HELIOS TOWERS plc

Unaudited trading update for the nine months and quarter ended 30 September 2022

+18% year-on-year Adjusted EBITDA growth

Oman closing nearing completion with towerco license received

2022 organic tenancy guidance tightened upwards to 1,400 - 1,700

London, 3 November 2022: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the nine months to 30 September 2022 ("YTD 2022").

	YTD 2022	YTD 2021	Change	**Q3 2022**	Q2 2022	Change
Sites	**10,872**	8,765	+24%	**10,872**	10,694	+2%
Tenancies	**20,913**	17,773	+18%	**20,913**	20,549	+2%
Tenancy ratio	**1.92x**	2.03x	-0.11x	**1.92x**	1.92x	0.00x
Revenue (US$m)	**408.8**	326.8	+25%	**143.4**	137.9	+4%
Adjusted EBITDA (US$m)[1]	**206.8**	175.0	+18%	**70.7**	69.4	+2%
Adjusted EBITDA margin[1]	**51%**	54%	-3ppt	**49%**	50%	-1ppt
Operating profit (US$m)	**62.9**	42.0	+50%	**23.1**	25.4	-9%
Portfolio free cash flow (US$m)[1]	**145.1**	118.7	+22%	**44.7**	51.0	-12%
Cash generated from operations (US$m)	**161.7**	98.6	+64%	**70.7**	38.5	+84%
Net debt (US$m)[1]	**1,148.1**	835.9	+37%	**1,148.1**	1,082.4	+6%
Net leverage[1,2]	**4.1x**	3.4x	+0.7x	**4.1x**	3.9x	+0.2x

1 Alternative Performance Measures are described in our defined terms and conventions.
2 Calculated as per the Senior Notes definition of net debt divided by annualised Adjusted EBITDA.

Tom Greenwood, Chief Executive Officer, said:

"I am pleased to report another quarter of strong operational and financial performance, which highlights our focus on customer service excellence and the structural growth opportunity across the region, underpinned by a highly visible base of contracted revenues. Looking ahead, we are pleased to update our organic tenancy guidance for the year, reflecting performance year-to-date and our robust commercial pipeline. Coupled with our ongoing transformational platform expansion, which includes our targeted entry into Oman in Q4 22, we expect to enter 2023 in a strong position for continued growth."

Financial highlights

- YTD 2022 revenue increased by 25% year-on-year to US$408.8m (YTD 2021: US$326.8m), driven by acquisitions in Senegal, Madagascar and Malawi and strong organic tenancy growth across the Group, in addition to CPI and power price escalations. Organic revenues, excluding acquisitions, increased 14% year-on-year.
    - Q3 2022 revenue increased by 4% quarter-on-quarter to US$143.4m (Q2 2022: US$137.9m).

- YTD 2022 Adjusted EBITDA increased by 18% year-on-year to US$206.8m (YTD 2021: US$175.0m), driven by tenancy growth (18%), with YTD 2022 Adjusted EBITDA margin decreasing 3ppt year-on-year to 51% (YTD 2021: 54%), reflecting the impact of acquired assets with low initial tenancy ratios and higher power costs across the Group, most notably in DRC, resulting in both higher revenues and power operating expenses.
    - The Group's Adjusted EBITDA is effectively protected from power price movements through power and CPI escalators embedded into customer contracts, although Adjusted EBITDA margin can decrease in a period of rising power prices as both power-linked revenues and related operating expenses increase comparably.
    - Q3 2022 Adjusted EBITDA increased by 2% quarter-on-quarter to US$70.7m (Q2 2022: US$69.4m), with Q3 2022 Adjusted EBITDA margin at 49% (Q2 2022: 50%).

- YTD 2022 operating profit increased by 50% year-on-year to US$62.9m (YTD 2021: US$42.0m) due to growth in Adjusted EBITDA, partially offset by higher depreciation.
    - Q3 2022 operating profit decreased by 9% quarter-on-quarter to US$23.1m (Q2 2022: US$25.4m), due to higher depreciation during the period.

- YTD 2022 portfolio free cash flow increased by 22% year-on-year to US$145.1m (YTD 2021: US$118.7m), driven by Adjusted EBITDA growth and timing of non-discretionary capex additions.
    - Q3 2022 portfolio free cash flow decreased by 12% quarter-on-quarter to US$44.7m (Q2 2022: US$51.0m), reflecting the timing of tax and lease liability payments.

