but the Directors do not expect this to be material.

As stipulated by local applicable law, minimum income taxes were chargeable on operating entities in Congo Brazzaville and Senegal which have reported tax losses for the year ended 31 December 2021. Minimum income taxes rules do not apply to the loss-making entities in the South African business.

A tax charge is reported in the consolidated financial statements despite a consolidated loss for accounting purposes, as a result of losses recorded in certain holding companies in Mauritius and UK. Such losses are not able to be group relieved against taxable profits in the operating company jurisdictions.

During the year, Helios Towers Ltd, HTA Holdings Ltd, HT Congo Brazzaville Holdco Ltd and HT Holdings Tanzania Ltd each obtained a Global Business License in Mauritius, in addition to HTA Group Ltd having obtained the License in a prior period. From 1 July 2021, the profits of these entities are subject to income tax, subject to ongoing conditions of the Global Business License.

10. Tax expense, tax paid and deferred tax (continued)

Based on recent experience of closing tax audit cases, the provisions held by the Group have accurately quantified the final amounts determined. The Directors considered the current provisions held by the Group to be appropriate.

Tax paid	2021 US$m	2020 US$m
Income tax	(19.2)	(10.1)
Change of Control Taxes funded by escrow restricted cash	(29.1)	(37.7)
Total tax paid	(48.3)	(47.8)

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 balances are calculated by applying the relevant statutory corporate income tax rates at the balance sheet date.

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation US$	Short term timing differences US$m	Tax losses US$m	Intangible assets US$m	Total US$m
1 January 2020	–	(4.0)	–	–	(4.0)
Charge for the year	(1.0)	0.6	–	–	(0.4)
31 December 2020	(1.0)	(3.4)	–	–	(4.4)
Arising on acquisition	–	–	–	(38.7)	(38.7)
Charge for the year	(1.7)	4.7	1.2	0.2	4.4
Exchange rate differences	–	–	–	2.4	2.4
31 December 2021	(2.7)	1.3	1.2	(36.1)	(36.3)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 US$m	2020 US$m
Deferred tax liabilities	(42.6)	(4.4)
Deferred tax assets	6.3	–
Total	(36.3)	(4.4)

Unrecognised deferred tax

At the reporting date, the Group had unused tax losses of $226.4m (2020: $200.5m) available for offset against future periods. No deferred tax asset is recognised on US$222.3m of tax losses at the balance sheet date, as the relevant businesses are not expected to generate sufficient taxable profits in the short term to justify recognising the associated deferred tax assets. As at the balance sheet date, the geographical split of the deferred tax assets in relation to losses unrecognised is DRC US$121.2m (tax effect US$36.4m), South Africa US$13.9m (tax effect US$3.9m), Congo Brazzaville US$20.0m (tax effect US$5.6m), Mauritius US$61.1m (tax effect US$9.2m) and UK US$6.1 (tax effect $US1.2m).

No deferred tax liability is recognised on temporary differences relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Uncertain tax positions

Measurement of the Group's tax liability involves estimation of the tax liabilities arising from transactions in tax jurisdictions for which the ultimate tax determination is uncertain. Where there are uncertain tax positions, the Directors assess whether it is probable that the position adopted in tax filings will be accepted by the relevant tax authority, with the results of this assessment determining the accounting that follows. The Group uses tax experts in all jurisdictions when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate. The Group's tax provision for these matters are recognised within current tax liabilities. The provision reflects a number of estimates where the amount of tax payable is either currently under audit by the tax authorities or relates to a period which has yet

10. Tax expense, tax paid and deferred tax (continued)

Uncertain tax positions (continued)

to be audited. These areas include the tax effects of change of control events, which are calculated based on valuations of the company's operations in the relevant jurisdictions, and interpretation of taxation law relating to statutory tax filings by the Helios Towers Group.

The nature of the items, for which a provision is held, is such that the final outcome could vary from the amounts recognised once a final tax determination is made. To the extent the estimated final outcome differs from the tax that has been provided, adjustments will be made to income tax and deferred tax balances held in the period the determination is made. Whilst the value of open tax audit cases for payroll, VAT and corporate income taxes across the group is material in aggregate, based on recent experiences of closing tax audit cases, the resulting adjustments are generally not material and tax accruals and provisions held by the Group have accurately quantified the final amounts determined. Therefore, the Directors consider the current provisions held by the Group to be appropriate and do not anticipate a significant risk of a material change to the amounts accrued and provided at 31 December 2021 within the next financial year.

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 2020	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
Additions during the year	–	–	–	–	–	–	2.0	2.0
Additions on acquisition of subsidiary undertakings	13.6	–	205.6	–	–	–	–	219.2
Disposals	–	–	–	–	(35.0)	–	–	(35.0)
Effects of foreign currency exchange differences	(0.7)	(0.3)	(12.6)	–	–	–	(0.4)	(14.0)
At 31 December 2021	17.8	3.0	199.8	8.8	–	1.1	21.3	251.8
Amortisation								
At 1 January 2020	–	(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)
Charge for year	–	(0.2)	(0.8)	(0.5)	–	(0.2)	(0.6)	(2.3)
Disposals	–	–	–	–	35.0	–	–	35.0
Effects of foreign currency exchange differences	–	–	(0.9)	(0.2)	–	–	0.3	(0.8)
At 31 December 2021	–	(0.6)	(2.5)	(1.6)	–	(0.5)	(19.3)	(24.5)
Net book value								
At 31 December 2021	17.8	2.4	197.3	7.2	–	0.6	2.0	227.3
At 31 December 2020	4.9	2.9	6.0	7.9	–	0.8	0.7	23.2

On 18 May 2021, the Group completed the first closing of sites of the previously announced transaction with Free Senegal. The group has acquired the passive infrastructure on 1,220 sites, colocation contracts and certain employee contracts. 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 acquired comprising customer relationships and goodwill. Please refer to further details in Note 30.

On 2 November 2021, the Group completed the acquisition of Airtel Madagascar Towers SA of the previously announced transaction with Airtel Madagascar. The group has acquired the passive infrastructure on 490 sites, colocation contracts and certain supplier contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 using the acquisition method. As a result of this transaction, intangible assets have been acquired comprising customer relationships and goodwill. Please refer to further details in Note 30.

