HELIOS TOWERS plc

Results for the three months ended 31 March 2020

Guidance for 2020 remains unchanged

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

London, 14 May 2020: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the three months to 31 March 2020.

	Q1 20	Q1 19	Change	**Q1 20**	Q4 19	Change
Sites	**6,991**	6,716	+4%	**6,991**	6,974	0%
Tenancies	**14,677**	13,600	+8%	**14,677**	14,591	+1%
Tenancy ratio	**2.10x**	2.03x	+0.07x	**2.10x**	2.09x	+0.01x
Revenue (US$m)	**101.8**	93.7	+9%	**101.8**	99.8	+2%
Adjusted EBITDA (US$m)[1]	**54.0**	48.8	+11%	**54.0**	53.7	+1%
Adjusted EBITDA margin[1]	**53%**	52%	+1ppt	**53%**	54%	-1ppt
Operating profit / (loss) for the period (US$m)	**12.1**	7.0	+73%	**12.1**	-17.3	+170%

Financial highlights

- Q1 2020 Group revenue increased by 9% year-on-year to US$101.8m (Q1 2019: US$93.7m) driven by the continued growth in the number of sites and tenancies across the Group.
  - Q1 2020 Group revenue increased by 2% quarter-on-quarter to US$101.8m (Q4 2019: US$99.8m).

- Q1 2020 Adjusted EBITDA increased by 11% year-on-year to US$54.0m (Q1 2019: US$48.8m), reflecting both tenancy growth and continued improvements in operational efficiency, with Q1 2020 Adjusted EBITDA margin at 53% (Q1 2019: 52%), up 1ppt.
  - Q1 2020 Adjusted EBITDA increased slightly quarter-on-quarter to US$54.0m (Q4 2019: US$53.7m), with Q1 2020 Adjusted EBITDA margin at 53% (Q4 2019: 54%), down 1ppt.

- Q1 2020 operating profit increased by 73% year-on-year to US$12.1m (Q1 2019: US$7.0m).
  - Q1 2020 operating profit increased by 170% quarter-on-quarter to US$12.1m (Q4 2019: US$17.3m loss).

Operational highlights

- Helios Towers continues to monitor the impact of COVID-19 on its operations and to date there has been no significant operational impact. Mobile infrastructure operators are classified as an 'essential service' in our markets and we continue to operate at our normal high levels of service.
- Increase in tenants of 8% year-on-year to 14,677 tenants (Q1 2019: 13,600 tenants). Q1 2020 tenancy number increased by +86 quarter-on-quarter to 14,677 (Q4 2019 14,591).
- Increase in sites of 4% year-on-year to 6,991 total sites (Q1 2019: 6,716 total sites). Q1 2020 number of sites increased by +17 quarter-on-quarter to 6,991 (Q4 2019 6,974).
- Tenancy ratio increased year-on-year by +0.07x to 2.10x (Q1 2019: 2.03x). Q1 2020 tenancy ratio increased +0.01x quarter-on-quarter to 2.10x (Q4 2019: 2.09x).

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

2020 Outlook and guidance

- Based on our current assessment of COVID-19 impact, guidance for 2020 remains unchanged.
- Helios Towers will continue to monitor the current COVID-19 situation in its markets and will provide further updates on 2020 outlook at the half-year results.

Kash Pandya, Chief Executive Officer, said:

"The first quarter of 2020 saw our business deliver in line with expectations, with strong top-line growth and Adjusted EBITDA performance. It demonstrates the power and leverage of our business model, the operational excellence driven by our people and the dependability of our long-term contracted revenue with our blue-chip customers. Following the outbreak of COVID-19, these attributes will serve the business well going forward. Our priority is the health and wellbeing of our people and those who are supported and connected by Helios Towers across sub-Saharan Africa. Never before has reliable connectivity been so vital, and at the heart of our sustainable business model is intrinsic infrastructure for a connected society."

Sir Samuel Jonah, Chair, said:

"Following its first full quarter as a listed company, Helios Towers continues to trade strongly. A key focus for the Board is business resilience – it is a fundamental part of the service we provide to our customers and central to our value proposition, from the systems and processes we have in place, to the training we provide to our employees and business partners. Ours is a business familiar with the challenges of local and regional health issues, and since the COVID-19 outbreak we have focussed on the health and wellbeing of our people. Regardless of location, our employees have made the necessary adjustments to adapt well to remote working, while adopting the health and safety practices required to provide continued excellent service to our mobile network operator clients, their customers, communities and economies across sub-Saharan Africa with the mobile connectivity they expect and need."