- YTD 2022 cash generated from operations increased by 64% year-on-year to US$161.7m (YTD 2021: US$98.6m), driven by higher Adjusted EBITDA, a decrease in deal costs and a one-off escrow deposit payment in relation to the Oman transaction in 2021 which did not occur in 2022.
    - Q3 2022 cash generated from operations increased by 84% quarter-on-quarter to US$70.7m (Q2 2022: US$38.5m), primarily due to an improved working capital position.

- Net leverage of 4.1x increased by +0.7x year-on-year (Q3 2021: 3.4x), primarily due to acquisitions in Madagascar and Malawi, and +0.2x quarter-on-quarter (Q2 2022: 3.9x), remaining within the Group's medium-term target range of 3.5x-4.5x.
    - Following closure of announced acquisitions, the Group's net leverage is anticipated to be around the high-end of its medium-term target range.
    - Strong balance sheet with 96% of drawn debt at a fixed rate, no near-term maturities and fully-funded for announced transactions.

- Business underpinned by long-term contracted revenues of US$4.0bn (Q3 2021: US$3.7bn), of which 99% is from multinational MNOs, with an average remaining life of 7.0 years (Q3 2021: 7.6 years).
    - Pro forma for the announced transaction in Oman and potential acquisition in Gabon, the Group has contracted revenues of US$5.1bn.
    - CPI and power price escalators embedded into customer contracts provides an effective hedge against inflation and power price movements over a full-year cycle.

Operational highlights

- Sites increased by 2,107 year-on-year to 10,872 sites (Q3 2021: 8,765 sites), reflecting 894 organic site additions and the acquisition of 1,213 sites in Malawi and Madagascar.
    - Sites increased organically by 178 quarter-on-quarter.

- Tenancies increased by 3,140 year-on-year to 20,913 tenants (Q3 2021: 17,773 tenants), reflecting 1,448 organic tenancy additions and 1,692 additional tenancies through the acquisitions in Madagascar and Malawi.
    - Tenancies increased organically by 364 quarter-on-quarter.

- Tenancy ratio decreased 0.11x year-on-year to 1.92x (Q3 2021: 2.03x), reflecting the dilutive impact of the acquired assets from Madagascar and Malawi (Tenancy ratio - Madagascar Q3 22: 1.20x, Malawi Q3 22: 1.59x), which the Group targets to increase over the medium-term as these acquired assets are leased-up.

Strategic Updates

- The Group continues to progress with the closing of Omantel's passive infrastructure assets, with Helios Towers Oman receiving its towerco licence in October 2022, and today reiterates its expectation of closing the transaction in Q4 2022.

- The Group also continues to engage on obtaining a local towerco license in Gabon in relation to the potential acquisition of Airtel Africa's tower assets. However, timing remains uncertain following continued delays in the licence process.

Environmental, Social and Governance (ESG)

- In October 2022, Helios Towers South Africa attained level 1 B-BBEE certification, reflecting the Company's commitment to a high level of corporate and social investment into the communities in which it operates.

- As previously reported, Helios Towers was awarded a 'AAA' ESG score from MSCI in H1 2022, the highest score from the investment research firm, in addition to being included in the FTSE4Good Index, a series designed to measure the performance of companies demonstrating strong ESG practices.

2022 Outlook and guidance

- Following strong operational performance and coupled with a robust commercial pipeline, the Group has tightened upwards its FY 2022 organic tenancy guidance to 1,400 – 1,700 (prior: 1,200 – 1,700), of which 60% are expected to be sites.

- As a result of higher power prices expected in FY 2022, which increase both power-linked revenues and related operating expenses comparably, the Group has updated its Adjusted EBITDA margin guidance to 50 - 51% (prior: 51 - 53%)

- In-line with the updated organic tenancy guidance the Group has tightened its FY 2022 target capex range to US$830m – US$850m in FY 2022 (prior: US$810m – US$850m)
    - Year-to-date, the Group has deployed capex of US$214m, including US$63m of acquisition capex principally related to the acquisition in Malawi.
    - Excluding acquisitions, the Group anticipates US$180m - US$200m of capex, of which, US$27m - US$32m is non-discretionary capex.
    - The Group anticipates acquisition capex of approximately US$650m in 2022, reflecting the acquisitions in Oman and Malawi, and deferred acquisition payments in Senegal and Madagascar.

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Helios Towers' management will host a conference call for analysts and institutional investors at 09.30 GMT on Thursday, 3 November 2022. For the best user experience, please access the conference via the webcast. You can pre-register and access the event using the link below:

Registration Link - Helios Towers Q3 2022 Results Conference Call
Event Name: Q32022
Password: HELIOS

If you are unable to use the webcast for the event, or if you intend to participate in Q&A during the call, please dial in using the details below:

Europe & International	+44 203 936 2999
South Africa (local)	087 550 8441
USA (local)	+1 646 664 1960
Passcode:	**863641**

About Helios Towers

- Helios Towers is a leading independent telecommunications infrastructure company, having established one of the most extensive tower portfolios across Africa. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.