11. Intangible assets (continued)

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 CGUs are aligned to its operating segments. 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 carrying value of goodwill at 31 December was as follows:

Goodwill	2021 US$m	2020 US$m
2019 South Africa	4.5	4.9
2021 Senegal	5.3	–
2021 Madagascar	8.0	–
Total	17.8	4.9

The recoverable amount is determined based on a value in use calculation using cash flow projections for the next five years from financial budgets approved by the Board of Directors, which incorporates climate change considerations. Management uses contractual customer agreements at the time, independently assessed new tenancies based on the expected growth in the markets and operating expense assumptions based on past experience in its cash flow projections.

Key assumptions used in value in use calculations

- number of additional colocation tenants added to towers in future periods. 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.

The key assumptions used to assess the value in use calculations were a pre-tax risk adjusted discount rate (South Africa 12.5%, Senegal 13.25% and Madagascar 15.0%) and also estimated long-term growth rates (South Africa 2.3%, Senegal 2.3% and Madagascar 2.3%). Due to the CGUs only recently being acquired, there is limited headroom in the impairment model which is to be expected. All businesses are performing in line with management expectations but a reasonable change in key assumptions would result in an impairment. The adjustment required to the discount rate to break-even is an increase of South Africa 0.2%, Madagascar 0.5% and Senegal 0.5%. The adjustment required to the future cash flows to break-even is a decrease of South Africa 1.6%, Madagascar 2.7% and Senegal 3.0%. The adjustment required to the long term growth rate to break-even is a decrease of South Africa 0.2%, Madagascar 0.4% and Senegal 0.4%.

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$m	Leasehold improve-ments US$m	Total US$m
Cost							
At 1 January 2020	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
Additions	4.9	0.3	0.4	165.0	–	0.3	170.9
Additions on acquisition of subsidiary undertakings	–	–	–	111.7	–	–	111.7
Disposals	–	–	–	(13.7)	–	–	(13.7)
Effects of foreign currency exchange differences	(0.2)	(0.2)	(0.3)	(23.7)	(0.2)	–	(24.6)
At 31 December 2021	27.5	1.6	4.7	1,508.1	6.6	3.5	1,552.0
Depreciation							
At 1 January 2020	(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)
Charge for the year	(4.9)	–	(0.6)	(136.4)	–	(0.3)	(142.2)
Disposals	–	–	–	11.6	–	–	11.6
Effects of foreign currency exchange differences	0.2	–	0.4	9.7	–	–	10.3
At 31 December 2021	(20.1)	(1.4)	(3.5)	(805.0)	(0.1)	(3.2)	(833.3)
Net book value							
At 31 December 2021	7.4	0.2	1.2	703.1	6.5	0.3	718.7
At 31 December 2020	7.4	0.1	1.3	578.9	6.7	0.3	594.7

At 31 December 2021, the Group had US$96.5 million (2020: US$59.0 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

	2021 US$m	2020 US$m
Right-of-use assets by class of underlying assets		
Land	155.9	105.4
Buildings	5.0	3.7
Motor vehicles	0.2	0.1
	161.1	109.2
Depreciation charge for right-of-use assets		
Land	12.6	12.7
Buildings	2.5	1.3
Motor vehicles	0.2	–
	15.3	14.0

As part of the acquisitions in Senegal and Madagascar, the Group acquired right-of-use assets of $17.5m and $3.6m respectively (see Note 30). The Group also entered into various leases during the year in the normal course of business. Refer to Note 21 for details of lease liabilities.

13. Investments

The subsidiary companies of Helios Towers plc are as follows:

		Effective shareholding 2021		Effective shareholding 2020	
Name of subsidiary	Country of incorporation	Direct	Indirect	Direct	Indirect
Helios Towers Chad Holdco Limited	Mauritius	–	100%	–	100%
Helios Towers Africa LLP	United Kingdom	–	100%	–	100%
Helios Towers Bidco Limited*	United Kingdom	–	100%	–	–
Helios Towers Chad Holdings Limited*	United Kingdom	–	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 Gabon Holdings Limited	United Kingdom	–	100%	–	–
Helios Towers Ghana Limited	Ghana	–	100%	–	100%
Helios Towers, Ltd	Mauritius	100%	–	100%	–
Helios Towers Madagascar Holdings Limited	United Kingdom	–	100%	–	100%
Helios Towers Malawi Holdings Limited	United Kingdom	–	100%	–	100%
Helios Towers Partners (UK) Limited	United Kingdom	–	100%	–	100%
Helios Towers Senegal SAU	Senegal	–	100%	–	100%
Helios Towers South Africa Holdings (Pty) Ltd	South Africa	–	100%	–	100%
Helios Towers South Africa (Pty) Ltd	South Africa	–	100%	–	100%
Helios Towers South Africa Services (Pty) Ltd	South Africa	–	100%	–	100%
Helios Towers (SFZ) SPC*	Oman	–	100%	–	–
Helios Towers Tanzania Limited	Tanzania	–	100%	–	100%
Helios Towers UK Holdings Limited	United Kingdom	100%	–	100%	–
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%	–	100%
HTT Infraco Limited	Tanzania	–	100%	–	100%
Madagascar Towers SA	Madagascar	–	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%
HT Services Limited*	Malawi	–	100%	–	–
Helios Towers Group Services (Pty) Ltd*	South Africa	–	100%	–	–

All subsidiaries were incorporated in prior years, other than those marked *, which were incorporated in 2021. 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. The registered office address of all subsidiaries is included in the list of subsidiaries on page 186.

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, HTA (UK) Partner Ltd, Helios Towers Bidco Limited, Helios Towers Limited and HTA (UK) Partner Limited 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, Helios Towers Senegal SAU, Madagascar Towers SA 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.

All investments relate to ordinary shares.

14. Inventories

	2021 US$m	2020 US$m
Inventories	10.5	9.0

Inventories are primarily made up of fuel stocks of US$7.5 million (2020: US$5.9 million) and raw materials of US$3.0 million (2020: US$3.1 million). The impact of inventories recognised as an expense during the year in respect of continuing operations was US$49.0 million (2020: US$51.8 million).

15. Trade and other receivables

	2021 US$m	2020 US$m
Trade receivables	83.1	50.9
Loss allowance	(6.0)	(5.8)
	77.1	45.1
Trade receivable from related parties	–	37.1
	77.1	82.2
Other receivables	96.5	49.1
VAT and withholding tax receivable	13.0	6.3
	186.6	137.6

Loss allowance	2021 US$m	2020 US$m
Balance brought forward	(5.8)	(6.4)
Provision for impairment	(0.2)	–
Unused amounts reversed	–	0.6
	(6.0)	(5.8)

The Group measures the loss allowance for trade receivables, trade receivables from related parties and other receivables at an amount equal to lifetime expected credit losses ('ECL'). The ECL 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.

