HELIOS TOWERS plc

Unaudited results for the 6 and 3 months ended 30 June 2020

Guidance for 2020 remains unchanged

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

Delivering on our acquisition growth strategy

London, 13 August 2020: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the 6 and 3 months to 30 June 2020.

	H1 2020	H1 2019	Change	**Q2 2020**	Q1 2020	Change
Sites	**7,092**	6,882	+3%	**7,092**	6,991	+1%
Tenancies	**14,906**	14,100	+6%	**14,906**	14,677	+2%
Tenancy ratio	**2.10x**	2.05x	+0.05x	**2.10x**	2.10x	-
Revenue (US$m)	**204.0**	190.7	+7%	**102.2**	101.8	+0%
Adjusted EBITDA (US$m)[1]	**109.1**	99.0	+10%	**55.1**	54.0	+2%
Adjusted EBITDA margin[1]	**53%**	52%	+1ppt	**54%**	53%	+1ppt
Operating profit for the period (US$m)	**29.3**	12.7	+131%	**17.2**	12.1	+42%

Financial highlights

- H1 2020 Group revenue increased by 7% year-on-year to US$204.0m (H1 2019: US$190.7m) driven by continued growth in the number of sites and tenancies across the Group.
    - Q2 2020 Group revenue increased slightly quarter-on-quarter to US$102.2m (Q1 2020: US$101.8m).

- H1 2020 Adjusted EBITDA increased by 10% year-on-year to US$109.1m (H1 2019: US$99.0m), reflecting both tenancy growth and continued improvements in operational efficiency, with H1 2020 Adjusted EBITDA margin at 53% (H1 2019: 52%), up 1ppt.
    - Q2 2020 Adjusted EBITDA increased quarter-on-quarter to US$55.1m (Q1 2020: US$54.0m), with Q2 2020 Adjusted EBITDA margin at 54% (Q1 2020: 53%), up 1ppt.

- H1 2020 operating profit increased by 131% year-on-year to US$29.3m (H1 2019: US$12.7m).
    - Q2 2020 operating profit increased by 42% quarter-on-quarter to US$17.2m (Q1 2020: US$12.1m).

- Successfully completed refinancing with the issuance of US$750m Senior Notes due 2025 with 7.00% coupon alongside raising of new US$70m revolving credit facility and new term loan of up to US$200m which will be utilised predominately on expansionary opportunities.

Operational highlights

- On 12 August Helios Towers signed an agreement with Free Senegal, the second largest mobile operator in Senegal, to acquire its 1,220 tower portfolio for an upfront cash consideration of €160 million (c.$189 million). Additionally 400 build-to-suit sites have been committed to be rolled out over the next 5 years. Helios Towers have entered into a 15 year service agreement with Free Senegal for the provision of hosting and energy services on the acquired sites and the build-to-suit sites to be rolled out in the future.
- Helios Towers continues to monitor the impact of COVID-19 on its operations and to date there has been no significant impact. The telecommunications sector has been classified as an 'essential service' in our markets, allowing us to operate at our normal high levels of service, with record power uptime in June 2020, as well as roll out of new tenancies.
- Increase in tenancies of 806 tenants year-on-year to 14,906 tenants (H1 2019: 14,100 tenants). Q2 2020 tenancies increased by 229 quarter-on-quarter to 14,906 (Q1 2020: 14,677).
- Increase in sites of 210 sites year-on-year to 7,092 sites (H1 2019: 6,882 sites). Q2 2020 number of sites increased by 101 quarter-on-quarter to 7,092 (Q1 2020: 6,991).
- Tenancy ratio increased year-on-year by 0.05x to 2.10x (H1 2019: 2.05x). Q2 2020 tenancy ratio constant quarter-on-quarter at 2.10x.

- Two in-market acquisitions were signed in Q2 2020 which is in line with the full year capex guidance.
  - 29 June 2020: Helios Towers plc's South African subsidiary acquired 46 sites from Eagle Towers, with a further 19 sites expected as part of this transaction later in the year.
  - 30 June 2020: Helios Towers Congo Brazzaville signed a Managed Service Agreement for 34 sites which are in the process of being acquired from Airtel Congo S.A.

[1] Refer to full definitions in the Alternative Performance Measures section in this announcement.

2020 Outlook and guidance

- Our H1 2020 performance has been broadly in line with expectations and there has been no significant operational impact from COVID-19 to date.
- We remain active and vigilant both to monitor and anticipate potential risks, and to identify opportunities for incremental growth.
- Our guidance for 2020 remains unchanged.

Kash Pandya, Chief Executive Officer, said:

"The first half of 2020 saw our business deliver in line with expectations, in the face of seismic disruptions to the wider global commercial backdrop due to the COVID-19 impact. We have delivered strong top-line growth and Adjusted EBITDA performance which is testament to the resilience as well as the power and leverage of our operating model, and to the approach of our teams in central functions and in the field. We anticipate that these attributes will continue to serve the business well going forward, not least in the near-term as the challenges of the pandemic currently remain evident.

Additionally during the second quarter we have been able to optimise our funding structure and capacity in order to ensure Helios Towers is primed to execute on the right growth opportunities for our shareholders. This has been demonstrated by our recently announced entrance into Senegal, our sixth market, through the signing of an agreement to acquire over 1,200 sites from Free Senegal. We are very excited about the Senegalese opportunity which aligns perfectly with our strategic ambitions of broadening our footprint within the African telecoms infrastructure market."

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Helios Towers management will host a conference call for analysts and institutional investors at 09.30 BST on Thursday, 13 August 2020. Dial in details for the conference call are:

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About Helios Towers

- Helios Towers is a leading independent telecommunications infrastructure company in Africa, having established one of the continent's most extensive tower portfolios with close to 7,100 towers across five countries. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.

- Helios Towers owns and operates more sites than any other operator in each of Tanzania, Democratic Republic of Congo ("DRC"), and Congo Brazzaville. It is also a leading operator in Ghana with a strong urban presence and established a presence in South Africa in 2019.

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

Financial and Operating Review

The analysis of the Group's financial results and performance has largely been performed on a quarterly basis as the Group reports its results quarterly. A quarterly analysis is considered more appropriate and meaningful.

Condensed consolidated statement of profit or loss

For the 6 and 3 months ended 30 June

	6 months ended 30 June		3 months ended 30 June	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Revenue	**204.0**	190.7	**102.2**	97.0
Cost of sales	**(130.2)**	(132.7)	**(65.2)**	(67.4)
Gross profit	**73.8**	58.0	**37.0**	29.6
Administrative expenses	**(43.2)**	(40.0)	**(19.1)**	(23.6)
Loss on disposal of property, plant and equipment	**(1.3)**	(5.3)	**(0.7)**	(0.2)
Operating profit	**29.3**	12.7	**17.2**	5.8
Interest receivable	**0.5**	0.7	**-**	0.6
(Loss)/gain on financial instruments	**(35.0)**	24.3	**6.0**	8.5
Finance costs	**(77.8)**	(56.4)	**(48.7)**	(24.9)
Loss before tax	**(83.0)**	(18.7)	**(25.5)**	(10.0)
Tax expenses	**(7.8)**	(3.8)	**(3.8)**	(3.1)
Loss after tax	**(90.8)**	(22.5)	**(29.3)**	(13.1)

Key metrics

For the 3 months ended 30 June

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m
Revenue for the quarter	**$102.2**	$97.0	**$41.9**	$41.2	**$43.0**	$39.3	**$6.3**	$6.1	**$10.4**	$10.0	**$0.6**	$0.4
Adjusted gross margin[1,2]	**68%**	65%	**67%**	65%	**65%**	63%	**69%**	67%	**78%**	68%	**67%**	77%
Sites at beginning of the quarter	**6,991**	6,716	**3,667**	3,654	**1,853**	1,759	**384**	380	**964**	910	**123**	13
Sites at quarter end	**7,092**	6,882	**3,668**	3,650	**1,867**	1,817	**415**	381	**970**	933	**172**	101
Tenancies at beginning of the quarter	**14,677**	13,600	**8,120**	7,824	**3,883**	3,519	**565**	531	**1,891**	1,709	**218**	17
Tenancies at quarter end	**14,906**	14,100	**8,131**	7,950	**3,944**	3,705	**606**	533	**1,905**	1,744	**320**	168
Tenancy ratio at quarter end	**2.10x**	2.05x	**2.22x**	2.18x	**2.11x**	2.04x	**1.46x**	1.40x	**1.96x**	1.87x	**1.86x**	1.66x
Adjusted EBITDA for the quarter[2,3]	**$55.1**	$50.2	**$25.8**	$24.0	**$24.9**	$21.5	**$2.6**	$3.0	**$7.0**	$5.8	**–**	–
Adjusted EBITDA Margin[2] for the quarter	**54%**	52%	**62%**	58%	**58%**	55%	**41%**	49%	**67%**	58%	**–**	–

1 Adjusted gross margin means gross profit, adding back site depreciation, divided by revenue.

2 See Alternative Performance Measures section of this announcement for more information.

3 Group Adjusted EBITDA for the quarter is stated including corporate costs of US$5.2 million (2019: US$4.1 million). (Please see note 3)

Total tenancies as at 30 June

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Standard colocation tenants	**7,017**	6,578	**3,993**	3,865	**1,983**	1,816	**173**	146	**722**	684	**146**	67
Amendment colocation tenants	**797**	640	**470**	435	**94**	72	**18**	6	**213**	127	**2**	–
Total colocation tenants	**7,814**	7,218	**4,463**	4,300	**2,077**	1,888	**191**	152	**935**	811	**148**	67
Total sites	**7,092**	6,882	**3,668**	3,650	**1,867**	1,817	**415**	381	**970**	933	**172**	101
Total tenancies	**14,906**	14,100	**8,131**	7,950	**3,944**	3,705	**606**	533	**1,905**	1,744	**320**	168

Revenue

Revenue increased by 5% to US$102.2 million in the quarter ended 30 June 2020 from US$97.0 million in the quarter ended 30 June 2019. The increase was largely driven by the growth in total tenancies from 14,100 as of 30 June 2019 to 14,906 as of 30 June 2020. For the quarter ended 30 June 2020 86% of revenues were from Africa's Big-Five MNOs[1] and 59% were denominated in either USD or XAF (which is pegged to the Euro).