For further information go to:
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Helios Towers management will host a conference call for analysts and institutional investors at 09.30 BST on Thursday, 14 May 2020. Dial in details for the conference call are:

Europe & International	+44 20 3936 2999
South Africa (local)	087 550 8441
USA (local)	1 646 664 1960
Passcode:	**408271**

About Helios Towers ("HT")

- 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 7,000 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 has 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 3 months ended 31 March

	2020 US$m	2019 US$m
Revenue	**101.8**	93.7
Cost of sales	**(65.0)**	(65.3)
Gross profit	**36.8**	28.4
Administrative expenses	**(24.1)**	(16.3)
Loss on disposal of property, plant and equipment	**(0.6)**	(5.1)
Operating profit	**12.1**	7.0
Interest receivable	**0.7**	0.1
(Loss)/gain on derivative financial instruments	**(41.0)**	15.7
Finance costs	**(29.3)**	(31.5)
Loss before tax	**(57.5)**	(8.7)
Tax expenses	**(4.0)**	(0.7)
Loss after tax	**(61.5)**	(9.4)

Key metrics

For the 3 months ended 31 March

	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	**$101.8**	$93.7	**$41.3**	$39.3	**$42.4**	$38.5	**$6.2**	$6.1	**$11.2**	$9.8	**$0.7**	–
Adjusted gross margin[1,2]	**67%**	64%	**67%**	64%	**65%**	62%	**69%**	69%	**71%**	67%	**79%**	–
Sites at beginning of the quarter	**6,974**	6,745	**3,661**	3,701	**1,850**	1,773	**384**	380	**961**	891	**118**	–
Sites at quarter end	**6,991**	6,716	**3,667**	3,654	**1,853**	1,759	**384**	380	**964**	910	**123**	13
Tenancies at beginning of the quarter	**14,591**	13,549	**8,099**	7,848	**3,828**	3,492	**568**	529	**1,888**	1,680	**208**	–
Tenancies at quarter end	**14,677**	13,600	**8,120**	7,824	**3,883**	3,519	**565**	531	**1,891**	1,709	**218**	17
Tenancy ratio at quarter end	**2.10x**	2.03x	**2.21x**	2.14x	**2.10x**	2.00x	**1.47x**	1.40x	**1.96x**	1.88x	**1.77x**	1.31x
Adjusted EBITDA for the quarter[2,3]	**$54.0**	$48.8	**$25.2**	$22.9	**$24.1**	$20.9	**$3.1**	$3.4	**$6.7**	$5.6	**$0.1**	–
Adjusted EBITDA Margin[2] for the quarter	**53%**	52%	**61%**	58%	**57%**	54%	**50%**	55%	**60%**	57%	**14%**	–

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$4.0 million). (see note 4)

Total tenancies as at 31 March

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Standard colocation tenants	**6,911**	6,295	**3,991**	3,773	**1,946**	1,688	**167**	146	**714**	684	**93**	4
Amendment colocation tenants	**775**	589	**462**	397	**84**	72	**14**	5	**213**	115	**2**	–
Total colocation tenants	**7,686**	6,884	**4,453**	4,170	**2,030**	1,760	**181**	151	**927**	799	**95**	4
Total sites	**6,991**	6,716	**3,667**	3,654	**1,853**	1,759	**384**	380	**964**	910	**123**	13
Total tenancies	**14,677**	13,600	**8,120**	7,824	**3,883**	3,519	**565**	531	**1,891**	1,709	**218**	17

Revenue

Revenue increased by 9% to US$101.8 million in the quarter ended 31 March 2020 from US$93.7 million in the quarter ended 31 March 2019. The increase was largely driven by the growth in total tenancies from 13,600 as of 31 March 2019 to 14,677 as of 31 March 2020. For the quarter ended 31 March 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

	3 months ended 31 March			
(US$m)	**2020**	% of Revenue **2020**	2019	% of Revenue 2019
Power	**21.6**	**21.2%**	20.8	22.1%
Non-power	**12.1**	**11.9%**	13.0	14.0%
Cost of sales excluding site depreciation	**33.7**	**33.1%**	33.8	36.1%
Site depreciation	**31.3**	**30.7%**	31.5	33.6%
Total cost of sales	**65.0**	**63.9%**	65.3	69.7%

Year-on-year, cost of sales remained relatively flat with a minimal decrease to US$65.0 million in the quarter ended 31 March 2020 from US$65.3 million in the quarter ended 31 March 2019.

The table below shows an analysis of the cost of sales on a country-by-country basis for the three month period ended 31 March 2020 and 2019.

	Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	3 months ended 31 March		3 months ended 31 March		3 months ended 31 March		3 months ended 31 March		3 months ended 31 March	
(US$m)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Power	**7.5**	7.4	**11.0**	10.5	**0.7**	0.8	**2.3**	2.1	**0.1**	–
Non-power	**5.9**	6.6	**4.0**	4.2	**1.3**	1.1	**0.9**	1.1	**–**	–
Site depreciation	**12.9**	13.0	**13.6**	13.8	**2.6**	2.7	**1.9**	2.0	**0.3**	–
Total cost of sales	**26.3**	27.0	**28.6**	28.5	**4.6**	4.6	**5.1**	5.2	**0.4**	–

Adjusted gross margin for the quarter ended 31 March 2020 is 67% as compared to 64% for the quarter ended 31 March 2019 mainly driven by the increase in revenue whilst cost of sales remained relatively flat year-on-year.