Additional detail on provision for impairment can be found in Note 26.

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 contract assets of $47.2m (2020: $30.0m) and sundry receivables. $15.1m of new contract assets were recognised in the year and $2.1m of contract assets at 31 December 2020 were recovered from customers. Sundry receivables primarily include $24.1m in relation to the potential Oman transaction, which was paid into an escrow as per the agreement with Omantel, this has been disclosed under cash flows from investing activities, $7.4m of accrued income and $6.3m of deferred tax assets.

Of the trade receivables balance at 31 December 2021, 74% (31 December 2020: 84%) 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 that has not yet been settled.

15. Trade and other receivables (continued)

	2021 US$m	2020 US$m
Trade receivables[1]	83.1	88.0
Accrued revenue[2]	7.4	11.0
Less: Loss allowance	(6.0)	(5.8)
Less: Deferred income[3]	(27.4)	(32.6)
Net receivables	57.1	60.6
Revenue	449.1	414.0
Debtor days	46	53

(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 (2020: US$18.4 million) 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.

At 31 December 2021, $11.0m (2020: $9.8m) of services had been provided to customers which had yet to meet the Group's probability criterion for revenue recognition under the Group's accounting policies. Revenue for these services will be recognised in the future as and when all recognition criteria are met.

16. Prepayments

	2021 US$m	2020 US$m
Prepayments	43.3	39.3

Prepayments primarily comprise advance payments to suppliers. Included in prepayments are prepaid transaction costs of US$4.2 million (2020: US$3.6 million) in relation to the US$200 million term facility and US$1.0 million (2020: US$0.9 million) in relation to the US$70 million revolving credit facility.

17. Cash and cash equivalents

	2021 US$m	2020 US$m
Bank balances	528.9	179.7
Short-term deposits	–	249.0
	528.9	428.7

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 (of which there are none) 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 and share premium

	2021		2020	
	Number of shares (million)	US$m	Number of shares (million)	US$m
Authorised, issued and fully paid ordinary shares of £0.01 each	1,048	13.5	1,000	12.8
	1,048	13.5	1,000	12.8

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

On 16 June 2021, the Company issued 48 million new ordinary shares in the capital of the Company. This raised gross proceeds of US$109.3 million, and created share premium of US$105.6 million.

The treasury shares represent the cost of shares in Helios Towers plc purchased in the market and held by the Helios Towers plc EBT to satisfy options under the Group Share options plan. Treasury shares held by the Group as at 31 December 2021 are 1,076,697 (31 December 2020: 1,820,105).

19. Trade and other payables

	2021 US$m	2020 US$m
Trade payables	13.5	12.7
Deferred income	45.8	51.0
Deferred consideration	63.5	4.1
Accruals	104.7	75.1
VAT, withholding tax, and other taxes payable	21.5	31.8
	249.0	174.7

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 25 days (2020: 27 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$45.2 million (2020: US$61.5 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 which the Group is committed to when certain conditions are met, to enable the transfer of ownership 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

	2021 US$m	2020 US$m
Loans and bonds	1,295.5	989.4
Total loans and bonds	1,295.5	989.4
Current	2.8	2.6
Non-current	1,292.7	986.8
	1,295.5	989.4

In March 2021 the Group issued US$250 million of convertible bonds with a coupon of 2.875%, due in 2027. The initial conversion price was set at US$2.9312. The conversion price is subject to adjustments for any dividend in cash or in kind, as well as customary anti-dilution adjustments, pursuant to the terms and conditions of the convertible bonds. The bondholders have the option to convert at any time up to seven business days prior to the final maturity date. Helios Towers have the right to redeem the bonds at their principal amount, together with accrued but unpaid interest up to the optional redemption date, from April 2026, if the Helios Towers share price has traded above 130% of the conversion price on twenty out of the previous thirty days prior to the redemption notice.

In June 2021 the Group tapped the above bond for an aggregate principal amount of US$50 million. On initial recognition of the convertible bond and the convertible bond tap, a liability and equity reserve component were recognised being US$242.4 million and US$52.7 million respectively including transaction costs.

In May 2021, Helios Towers Senegal entered into facilities representing a combined €120 million in Senegal for the purposes of partially funding the Senegal towers acquisition, funding the 400 committed BTS as part of the transaction and for general working capital purposes. The facilities include both EUR and XOF denominated financing with tenors ranging from 2 years to 9 years.

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, Ltd.'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.

20. Loans (continued)

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. The Notes were issued at an issue price of 106.25 of the principal amount.

HTA Group, Ltd 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. Transaction fees related to this are reported in Prepayments (see Note 16).

Additionally, HTA Group, Ltd 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. Transaction fees related to this are reported in Prepayments (see Note 16).

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. Refer to Note 26 for further information on the Group's financial instruments.

21. Lease liabilities

	2021 US$m	2020 US$m
Short-term lease liabilities		
Land	30.0	22.4
Buildings	2.8	1.1
Motor vehicles	0.2	–
	33.0	23.5

	2021 US$m	2020 US$m
Long-term lease liabilities		
Land	146.7	105.0
Buildings	2.1	3.1
Motor vehicles	0.1	0.1
	148.9	108.2

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. Refer to Note 12b for the Group's Right-of-use assets.

The total cash paid on leases in the year was US$31.0 million (2020: US$25.5 million).

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

	Within 1 year US$m	2–5 years US$m	6–10 years US$m	10+ years US$m	Total US$m
31 December 2021	33.0	110.2	111.4	278.9	533.5
31 December 2020	23.5	83.9	84.2	263.0	454.6

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.

	2021 US$m	2020 US$m
Total contracted revenue	3,916.6	2,842.8

22. Uncompleted performance obligations (continued)

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2021 for each year from 2022 to 2026, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2021 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)	2022	2023	2024	2025	2026
Tanzania	177.7	176.7	176.5	176.5	120.9
DRC	190.5	191.4	191.1	164.2	139.0
Congo Brazzaville	27.9	28.0	28.0	18.0	11.0
Ghana	40.2	34.5	32.1	32.5	32.3
South Africa	6.0	6.2	6.3	6.2	5.9
Senegal	37.6	38.9	40.7	42.4	46.9
Madagascar	13.6	12.0	12.6	15.5	15.5
Total	493.5	487.7	487.3	455.3	371.5

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, and in respect of the period for which the related party relationship was in existence, the Group companies entered into the following commercial transactions with related parties:

	2021		2020	
	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)	18.0	–	72.2	–
Nepic Pty(2)	–	–	–	0.2
Total	18.0	–	72.2	0.2

	2021		2020	
	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	–
Total	–	–	37.1	–

(1) Millicom Holding B.V is no longer a related party of Helios Towers plc as of June 2021.
(2) No longer classified as related party as of November 2020 as their shares were sold.