- Helios Towers owns and operates telecommunication tower sites in Tanzania, Democratic Republic of Congo, Congo Brazzaville, Ghana, South Africa, Senegal, Madagascar and Malawi. Following recent acquisition agreements and subject to regulatory approval, Helios Towers expects to establish a presence in two new markets across the Middle-East and Africa. Including these acquisitions and committed BTS, the Group's total site count is expected to increase from over 10,500 towers to over 14,000.

- 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.

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. Loss before tax, gross profit, non-current and current loans and long-term and short-term lease liabilities are the equivalent statutory measures (see 'Certain defined terms and conventions'). For more information on the Group's Alternative Performance Measures, see the Group's Annual report for the year ended 31 December 2021, published on the Group's website. Reconciliations of APMs to the equivalent statutory measure are included in the Group's Half-Year and Annual financial reports.

Financial and operating metrics

Key metrics

For the nine months ended 30 September

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2022 US$m	2021 US$m	**2022 US$m**	2021 US$m	**2022 US$m**	2021 US$m	**2022 US$m**	2021 US$m	**2022 US$m**	2021 US$m	**2022 US$m**	2021 US$m
Revenue for the period	**$408.8**	$326.8	**$147.7**	$126.7	**$150.1**	$128.8	**$21.1**	$20.9	**$29.8**	$31.9	**$6.6**	$4.4
Adjusted gross margin[1]	**64%**	67%	**70%**	69%	**58%**	65%	**65%**	65%	**67%**	69%	**73%**	73%
Sites at beginning of the period	**9,560**	7,356	**4,005**	3,821	**2,062**	1,895	**459**	426	**1,040**	978	**272**	236
Sites at period end	**10,872**	8,765	**4,174**	3,880	**2,186**	1,973	**502**	432	**1,109**	1,019	**362**	253
Tenancies at beginning of the period	**18,776**	15,656	**9,012**	8,625	**4,701**	4,096	**661**	617	**2,041**	1,914	**464**	404
Tenancies at period end	**20,913**	17,773	**9,312**	8,853	**4,927**	4,584	**699**	632	**2,210**	1,991	**606**	436
Tenancy ratio at period end	**1.92x**	2.03x	**2.23x**	2.28x	**2.25x**	2.32x	**1.39x**	1.46x	**1.99x**	1.95x	**1.67x**	1.72x
Adjusted EBITDA for the period[2]	**$206.8**	$175.0	**$98.4**	$83.8	**$77.2**	$74.4	**$10.0**	$9.9	**$17.2**	$19.1	**$3.0**	$1.8
Adjusted EBITDA Margin[2] for the period	**51%**	54%	**67%**	66%	**51%**	58%	**47%**	47%	**58%**	60%	**45%**	41%

	Senegal[3]		Madagascar[4]		Malawi[5]	
	2022 US$m	2021 US$m	**2022 US$m**	**2021 US$m**	**2022 US$m**	2021 US$m
Revenue for the period	**$27.4**	$14.1	**$11.3**	-	**$14.8**	-
Adjusted gross margin[1]	**70%**	62%	**51%**	-	**42%**	-
Sites at beginning of the period	**1,232**	-	**490**	-	**-**	-
Sites at period end	**1,303**	1,208	**489**	-	**747**	-
Tenancies at beginning of the period	**1,303**	-	**594**	-	**-**	-
Tenancies at period end	**1,388**	1,277	**586**	-	**1,185**	-
Tenancy ratio at period end	**1.07x**	1.06x	**1.20x**	-	**1.59x**	-
Adjusted EBITDA for the period[2]	**$16.3**	$7.2	**$4.1**	-	**$4.6**	-
Adjusted EBITDA Margin[2] for the period	**59%**	51%	**36%**	**-**	**31%**	-

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

2 Group Adjusted EBITDA for the period is stated including corporate costs of US$23.9m (2021: US$21.2m).

3 Results for the period from completion on 18th May 2021

4 Results for the period since acquisition on 2nd November 2021

5 Results for the period since acquisition on 24th March 2022.

Total tenancies as at 30 September

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Standard colocation tenants	**8,850**	8,081	**4,488**	4,416	**2,583**	2,509	**169**	177	**762**	733	**233**	178
Amendment colocation tenants	**1,191**	927	**650**	557	**158**	102	**28**	23	**339**	239	**11**	5
Total colocation tenants	**10,041**	9,008	**5,138**	4,973	**2,741**	2,611	**197**	200	**1,101**	972	**244**	183
Total sites	**10,872**	8,765	**4,174**	3,880	**2,186**	1,973	**502**	432	**1,109**	1,019	**362**	253
Total tenancies	**20,913**	17,773	**9,312**	8,853	**4,927**	4,584	**699**	632	**2,210**	1,991	**606**	436