	3 months ended 31 March			
(US$m)	**2020**	% of Revenue **2020**	2019	% of Revenue 2019
Revenue	**101.8**	**100.0%**	93.7	100.0%
Cost of sales excluding site depreciation	**33.7**	**33.1%**	33.8	36.1%
Adjusted gross margin	**68.1**	**66.9%**	59.9	63.9%
Site depreciation	**31.3**	**30.7%**	31.5	33.6%
Gross margin	**36.8**	**36.1%**	28.4	30.3%

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

Administrative expenses

Administrative expenses increased by 48% to US$24.1 million in the quarter ended 31 March 2020 from US$16.3 million in the quarter ended 31 March 2019. The increase in administrative expenses is primarily due to Helios Towers plc related expenses, South Africa introduction, Congo Brazzaville licence fee and $4.3m of exceptional project costs in relation to the preparation of a potential debt refinancing. In addition, depreciation and amortisation increased year-on-year in relation to IT systems investment and South Africa acquired intangibles.

		% of Revenue		% of Revenue
(US$m)	**2020**	**2020**	2019	2019
Sales, general and administrative costs (SG&A)	**14.3**	**14.0%**	11.0	11.7%
Depreciation and amortisation	**4.8**	**4.7%**	4.1	4.4%
Exceptional items	**5.0**	**4.9%**	1.2	1.2%
Total administrative expense	**24.1**	**23.7%**	16.3	17.3%

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$0.6 million in the quarter ended 31 March 2020, compared to US$5.1 million during the quarter ended 31 March 2019. This decrease in loss on disposal was due to a decrease in the disposal of assets in the current quarter.

Gains and losses on revaluation of embedded financial derivatives

The derivatives represent the fair value of the put and call options embedded within the terms of the bond. Gains and losses on revaluation of the embedded financial derivatives recognised in the quarter ended 31 March 2020 was a loss of US$41.0 million, compared to a gain of US$15.7 million in the quarter ended 31 March 2019. This reflects the change in value of the embedded derivative which reduced from US$41.0 million at 31 December 2019 to zero as at 31 March 2020 due to the change in credit spreads during the period.

Finance costs

Finance costs of US$29.3 million for the quarter ended 31 March 2020, mainly comprise of interest on the US$600 million 9.125% bond and the US$100 million term loan facility signed in October 2018, of which US$75 million was drawn as at 31 March 2020. Foreign exchange differences relate primarily to unrealised US dollar / local currency exchange movements on inter-company loans from Group to operating subsidiaries. The year-on-year trend reflected smaller variances in 2020 for the Tanzanian shilling and Ghanaian cedi, and higher movements in the South Africa rand and Central African franc (euro-pegged).

	3 months ended 31 March	
(US$m)	**2020**	2019
Foreign exchange differences	**5.0**	7.4
Interest cost	**20.2**	20.3
Interest cost on lease liabilities	**4.1**	3.8
Total finance costs	**29.3**	31.5

Tax expense

Tax expense was US$4.0 million in the quarter ended 31 March 2020 as compared to US$0.7 million in the quarter ended 31 March 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. A deferred tax liability of US$0.9m has been recognised in Congo Brazzaville in relation to timing differences on assets.

During the period, the Group paid US$37.7 million relating to a Change of Control Tax following the IPO. This was recognised through the tax expense in the Group's financial statements as at 31 December 2019 and was funded by the Group's pre-IPO shareholders through an escrow account. See notes 6 and 11 for more details.

Adjusted EBITDA

Adjusted EBITDA was US$54.0 million in the quarter ended 31 March 2020 compared to US$48.8 million in the quarter ended 31 March 2019. The increase in Adjusted EBITDA between periods is primarily attributable to the increased revenue and flat cost of sales, as discussed above. See Alternative Performance Measures section for more details and note 4 for a reconciliation between net loss before tax and Adjusted EBITDA.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 March 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 31 March 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			
(US$m)	9 months to 31 December 2020	2021	2022	2023	2024
Tanzania	125.3	166.7	163.8	156.7	136.5
DRC	125.5	167.2	167.2	167.2	165.6
Congo Brazzaville	17.1	22.8	22.8	22.8	22.1
South Africa	1.2	1.9	2.2	2.4	2.5
Ghana	26.9	35.8	34.2	33.2	32.6
Total	296.0	394.4	390.2	382.3	359.3

The following table provides our total undiscounted contracted revenue by key customers as of 31 March 2020 over the life of the contracts with local currency amounts converted at the applicable average rate for US dollars for the period ended 31 March 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	2,361.9	82%
Other	506.6	18%
Total	2,868.5	100%

Management cash flow

	3 months ended 31 March	
(US$m)	**2020**	2019
Adjusted EBITDA	**54.0**	48.8
Less:		
Maintenance and corporate capital additions	**(2.6)**	(4.4)
Payments of lease liabilities[1]	**(5.0)**	(3.7)
Tax paid	**(0.5)**	(0.4)
Portfolio free cash flow[2]	**45.9**	40.3
Cash conversion %[3]	**85%**	83%
Net payment of interest[4]	**(31.1)**	(30.0)
Levered Portfolio free cash flow	**14.8**	10.3
Discretionary capital additions[5]	**(8.6)**	(11.3)
Adjusted free cash flow	**6.2**	(1.0)
Net change in working capital[6]	**(34.7)**	(26.8)
Cash paid for exceptional and EBITDA adjusting items[7]	**(7.7)**	(1.2)
Cash paid in relation to Change of Control Tax[8]	**(37.7)**	-
Proceeds on disposal of assets	**0.3**	-
Free cash flow	**(73.6)**	(29.0)
Net cash flow from financing activities	**-**	50.0
Net cash flow	**(73.6)**	21.0
Opening cash balance[8]	**221.1**	89.0
Foreign exchange movement	**(1.1)**	(0.5)
Closing cash balance	**146.4**	109.5