Cost of sales and adjusted gross margin

	6 months ended 30 June				3 months ended 30 June			
		% of Revenue		% of Revenue		% of Revenue		% of Revenue
(US$m)	**2020**	**2020**	2019	2019	**2020**	**2020**	2019	2019
Power	**42.3**	**20.7%**	41.4	21.7%	**20.7**	**20.3%**	20.7	21.3%
Non-power	**24.6**	**12.1%**	26.8	14.0%	**12.5**	**12.2%**	13.7	14.1%
Cost of sales excluding site depreciation	**66.9**	**32.8%**	68.2	35.7%	**33.2**	**32.5%**	34.4	35.4%
Site depreciation	**63.3**	**31.0%**	64.5	33.8%	**32.0**	**31.3%**	33.0	34.0%
Total cost of sales	**130.2**	**63.8%**	132.7	69.6%	**65.2**	**63.8%**	67.4	69.5%

Year-on-year cost of sales decreased slightly from US$67.4 million in the quarter ended 30 June 2019 to US$65.2 million in the quarter ended 30 June 2020 mainly due to reduction in non-power costs in Tanzania and DRC.

The table below shows an analysis of the cost of sales on a country-by-country basis for the 6 month period ended 30 June 2020 and 2019.

	Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	6 months ended 30 June		6 months ended 30 June		6 months ended 30 June		6 months ended 30 June		6 months ended 30 June	
(US$m)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Power	**15.2**	14.8	**21.7**	20.8	**1.5**	1.6	**3.7**	4.1	**0.2**	0.1
Non-power	**12.1**	13.5	**8.1**	8.6	**2.5**	2.4	**1.8**	2.3	**0.1**	–
Site depreciation	**26.5**	27.4	**27.3**	28.0	**5.0**	5.2	**4.1**	3.8	**0.4**	0.1
Total cost of sales	**53.8**	55.7	**57.1**	57.4	**9.0**	9.2	**9.6**	10.2	**0.7**	0.2

The table below shows an analysis of the cost of sales on a country-by-country basis for the 3 month period ended 30 June 2020 and 2019.

	Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	3 months ended 30 June		3 months ended 30 June		3 months ended 30 June		3 months ended 30 June		3 months ended 30 June	
(US$m)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Power	**7.7**	7.5	**10.7**	10.3	**0.8**	0.7	**1.4**	2.1	**0.1**	0.1
Non-power	**6.2**	6.9	**4.1**	4.4	**1.2**	1.3	**0.9**	1.1	**0.1**	–
Site depreciation	**13.6**	14.4	**13.7**	14.2	**2.4**	2.5	**2.2**	1.8	**0.1**	0.1
Total cost of sales	**27.5**	28.8	**28.5**	28.9	**4.4**	4.5	**4.5**	5.0	**0.3**	0.2

Adjusted gross margin for the quarter ended 30 June 2020 is 68% as compared to 65% for the quarter ended 30 June 2019 mainly driven by the increase in revenue and reduction in cost of sales as mentioned above.

	6 months ended 30 June				3 months ended 30 June			
		% of Revenue		**% of Revenue**		**% of Revenue**		**% of Revenue**
(US$m)	**2020**	**2020**	2019	2019	**2020**	**2020**	2019	2019
Revenue	**204.0**	**100.0%**	190.7	100.0%	**102.2**	**100.0%**	97.0	100.0%
Cost of sales excluding site depreciation	**(66.9)**	**32.8%**	(68.2)	35.8%	**(33.2)**	**32.5%**	(34.4)	35.5%
Adjusted gross margin	**137.1**	**67.2%**	122.5	64.2%	**69.0**	**67.5%**	62.6	64.5%
Site depreciation	**(63.3)**	**31.0%**	(64.5)	33.8%	**(32.0)**	**31.3%**	(33.0)	34.0%
Gross profit	**73.8**	**36.2%**	58.0	30.4%	**37.0**	**36.2%**	29.6	30.5%

[1]Big-Five MNOs defined as: Airtel, MTN, Orange, Tigo and Vodafone/Vodacom.

Administrative expenses

Administrative expenses decreased by 19% to US$19.1 million in the quarter ended 30 June 2020 from US$23.6 million in the quarter ended 30 June 2019 due to decrease in expenses related to the listing of equity on London Stock Exchange incurred in 2019. The increase in SG&A expenses is primarily due to Helios Towers plc related expenses, South Africa introduction and Congo Brazzaville licence fee.

	6 months ended 30 June				3 months ended 30 June			
		% of Revenue		% of Revenue		% of Revenue		% of Revenue
(US$m)	**2020**	**2020**	2019	2019	2020	2020	2019	2019
Sales, general and administrative costs (SG&A)	**28.0**	**13.7%**	23.5	12.3%	**13.7**	**13.4%**	12.4	12.8%
Depreciation and amortisation	**9.4**	**4.6%**	9.3	4.9%	**4.6**	**4.5%**	5.2	5.4%
Adjusting items[1]	**5.8**	**2.8%**	7.2	3.8%	**0.8**	**0.8%**	6.0	6.1%
	43.2	**21.1%**	40.0	21.0%	**19.1**	**18.7%**	23.6	24.3%

[1] Adjusting items relate to project and deal costs please see note 4.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$0.7 million in the quarter ended 30 June 2020, compared to US$0.2 million during the quarter ended 30 June 2019. This increase in loss on disposal was due to an increase in the disposal of assets in the current quarter.

Gains and losses on financial instruments

The derivative financial instrument represents the fair value of the put and call options embedded within the terms of the Senior Notes. Gains and losses on revaluation of the embedded financial derivatives on the new US$750 million Senior Notes recognised in the quarter ended 30 June 2020 was a gain of US$3.4 million, compared to a gain of US$8.5 million in the quarter ended 30 June 2019 on the previous US$600 million Senior Notes. The loss on derivative financial instruments of US$37.6 million for the 6 months ended June 2020 compared to a gain of US$24.3 million in the 6 months ended 30 June 2019 is due to the change in credit spreads during the period. A gain of US$2.6 million was recognised due to the change in fair value of the contingent consideration relating to the acquisition of SA Towers in South Africa.

	6 months ended		3 months ended	
	30 June 2020	30 June 2020	**30 June 2020**	30 June 2019
	US$m	US$m	**US$m**	US$m
Fair value gain/(loss) on derivative financial instruments (see note 9)	**(37.6)**	24.3	3.4	8.5
Fair value gain on movement in contingent liability (see note 20)	**2.6**	-	2.6	-
	(35.0)	24.3	6.0	8.5

Finance costs

Finance costs of US$48.7 million for the quarter ended 30 June 2020, mainly comprise of US$17.0 million interest on the US$600 million 9.125% Senior Notes due 2022 and the US$125 million term loan facility signed in October 2018, of which US$75 million was drawn down up to 18 June 2020. From 18 June to 30 June 2020 finance costs amounting to US$2.1 million were incurred in relation to the new US$750 million 7% Senior Notes due 2025. Included in finance costs in the quarter is a call premium and the release of transaction costs of US$13.7 million and US$10.2 million respectively, related to the early redemption of the US$600 million Senior Notes. Foreign exchange differences relate primarily to unrealised US dollar / local currency exchange movements on inter-company loans from Group to Operating Subsidiaries.

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	**2020**	2019
	US$m	US$m	**US$m**	US$m
Foreign exchange differences	**6.5**	8.0	**1.7**	0.6
Interest cost	**39.3**	40.6	**19.1**	20.3
Early redemption expenses[1]	**23.9**	-	**23.9**	-
Interest cost on lease liabilities	**8.1**	7.8	**4.0**	4.0
	77.8	56.4	**48.7**	24.9

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

Tax expense

Tax expense was US$3.8 million in the quarter ended 30 June 2020 as compared to US$3.1 million in the quarter ended 30 June 2019. Although entities in Congo Brazzaville and DRC have continued to be loss making, minimum income tax has been levied based on revenue as stipulated by law in these jurisdictions. Ghana, Tanzania and two subsidiaries in South Africa are profit making and subject to income tax on taxable profits.

Adjusted EBITDA

Adjusted EBITDA was US$55.1 million in the quarter ended 30 June 2020 compared to US$50.2 million in the quarter ended 30 June 2019. The increase in Adjusted EBITDA between periods is primarily attributable to the increased revenue and reduction in cost of sales as mentioned above. See Alternative Performance Measures section for more details and note 4 for a reconciliation of aggregate segment Adjusted EBITDA to loss before tax.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2020 for each of the periods from 2020 to 2024, with local currency amounts converted at the applicable average rate for US dollars for the period ended 30 June 2020 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, (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.

		Year ended 31 December			
	6 months to 31 December 2020	2021	2022	2023	2024
	US$m	US$m	US$m	US$m	US$m
Tanzania	83.6	166.8	163.9	156.8	136.6
DRC	84.1	168.1	168.1	168.0	166.5
Congo Brazzaville	12.4	24.7	23.9	23.1	22.4
South Africa	1.2	2.8	3.1	3.3	3.4
Ghana	17.2	34.4	32.9	31.8	31.3
	198.5	396.8	391.9	383.0	360.2

The following table provides our total undiscounted contracted revenue by key customers as of 30 June 2020 over the life of the contracts with local currency amounts converted at the applicable average rate for US dollars for the period ended 30 June 2020 held constant. Our calculation uses the same assumptions as above.