	Senegal		Madagascar		Malawi	
	2022	2021	2022	2021	2022	2021
Standard colocation tenants	**84**	68	**93**	-	**438**	-
Amendment colocation tenants	**1**	1	**4**	-	**-**	-
Total colocation tenants	**85**	69	**97**	-	**438**	-
Total sites	**1,303**	1,208	**489**	-	**747**	-
Total tenancies	**1,388**	1,277	**586**	-	**1,185**	-

Revenue

Revenue increased by 25% to US$408.8m in the 9 month period ended 30 September 2022 from US$326.8m in the period ended 30 September 2021, US$39.4m from acquisitions in Senegal, Madagascar and Malawi and US$42.6m due to organic growth and escalations in our existing markets. For the period ended 30 September 2022, 98% of revenues were from multinational MNOs and 62% were denominated in USD or CFA Franc (which is pegged to the Euro).

Adjusted EBITDA

Adjusted EBITDA was US$206.8m in the 9 month period ended 30 September 2022 compared to US$175.0m in the 9 month period ended 30 September 2021. The increase in Adjusted EBITDA is primarily driven by the integration of operations in Senegal, Madagascar and Malawi, contributing US$17.8m, and organic growth as mentioned above.

Adjusted EBITDA margin declined 3ppt in the 9 month period ended 30 September 2022, reflecting the impact of acquired assets with low initial tenancy ratios, higher power costs across the Group, most notably in DRC, which due to escalators in our customer contracts increases revenues comparably to operating expenses over a full-year cycle and therefore reduces Adjusted EBITDA margin.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 September 2022 for each of the periods from 2022 to 2026, with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 September 2022 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.

	3 months to 31 December 2022 US$m	Year ended 31 December 2023 US$m	2024 US$m	2025 US$m	2026 US$m
Tanzania	49.8	204.8	204.8	204.9	140.7
DRC	49.7	211.1	210.7	182.0	154.4
Congo Brazzaville	7.0	28.4	28.4	19.1	12.4
Ghana	7.6	29.5	27.1	27.4	27.2
South Africa	1.9	8.2	8.2	8.0	7.8
Senegal	8.9	35.5	36.9	38.6	43.2
Madagascar	4.3	12.0	12.6	15.5	15.5
Malawi	4.4	17.6	17.6	18.8	18.8
	133.6	**547.1**	**546.3**	**514.3**	**420.0**

The following table provides our total undiscounted contracted revenue by key customers as of 30 September 2022 over the life of the contracts with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 September 2022 held constant. Our calculation uses the same assumptions as above. The average remaining life of customer contracts is 7.0 years (Q3 2021: 7.6 years).

(US$m)	Total Committed Revenues	Percentage of Total Committed Revenues
Multinational MNOs	3,986.8	99%
Others	54.7	1%
	4,041.5	**100%**

Portfolio free cash flow

Portfolio free cash flow increased by 22% year-on-year to US$145.1m (YTD 2021: US$118.7m), driven by an increase in EBITDA, lower maintenance and corporate capital expenditure, partially offset by higher lease and tax payments.

	9 months ended 30 September	
	2022	2021
	US$m	US$m
Adjusted EBITDA	**206.8**	175.0
Less: Maintenance and corporate capital additions	**(14.7)**	(19.6)
Less: Payments of lease liabilities[1]	**(31.8)**	(22.4)
Less: Tax paid[2]	**(15.2)**	(14.3)
Portfolio free cash flow	**145.1**	118.7
Cash conversion %[3]	**70%**	68%

1 Includes interest and principal repayments of lease liabilities.

2 Tax paid in the 9 months ended 30 September 2021 excludes amounts paid in relation to Change of Control Taxes.

3 Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.

Capital expenditure

The following table shows capital expenditure additions by category during the nine months ended 30 September:

	2022		2021	
	US$m	**% of Total Capex**	US$m	% of Total Capex
Acquisition	**62.5**	**29.2%**	181.9	66.9%
Growth	**120.2**	**56.0%**	60.7	22.3%
Upgrade	**17.0**	**7.9%**	9.7	3.6%
Maintenance	**13.4**	**6.3%**	18.0	6.6%
Corporate	**1.3**	**0.6%**	1.6	0.6%
	214.4	**100.0%**	271.9	100.0%

Acquisition capex in the nine months ended 30 September 2022 relates primarily to Malawi and deferred consideration payments for Senegal, excluding the fair value of assets and liabilities acquired and goodwill recognised under IFRS 3.