1 Payment of lease liabilities includes interest and principal repayments of lease liabilities.
2 Refer to reconciliation of cash generated from operating activities to portfolio free cash flow in the Alternative Performance Measures section.
3 Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.
4 Net payment of interest corresponds to the net of "Interest paid" (including withholding tax) and "Interest received" in the condensed consolidated statement of cash flows, excluding interest payments on lease liabilities.
5 Discretionary capital additions includes acquisition, growth and upgrade capital additions.
6 Net change in working capital corresponds to movements in working capital, excluding cash paid for exceptional and EBITDA adjusting items and including movements in capital expenditure related working capital.
7 Cash paid for exceptional and EBITDA adjusting items corresponds to cash paid in respect of items per note 4 of the condensed consolidated interim financial statements – exceptional project costs in relation to the IPO and fees for the preparation of the potential debt refinancing.
8 Opening cash balance for the period ended 31 March 2020 included US$37.7 million restricted cash which had been funded at the time of IPO by Helios Tower's pre-IPO shareholders. This was paid to the relevant tax authority in Q1 2020.

Cash conversion has increased from 83% for the quarter ended 31 March 2019 to 85% for the quarter ended 31 March 2020, this is driven by an increase in Adjusted EBITDA, reduction in maintenance and corporate capital additions, partially offset by payments of lease liabilities.

Capital expenditure

The following table shows our capital expenditure additions by category during the three months ended 31 March:

	2020		2019	
	US$m	**% of Total Capex**	US$m	% of Total Capex
Acquisition	**-**	**-**	2.1	13.3%
Growth	**6.8**	**60.7%**	6.7	42.8%
Upgrade	**1.8**	**16.1%**	2.5	16.0%
Maintenance	**2.1**	**18.7%**	3.9	24.7%
Corporate	**0.5**	**4.5%**	0.5	3.2%
Total	**11.2**	**100.0%**	15.7	100.0%

Off-Balance Sheet arrangements

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

Indebtedness

As of 31 March 2020 and 31 December 2019, the Group's outstanding loans and borrowings net of issue costs and excluding lease liabilities, were US$671.0 million and US$684.3 million respectively. The Group's net debt as of 31 March 2020 and 31 December 2019 was US$653.3 million and US$626.5 million with net leverage of 3.0x and 2.9x respectively. Further details on net debt and net leverage are provided in the Alternative Performance Measures section. For more details on loans and borrowings please refer to note 13.

Principal risks and uncertainties

The nature of the principal risks and uncertainties faced by the Group have not changed since the 2019 Report and Accounts was published. These risks, together with a description of the approach to mitigate them, are set out on pages 47 to 48 of the 2019 Report and Accounts (available on the Group's website at www.heliostowers.com) and are summarised as follows:

- Operational resilience (this includes COVID-19)
- 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

Impact of COVID-19

The Group's business and operations are inherently resilient against the COVID-19 event 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, which will be revisited again at H1 2020 reporting. 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 discrete locations and outdoor environments with personnel classified as essential workers	• Minimal disruption to-date
Existing Revenue / Liquidity	• US$2.9 billion contracted revenues with 7 years contract duration across five countries and 82% with Africa's Big-Five MNOs • Cash balance of US$146.4 million and undrawn debt facilities of US$85.0 million at Group and ZAR 525 million at Helios Towers South Africa	• Minimal impact to existing revenue • 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 fuel	• 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

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

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

Purpose - 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 exceptional 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:

	3 months ended 31 March	
	2020 **US$m**	2019 US$m
Adjusted EBITDA	**54.0**	48.8
Adjustments applied in arriving at Adjusted EBITDA		
Exceptional items:		
Exceptional project costs[1]	**(4.3)**	–
Share-based payments and long term incentive plans[2]	**(0.2)**	–
Deal costs[3]	**(0.7)**	(1.2)
Loss on disposals of assets	**(0.6)**	(5.1)
Gain or loss on derivative financial instruments (note 16)	**(41.0)**	15.7
Depreciation of property, plant and equipment	**(31.6)**	(31.7)
Depreciation of right-of-use assets	**(2.3)**	(1.8)
Amortisation of intangibles	**(2.2)**	(2.0)
Investment income	**0.7**	0.1
Finance costs	**(29.3)**	(31.5)
Loss before tax	**(57.5)**	(8.7)

1 Exceptional project costs relate to the preparation for a potential debt refinancing.

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

3 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.

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 otherwise reflected in cost of sales. The Group believes that adjusted gross profit facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by the age and booked depreciation on assets. It is also a proxy for the gross cash generation of its operations.