(US$m)	Total Committed Revenues	Percentage of Total Committed Revenues
Africa's Big-Five MNOs	2,280.6	82%
Other	495.2	18%
	2,775.8	**100%**

Management cash flow

	6 months ended 30 June		3 months ended 30 June	
	2020 US$m	2019 US$m	2020 **US$m**	2019 US$m
Adjusted EBITDA	**109.1**	99.0	**55.1**	50.2
Less:				
Maintenance and corporate capital additions	**(7.4)**	(7.8)	**(4.8)**	(3.4)
Payments of lease liabilities[1]	**(11.3)**	(10.2)	**(6.3)**	(6.5)
Tax paid[2]	**(1.3)**	(1.2)	**(0.8)**	(0.9)
Portfolio free cash flow[3]	**89.1**	79.8	**43.2**	39.4
Cash conversion %[4]	**82%**	81%	**78%**	79%
Net payment of interest[5]	**(51.3)**	(32.5)	**(20.2)**	(2.5)
Levered portfolio free cash flow	**37.8**	47.3	**23.0**	36.9
Discretionary capital additions[6]	**(30.6)**	(47.5)	**(22.0)**	(36.1)
Adjusted free cash flow	**7.2**	(0.2)	**1.0**	0.8
Net change in working capital[7]	**(21.5)**	(35.5)	**13.2**	(8.7)
Cash paid for adjusting and EBITDA adjusting items[8]	**(8.7)**	(13.2)	**(1.0)**	(12.1)
Cash paid in relation to Change of Control Tax[9]	**(37.7)**	-	**-**	-
Proceeds on disposal of assets	**0.6**	0.1	**0.3**	0.1
Free cash flow	**(60.1)**	(48.8)	**13.5**	(19.9)
Net cash flow from financing activities[10]	**52.8**	50.0	**52.8**	-
Net cash flow	**(7.3)**	1.2	**66.3**	(19.9)
Opening cash balance[8]	**221.1**	89.0	**146.4**	109.5
Foreign exchange movement	**(1.3)**	(0.4)	**(0.2)**	0.2
Closing cash balance	**212.5**	89.8	**212.5**	89.8

1 Payment of lease liabilities includes interest and principal repayments of lease liabilities.
2 Tax paid excludes Change of Control Taxes which are classified separately below.
3 Please refer to reconciliation of cash generated from operating activities to portfolio free cash flow in the Alternative Performance Measures section.
4 Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.
5 Net payment of interest corresponds to the net of "Interest paid" (including withholding tax) and "Interest received" in the condensed consolidated statement of cash flows, excluding interest payments on lease liabilities.
6 Discretionary capital additions includes acquisition, growth and upgrade capital additions.
7 Net change in working capital corresponds to movements in working capital, excluding cash paid for EBITDA adjusting items and including movements in capital expenditure related working capital.
8 Cash paid for EBITDA adjusting items corresponds to cash paid in respect of items per note 4 of the condensed consolidated interim financial statements – project costs in relation to the IPO and fees for the preparation of the debt refinancing.
9 Opening cash balance for the period ended 30 June 2020 included US$37.7 million restricted cash which had been funded at the time of IPO by Helios Tower's pre-IPO shareholders. This was paid to the relevant tax authority in Q1 2020.
10 Net cash flow from financing activities includes borrowing drawdowns, loan issue costs and repayment of loan in the condensed consolidated statement of cash flows.

Cash conversion has decreased to 78% for the quarter ended 30 June 2020 from 79% from the quarter ended 30 June 2019 driven by an increase in maintenance and corporate capital additions. For the 6 month period ended 30 June 2020 cash conversion was 82% and increased from 81% for the 6 month period ended 30 June 2019 driven by an increase in Adjusted EBITDA and a decrease in maintenance and corporate capital additions.

Capital expenditure

The following table shows capital expenditure additions by category during the 6 months ended 30 June:

	2020		2019	
	US$m	**% of Total Capex**	US$m	% of Total Capex
Acquisition	**10.2**	**26.8%**	12.8	23.1%
Growth	**15.1**	**39.7%**	27.1	49.1%
Upgrade	**5.3**	**13.9%**	7.6	13.7%
Maintenance	**6.9**	**18.2%**	6.9	12.5%
Corporate	**0.5**	**1.4%**	0.9	1.6%
	38.0	**100.0%**	55.3	100.0%

Off-Balance Sheet arrangements

The Group does not have any off-balance sheet arrangements.

Indebtedness

On the 10 June 2020 HTA Group, Ltd. (the "HTA Group"), an indirect wholly owned subsidiary of Helios Towers plc (the "Company"), announced the successful pricing of its offering of 7.00% US$750 million Senior Notes due 2025 (the "Notes"), guaranteed on a senior basis by the Company and certain of its direct and indirect subsidiaries (the "Offering"). The Notes were issued on 18 June 2020 at an issue price of 99.439% of principal amount. The proceeds of the Notes were used (i) to redeem US$600 million of HTA Group's outstanding Senior Notes due 2022 (the "Existing Notes") (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.

HTA Group also entered into a US$135 million term facility (with a 5-year tenor, and which may increase in accordance with its terms up to an aggregate amount of US$200 million) with borrowing availability in U.S. 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.
Additionally, HTA Group entered into a revolving credit facility (with a 4.5-year tenor) with borrowing availability in US dollars for the purpose of financing or refinancing the general corporate and working capital needs of the Company and certain of its subsidiaries. Commitments under the new revolving credit facility amount to US$70 million and replaced the previous US$60 million revolving credit facility, which was also cancelled on 19 June 2020.

As of 30 June 2020 and 31 December 2019, the Group's outstanding loans and borrowings net of issue costs and excluding lease liabilities, were US$740.9 million and US$684.3 million respectively. The Group's net debt as of 30 June 2020 and 31 December 2019 was US$655.7 million and US$626.5 million with net leverage of 3.0x and 2.9x respectively. Indebtedness and leverage as at 30 June 2020 reflect the $750 million Senior Notes refinance which was completed during Q2 2020. Further details of the refinance are provided in note 13 and net debt and net leverage details are provided in Alternative Performance Measure section.

Risk management

The risk management and governance process has not changed since the 2019 Annual report was published and is set out on page 46 of the 2019 Annual report (available on the Group's website at www.heliostowers.com) and summarised as follows.

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), Finance, Operational and People. All risks are assessed according to the probability and consequence of being realised and a determination made to accept, avoid, or control and mitigate, in which case mitigating controls are clearly defined. A risk owner for all risks is identified.

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, socio-economic, political or health and safety matters.

During the quarter a new risk in relation to Covid-19 has been added, please refer to principal risks and uncertainties below.

Emerging risks related to sustainability, climate change, evolving legal requirements concerning modern slavery and human rights abuses have been identified as part of the risk management process and continue to be monitored. Due to the nature of the operations, Brexit is not considered to be a principal risk.

Principal risks and uncertainties

The nature of the principal risks and uncertainties faced by the Group have been updated since the 2019 Annual report was published to include one new risk for Covid-19. There has been no change in the nature, probability or potential impact of previously identified risks as set out on pages 47 to 48 of the 2019 Annual report (available on the Group's website at www.heliostowers.com). The risks are summarised as follows:

- Operational resilience
- Major quality failure or breach of contract
- Non-compliance with various laws and regulations
- Economic and political instability
- Significant exchange rate movements
- Non-compliance with licence requirements
- Loss of key personnel
- Technology risk
- Failure to remain competitive
- Failure to integrate new lines of business in new markets
- Tax disputes
- Covid-19 (new risk)

An additional principal risk has been added to reflect the potentially material and adverse effects associated with the ongoing Covid-19 pandemic and related uncertainties as it evolves.

A summary table outlining key Covid-19 risk areas and associated impact assessments is included below:

RISK STATUS	RISK DESCRIPTION	IMPACTS	RISK MITIGATION
New	**1. COVID-19** 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.	Operational Financial	• 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 and capex purchases • Review of contractual terms and conditions • Review and adaptation of our control environment for remote working

Control environment

The effectiveness of the Group's system of internal control is regularly reviewed by the Board with specific consideration given to material financial, operational and sustainable risks and controls, with appropriate steps taken to address any issues identified. As a result of Covid-19 management, internal audit and the audit committee have reviewed the internal control framework to ensure that the controls continue to operate or have been adequately amended to operate effectively in a remote working environment.

Impact of COVID-19

The Group's business and operations are inherently resilient against the implications of the COVID-19 pandemic and associated lockdowns, due to operating in the telecoms sector, which sees continued strong demand, and through having long-term revenue contracts with large blue-chip MNOs. The Group therefore maintains its current FY 20 guidance. The table below provides a summary of the impact across key areas of the Group's operations:

	Commentary	Impact Assessment
Workforce & Operations	• Office staff are working from home across all markets • Field operations are in dispersed locations and outdoor environments with personnel classified as essential workers • Return to work protocols are being discussed with employee wellbeing at the core	• Minimal disruption to-date • Business continuity maintained
Existing Revenue / Liquidity	• US$2.8 billion contracted revenues with 7 years contract duration across five countries and 82% with Africa's Big-Five MNOs • Following refinancing the cash balance is US$212.5 million with undrawn debt facilities of up to US$270 million at Group and ZAR 351 million at Helios Towers South Africa	• Minimal impact to existing revenue expected • Sufficient liquidity
Customer roll-out	• Implications for rate of roll out if equipment supply chains are disrupted	• Mobile services are critical and in high demand • Robust pipeline
Supply Chain	• Minimal supply chain delays have been experienced to date • Forward purchased FY 20 materials in late Q1 / early Q2 • Forward purchasing of capex • Additional fuel purchases to ensure adequate supplies	• Accelerated equipment orders provide sufficient inventory to support our growth through 2020 • High quality operational performance ensured
Situation management	• Regular monitoring and communications with Board, executive management and employees • Cloud-based systems and group-wide video-conferencing for smooth remote-working transition	• Minimal disruption expected

Going concern

The Directors also considered it appropriate to prepare the condensed consolidated interim financial statements on a going concern basis, as explained in note 1.

Alternative Performance Measures

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

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

Adjusted EBITDA and Adjusted EBITDA margin

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

Purpose - The Group believes that Adjusted EBITDA and Adjusted EBITDA margin facilitates 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:

	6 months ended 30 June		3 months ended June	
	2020	2019	**2020**	2019
	US$m	US$m	**US$m**	US$m
Adjusted EBITDA	**109.1**	99.0	**55.1**	50.2
Adjustments applied in arriving at Adjusted EBITDA:				
Adjusting items:				
Project costs[1]	**(4.6)**	(3.1)	**(0.3)**	(3.1)
Deal costs[2]	**(0.8)**	(2.4)	**(0.1)**	(1.2)
Share-based payments and long term incentive plans[3]	**(0.4)**	(1.7)	**(0.2)**	(1.7)
Loss on disposals of assets	**(1.3)**	(5.3)	**(0.7)**	(0.2)
Gain or loss on financial instruments (note 16)	**(35.0)**	24.3	**6.0**	8.5
Depreciation of property, plant and equipment	**(63.7)**	(65.2)	**(32.1)**	(33.4)
Depreciation of right-of-use assets	**(4.8)**	(3.9)	**(2.5)**	(2.0)
Amortisation of intangibles	**(4.2)**	(4.7)	**(2.0)**	(2.8)
Interest receivable	**0.5**	0.7	**-**	0.6
Finance costs	**(77.8)**	(56.4)	**(48.7)**	(24.9)
Loss before tax	**(83.0)**	(18.7)	**(25.5)**	(10.0)

1 Project costs in 2020 relate to the preparation for a debt refinancing and listing of equity on London Stock Exchange in 2019.