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 and losses

	2021 US$m	2020 US$m
Fair value gain/(loss) on derivative financial instruments	(28.0)	33.8
Fair value movement on forward contracts	–	0.1
Fair value movement in contingent consideration	–	6.2
	(28.0)	40.1

All fair values are Level 2, except for the fair value of the embedded derivatives, which are Level 3. Further detail can be found in Note 26.

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	2021	2020
As at 1 January	1,769,864	2,085,596
Granted during the year	–	–
Exercised during the year	(743,408)	(315,732)
Forfeited during the year	–	–
At 31 December	1,026,456	1,769,864
Of which:		
Vested and exercisable	(723,047)	(728,970)
Unvested	303,409	1,040,894

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 EIP 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.

25. Share-based payments (continued)

Employee Incentive Plan (continued)

The Group has granted Long-Term Incentive Plan awards under the EIP to the Executive Directors and selected key personnel. 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.

	2021 Number of options	2020 Number of options
As at 1 January	4,227,737	4,271,821
Granted during the year	4,072,523	243,195
Exercised during the year	–	–
Forfeited during the year	(604,573)	(287,279)
As at 31 December	7,695,687	4,227,737
Vested and exercisable at 31 December[1]	6,131	–

(1) Vested and exercisable options relate to the non-work related death of an employee who was granted an award in March 2021. The options were exercised in January 2022.

The IFRS 2 charge recognised in the Consolidated Income Statement for the 2021 financial year in respect to the EIP was US$2.0 million (2020: US$1.0 million). All share options outstanding as at 31 December 2021 have a remaining contractual life of 8.5 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:

2020 LTIP Award

	Relative TSR	Adjusted EBITDA	ROIC
Grant date	19-Nov-19	19-Nov-19	19-Nov-19
Share price at grant date	£1.22	£1.22	£1.22
Fair value as a percentage of the grant price	58.7%	100.0%	100.0%
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	14.0%	n/a	n/a
Fair value per share	£0.72	£1.22	£1.22

2021 LTIP Award

	Relative TSR	Adjusted EBITDA	ROIC
Grant date	16-Mar-21	16-Mar-21	16-Mar-21
Share price at grant date	£1.53	£1.53	£1.53
Fair value as a percentage of the grant price	58.2%	100.0%	100.0%
Term to vest (years)	2.8	2.8	2.8
Expected life from grant date (years)	2.8	2.8	2.8
Volatility	53.7%	n/a	n/a
Risk-free rate of interest	0.1%	n/a	n/a
Dividend yield	n/a	n/a	n/a
Average FTSE 250 volatility	41.3%	n/a	n/a
Average FTSE 250 correlation	27.2%	n/a	n/a
Fair value per share	£0.89	£1.53	£1.53

25. Share-based payments (continued)

HT SharingPlan

Shareholders voted to approve the all-employee share plan schemes at the 2021 AGM. In September 2021, the Board granted inaugural 'HT SharingPlan' Restricted Stock Unit (RSU) awards under the HT Global Share Purchase Plan rules. All employees were granted awards of equal value and on the same terms. Each employee was granted a 2021 award with a three-year vesting period. The Board also granted all employees an additional one-off Covid-19 Thank You Award with a six-month vesting period. The vesting of the awards is subject to continued employment with the Group.

	2021 Number of RSUs	2020 Number of RSUs
As at 1 January	–	–
Granted during the year	740,826	–
Forfeited during the year	(11,298)	–
Vested during the year	–	–
As at 31 December	729,528	–

26. Financial instruments

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

	31 December 2021 US$m	31 December 2020 US$m
Balance brought forward	88.8	41.0
Change in fair value of derivative financial instrument – US$600m 9.125% Senior Notes 2022	–	(41.0)
Derivative financial instrument – US$975m 7.000% Senior Notes 2025	(28.0)	85.7
Currency forward contracts	(3.1)	3.1
Balance carried forward	57.7	88.8

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.

26. Financial instruments (continued)

Gearing ratio

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

	2021 US$m	2020 US$m
Debt (net of issue costs)	1,477.4	1,121.1
Cash and cash equivalents	(528.9)	(428.7)
Net debt	948.5	692.4
Equity attributable to the owners	168.0	130.3
	5.6x	5.3x

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

	2021 US$m	2020 US$m
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	528.9	428.7
Trade and other receivables	173.6	131.3
	702.5	560.0
Fair value through profit or loss:		
Derivative financial assets	57.7	88.8
	760.2	648.8
Financial liabilities		
Amortised cost:		
Trade and other payables	181.7	91.9
Lease liabilities	181.9	131.7
Loans	1,295.5	989.4
	1,659.1	1,213.0

As at 31 December 2021 and 31 December 2020, 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') and EURO ('EUR') 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.

26. Financial instruments (continued)

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'), Malagasy Ariary ('MGA'), 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	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
New Ghanaian Cedi	27.0	25.4	19.0	35.8
Malagasy Ariary	10.4	–	6.8	–
Tanzanian Shilling	86.9	70.6	39.3	49.8
South African Rand	22.1	23.5	11.4	8.8
Central African Franc	107.1	8.7	42.1	18.3
	253.5	128.2	118.6	112.7

The prior year comparatives have been updated to be in line with the methodology of current year figures

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase in US Dollar against GHS, XAF, TZS, MGA 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.

	Impact on profit or loss	
	2021 US$m	2020 US$m
New Ghanaian Cedi impact	0.8	(1.0)
Malagasy Ariary impact	0.4	–
Tanzanian Shilling impact	4.8	2.1
South African Rand	1.1	1.5
Central African Franc impact	6.5	(1.0)

This is mainly attributable to the exposure outstanding on GHS, MGA, 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 2021, 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.