	3 months ended 31 March	
	2020	2019
	US$m	US$m
Gross profit	**36.8**	28.4
Add back: site depreciation	**31.3**	31.5
Adjusted Gross profit	**68.1**	59.9
Revenue	**101.8**	93.7
Adjusted Gross Margin	**67%**	64%

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 - This measure 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.

	3 months ended 31 March	
	2020	2019
	US$m	US$m
Cash generated from operating activities	**25.4**	24.4
Adjustments applied:		
Movement in working capital	**23.6**	23.2
Exceptional items[1]	**4.3**	-
Deal costs[2]	**0.7**	1.2
Adjusted EBITDA	**54.0**	48.8
Less: Maintenance and corporate capital additions	**(2.6)**	(4.4)
Less: Payments of lease liabilities[3]	**(5.0)**	(3.7)
Less: Tax paid[4]	**(0.5)**	(0.4)
Portfolio free cash flow	**45.9**	40.3

1 Exceptional project costs relate to the preparation for a potential debt refinancing

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

4 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/(loss) means reported operating profit/(loss) adjusted for loss on disposal of property, plant and equipment, deal costs, share-based payments and long-term incentive plan charges, and exceptional items. Exceptional items are material items that are considered exceptional in nature by management by virtue of their size and/or incidence.

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

	3 months ended 31 March	
	2020	2019
	US$m	US$m
Operating profit	**12.1**	7.0
Exceptional items:		
Exceptional project costs	**4.3**	-
Deal costs[1]	**0.7**	1.2
Share-based payments and long term incentive plans[2]	**0.2**	-
Loss on disposal of property, plant and equipment	**0.6**	5.1
Adjusted operating profit	**17.9**	13.3

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

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

Purpose - Net debt is a measure of the Group's net indebtedness that provides an indicator of overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

	March 2020 US$m	December 2019 US$m
External debt [1]	**671.0**	684.3
Lease liabilities	**128.7**	125.6
Gross debt	**799.7**	809.9
Cash and cash equivalents	**146.4**	221.1
Less: restricted cash	**-**	(37.7)
Adjusted cash and cash equivalents	**146.4**	183.4
Net debt	**653.3**	626.5

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.

Material recent development

There are no material developments in the current quarter.

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 three months ended 31 March 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 22. 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 three months ended 31 March 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, UK
14 May 2020

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

For the 3 months ended 31 March 2020

	Note	2020 US$m	2019 US$m
Revenue		**101.8**	93.7
Cost of sales		**(65.0)**	(65.3)
Gross profit		**36.8**	28.4
Administrative expenses		**(24.1)**	(16.3)
Loss on disposal of property, plant and equipment		**(0.6)**	(5.1)
Operating profit		**12.1**	7.0
Interest receivable		**0.7**	0.1
(Loss)/gain on derivative financial instruments	16	**(41.0)**	15.7
Finance costs	5	**(29.3)**	(31.5)
Loss before tax		**(57.5)**	(8.7)
Tax expenses	6	**(4.0)**	(0.7)
Loss for the period		**(61.5)**	(9.4)
Other comprehensive expense:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**(2.2)**	(2.3)
		(63.7)	(11.7)
Loss attributable to:			
Owners of the Company		**(61.3)**	(9.4)
Non-controlling interests		**(0.2)**	–
Loss for the period		**(61.5)**	(9.4)
Total comprehensive loss attributable to:			
Owners of the Company		**(63.5)**	(11.7)
Non-controlling interests		**(0.2)**	–
Total comprehensive loss for the period		**(63.7)**	(11.7)

Earnings per share			
Net profit attributable to shareholders			
Basic and diluted earnings per share (cents)		**(0.06)**	(0.01)

Condensed consolidated statement of financial position (unaudited)

As at 31 March 2020

	Notes	31 March 2020 US$m	31 December 2019 US$m
Non-current assets			
Intangible assets	7	**22.9**	28.4
Property, plant and equipment	8a	**607.3**	631.9
Right-of-use assets	8b	**110.6**	108.2
Derivative financial assets	9	**–**	41.0
		740.8	809.5
Current assets			
Inventories		**9.4**	9.3
Trade and other receivables	10	**173.1**	166.5
Prepayments		**25.4**	14.1
Cash and cash equivalents	11	**146.4**	221.1
		354.3	411.0
Total assets		**1,095.1**	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		**(84.9)**	(82.7)
Share based payment reserve		**19.8**	19.6
Treasury shares		**(4.4)**	(4.4)
Retained earnings		**256.3**	317.6
Equity attributable to owners		**112.6**	175.9
Non-controlling interest		**(0.8)**	(0.6)
Total equity		**111.8**	175.3
Non-current liabilities			
Loans	13	**666.3**	665.1
Long-term lease liabilities	15	**107.5**	104.2
Contingent consideration	20	**4.6**	5.9
Deferred tax liabilities		**3.2**	3.1
		781.6	778.3
Current liabilities			
Trade and other payables	14	**173.1**	222.7
Contingent consideration	20	**2.7**	3.6
Loans	13	**4.7**	19.2
Short-term lease liabilities	15	**21.2**	21.4
		201.7	266.9
Total liabilities		**983.3**	1,045.2
Total equity and liabilities		**1,095.1**	1,220.5