2 Deal costs comprise deal costs for aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalized, which relate to the exploration of investment opportunities across Africa.

3 Share-based payments and long-term incentive plan charges and associated costs.

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	**2020**	2019
	US$m	US$m	**US$m**	US$m
Adjusted EBITDA	**109.1**	99.0	**55.1**	50.2
Revenue	**204.0**	190.7	**102.2**	97.0
Adjusted EBITDA margin	**53%**	52%	**54%**	52%

Adjusted gross profit and adjusted gross margin

Definition - Adjusted gross profit is defined as gross profit, adding back site depreciation. Adjusted gross margin is defined as adjusted gross profit divided by revenue.

Purpose - These measures are used to evaluate the underlying level of gross profitability of the operations of the business, excluding depreciation, which is the major non-cash measure 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.

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	**2020**	2019
	US$m	US$m	**US$m**	US$m
Gross profit	**73.8**	58.0	**37.0**	29.6
Add back: site depreciation	**63.3**	64.5	**32.0**	33.0
Adjusted gross profit	**137.1**	122.5	**69.0**	62.6
Revenue	**204.0**	190.7	**102.2**	97.0
Adjusted gross margin	**67%**	64%	**68%**	65%

Portfolio free cash flow and adjusted free cash flow

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

Purpose - Portfolio free cash flow is used to evaluate 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 unlevered cash generation of the Group's current tower estate. Adjusted free cash flow is used to evaluate free cash flow from period to period by eliminating potential differences caused by working capital movements and cash paid for EBITDA adjusting items.

	6 months ended 30 June		3 months ended 30 June	
	2020	**2019**	2020	2019
	US$m	**US$m**	US$m	US$m
Cash generated from operating activities	**88.3**	43.6	**62.9**	19.1
Movement in working capital	**15.4**	38.2	**(8.2)**	15.1
Adjusting items:				
Project costs[1]	**4.6**	**3.1**	**0.3**	**3.1**
Deal costs[2]	**0.8**	**2.4**	**0.1**	**1.2**
Share-based payments and long term incentive plans	**-**	1.7	**-**	1.7
Retention award[3]	**-**	10.0	**-**	10.0
Adjusted EBITDA	**109.1**	99.0	**55.1**	50.2
Less: Maintenance and corporate capital additions	**(7.4)**	(7.8)	**(4.8)**	(3.4)
Less: Payments of lease liabilities[4]	**(11.3)**	(10.2)	**(6.3)**	(6.5)
Less: Tax paid[5]	**(1.3)**	(1.2)	**(0.8)**	(0.9)
Portfolio free cash flow	**89.1**	79.8	**43.2**	39.4
Net payment of interest	**(51.3)**	(32.5)	**(20.2)**	(2.5)
Levered portfolio free cash flow	**37.8**	47.3	**23.0**	36.9
Discretionary capital additions	**(30.6)**	(47.5)	**(22.0)**	(36.1)
Adjusted free cash flow	**7.2**	(0.2)	**1.0**	0.8

1 Project costs in 2020 relate to the preparation for a debt refinancing and listing of equity on London Stock Exchange in 2019.

2 Deal costs comprise deal costs for aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalized, which relate to the exploration of investment opportunities across Africa.

3 Retention award made to senior management in respect of future services as part of the management incentive plan ("MIP").

4 Payment of lease liabilities includes interest and principal repayments of lease liabilities.

5 Excludes US$37.7 million restricted cash which had been funded at the time of IPO by Helios Towers' pre-IPO shareholders and paid to the relevant tax authority in Q1 2020.

Adjusted operating profit

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

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

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	**2020**	2019
	US$m	US$m	**US$m**	US$m
Operating profit	**29.3**	12.7	**17.2**	5.8
Adjusting items:				
Project costs	**4.6**	3.1	**0.3**	3.1
Deal costs[1]	**0.8**	2.4	**0.1**	1.2
Share-based payments and long term incentive plans[2]	**0.4**	1.7	**0.2**	1.7
Loss on disposal of property, plant and equipment	**1.3**	5.3	**0.7**	0.2
Adjusted operating profit	**36.4**	25.2	**18.5**	12.0

1 Deal costs comprise deal costs for aborted acquisitions, which mainly comprise professional fees and travel costs incurred while investigating potential site acquisitions that are expensed when the potential site acquisition does not proceed, and deal costs not capitalized, which relate to the exploration of investment opportunities across Africa.

2 Share-based payments and long-term incentive plan charges and associated costs.

Return on invested capital

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

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

	30 June 2020 US$m	31 December 2019 US$m
Property, plant and equipment	**600.3**	631.9
Accumulated depreciation	**656.3**	597.2
Accumulated maintenance and corporate capital expenditure	**(171.3)**	(163.9)
Gross property, plant and equipment excluding maintenance and corporate capital expenditure	**1,085.3**	1,065.2
Intangible assets	**21.3**	28.4
Accumulated amortisation	**84.5**	80.7
Gross intangibles	**105.8**	109.1
Total invested capital	**1,191.1**	1,174.3
Portfolio free cash flow[1]	**172.8**	168.9
Return on invested capital	**14.5%**	14.4%

[1] As at 30 June, portfolio free cash flow is annualised by multiplying Q2 portfolio free cash flow by 4.

Gross debt, net debt, net leverage and adjusted cash & cash equivalents

Definition – Gross debt is calculated as non-current loans, current loans, and long-term and short-term lease liabilities. Net debt is calculated as gross debt less adjusted cash and cash equivalents. Adjusted cash and cash equivalents comprises cash and cash equivalents excluding US$nil million (31 December 2019 US$37.7 million) of restricted cash for the potential payment of Change of Control Tax related to our initial public offering in 2019 funded by a capital contribution from our pre-IPO shareholders immediately prior to the initial public offering.

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.

	30 June 2020 US$m	31 December 2019 US$m
External debt[1]	**740.9**	684.3
Lease liabilities	**127.3**	125.6
Gross debt	**868.2**	809.9
Cash and cash equivalents	**212.5**	221.1
Less: restricted cash	**-**	(37.7)
Adjusted cash and cash equivalents	**212.5**	183.4
Net debt	**655.7**	626.5
LQA annualised Adjusted EBITDA[2]	**220.4**	214.8
Net leverage[3]	**3.0**	2.9

1 External debt is presented in line with the balance sheet at amortised cost. External debt is the total loans owed to commercial banks and institutional investors.

2 LQA annualised Adjusted EBITDA calculated as per the Senior Notes definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future results.

3 Net leverage is calculated as net debt divided by last quarter annualised Adjusted EBITDA.

Material recent developments

Appointment of Non-Executive Directors

On 13 August 2020 Carole Wamuyu Wainaina was appointed as a Non-Executive Director. This follows the appointment of Sally Ashford as a Non-Executive Director on 15 June 2020.

Refinancing

On the 10 June 2020 HTA Group, Ltd. (the "HTA Group"), an indirect wholly owned subsidiary of Helios Towers plc (the "Company"), announced the successful pricing of its offering of 7.00% US$750 million Senior Notes due 2025 (the "Notes"), guaranteed on a senior basis by the Company and certain of its direct and indirect subsidiaries (the "Offering"). The Notes were issued on 18 June 2020 at an issue price of 99.439% of principal amount. The proceeds of the Notes were used (i) to redeem US$600 million of HTA Group's outstanding Senior Notes due 2022 (the "Existing Notes") (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.

HTA Group also entered into a US$135 million term facility (with a 5-year tenor, and which may increase in accordance with its terms up to an aggregate amount of US$200 million) with borrowing availability in U.S. 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.

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

Acquisition of over 1,200 sites from Free Senegal

Subsequent to period end, on 12 August 2020, the Group signed an agreement to acquire 1,220 sites with from Free Senegal – the second largest mobile operator in Senegal backed by a consortium of investors including NJJ, the founder of the Iliad S.A. group Xavier Niel's private holding company, Teyliom Group and Axian Group – to acquire its passive infrastructure assets, for an upfront cash consideration of €160 million (c.$189 million). This represents an enterprise value of €178m (c.$210m) including an estimated €18m (c.$21m) of taxes and capitalised ground leases. In addition, deferred consideration and growth capex of €40m ($47m) and c.€30m ($35m) respectively are expected to be invested over the next 5 years in relation to the rollout of 400 committed new build-to-suit sites. This acquisition is in line with the Group's expansion strategy. For further information please refer to our website (www.heliostowers.com/investors/investor-news/).

Tanzania local listing

Effective 1 July 2020 the 25% local listing requirements no longer includes companies who hold "network facility licences for leases of towers" (Finance Act 2000). As a consequence Helios Towers Tanzania is no longer required to list on the Dar es Salaam Stock Exchange.