Certain defined terms and conventions

We have prepared the trading update 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.

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

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

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

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

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

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

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

‘**Adjusted EBITDA margin**’ means Adjusted EBITDA divided by revenue.

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

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

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

‘**Airtel**’ means Airtel Africa.

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

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

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

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

‘**Analysys Mason**’ means Analysys Mason Limited.

‘**Announced markets/Announced new markets**’: Announced markets reflects signed acquisition agreements with Omantel for tower portfolios in Oman, in addition to a memorandum of understanding arrangement for the potential acquisition of Airtel Africa’s tower portfolio in Gabon. All are subject to completion.

‘Annualised Adjusted EBITDA’ means Adjusted EBITDA for the last three months of the respective period, multiplied by four, adjusted to reflect the annualised contribution from acquisitions that have closed in the last three months of the respective period.

‘Annualised portfolio free cash flow’ means portfolio free cash flow for the respective period, adjusted to annualise for the impact of acquisitions closed during the period.

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

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

‘Axian’ means Axian Group.

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

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

‘**Carbon Reduction Roadmap**’ refers to Carbon Reduction Roadmap 2021 presented by Helios Towers, Plc on 25th November 2021.

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

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

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

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

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

'**Congo Brazzaville**' otherwise also known as the Republic of Congo.

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

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

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

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

'**Free Cash Flow**' means Adjusted free cash flow less net change in working capital, cash paid for adjusting and EBITDA adjusting items, cash paid in relation to non-recurring taxes and proceeds on disposal of assets.

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

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

'**Free Senegal site acquisition**' means the acquisition of 1,207 sites in Senegal from Free Senegal and the entry into the Free Senegal MTSA.

'**Gabon**' means Gabonese Republic.

'**Ghana**' means the Republic of Ghana.

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

'**gross leverage**' means gross debt divided by annualised Adjusted EBITDA.

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

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

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

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

'**Helios Towers Congo Brazzaville**' or '**HT Congo Brazzaville**' means Helios Towers Congo Brazzaville SASU.

'**Helios Towers DRC**' or '**HT DRC**' means HT DRC Infraco SARL.

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

'**Helios Towers plc**' means the ultimate Company of the Group.

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

'**Helios Towers Tanzania**' or '**HT Tanzania**' means HTT Infraco Limited.

'**HSE**' means Health, Safety and Environment.

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

'**ISA**' means individual site agreement.

'**ISP**' means Internet Service Provider.

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

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

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

'**Levered portfolio free cash flow**' means portfolio free cash flow less net payment of interest.

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

'**Madagascar**' means Republic of Madagascar.

'Malawi' means Republic of Malawi.

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

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

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

'**Mauritius**' means the Republic of Mauritius.

'**Middle East**' region includes thirteen countries namely Hashemite Kingdom of Jordan, Kingdom of Bahrain, Kingdom of Saudi Arabia, Republic of Iraq, Republic of Lebanon, State of Kuwait, Sultanate of Oman, State of Palestine, State of Qatar, Syrian Arab Republic, The Republic of Yemen, The Islamic Republic of Iran and The United Arab Emirates.

'**Millicom**' means Millicom International Cellular SA.

'**MLA**' means master lease agreement.

'**MNO**' means mobile network operator.

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

'**MTN**' means MTN Group Ltd.

'**MTSAs**' means master tower services agreements.

'**net debt**' means gross debt less adjusted cash and cash equivalents.

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

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

'**NOC**' means network operating centre.

'**Oman**' means Sultanate of Oman.

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

'**Orange**' means Orange S.A.

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

'**our markets**' or '**markets in which we operate**' refers to Tanzania, DRC, Congo Brazzaville, Ghana, South Africa, Senegal, Madagascar and Malawi.

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

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

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

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

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

'**Senegal**' means the Republic of Senegal.

'**Shares**' means the shares in the capital of the Company.

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

'**SHEQ**' means Safety, Health, Environment and Quality.

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

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

'**SLA**' means service-level agreement.

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

'**South Africa**' means the Republic of South Africa.

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

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

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

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

'**Tanzania**' means the United Republic of Tanzania.

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

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

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

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

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

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

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

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

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

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

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

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

'**Viettel**' means Viettel Tanzania Limited.

'**Vodacom**' means Vodacom Group Limited.

'**Vodacom Tanzania**' means Vodacom Tanzania plc.

'**Zantel**' means Zantel Telecom plc.