26. Financial instruments (continued)

Credit risk management (continued)

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

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 2021			31 December 2020		
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	148.4	(0.1)	148.3	111.4	(0.3)	111.1
2	Low risk	11.2	(0.4)	10.8	10.6	(0.4)	10.2
3	Medium risk	0.2	–	0.2	–	–	–
4	High risk	18.6	(4.3)	14.3	13.2	(3.2)	10.0
5	Impaired	1.2	(1.2)	–	1.9	(1.9)	–
Total		179.6	(6.0)	173.6	137.1	(5.8)	131.3

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 2021 the facility was undrawn and is available until December 2024. The Group has remained compliant during the year to 31 December 2021 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 2021 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 of liquid funds 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 2021					
Non-interest bearing	181.7	–	–	–	181.7
Fixed interest rate instruments	35.8	29.9	1,373.1	390.2	1,829.0
	217.5	29.9	1,373.1	390.2	2,010.7
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

26. Financial instruments (continued)

Non-derivative financial assets

The following table details the Group's expected maturity for other non-derivative financial assets. The table below has 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 2021					
Non-interest bearing	339.5	–	–	–	339.5
Fixed interest rate instruments	353.0	10.0	–	–	363.0
	692.5	10.0	–	–	702.5
31 December 2020					
Non-interest bearing	560.0	–	–	–	560.0
Fixed interest rate instruments	–	–	–	–	–
	560.0	–	–	–	560.0

Derivative financial instruments assets

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 US Dollar 3-month LIBOR plus Helios Towers' credit spread. For the valuation date of 31 December 2021, a relative 5% increase in credit spread would result in an approximate US$5.7 million decrease in the valuation of the embedded derivatives.

As at the reporting date, the call option had a fair value of US$57.7 million (31 December 2020: US$85.7 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 2020: 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.

The key assumptions in determining the fair value are: the quoted price of the bond as at 31 December 2021; 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.

26. Financial instruments (continued)

Derivative financial instruments assets (continued)

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2021					
Net settled:					
Embedded derivatives	–	–	57.7	–	57.7
	–	–	57.7	–	57.7
31 December 2020					
Net settled:					
Embedded derivatives	–	–	85.7	–	85.7
	–	–	85.7	–	85.7

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.

27. Contingent liabilities

The Group exercises judgement to determine whether to recognise provisions and make disclosures for contingent liabilities as explained in note 2b.

In the year ending 31 December 2021, the Tanzania Revenue Authority issued an initial assessment on a number of taxes including corporate income tax, withholding tax and stamp duty for the financial years ending 2015 to 2018 inclusive. The outstanding amount is approximately US$78.6 million. Responses have been submitted to the relevant tax authority in relation to the assessments and remain under review with local tax experts and as such the impact, if any, is uncertain at this time.

The Directors are working with their advisers and are in discussion with the tax authorities to bring the matters to conclusion based on the facts. At this time, the Directors have identified no present obligations in relation to these tax audits that would lead to material probable future cash outflows and therefore no provision has been made for these amounts. The balances above represent the Group's assessment of the maximum possible exposure for the years assessed.

Other individually immaterial tax, and regulatory proceedings, claims and unresolved disputes are pending against Helios Towers in a number of jurisdictions. The timing of resolution and potential outcome (including any future financial obligations) of these are uncertain, but not considered probable and therefore no provision has been recognised in relation to these matters.

Legal claims

Other individually immaterial legal and regulatory proceedings, claims and unresolved disputes are pending against Helios Towers in a number of jurisdictions 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

	2021 US$m	2020 US$m
External debt	(1,295.5)	(989.4)
Lease liabilities	(181.9)	(131.7)
Cash and cash equivalents	528.9	428.7
Net debt	(948.5)	(692.4)

28. Net debt (continued)

2021	At 1 January 2021 US$m	Cash flows US$m	Other[1] US$m	At 31 December 2021 US$m
Cash and cash equivalents	428.7	102.3	(2.1)	528.9
External debt	(989.4)	(351.8)	45.7	(1,295.5)
Lease liabilities	(131.7)	13.3	(63.5)	(181.9)
Total financing liabilities	(1,121.1)	(338.5)	(17.8)	(1,477.4)
Net debt	(692.4)	(236.2)	(19.9)	(948.5)

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)

(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. Loss per share

Basic loss 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 the EBT.

To calculate diluted loss 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 a useful additional measure to better understand the performance of the business (refer to Note 4).

Loss per share is based on:

	2021 US$m	2020 US$m
Loss after tax for the year attributable to owners of the Company	(156.2)	(36.7)
Adjusted EBITDA (Note 4)	240.6	226.6

	2021 Number	2020 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	1,024,306,006	997,517,010
Weighted average number of dilutive potential shares	84,788,045	6,527,541
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,109,094,051	1,004,044,551

29. Loss per share (continued)

Loss per share	2021 cents	2020 cents
Basic	(15)	(4)
Diluted	(15)	(4)

Adjusted EBITDA per share	2021 cents	2020 cents
Basic	23	23
Diluted	22	23

The calculation of basic and diluted loss per share is based on the net loss attributable to equity holders of the Company entity for the year of US$159.0 million (2020: US$36.7 million). Basic and diluted loss 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$240.6 million (2020: US$226.6 million). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

30. Acquisition of subsidiary undertakings

The Senegal and Madagascar acquisitions open up considerable growth opportunities to Helios Towers. The portfolios of towers purchased from the MNOs come with lower tenancy ratios initially as they were principally built and operated for a sole MNO. Therefore whilst the tenancy ratio and EBITDA margins are lower than the Group margins, they offer a fantastic platform from the assets can be developed to serve the needs of all the MNOs in these markets.

Senegal

On 18 May 2021, the Group completed the acquisition of sites of the previously announced transaction with Free Senegal. The Group has acquired the passive infrastructure on 1,207 sites, colocation contracts and certain employee contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3, using the acquisition method. The total consideration in respect of the transaction was US$226.8 million. Goodwill arising on this business combination has been allocated to the Senegal CGU.

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

Identifiable assets and liabilities acquired	18 May 2021 US$m
Assets	
Fair value of property, plant and equipment	85.0
Fair value of intangible assets	171.0
Right-of-use assets	17.5
Total assets	273.5
Liabilities	
Other liabilities	(4.9)
Lease liabilities	(15.2)
Deferred income	(1.9)
Deferred taxation	(30.3)
Total liabilities	(52.3)
Total net identifiable assets	221.2
Goodwill on acquisition	5.6
Total consideration	226.8
Consideration paid in cash	167.3
Deferred consideration	59.5
Total consideration	226.8

The identified goodwill reflects the intellectual capital of the workforce.