Condensed consolidated financial statements

Independent review report to Helios Towers plc

We have been engaged by the company to review the condensed set of financial statements in the quarterly financial report for the six and three months ended 30 June 2020, which comprises the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes 1 to 23. We have read the other information contained in the quarterly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The quarterly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the quarterly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this quarterly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the quarterly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the quarterly financial report for the six and three months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
13 August 2020

Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

For the 6 and 3 months ended 30 June 2020

		6 months ended 30 June		3 months ended 30 June	
		2020	2019	**2020**	2019
	Note	**US$m**	US$m	**US$m**	US$m
Revenue		**204.0**	190.7	**102.2**	97.0
Cost of sales		**(130.2)**	(132.7)	**(65.2)**	(67.4)
Gross profit		**73.8**	58.0	**37.0**	29.6
Administrative expenses		**(43.2)**	(40.0)	**(19.1)**	(23.6)
Loss on disposal of property, plant and equipment		**(1.3)**	(5.3)	**(0.7)**	(0.2)
Operating profit		**29.3**	12.7	**17.2**	5.8
Interest receivable		**0.5**	0.7	**-**	0.6
(Loss)/gain on financial instruments	16	**(35.0)**	24.3	**6.0**	8.5
Finance costs	5	**(77.8)**	(56.4)	**(48.7)**	(24.9)
Loss before tax		**(83.0)**	(18.7)	**(25.5)**	(10.0)
Tax expense	6	**(7.8)**	(3.8)	**(3.8)**	(3.1)
Loss for the period		**(90.8)**	(22.5)	**(29.3)**	(13.1)
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit and loss:					
Exchange differences on translation of foreign operations		**(3.9)**	1.2	**(1.7)**	3.6
		(94.7)	(21.3)	**(31.0)**	(9.5)
Loss attributable to:					
Owners of the Company		**(91.1)**	(22.3)	**(29.8)**	(12.9)
Non-controlling interests		**0.3**	(0.2)	**0.5**	(0.2)
Loss for the period		**(90.8)**	(22.5)	**(29.3)**	(13.1)
Total comprehensive loss attributable to:					
Owners of the Company		**(94.9)**	(21.1)	**(31.4)**	(9.3)
Non-controlling interests		**0.2**	(0.2)	**0.4**	(0.2)
Total comprehensive loss for the period		**(94.7)**	(21.3)	**(31.0)**	(9.5)

Earnings per share					
Net loss attributable to shareholders					
Basic and diluted loss per share (cents)	21	**(9)**	(2)	**(3)**	(1)

Condensed consolidated statement of financial position (unaudited)

As at 30 June 2020

	Notes	30 June 2020 US$m	31 December 2019 US$m
Non-current assets			
Intangible assets	7	**21.3**	28.4
Property, plant and equipment	8a	**600.3**	631.9
Right-of-use assets	8b	**109.4**	108.2
Derivative financial assets	9	**5.3**	41.0
		736.3	809.5
Current assets			
Inventories		**9.1**	9.3
Trade and other receivables	10	**164.8**	166.5
Prepayments		**31.1**	14.1
Cash and cash equivalents	11	**212.5**	221.1
		417.5	411.0
Total assets		**1,153.8**	1,220.5
Equity			
Issued capital and reserves			
Share capital	12	**12.8**	12.8
Stated capital		**12.8**	12.8
Other reserves		**(87.0)**	(87.0)
Translation reserve		**(86.5)**	(82.7)
Share based payment reserve		**18.4**	19.6
Treasury shares		**(2.8)**	(4.4)
Retained earnings		**226.5**	317.6
Equity attributable to owners		**81.4**	175.9
Non-controlling interest		**(0.4)**	(0.6)
Total equity		**81.0**	175.3
Non-current liabilities			
Loans	13	**738.9**	665.1
Long-term lease liabilities	15	**106.2**	104.2
Contingent consideration	20	-	5.9
Deferred tax liabilities		**3.3**	3.1
		848.4	778.3
Current liabilities			
Trade and other payables	14	**194.9**	222.7
Contingent consideration	20	**6.4**	3.6
Loans	13	**2.0**	19.2
Short-term lease liabilities	15	**21.1**	21.4
		224.4	266.9
Total liabilities		**1,072.8**	1,045.2
Total equity and liabilities		**1,153.8**	1,220.5

Condensed consolidated statement of changes in equity (unaudited)

For the 6 months ended 30 June 2020

	Share capital US$m	Share premium US$m	Share based payments reserve US$m	Treasury shares US$m	Other reserves US$m	Translation reserves US$m	Accumulated (losses)/profits US$m	Available to the owners of the Company US$m	Non-controlling interest US$m	Total equity US$m
Balance at 1 January 2019	**909.2**	**187.0**	**-**	**-**	**(12.8)**	**(81.7)**	**(880.0)**	**121.7**	**-**	**121.7**
Loss for the period	–	–	–	–	–	–	(22.3)	(22.3)	(0.2)	(22.5)
Other comprehensive income	–	–	–	–	–	1.2	–	1.2	–	1.2
Total comprehensive income/(loss) for the period	–	–	–	–	–	1.2	(22.3)	(21.1)	(0.2)	(21.3)
Balance at 30 June 2019	**909.2**	**187.0**	**–**	**–**	**(12.8)**	**(80.5)**	**(902.3)**	**100.6**	**(0.2)**	**100.4**
Balance at 1 January 2020	**12.8**	**–**	**19.6**	**(4.4)**	**(87.0)**	**(82.7)**	**317.6**	**175.9**	**(0.6)**	**175.3**
Loss for the period	–	–	–	–	–	–	(91.1)	(91.1)	0.3	(90.8)
Other comprehensive expense	–	–	–	–	–	(3.8)	–	(3.8)	(0.1)	(3.9)
Total comprehensive (loss)/income for the period	–	–	–	–	–	(3.8)	(91.1)	(94.9)	0.2	(94.7)
Share based payments	–	–	0.4	–	–	–	–	0.4	–	0.4
Transfer	–	–	(1.6)	1.6	–	–	–	–	–	–
Balance at 30 June 2020	**12.8**	**–**	**18.4**	**(2.8)**	**(87.0)**	**(86.5)**	**226.5**	**81.4**	**(0.4)**	**81.0**

Condensed consolidated statement of cash flows (unaudited)

For the 6 and 3 months ended 30 June 2020

	Note	6 months ended 30 June		3 months ended 30 June	
		2020	2019	**2020**	2019
		US$m	US$m	**US$m**	US$m
Cash flows generated from operating activities					
Loss for the period before taxation		**(83.0)**	(18.7)	**(25.5)**	(10.0)
Adjustments for:					
(Loss)/gain on financial instruments		**35.0**	(24.3)	**(6.0)**	(8.5)
Finance costs		**77.8**	56.4	**48.7**	24.9
Interest receivable		**(0.5)**	(0.7)	**-**	(0.6)
Share-based payments and long-term incentive plans		**0.4**	-	**0.2**	-
Depreciation and amortisation on property, plant and equipment		**72.7**	73.8	**36.6**	38.2
Loss on disposal of property, plant and equipment		**1.3**	5.3	**0.7**	0.2
Movement in working capital:					
Decrease in inventories		**0.4**	0.5	**0.3**	-
Decrease/(increase) in trade and other receivables		**1.9**	(25.7)	**5.7**	(4.5)
Increase in prepayments		**(2.8)**	(13.1)	**(3.5)**	(10.9)
(Decrease)/increase in trade and other payables		**(14.9)**	(9.9)	**5.7**	(9.7)
Cash generated from operations		**88.3**	43.6	**62.9**	19.1
Interest paid		**(56.0)**	(36.3)	**(23.3)**	(5.8)
Tax paid	6	**(39.0)**	(1.2)	**(0.8)**	(0.9)
Net cash (used in)/generated from operating activities		**(6.7)**	6.1	**38.8**	12.4
Cash flows from investing activities					
Payments to acquire property, plant and equipment		**(51.6)**	(42.0)	**(24.5)**	(20.2)
Payments to acquire intangible assets		**-**	(0.5)	**-**	(0.5)
Acquisition of subsidiary		**-**	(10.6)	**-**	(10.6)
Proceeds on disposal on assets		**0.6**	0.1	**0.6**	0.1
Interest received		**0.5**	0.7	**-**	0.6
Net cash used in investing activities		**(50.5)**	(52.3)	**(23.9)**	(30.6)
Cash flows from financing activities					
Borrowing drawdowns		**756.5**	50.0	**756.5**	-
Loan issue costs		**(15.0)**	-	**(15.0)**	-
Repayment of loan		**(688.7)**	-	**(688.7)**	-
Repayment of lease liabilities		**(2.9)**	(2.6)	**(1.4)**	(1.7)
Net cash generated/(used in) from financing activities		**49.9**	47.4	**51.4**	(1.7)
Foreign exchange on translation movement		**(1.3)**	(0.4)	**(0.2)**	0.2
Net (decrease)/increase in cash and cash equivalents		**(7.3)**	1.2	**66.3**	(19.9)
Cash and cash equivalents at the beginning of period		**221.1**	89.0	**146.4**	109.5
Cash and cash equivalents at end of period		**212.5**	89.8	**212.5**	89.8

Notes to the condensed consolidated financial statements (unaudited)

For the 6 months ended 30 June 2020

1. General Information

Helios Towers plc is a public company incorporated in the UK.

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 condensed 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 interim financial statements. In assessing the forecast, the Directors have considered:

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

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

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

2. Accounting Policies

Basis of preparation

The interim financial statements of Helios Towers plc and its subsidiaries are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the European Union, taking into account IFRS Interpretations Committee (IFRS IC) interpretations.

The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board. The information as of and for the period ended 30 June 2019 corresponds to Helios Towers Ltd, the predecessor parent company of the Group before the initial public offering. Please refer to note 1 in audited financial statements of Helios Towers plc for the year ended 31 December 2019 for further information.

Accounting policies are consistent with those adopted in the last statutory financial statements of Helios Towers plc and the audit opinion was unmodified. The information as of 31 December 2019 has been extracted from the audited financial statements of Helios Towers plc for the year ended 31 December 2019. These condensed financial statements do not constitute statutory financial statements under the Companies Act 2006.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Judgements and estimates

Judgements and estimates are consistent with those adopted in the last statutory financial statements of Helios Towers plc and the audit opinion was unmodified. The Directors have considered the impact of COVID-19 on these judgements and estimates and still consider them appropriate.

New Accounting Pronouncement

New and revised IFRS Standards that are effective during the current period

At the date of authorisation of these financial statements, there has not been any new IFRS Standards issued by the International Accounting Standards Board that are effective during the period. The Group has applied the following revised IFRS Standards that are effective during the period:

Revised IFRS Standard	Effective date	Amendments
Conceptual Framework	1 January 2020	Amendments to references to the Conceptual Framework in IFRS Standards
Amendments to IFRS 3	1 January 2020	Definition of a Business
Amendments to IAS 1 and IAS 8	1 January 2020	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020	Interest rate benchmark reform

The adoption of the revised IFRS Standards listed above did not have a material impact on the financial statements of the Group.

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 and COO 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 providing space, power and ancillary services on such towers. Accounting policies are applied consistently for all operating segments. The segment operating result used by CODM is Adjusted EBITDA, defined in note 4.