Condensed consolidated statement of changes in equity (unaudited)

For the 3 months ended 31 March 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 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	–	–	–	–	–	–	(9.4)	(9.4)	–	(9.4)
Other comprehensive loss	–	–	–	–	–	(2.3)	–	(2.3)	–	(2.3)
Total comprehensive loss for the period	–	–	–	–	–	(2.3)	(9.4)	(11.7)	–	(11.7)
Balance at 31 March 2019	**909.2**	**187.0**	**–**	**–**	**(12.8)**	**(84.0)**	**(889.4)**	**110.0**	**–**	**110.0**

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	–	–	–	–	–	–	(61.3)	(61.3)	(0.2)	(61.5)
Other comprehensive expense	–	–	–	–	–	(2.2)	–	(2.2)	–	(2.2)
Total comprehensive loss for the period	–	–	–	–	–	(2.2)	(61.3)	(63.5)	(0.2)	(63.7)
Share based payments	–	–	0.2	–	–	–	–	0.2	–	0.2
Balance at 31 March 2020	**12.8**	**–**	**19.8**	**(4.4)**	**(87.0)**	**(84.9)**	**256.3**	**112.6**	**(0.8)**	**111.8**

Condensed consolidated statement of cash flows (unaudited)

For the 3 months ended 31 March 2020

	Note	3 months ended 31 March 2020 US$m	2019 US$m
Cash flows generated from operating activities			
Loss for the period before taxation		**(57.5)**	(8.7)
Adjustments for:			
Other (gains) and losses		**41.0**	(15.7)
Finance costs		**29.3**	31.5
Interest receivable		**(0.7)**	(0.1)
Share-based payments and long term incentive plans		**0.2**	-
Depreciation and amortisation on property, plant and equipment		**36.1**	35.5
Loss on disposal of property, plant and equipment		**0.6**	5.1
Movement in working capital:			
Decrease in inventories		**0.1**	0.5
Increase in trade and other receivables		**(3.8)**	(21.2)
Decrease/(increase) in prepayments		**0.7**	(2.1)
Decrease in trade and other payables		**(20.6)**	(0.4)
Cash generated from operations		**25.4**	24.4
Interest paid		**(32.7)**	(30.5)
Tax paid	6	**(38.2)**	(0.4)
Net cash used in operating activities		**(45.5)**	(6.5)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(27.1)**	(21.8)
Proceeds on disposal on assets		**0.3**	–
Interest received		**0.2**	0.2
Net cash used in investing activities		**(26.6)**	(21.6)
Cash flows from financing activities			
Borrowing drawdowns		-	50.0
Repayment of lease liabilities		**(1.5)**	(0.9)
Net cash (used in)/generated from financing activities		**(1.5)**	49.1
Foreign exchange on translation movement		**(1.1)**	(0.5)
Net (decrease)/increase in cash and cash equivalents		**(73.6)**	21.0
Cash and cash equivalents at the beginning of period		**221.1**	89.0
Cash and cash equivalents at end of period		**146.4**	109.5

Notes to the condensed consolidated financial statements (unaudited)

For the 3 months ended 31 March 2020

1. General Information

Helios Towers plc is a public company incorporated in the UK. Helios Towers plc became the ultimate parent company of the Group on 18 October 2019.

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 reasonably 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 March 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 31 March 2019 corresponds to Helios Towers Ltd, the predecessor parent company of the Group before the initial public offering. 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.

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.

Application of new and revised International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

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 CFO of the Group, who are considered to be the chief operating decision makers (CODM). 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.

3 months ended 31 March 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	**41.3**	**42.4**	**6.2**	**11.2**	**0.7**	**101.8**	**–**	**101.8**
Adjusted gross margin(1)	**67%**	**65%**	**69%**	**71%**	**79%**	**67%**	**–**	**67%**
Adjusted EBITDA(2)	**25.2**	**24.1**	**3.1**	**6.7**	**0.1**	**59.2**	**(5.2)**	**54.0**
Adjusted EBITDA margin(3)	**61%**	**57%**	**50%**	**60%**	**14%**	**58%**	**–**	**53%**
Financing costs:								
Interest costs	**(8.6)**	**(12.3)**	**(2.2)**	**(2.1)**	**(0.9)**	**(26.1)**	**1.8**	**(24.3)**
Foreign exchange differences	**0.1**	**0.1**	**(1.7)**	**0.8**	**(2.7)**	**(3.4)**	**(1.6)**	**(5.0)**
Total financing costs	**(8.5)**	**(12.2)**	**(3.9)**	**(1.3)**	**(3.6)**	**(29.5)**	**0.2**	**(29.3)**