Deferred consideration is payable subject to timing of future closings of sites and to the committed BTS rollout up to December 2025. This has been discounted to reflect the present value of future payments.

30. Acquisition of subsidiary undertakings (continued)

The Group has assessed the fair value of assets acquired at US$273.5 million, based on appropriate valuation methodology. The valuation techniques used for measuring 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 relationships)	Multi-period excess earnings method which considered the present value of net cash flows expected to be generated by the customer relationships.

The Group incurred acquisition-related costs of US$4.7 million. These costs have been included in deal costs (within administrative expenses) in the Group's Consolidated Income Statement. For the period from 18 May 2021 to 31 December 2021 this acquisition contributed revenue of US$23.4 million and a loss of US$19.6 million.

Madagascar

On 2 November 2021, the Group completed the acquisition of Airtel Madagascar Towers SA of the previously announced transaction with Airtel Madagascar. The group has acquired the passive infrastructure on 490 sites, colocation contracts and certain supplier contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 using the acquisition method. The total consideration in respect of the transaction was US$59.0m. Goodwill arising on this business combination has been allocated to the Madagascar CGU.

The fair value assessment of the assets and liabilities acquired includes a programme of site visits to ascertain the condition of the assets acquired which, due to the effects of the Covid-19 pandemic on travel is still ongoing. The results of these visits may result in updates to the provisional acquisition accounting within the 12 month period following the acquisition in line with the requirements of IFRS 3. The below figures are therefore provisional

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

Identifiable assets and liabilities acquired:	2 November 2021 US$m
Assets	
Fair value of property, plant and equipment	26.7
Fair value of intangible assets	34.6
Right of use assets	3.6
Other assets	1.6
Cash	0.1
Total assets	66.6
Liabilities	
Other liabilities	(3.6)
Lease liabilities	(3.6)
Deferred taxation	(8.4)
Total liabilities	(15.6)
Total net identifiable assets	51.0
Goodwill on acquisition	8.0
Total consideration	59.0
Consideration paid in cash	46.8
Deferred consideration	12.2
Total consideration	59.0

The goodwill is attributable to the processes acquired.

Deferred consideration is payable subject to timing of future closings of sites and to the committed build-to-suit rollout up to October 2024. This has been discounted to reflect the present value of future payments.

30. Acquisition of subsidiary undertakings (continued)

The Group has assessed the fair value of assets acquired at US$66.6 million, based on appropriate valuation methodology. The valuation techniques used for measuring fair value of material assets acquired were as follows:

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

The Group incurred acquisition related costs of US$2.2 million. These costs have been included in deal costs (within administrative expenses) in the Group's consolidated income statement. For the period from 2 November to 31 December 2021 this acquisition contributed revenue of US$2.4 million and a profit of US$0.8 million.

The cash outflow in respect of acquisition of subsidiaries includes consideration of $167.3m in respect of Senegal, consideration of $46.8m in respect of Madagascar, and $24.1 paid into an escrow account (classified as a receivable in the 31 December 2021 balance sheet; see note 15) in respect of the Group's planned 2022 acquisition in Oman.

31. Subsequent events

In February 2022, the Congo Brazzaville tax authority issued an initial notification relating to corporate income tax for the years 2020 and 2021. The claim amounts to US$26 million and the case is under review with local tax experts and as such the impact, if any, is uncertain. At this time, the Directors have no reason to believe the Group tax filings will be materially adjusted as a result of this matter. The amounts above represent the Group's assessment of the maximum possible exposure for the years assessed.

Company Statement of financial position

As at 31 December

	Note	2021 US$m	2020 US$m
Non-current assets			
Investments	3	1,240.2	1,192.7
		1,240.2	1,192.7
Current assets			
Trade and other receivables	4	45.5	36.4
Prepayments		0.3	0.1
Cash and cash equivalents	5	105.8	80.3
		151.6	116.8
Total assets		1,391.8	1,309.5
Equity			
Issued capital and reserves			
Share capital	6	13.5	12.8
Share premium		105.6	–
Share-based payments reserves		12.4	10.9
Other reserves		7.2	7.2
Retained earnings		1,244.5	1,254.6
Total equity		1,383.2	1,285.5
Current liabilities			
Trade and other payables	7	8.6	24.0
Total liabilities		8.6	24.0
Total equity and liabilities		1,391.8	1,309.5

The loss for the year attributable to the shareholders of the Company and recorded through the accounts of the Company was US$10.1 million (2020: US$3.7 million).

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

These Financial Statements were approved and authorised for issue by the Board on 16 March 2022 and signed on its behalf by:

Kash Pandya

Manjit Dhillon

Company Statement of changes in equity

For the year ended 31 December 2021

	Share capital US$m	Share premium US$m	Other reserves US$m	Share-based payments reserves US$m	Retained earnings US$m	Attributable to the owners of the Company US$m	Total equity US$m
Balance at 1 January 2020	12.8	–	7.2	10.0	1,258.3	1,288.3	1,288.3
Total comprehensive loss for the year	–	–	–	–	(3.7)	(3.7)	(3.7)
Transactions with owners:							
Share-based payments	–	–	–	0.9	–	0.9	0.9
Balance at 31 December 2020	12.8	–	7.2	10.9	1,254.6	1,285.5	1,285.5
Total comprehensive loss for the year	–	–	–	–	(10.1)	(10.1)	(10.1)
Transactions with owners:							
Issue of share capital	0.7	105.6	–	–	–	106.3	106.3
Share-based payments	–	–	–	1.5	–	1.5	1.5
Balance at 31 December 2021	13.5	105.6	7.2	12.4	1,244.5	1,383.2	1,383.2

Share-based payments reserves relate to share options awarded.

Notes to the Company Financial Statements

For the year ended 31 December 2021

1. Statement of compliance and presentation of financial statements

Helios Towers plc ('the Company'), together with its subsidiaries (collectively, 'Helios', or 'the Group'), is an independent tower company, with operations across seven 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. 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 is the parent and ultimate parent of the Group.

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

2. Accounting policies

Basis of preparation

The Company Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006.

The Financial Statements have been prepared on the historical cost basis. The Financial Statements are presented in United States Dollars ('US$'), and rounded to the nearest hundred thousand (US$0.1 million) except where otherwise stated, which is the functional currency of the Company. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Helios Towers plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its Financial Statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-Group transactions and remuneration of key management personnel.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these Financial Statements.

The principal accounting policies adopted are set out below.