6 months ended 30 June 2020	**Tanzania US$m**	**DRC US$m**	**Congo Brazzaville US$m**	**Ghana US$m**	**South Africa US$m**	**Total operating companies US$m**	**Corporate US$m**	**Group Total US$m**
Revenue	**83.2**	**85.4**	**12.5**	**21.6**	**1.3**	**204.0**	**–**	**204.0**
Adjusted gross margin(1)	**67%**	**65%**	**69%**	**74%**	**76%**	**67%**	**–**	**67%**
Adjusted EBITDA(2)	**51.0**	**49.0**	**5.7**	**13.7**	**0.1**	**119.5**	**(10.4)**	**109.1**
Adjusted EBITDA margin(3)	**61%**	**57%**	**46%**	**63%**	**8%**	**59%**	**–**	**53%**
Financing costs:								
Interest costs	**(17.6)**	**(24.6)**	**(4.6)**	**(3.9)**	**(3.0)**	**(53.7)**	**6.3**	**(47.4)**
Early redemption expenses[1]	**–**	**–**	**–**	**–**	**–**	**–**	**(23.9)**	**(23.9)**
Foreign exchange differences	**(1.1)**	**0.1**	**(0.1)**	**(1.2)**	**(2.8)**	**(5.1)**	**(1.4)**	**(6.5)**
Total financing costs	**(18.7)**	**(24.5)**	**(4.7)**	**(5.1)**	**(5.8)**	**(58.8)**	**(19.0)**	**(77.8)**

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

6 months ended 30 June 2019	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Total operating companies US$m	Corporate US$m	Group Total US$m
Revenue	80.5	77.8	12.3	19.7	0.4	190.7	–	190.7
Adjusted Gross margin(1)	65%	62%	68%	68%	77%	64%	–	64%
Adjusted EBITDA(2)	46.9	42.4	6.5	11.4	–	107.2	(8.2)	99.0
Adjusted EBITDA margin(3)	58%	55%	52%	58%	–	56%	–	52%
Financing costs:								
Interest costs	(29.1)	(24.0)	(4.4)	(3.4)	–	(60.9)	12.5	(48.4)
Foreign exchange differences	(2.6)	(0.6)	(0.4)	(4.2)	–	(7.8)	(0.2)	(8.0)
Total financing costs	(31.7)	(24.6)	(4.8)	(7.6)	–	(68.7)	12.3	(56.4)

3 months ended 30 June 2020	**Tanzania US$m**	**DRC US$m**	**Congo Brazzaville US$m**	**Ghana US$m**	**South Africa US$m**	**Total operating companies US$m**	**Corporate US$m**	**Group Total US$m**
Revenue	**41.9**	**43.0**	**6.3**	**10.4**	**0.6**	**102.2**	**–**	**102.2**
Adjusted gross margin[1]	**67%**	**65%**	**69%**	**78%**	**67%**	**68%**	**–**	**68%**
Adjusted EBITDA[2]	**25.8**	**24.9**	**2.6**	**7.0**	**-**	**60.3**	**(5.2)**	**55.1**
Adjusted EBITDA margin[3]	**62%**	**58%**	**41%**	**67%**	**0%**	**59%**	**–**	**54%**
Financing costs:								
Interest costs	**(9.0)**	**(12.3)**	**(2.4)**	**(1.8)**	**(2.1)**	**(27.6)**	**4.5**	**(23.1)**
Early redemption expenses[1]	**–**	**–**	**–**	**–**	**–**	**–**	**(23.9)**	**(23.9)**
Foreign exchange differences	**(1.2)**	**–**	**1.6**	**(2.0)**	**(0.1)**	**(1.7)**	**–**	**(1.7)**
Total financing costs	**(10.2)**	**(12.3)**	**(0.8)**	**(3.8)**	**(2.2)**	**(29.3)**	**(19.4)**	**(48.7)**

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

3 months ended 30 June 2019	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Total operating companies US$m	Corporate US$m	Group Total US$m
Revenue	41.2	39.3	6.1	10.0	0.4	97.0	–	97.0
Adjusted Gross margin[1]	65%	63%	67%	68%	77%	65%	–	65%
Adjusted EBITDA[2]	24.0	21.5	3.0	5.8	–	54.3	(4.1)	50.2
Adjusted EBITDA margin[3]	58%	55%	49%	58%	–	56%	–	52%
Financing costs:								
Interest costs	(16.8)	(13.2)	(2.3)	(1.6)	–	(33.9)	9.6	(24.3)
Foreign exchange differences	(0.1)	(0.6)	0.9	(1.6)	–	(1.4)	0.8	(0.6)
Total financing costs	(16.9)	(13.8)	(1.4)	(3.2)	–	(35.3)	10.4	(24.9)

[1] Adjusted gross margin means gross profit, adding back site depreciation, divided by revenue.

[2] Adjusted EBITDA is loss after tax for the period, adjusted for, finance costs, gains or loss on financial instruments, 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, recharged depreciation, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items.

[3] Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

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

The Group believes that Adjusted EBITDA facilitates 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 adjusting items because it believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	6 months ended 30 June		3 months ended 30 June	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Adjusted EBITDA	**109.1**	99.0	**55.1**	50.2
Adjustments applied in arriving at Adjusted EBITDA:				
Adjusting items:				
Project costs[1]	**(4.6)**	(3.1)	**(0.3)**	(3.1)
Deal costs[2]	**(0.8)**	(2.4)	**(0.1)**	(1.2)
Share-based payments and long-term incentive plans[3]	**(0.4)**	(1.7)	**(0.2)**	(1.7)
Loss on disposals of assets	**(1.3)**	(5.3)	**(0.7)**	(0.2)
Gain or loss on financial instruments (note 16)	**(35.0)**	24.3	**6.0**	8.5
Depreciation of property, plant and equipment	**(63.7)**	(65.2)	**(32.1)**	(33.4)
Depreciation of right-of-use assets	**(4.8)**	(3.9)	**(2.5)**	(2.0)
Amortisation of intangibles	**(4.2)**	(4.7)	**(2.0)**	(2.8)
Interest receivable	**0.5**	0.7	**-**	0.6
Finance costs	**(77.8)**	(56.4)	**(48.7)**	(24.9)
Loss before tax	**(83.0)**	(18.7)	**(25.5)**	(10.0)

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

5. Finance costs

Finance costs of US$48.7 million for the quarter ended 30 June 2020, comprise of US$17.0 million interest on the US$600 million 9.125% Senior Notes and the US$125 million term loan facility signed in October 2018, of which US$75 million was drawn up to 18 June 2020. From 18 June to 30 June 2020 finance costs amounting to US$2.1 million were incurred in relation to the new US$750 million 7% Senior Notes and the US$200m term loan facility. Included in finance costs in the quarter is a call premium and the release of transaction costs of US$13.7 million and US$10.2 million respectively, related to the early redemption of the US$600 million Senior Notes.

	6 months ended 30 June		3 months ended 30 June	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Foreign exchange differences	**6.5**	8.0	**1.7**	0.6
Interest cost	**39.3**	40.6	**19.1**	20.3
Early redemption expenses[1]	**23.9**	-	**23.9**	-
Interest cost on lease liabilities	**8.1**	7.8	**4.0**	4.0
	77.8	56.4	**48.7**	24.9

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

6. Tax expense, tax paid and deferred tax

Although entities in Congo Brazzaville and DRC have continued to be loss making, minimum income tax has been levied based on revenue as stipulated by law in these jurisdictions. Ghana, Tanzania and two subsidiaries in South Africa are profit making and subject to income tax on taxable profits.

The tax expense for the period is calculated by reference to the forecast full year tax rate and applied to profits for the period, adjusted for actual tax on adjusting items. The Group's weighted average tax rate, calculated by reference to the statutory tax rates which are applicable to the Group's operating subsidiaries is in the range of 20% to 30%.

	6 months ended 30 June		3 months ended 30 June	
Tax expense	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m
Total current tax	**6.9**	3.8	**3.8**	3.1
Deferred tax expense	**0.9**	-	**-**	-
	7.8	3.8	**3.8**	3.1

	6 months ended 30 June		3 months ended 30 June	
Tax paid	**2020 US$m**	2019 US$m	**2020 US$m**	2019 US$m
Change of Control tax funded by escrow restricted cash[1]	**37.7**	-	**-**	-
Income tax	**1.3**	1.2	**0.8**	0.9
	39.0	1.2	**0.8**	0.9

[1] For more information relating to change of control tax see note 11.

7. Intangible assets

	Customer contracts US$m	Customer relationships US$m	Goodwill US$m	Colocation rights US$m	Right of first refusal US$m	Non-compete agreement US$m	Computer software and licences US$m	Total US$m
Cost								
At 1 January 2020	3.5	7.1	4.2	8.8	35.0	31.1	19.4	109.1
Reclassification during the period	–	–	–	–	1.1	(1.1)	–	–
Foreign exchange	(0.7)	(1.4)	(0.8)	–	(0.2)	–	(0.2)	(3.3)
At 30 June 2020	**2.8**	**5.7**	**3.4**	**8.8**	**35.9**	**30.0**	**19.2**	**105.8**
Amortisation								
At 1 January 2020	(0.2)	(0.3)	–	(0.3)	(32.7)	(30.0)	(17.2)	(80.7)
Charge for period	–	(0.2)	–	(0.4)	(2.6)	–	(1.0)	(4.2)
Foreign exchange	–	0.1	–	–	0.1	–	0.2	0.4
At 30 June 2020	**(0.2)**	**(0.4)**	**–**	**(0.7)**	**(35.2)**	**(30.0)**	**(18.0)**	**(84.5)**
Net book value								
At 30 June 2020	**2.6**	**5.3**	**3.4**	**8.1**	**0.7**	**-**	**1.2**	**21.3**
At 31 December 2019	3.3	6.8	4.2	8.5	2.3	1.1	2.2	28.4

Impairment

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The Group's CGUs are aligned to its operating segments. No impairment indicators were identified during the quarter.

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections for the next ten years from financial budgets approved by senior management, as this period matches the typical customer contract period for tower management.