3 months ended 31 March 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	39.3	38.5	6.1	9.8	–	93.7	–	93.7
Adjusted Gross margin(1)	64%	62%	69%	67%	–	64%	–	64%
Adjusted EBITDA(2)	22.9	20.9	3.4	5.6	–	52.8	(4.0)	48.8
Adjusted EBITDA margin(3)	58%	54%	56%	57%	–	56%	–	52%
Financing costs:								
Interest costs	(12.2)	(10.8)	(2.2)	(1.0)	–	(26.2)	2.1	(24.1)
Foreign exchange differences	(2.6)	-	(1.4)	(2.5)	–	(6.5)	(0.9)	(7.4)
Total financing costs	(14.8)	(10.8)	(3.6)	(3.5)	–	(32.7)	1.2	(31.5)

(1) Adjusted gross margin means gross profit, adding back site depreciation, divided by revenue.
(2) Adjusted EBITDA is loss for the period, adjusted for tax expenses, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, recharged depreciation, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and exceptional 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 is Adjusted EBITDA.

Management defines Adjusted EBITDA as loss for the period, adjusted for tax expenses, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, recharged depreciation, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and exceptional items. Exceptional items are material items that are considered exceptional in nature 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 exceptional items because it believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	3 months ended 31 March	
	2020 US$m	2019 US$m
Adjusted EBITDA	**54.0**	48.8
Adjustments applied in arriving at Adjusted EBITDA		
Exceptional items:		
Exceptional project costs[1]	**(4.3)**	–
Share-based payments and long-term incentive plans[2]	**(0.2)**	–
Deal costs[3]	**(0.7)**	(1.2)
Loss on disposals of assets	**(0.6)**	(5.1)
Gain or loss on derivative financial instruments (note 16)	**(41.0)**	15.7
Depreciation of property, plant and equipment	**(31.6)**	(31.7)
Depreciation of right-of-use assets	**(2.3)**	(1.8)
Amortisation of intangibles	**(2.2)**	(2.0)
Investment income	**0.7**	0.1
Finance costs	**(29.3)**	(31.5)
Loss before tax	**(57.5)**	(8.7)

1 Exceptional project costs relate to the preparation for a potential debt refinancing.
2 Share-based payments and long-term incentive plan charges and associated costs.
3 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.

5. Finance costs

	3 months ended 31 March	
	2020 US$m	2019 US$m
Foreign exchange difference	**5.0**	7.4
Interest costs	**20.2**	20.3
Interest costs on lease liabilities	**4.1**	3.8
	29.3	31.5

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 weighted average tax rate is calculated by reference to the statutory tax rates which are applicable to the Group's operating subsidiaries. The applicable tax rates for the operating subsidiaries range from 20% to 30%.

	3 months ended 31 March	
Tax expense	**2020 US$m**	2019 US$m
Total current tax	**3.1**	0.7
Deferred tax charge	**0.9**	-
Total tax expense	**4.0**	0.7

	3 months ended 31 March	
Tax paid	**2020 US$m**	2019 US$m
Change of Control tax funded by escrow restricted cash[1]	**37.7**	-
Income tax	**0.5**	0.4
Total tax paid	**38.2**	0.4

1 For more information 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	(0.8)	(1.6)	(0.9)	–	(0.2)	–	–	(3.5)
At 31 March 2020	**2.7**	**5.5**	**3.3**	**8.8**	**35.9**	**30.0**	**19.4**	**105.6**
Amortisation								
At 1 January 2020	(0.2)	(0.3)	–	(0.3)	(32.7)	(30.0)	(17.2)	(80.7)
Charge for period	–	(0.1)	–	(0.2)	(1.3)	–	(0.6)	(2.2)
Foreign exchange	–	0.1	–	–	–	–	0.1	0.2
At 31 March 2020	**(0.2)**	**(0.3)**	**–**	**(0.5)**	**(34.0)**	**(30.0)**	**(17.7)**	**(82.7)**
Net book value								
At 31 March 2020	**2.5**	**5.2**	**3.3**	**8.3**	**1.9**	**-**	**1.7**	**22.9**
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	0.6	–	0.3	10.3	–	–	11.2
Disposals during the period	–	–	–	(2.3)	–	–	(2.3)
Foreign exchange	(0.1)	–	–	(4.9)	–	–	(5.0)
At 31 March 2020	**19.0**	**1.4**	**4.8**	**1,195.8**	**8.9**	**3.1**	**1,233.0**
Depreciation							
At 1 January 2020	(10.6)	(1.3)	(3.2)	(579.6)	–	(2.5)	(597.2)
Charge for period	(1.1)	–	(0.1)	(30.3)	–	(0.1)	(31.6)
Disposals during the period	–	–	–	1.4	–	–	1.4
Foreign exchange	–	–	–	1.6	–	0.1	1.7
At 31 March 2020	**(11.7)**	**(1.3)**	**(3.3)**	**(606.9)**	**–**	**(2.5)**	**(625.7)**
Net book value							
At 31 March 2020	**7.3**	**0.1**	**1.5**	**588.9**	**8.9**	**0.6**	**607.3**
At 31 December 2019	7.9	0.1	1.3	613.1	8.9	0.6	631.9

8b. Right-of-use assets

The Group	**31 March 2020 US$m**	31 December 2019 US$m
Right of use assets by class of underlying assets carrying value		
Land	**106.8**	104.0
Buildings	**3.8**	4.2
	110.6	108.2
Depreciation charge for right of use assets		
Land	**1.7**	7.2
Buildings	**0.6**	1.3
	2.3	8.5

9. Derivative financial instruments

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

	31 March 2020 US$m	31 December 2019 US$m
Put and call options on listed bond	-	41.0

The derivatives represent the fair value of the put and call options embedded within the terms of the bond. The call options give the Group the right to redeem the bond instruments at a date prior to the maturity date (8 March 2022), 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 (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. The main driver of the decrease of the fair value of the embedded derivative between 31 December 2019 and 31 March 2020 is this specific instrument's credit spread increasing during the period.