Foreign currency translation

In preparing the Financial Statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year on initial recognition, and which meet the above conditions, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

2. Accounting policies (continued)

Financial instruments (continued)

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment (which is tested when there is an indicator of potential impairment). For investments in subsidiaries acquired for consideration, including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus the fair value of other consideration.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

Related parties

For the purpose of these Financial Statements, parties are considered to be related to the Company if they have the ability, directly or indirectly to control the Company or exercise significant influence over the Company in making financial or operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme. No employee remuneration is paid by the Company.

Share-based payment

The Company grants to its employees rights to the equity instruments of its Group. The fair value of awards granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to receive the awards. The fair value of the awards granted is measured using a pricing model, taking into account the terms and conditions upon which the awards were granted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainty within the Company's individual Financial Statements.

Notes to the Company Financial Statements continued

For the period ended 31 December 2021

2. Accounting policies (continued)

Financial risk management

The Company has exposure to market risk. The overall framework for managing risk that affects the Company is discussed in Note 2 to the Consolidated Financial Statements. All carrying values are considered to be fair values.

Foreign currency risk

The Company holds monetary assets and liabilities in currencies other than US Dollar. The majority of these relate to intercompany balances.

3. Investments

	2021 US$m	2020 US$m
Cost		
Brought forward	1,192.7	1,165.1
Additions in the year	47.5	27.6
Carried forward at 31 December	1,240.2	1,192.7
Provision for impairment		
Brought forward	–	–
Carried forward at 31 December	–	–
Net book value as at 31 December	1,240.2	1,192.7

Details of the Company's subsidiary undertakings are set out in Note 13 in the Consolidated Financial Statements of the Group.

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2021.

Name	Company number
Helios Towers UK Holdings Limited	12861165
Helios Towers Malawi Holdings Limited	13074060
Helios Towers Bidco Limited	13325881
Helios Towers Madagascar Holdings Limited	13074064
Helios Towers Partners (UK) Limited	11849776
HTA(UK) Partner Limited	07564867
Helios Towers Africa LLP	OC352332

No event triggering a possible impairment was identified in the current year and, therefore, no impairment test was performed.

4. Trade and other receivables

	2021 US$m	2020 US$m
Amounts receivable from related parties	45.5	36.4

Amounts receivable from related parties are unsecured, interest free and repayable on demand.

5. Cash and cash equivalents

	2021 US$m	2020 US$m
Bank balances	105.8	80.3

6. Share capital

	2021		2020	
	Number of shares (millions)	US$m	Number of shares (millions)	US$m
Authorised, issued and fully paid Ordinary shares of £0.01 each	1,048	13.5	1,000	12.8
	1,048	13.5	1,000	12.8

The share capital is represented by the share capital of the Company, Helios Towers plc. The Company was incorporated on 1 August 2019 to act as the holding company for the Group.

On 16 June 2021, the Company issued 48 million new ordinary shares in the capital of the Company. This raised gross proceeds of US$109.3 million.

7. Trade and other payables

	2021 US$m	2020 US$m
Amounts payable to related parties	8.6	24.0

Amounts payable to related parties are unsecured, interest free and repayable on demand.

List of subsidiaries

Name of subsidiary	Registered office address
Helios Towers Africa LLP	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Partners (UK) Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
HTA (UK) Partner Ltd	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers UK Holdings Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Madagascar Holdings Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Malawi Holdings Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Chad Holdings Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Gabon Holdings Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers Bidco Limited	10th Floor, 5 Merchant Square West, London, United Kingdom, W2 1AS
Helios Towers, Ltd.	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA Holdings, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA Group, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HT Congo Brazzaville Holdco Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HT Holdings Tanzania, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
Helios Chad Holdco Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
Helios Towers Congo Brazzaville SASU	1st Floor TPI Building, Boulevard Denis Sassou-Nguesso, opposite the SCLOG, Mpila, Brazzaville, Congo
Helios Towers DRC SARL	1st Floor, Tower LE 130, 130B, Avenue Kwango, Kinshasa, Gombe, DRC
HT DRC Infraco SARL	1st Floor, Tower LE 130, 130B, Avenue Kwango, Kinshasa, Gombe, DRC
Helios Towers Tanzania Limited	Ground Floor, Peninsula House, Plot No. 251 Toure Drive, P.O. Box 105297, Oysterbay, Dar Es Salaam, Tanzania
HTT Infraco Limited	Ground Floor, Peninsula House, Plot No. 251 Toure Drive, P.O. Box 105297, Oysterbay, Dar Es Salaam, Tanzania
HS Holdings Limited	Ground Floor, Peninsula House, Plot No. 251 Toure Drive, P.O. Box 105297, Oysterbay, Dar Es Salaam, Tanzania
Helios Towers Ghana Limited	No.31, Akosombo Road, Airport Residential Area, Private Mail Bag CT 409, Cantonments, Accra-Ghana
HTG Managed Services Limited	No.31, Akosombo Road, Airport Residential Area, Private Mail Bag CT 409, Cantonments, Accra-Ghana
Towers NL Cooperatief U.A.	EDGE Amsterdam West (Basisweg 10, 1043 AP, Amsterdam)
McTam International 1 B.V.	Oslo 1, 2993 LD Barendrecht, The Netherlands
McRory Investment B.V.	Oslo 1, 2993 LD Barendrecht, The Netherlands
Helios Towers South Africa Holdings (Pty) Ltd	First Floor, Hertford Office Park Block I, Bekker Road, Vorna Valley, Midrand, Gauteng, 1686
Helios Towers South Africa (Pty) Ltd	First Floor, Hertford Office Park Block I, Bekker Road, Vorna Valley, Midrand, Gauteng, 1686
Helios Towers South Africa Services (Pty) Ltd	First Floor, Hertford Office Park Block I, Bekker Road, Vorna Valley, Midrand, Gauteng, 1686
Helios Towers Group Services (Pty) Ltd	First Floor, Hertford Office Park Block I, Bekker Road, Vorna Valley, Midrand, Gauteng, 1686
HTSA Towers (Pty) Ltd	First Floor, Hertford Office Park Block I, Bekker Road, Vorna Valley, Midrand, Gauteng, 1686
Helios Towers FZ-LLC	DIC, Unit 102, Floor 1, Building 5, Dubai Internet City, United Arab Emirates
Helios Towers Senegal SAU	Dakar (Sénégal), Résidence Malaado Plaza, Tour de l'œuf, Point E, 5e étage Bâtiment
Helios Towers (SFZ) SPC	Salalah Free Zone, PO Box 87, Postal code: 217
HT Services Limited	2nd Floor, Glass House, Area 14, Lilongwe, Malawi
Madagascar Towers SA	Immeuble S, Lot II J 1 AA Morarano Alarobia, Antananarivo, Madagascar