8a. Property, plant and equipment

	IT equipment US$m	Fixtures and fittings US$m	Motor vehicles US$m	Site assets US$m	Land US$m	Leasehold improvements US$m	Total US$m
Cost							
At 1 January 2020	18.5	1.4	4.5	1,192.7	8.9	3.1	1,229.1
Additions during the period	1.5	–	0.4	36.4	(0.3)	–	38.0
Disposals during the period	–	–	–	(3.2)	–	–	(3.2)
Foreign exchange	(0.1)	–	–	(4.7)	(2.4)	(0.1)	(7.3)
At 30 June 2020	**19.9**	**1.4**	**4.9**	**1,221.2**	**6.2**	**3.0**	**1,256.6**
Depreciation							
At 1 January 2020	(10.6)	(1.3)	(3.2)	(579.6)	–	(2.5)	(597.2)
Charge for period	(2.3)	–	(0.3)	(61.0)	–	(0.1)	(63.7)
Disposals during the period	–	–	–	1.3	–	–	1.3
Foreign exchange	–	–	–	3.2	–	0.1	3.3
At 30 June 2020	**(12.9)**	**(1.3)**	**(3.5)**	**(636.1)**	**–**	**(2.5)**	**(656.3)**
Net book value							
At 30 June 2020	**7.0**	**0.1**	**1.4**	**585.1**	**6.2**	**0.5**	**600.3**
At 31 December 2019	7.9	0.1	1.3	613.1	8.9	0.6	631.9

8b. Right-of-use assets

	30 June 2020 US$m	31 December 2019 US$m
Right-of-use assets by class of underlying assets carrying value		
Land	**105.6**	104.0
Buildings	**3.8**	4.2
	109.4	108.2
Depreciation charge for right-of-use assets		
Land	**3.8**	7.2
Buildings	**1.0**	1.3
	4.8	8.5

9. Derivative financial instruments

The amounts recognised in the statement of financial position are as follows:

	30 June 2020 US$m	31 December 2019 US$m
Balance brought forward	**41.0**	7.1
Put and call options on the listed US$750 million Senior Notes	**5.3**	-
Put and call options on the listed US$600 million Senior Notes	**(41.0)**	33.9
Balance carried forward	**5.3**	41.0

The derivatives represent the fair value of the put and call options embedded within the terms of the Senior Notes. The call options give the Group the right to redeem the Senior Notes instruments at a date prior to the maturity date (18 December 2025), in certain circumstances and at a premium over the initial notional amount.

The put option provides the holders with the right (and the Group with an obligation) to settle the Senior Notes before their redemption date in the event of a change in control resulting in a rating downgrade (as defined in the terms of the Senior Notes, which also includes a major asset sale), and at a premium over the initial notional amount. The options are fair valued using an option pricing model that is commonly used by market participants to value such options and makes the maximum use of market inputs, relying as little as possible on the entity's specific inputs and making reference to the fair value of similar instruments in the market. The options are considered a Level 3 financial instrument in the fair value hierarchy of IFRS 13, owing to the presence of unobservable inputs. Where Level 1 (market observable) inputs are not available, the Helios Group engages a third party qualified valuer to perform the valuation. Management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The Senior Notes are quoted and it has an embedded derivative. The fair value of the embedded derivative is the difference between the quoted price of the Senior Notes and the fair value of the host contract (the Senior Notes excluding the embedded derivative). The fair value of the Senior Notes as at the Valuation Date has been sourced from an independent third party data vendor. The fair value of the host contract is calculated by discounting the Senior Notes' future cash flows (coupons and principal payment) at USD 3-month LIBOR plus Helios Towers' credit spread. For valuation date of 30 June 2020, a relative 1% increase in credit spread would result in an approximate US$0.4 million decrease in the valuation of the embedded derivatives.

As at the reporting date, the call option had a fair value of US$5.3 million (31 December 2019: US$41.0 million on the US$600 million 9.125% Senior Notes 2022), while the put option had a fair value of US$0 million (31 December 2019: US$0 million).

10. Trade and other receivables

	30 June 2020 US$m	31 December 2019 US$m
Trade receivables	**89.3**	105.7
Loss allowance	**(6.0)**	(6.4)
	83.3	99.3
Trade receivable from related parties	**31.3**	23.4
	114.6	122.7
Other receivables	**44.0**	37.1
VAT & Withholding tax receivable	**6.2**	6.7
	164.8	166.5

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

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.

Of the trade receivables balance at 30 June 2020, 83% (31 December 2019: 73%) is due from the Group's largest five 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.

The carrying value of trade and other receivables approximates their fair values due to their short-term nature.

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 deferred income.

	30 June 2020 US$m	31 December 2019 US$m
Trade receivables[1]	**120.6**	129.1
Accrued Revenue[2]	**6.5**	2.2
Less: Loss allowance	**(6.0)**	(6.4)
Less: Deferred income	**(70.4)**	(64.4)
Net Receivables	**50.7**	60.5
Revenue	**204.0**	387.8
Debtor days	**45**	57

[1]Trade receivables, including related parties.

[2] Reported within other receivables.

11. Cash and cash equivalents

	30 June 2020 US$m	31 December 2019 US$m
Bank balances (excluding restricted cash)	**176.2**	179.1
Bank balances (restricted cash)[1]	**-**	37.7
Short-term deposits	**36.3**	4.3
	212.5	221.1

[1]The bank balances as at 31 December 2019 included restricted cash of US$37.7 million, drawn-down from the escrow funded by the Group's pre-IPO shareholders relating to Change of Control Taxes. This was paid to the relevant tax authority in Q1 2020.

12. Share capital

	30 June 2020		31 December 2019	
	Number of shares	US$m	Number of shares	US$m
Authorised, issued and fully paid				
Ordinary share capital class A of £0.01	**1,000,000,000**	**12.8**	1,000,000,000	12.8
	1,000,000,000	**12.8**	1,000,000,000	12.8

13. Loans

	30 June 2020 US$m	31 December 2019 US$m
Loans[1]	**729.1**	-
US$600 million 9.125% Senior Notes 2022	**-**	607.3
US$125 million term loan facility 2022	**-**	75.5
ZAR535 million term loan facility A and B	**10.6**	-
SA Towers Proprietary Limited	**1.2**	1.5
Total borrowings	**740.9**	684.3
Current	**2.0**	19.2
Non-current	**738.9**	665.1
	740.9	684.3

[1] Included in loans is the US$750 million 7.00% Senior Notes due 2025 and transaction costs of US$2.3 million in relation to the US$135 million term facility and US$0.9 million in relation to the US$70 million revolving credit facility.

On 10 June 2020 HTA Group, Ltd. (the "HTA Group"), an indirect wholly owned subsidiary of Helios Towers plc (the "Company"), announced the successful pricing of its offering of 7.00% US$750 million Senior Notes due 2025 (the "Notes"), guaranteed on a senior basis by the Company and certain of its direct and indirect subsidiaries (the "Offering"). The Notes were issued on 18 June 2020 at an issue price of 99.439% of principal amount. The proceeds of the Notes were used (i) to redeem US$600 million of HTA Group's outstanding Senior Notes due 2022 (the "Existing Notes") (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.

HTA Group also entered into a US$135 million term facility (with a 5-year tenor, and which may increase in accordance with its terms up to an aggregate amount of US$200 million) with borrowing availability in U.S. 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. Additionally, HTA Group entered into a revolving credit facility (with a 4.5-year tenor) with borrowing availability in US dollars for the purpose of financing or refinancing the general corporate and working capital needs of the Company and certain of its subsidiaries. Commitments under the new revolving credit facility amount to US$70 million and replaced the previous US$60 million revolving credit facility, which was also cancelled on 19 June 2020.

On 18 December 2019, HTSA Towers (Pty) Ltd, entered into secured term loan with total commitment of ZAR 535 million and comprises two facilities: Facility A, with a term of 78 months, and Facility B, with a term of 84 months. The annual interest rate is JIBAR plus 4% per year on loans under Facility A and JIBAR plus 4.5% per year on loans under Facility B. As of 30 June 2020, ZAR 184 million (Facility A ZAR 92 million and Facility B ZAR 92 million) of the South African facilities were drawn.

14. Trade and other payables

	30 June 2020 US$m	31 December 2019 US$m
Trade payables	**14.9**	17.9
Amounts payable to related parties	**0.1**	0.1
Deferred income	**70.4**	64.4
Deferred consideration	**8.1**	8.0
Other payables and accruals	**62.8**	63.6
VAT, Withholding and other tax payable	**38.6**	68.7
	194.9	222.7

Trade creditors and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 31 days (2019: 31 days). No interest is charged on the 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. VAT, Withholding and other tax payable balance at 31 December 2019 includes Change of Control Taxes amounting to US$37.7 million which was paid to the relevant tax authority in Q1 2020 (please refer to note 11).

The carrying value of trade and other payables approximates their fair values due to their short-term nature.

15. Lease liabilities

	30 June 2020 US$m	31 December 2019 US$m
Short-term lease liabilities		
Land	**20.0**	19.6
Buildings	**1.1**	1.8
	21.1	21.4

	30 June 2020 US$m	31 December 2019 US$m
Long-term lease liabilities		
Land	**103.4**	101.4
Buildings	**2.8**	2.8
	106.2	104.2

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

The total cash paid on leases in the 6 months ended 30 June 2020 was US$11.3 million (6 months ended 30 June 2019: US$10.2 million). The total cash paid on leases during the quarter ended 30 June 2020 was US$6.3 million (quarter ended 30 June 2019: US$6.5 million).

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

	Within 1 year US$m	1–5 years US$m	5+ years US$m	Total US$m
30 June 2020	**21.2**	**77.7**	**475.6**	**574.5**
31 December 2019	21.5	76.1	459.8	557.4

16. Gains and losses on financial instruments

	6 months ended		3 months ended	
	30 June 2020 US$m	30 June 2019 US$m	**30 June 2020 US$m**	30 June 2019 US$m
Fair value (loss) / gain on derivative financial instruments	**(37.6)**	24.3	**3.4**	8.5
Fair value gain on movement in contingent liability (see note 20)	**2.6**	-	**2.6**	-
	(35.0)	24.3	**6.0**	8.5

17. Uncompleted performance obligations

The table below represents undiscounted 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.

	30 June 2020 US$m	31 December 2019 US$m
Total contracted revenue	**2,775.8**	2,871.7

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2020 for each of the periods from 2020 to 2024, with local currency amounts converted at the applicable average rate for US dollars for the period ended 30 June 2020 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 colocations, (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.

		Year ended 31 December			
	6 months to 31 December 2020 US$m	2021 US$m	2022 US$m	2023 US$m	2024 US$m
Tanzania	83.6	166.8	163.9	156.8	136.6
DRC	84.1	168.1	168.1	168.0	166.5
Congo Brazzaville	12.4	24.7	23.9	23.1	22.4
South Africa	1.2	2.8	3.1	3.3	3.4
Ghana	17.2	34.4	32.9	31.8	31.3
	198.5	396.8	391.9	383.0	360.2

18. 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 period, the Group companies entered into the following commercial transactions with related parties.

	6 months ended 30 June 2020		6 months ended 30 June 2019	
	Income from tower services US$m	**Purchase of goods US$m**	Income from tower services US$m	Purchase of goods US$m
Millicom Holding B.V. and subsidiaries	**35.9**	–	35.8	–
Ecost Building Management (Pty) Ltd	–	–	–	0.7
Nepic (Pty) Ltd	**0.2**	–	–	–
Vulatel (Pty) Ltd	–	**0.1**	–	0.1
	36.1	**0.1**	35.8	0.8

The following amounts were outstanding at the reporting date:

	As at 30 June 2020		As at 31 December 2019	
	Amount owed by US$m	**Amount owed to US$m**	Amount owed by US$m	Amount owed to US$m
Millicom Holding B.V. and subsidiaries	**31.1**	**–**	22.9	–
Vulatel (Pty) Ltd	**0.1**	**0.1**	0.2	–
SA Towers Proprietary Limited	**–**	**1.2**	–	1.5
Nepic (Pty) Ltd	**0.1**	**–**	0.3	0.1
	31.3	**1.3**	23.4	1.6

Millicom Holding B.V. is a shareholder of Helios Towers plc.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts 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 10% per annum charged on the outstanding trade and other receivable balances (note 10).

19. Contingencies

In the year ended 31 December 2019, the Ghana Revenue Authority issued an initial assessment on Transfer Pricing for years 2012 to 2017 and a revised assessment was issued in May 2020 for the years 2012 to 2018 of approximately US$32.0 million. The Directors have appealed against this assessment. 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. The Directors believe that the potential future cash outflows are not considered probable and cannot be measured reliably.

Following the quarter ended 30 June 2020, the Congo Brazzaville tax authority issued an initial assessment including VAT and corporate income tax for the years 2016 and 2017 of approximately US$39.1 million. The Directors intend to lodge an appeal against this assessment. This assessment is under review with local tax experts and as such the impact, if any, is unknown at this time.

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

20. Contingent consideration

Contingent consideration balance of ZAR 132.7 million primarily relates to the acquisition of the South African subsidiary undertakings in April 2019. As at balance sheet date this was US$6.4 million. During the quarter, a fair value gain of US$2.6 million was recognised due to the movement in the fair value of the contingent consideration. The contingent consideration is for a two year period ending April 2021.

The contingent consideration balance is dependent on the timing of sites under construction being fully completed in accordance with technical specifications. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between US$nil and US$12 million.

The fair value of the contingent consideration arrangement on 30 April 2019 was based on management's knowledge of the market outlook and the future pipeline. The contingent consideration liability is categorised as Level 3 in the fair value hierarchy of IFRS 13. The calculation of the fair value of the contingent consideration balance is most sensitive to changes in the following assumptions:

- Number of sites coming on-air between 310 and 500;
- Timing of sites coming on-air for a period of two years; and
- Discount rate ranging from 15% to 20%.

21. Earnings per share

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

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

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

Earnings per share is based on:

	6 months ended 30 June		3 months ended 30 June	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Loss after tax for the year attributable to owners of the Company	**(91.1)**	(22.3)	**(29.8)**	(12.9)
Adjusted EBITDA (Note 4)	**109.1**	99.0	**55.1**	50.2

	30 June 2020 Number	30 June 2019 Number	**30 June 2020 Number**	30 June 2019 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**996,953,727**	909,124,714	**996,953,727**	909,124,714
Weighted average number of dilutive potential shares	**6,961,795**	-	**6,961,795**	-
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,003,915,522**	909,124,714	**1,003,915,522**	909,124,714

Loss per share

	6 months ended 30 June		3 months ended 30 June	
	2020 cents	2019 cents	**2020 Cents**	2019 cents
Basic	**(9)**	(2)	**(3)**	(1)
Diluted	(9)	(2)	**(3)**	(1)

Adjusted EBITDA per share

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	**2020**	2019
	cents	cents	**cents**	cents
Basic	**11**	11	**6**	6
Diluted	**11**	11	**5**	6

The calculation of basic and diluted earnings per share is based on the net loss attributable to equity holders of the Company entity for the period US$91.1 million (2019: US$22.3million). Basic and diluted earnings per share amounts are calculated by dividing the net loss attributable to equity shareholders of the Company entity by the weighted average number of shares outstanding during the year. Dilutive potential shares are anti-dilutive due to the loss after tax attributable to ordinary shareholders reported.

The calculation of Adjusted EBITDA per share and diluted EBITDA per share are based on the Adjusted EBITDA earnings for the period of US$109.1 million (2019: US$99.0 million). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

22. Subsequent events

Subsequent to period end, on 12 August 2020, the Group signed an agreement to acquire 1,220 sites with from Free Senegal – the second largest mobile operator in Senegal backed by a consortium of investors including NJJ, the founder of the Iliad S.A. group Xavier Niel's private holding company, Teyliom Group and Axian Group – to acquire its passive infrastructure assets, for an upfront cash consideration of €160 million (c.$189 million). This represents an enterprise value of €178m (c.$210m) including an estimated €18m (c.$21m) of taxes and capitalised ground leases. In addition, deferred consideration and growth capex of €40m ($47m) and c.€30m ($35m) respectively are expected to be invested over the next 5 years in relation to the rollout of 400 committed new build-to-suit sites. This acquisition is in line with the Group's expansion strategy. For further information please refer to our website (www.heliostowers.com/investors/investor-news/).

23. Directors' responsibility statement

The Directors confirm that, to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 and that this Interim Report includes a fair review of the information required by content of the Interim Management section in the Disclosure Guidance and Transparency Rules 4.2.7R and Disclosure Guidance and Transparency Rules 4.2.8R.

The interim financial statements for the period ended 30 June 2020 have been authorised for issue on 13 August 2020.

Kash Pandya
Chief Executive Officer

Tom Greenwood
Chief Operating Officer

Certain defined terms and conventions

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", our "Group" and the "Group" are references to Helios Towers plc and its subsidiaries taken as a whole.

"Adjusted EBITDA" Management defines Adjusted EBITDA as loss before tax for the period, adjusted finance costs, gains or loss on financial instruments, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence. A Reconciliation of aggregate segment Adjusted EBITDA to loss before tax is on note 4 to the interim financial statements.

"**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.

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

"**Airte**l" means Airtel Africa plc.

"**Build-to-suit/BTS**" means sites constructed by our Group on order by a MNO.

"**CODM**" means Chief Operating Decision Maker.

"**Colocation**" means the sharing of tower space by multiple customers or technologies on the same tower, equal to the sum of standard colocation tenants and amendment colocation tenants.

"**Company**" means Helios Towers plc.

"**Committed colocation**" means contractual commitments relating to prospective colocation tenancies with customers

"**Congo Brazzaville**" means the Republic of Congo, Congo Brazzaville or Congo.

"**Contracted revenue**" means revenue contracted under our site agreements under all total tenancies and assumes (i) no escalation in fee rates, (ii) no increases in sites or tenancies other than our committed 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**" is primarily for furniture, fixtures and equipment.

"**DRC**" means Democratic Republic of Congo.

"**Edge data centre**" 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.

"**Ghana**" means the Republic of Ghana.

"**Gross debt**" as our total borrowings (non-current loans and current loans) excluding unamortised loan issue costs.

"**Adjusted gross margin**" means gross profit, adding site depreciation, divided by revenue.

"**Growth capex**" relates to: (i) construction of build-to-suit sites (ii) installation of colocation tenants and (ii) and investments in power management solutions.

"**Group**" means Helios Towers, Ltd and its subsidiaries prior to 18 October 2019, and Helios Towers plc and its subsidiaries on or after 18 October 2019.

"**Helios Towers Ghana**" means Helios Towers Ghana Limited.

"**Helios Towers Tanzania**" means Helios Towers Tanzania Limited.

"**Helios Towers Congo Brazzaville**" means HT Congo Brazzaville Holdco Limited.

"**Helios Towers plc**" means the ultimate parent of the Group, post IPO.

"**IBS**" means in-building cellular enhancement.

"**IFRS**" means International Financial Reporting Standards.

"Invested capital" means gross plant, property and equipment and gross intangibles, less accumulated maintenance and corporate capital expenditure.

"**ISA**" means individual site agreement.

"**Levered portfolio free cash flow**" defined as portfolio free cash flow less net finance costs paid.

“**Maintenance capital expenditures**” as capital expenditures for periodic refurbishments and replacement of parts and equipment to keep existing sites in service.

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

“**Mauritius**” means the Republic of Mauritius.

“**Millicom**” means Millicom International Cellular SA.

“**MLA**” means master lease agreement.

“**MNO**” means mobile network operator.

“**MTN**” means MTN Group Ltd.

“**Net debtor days**” means net receivables divided by revenue reported in the period multiplied by number of days in the period.

“**Net debt**” means gross debt less cash and cash equivalents (excluding restricted cash).

“**Net receivables**” means total trade receivables (including related parties) and accrued revenue, less deferred income.

“**Orange**” means Orange S.A.

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

“Return on invested capital” means portfolio free cash flow divided by invested capital.

“**Site agreement**” means the MLA and ISA executed by us with our customers, whereby the ISA acts 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.

“**Tanzania**” means the United Republic of Tanzania.

“**Telecommunications operator**” means a company licensed by the government to provide voice and data communications services in the countries in which we operate.

“**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 towers 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 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.

Tenant categories

- “**Anchor tenant**” means the primary customer occupying a site.
- “**Colocation tenant**” each additional tenant on a site in addition to the anchor tenant and are classified as either a standard or amendment colocation tenant.
  - “**Standard colocation tenant**” is defined as a customer occupying site 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.
  - “**Amendment colocation tenant**” is a tenant that adds or modifies equipment, taking up additional space, wind load capacity and/or power consumption under an existing lease agreement. The Group calculates amendment colocation tenants on a weighted basis as compared to the market average lease rate for a standard tenancy lease in the month the amendment is added.
- “**Total tenancies**” means total anchor, standard and amendment colocation tenants as of a given date.

“**Tower sites**” means ground-based towers and rooftop towers and installations constructed and owned by us on real property (including a rooftop) that is generally owned or leased by us.

“**Upgrade capex**” comprises structural, refurbishment and consolidation activities carried out on selected sites.

“**US dollars**” or “**$**” refers to the lawful currency of the United States of America.

“**United States**” or “**US**” means the United States of America.

“**Vodacom**” means Vodacom Group Limited.

“**Vodafone**” means Vodafone Group Plc.