Officers, professional advisors and shareholder information

Directors
(as at 31 December 2021)
Sir Samuel Jonah
Kash Pandya
Tom Greenwood
Manjit Dhillon
Magnus Mandersson
Alison Baker
Richard Byrne
David Wassong
Temitope Lawani
Sally Ashford
Carole Wamuyu Wainaina

Company Secretary
Paul Barrett

Registered office
10th Floor
5 Merchant Square West
London
United Kingdom
W2 1AS

Registered number
12134855

Banker
NatWest Bank Plc
63 Piccadilly & New Bond Street
London
W1J 0AJ

Auditor
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Solicitor
Linklaters LLP
One Silk Street
London
EC2Y 8HQ

Registrar
Computershare Investor services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Financial PR
FTI Consulting
200 Aldersgate Street
Barbican
London
EC1A 4HD

Shareholder Information

Corporate website
The **Company's website** provides information for shareholders including:
- Company news and information;
- the Company's governance arrangements;
- Sustainable Business Strategy;
- the Company's business model; and
- the Company's values and approach.

There is also a dedicated **investors' section** which contains up to date information for shareholders and future investors including:
- results, reports and presentations;
- regulatory announcements;
- share price data;
- our financial calendar; and
- our recent M&A transactions and financing projects.

Sustainable Business Report
The Company's Sustainable Business Report 2021 can be found **here**.

Registrar contact details
All general queries about holdings of ordinary shares in the Company should be addressed to the Company's Registrar, Computershare Investor Services PLC, at the address opposite or:

Online: www.investorcentre.co.uk/help
Telephone for both UK and overseas shareholders: +44 (0)370 703 6049
Text phone: +44 (0)370 702 0005

Electronic Communications
By registering to receive shareholder documentation from Helios Towers plc electronically shareholders can benefit from being able to:
- view the Annual Report and Financial Statements on the day it is published;
- receive an email alert when shareholder documents are available;
- cast their AGM vote electronically; and
- manage their shareholding quickly and securely online, through Computershare.

Electronic shareholder communications creates environmental benefits through reduced use of printing, paper and couriers.

For further information and to register for electronic shareholder communications, visit www.investorcentre.co.uk.

Shareholder security
Companies have become aware that shareholders have been receiving unsolicited telephone calls or correspondence concerning investment matters. These callers typically cold call investors offering worthless, overpriced, or potentially non-existent shares, or to buy shares at an inflated price in return for an upfront payment. More detailed information on this or similar activity and how to avoid investment scams can be found at the Financial Conduct Authority's **website**.

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**' 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 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.

'**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.

'**Analysys Mason**' means Analysys Mason Limited.

'**Announced markets/Announced new markets**': Announced markets reflects signed acquisition agreements with both Omantel and Airtel Africa Group Companies ('Airtel Africa') for their respective tower portfolios in Oman and Malawi, in addition to a memorandum of understanding arrangement for the potential acquisition of Airtel Africa's tower portfolio in Gabon. All are subject to completion.

'Annualised Adjusted EBITDA' means Adjusted EBITDA for the last three months of the respective period, multiplied by four, adjusted to reflect the annualised contribution from acquisitions that have closed in the last three months of the respective period.

'Annualised portfolio free cash flow' means portfolio free cash flow for the respective period, adjusted to annualise for the impact of acquisitions closed during the period.

'**average remaining life**' means the average of the periods through 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.

'**Carbon Reduction Roadmap**' refers to Carbon Reduction Roadmap 2021 presented by Helios Towers, Plc on 25th November 2021.

'**Chad**' means Republic of Chad.

'**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.

‘**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 net change in working capital, cash paid for adjusting and EBITDA adjusting items, cash paid in relation to non-recurring taxes and proceeds on 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 1,207 sites in Senegal from Free Senegal and the entry into the Free Senegal MTSA.

‘**Gabon**’ means Gabonese Republic.

‘**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 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.

‘**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.

Glossary continued

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

'**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.

'**Madagascar**' means Republic of Madagascar.

'Malawi' means Republic of Malawi.

'**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.

'**Middle East**' region includes thirteen countries namely Hashemite Kingdom of Jordan, Kingdom of Bahrain, Kingdom of Saudi Arabia, Republic of Iraq, Republic of Lebanon, State of Kuwait, Sultanate of Oman, State of Palestine, State of Qatar, Syrian Arab Republic, The Republic of Yemen, The Islamic Republic of Iran and The United Arab Emirates.

'**Millicom**' means Millicom International Cellular SA.

'**MLA**' means master lease agreement.

'**MNO**' means mobile network operator.

'**mobile penetration**' means the amount of unique 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.

'**NOC**' means network operating centre.

'**Oman**' means Sultanate of Oman.

'**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, South Africa, Senegal and Madagascar.

'**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.

'**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.

'**Zantel**' means Zantel Telecom plc.

Our customers, as well as certain other telecommunications operators named in this Annual Report, are generally referred to in this document by their trade names. Our contracts with these customers are typically with an entity or entities in that customer's group of companies.

Notes

Disclaimer

This document 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 and related projections and forecasts. 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 document also contains industry, market and competitive position data and forecasts from our own internal estimates and research as well as from studies conducted by third parties, publicly available information, industry and general publications and research and surveys. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Industry publications, research, surveys and studies generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information obtained from these sources and from our and third party estimates are subject to the same qualifications and uncertainties as the other forward-looking statements in this prospectus and as described above.

This document 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.

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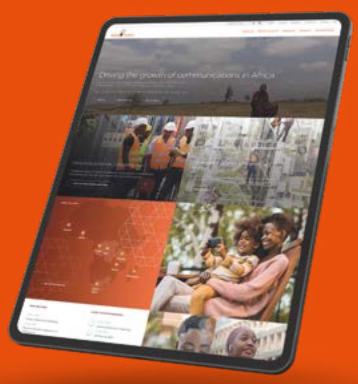

www.heliostowers.com

helios towers

Registered office address
10th Floor
5 Merchant Square West
London
W2 1AS

T: +44 (0) 207 871 3670

F: +44 (0) 207 235 6542

Registered Company Number
12134855