As at the reporting date, the call option had a fair value of US$0 million (31 December 2019: US$41.0 million), while the put option had a fair value of US$0 million (31 December 2019: US$0 million). During the quarter ended 31 March 2020, a US$41.0 million loss (31 March 2019: US$15.7 million gain) fair value adjustment was recognised through profit and loss.

10. Trade and other receivables

	31 March 2020 US$m	31 December 2019 US$m
Trade receivables	**109.0**	105.7
Loss allowance	**(6.4)**	(6.4)
	102.6	99.3
Trade receivable from related parties	**24.1**	23.4
	126.7	122.7
Other receivables	**39.9**	37.1
VAT & Withholding tax receivable	**6.5**	6.7
	173.1	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 31 March 2020 83% (31 December 2019: 73%) is due from five of the Group's largest customers. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Debtor days

The Group calculates debtor days as set out in the table below. It considers its most relevant customer receivables exposure on a given reporting date to be the amount of receivables due in relation to the revenue that has been reported up to that date. It therefore defines its net receivables as the total trade receivables and accrued revenue, less deferred income.

	31 March 2020 US$m	31 December 2019 US$m
Trade receivables[1]	**133.1**	129.1
Accrued Revenue[2]	**4.3**	2.2
Less: Loss allowance	**(6.4)**	(6.4)
Less: Deferred income	**(61.8)**	(64.4)
Net Receivables	**69.2**	60.5
Revenue	**101.8**	387.8
Debtor days	**62**	57

1 Trade receivables, including related parties
2 Reported within other receivables

11. Cash and cash equivalents

	31 March 2020 US$m	31 December 2019 US$m
Bank balances (excluding restricted cash)	**142.9**	179.1
Bank balances (restricted cash)[1]	**-**	37.7
Short-term deposits	**3.5**	4.3
	146.4	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

The share capital as of 31 March 2020 was as follows:

	31 March 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 US$1	**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

	31 March 2020 US$m	31 December 2019 US$m
US$600 million 9.125% senior notes 2022	**594.8**	607.3
US$100 million term loan facility 2022	**75.1**	75.5
SA Towers Proprietary Limited	**1.1**	1.5
Total borrowings	**671.0**	684.3
Current	**4.7**	19.2
Non-current	**666.3**	665.1
	671.0	684.3

On 8 March 2017, HTA Group Limited, a wholly owned subsidiary of Helios Towers Ltd, issued US$600 million of 9.125% bonds due in January 2022 which are listed on the Irish Stock Exchange. Interest is payable semi-annually beginning on 8 September 2017. The bonds are guaranteed on a senior basis by the Company, and certain of the Helios Towers Ltd subsidiaries. On 22 October 2018, HTA Group Ltd, a wholly owned subsidiary of the Group, signed a US$100 million bank term loan facility agreement. As at 31 March 2020, US$75.0 million was drawn (31 December 2019: US$75.0 million). The term loan is a bullet repayment senior unsecured facility, with an interest rate of LIBOR plus 4.2% due in January 2022. The term loan is guaranteed by the Helios Towers Ltd. On 18 December 2019, HTSA Towers (Pty) Ltd, entered into secured term loan with total commitment of ZAR 525 million and comprises two facilities: Facility A, with a term of 78 months, and Facility B, with a term of 84 months. The annual interest rate is JIBAR plus 4% per year on loans under Facility A and JIBAR plus 4.5% per year on loans under Facility B. As of 31 March 2020 the South African facilities were undrawn.

14. Trade and other payables

	31 March 2020 US$m	31 December 2019 US$m
Trade payables	**12.4**	17.9
Amounts payable to related parties	**0.1**	0.1
Deferred income	**61.8**	64.4
Deferred consideration	**8.1**	8.0
Other payables and accruals	**54.9**	63.6
VAT, Withholding and other tax payable	**35.8**	68.7
	173.1	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 22 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 (refer to note 11).

15. Lease liabilities

	31 March 2020 US$m	31 December 2019 US$m
Short-term lease liabilities		
Land	**20.1**	19.6
Buildings	**1.1**	1.8
	21.2	21.4

	31 March 2020 US$m	31 December 2019 US$m
Long-term lease liabilities		
Land	**104.9**	101.4
Buildings	**2.6**	2.8
	107.5	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 quarter was US$5.0 million (quarter ended 31 March 2019: US$3.7 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
31 March 2020	**21.2**	**77.7**	**473.6**	**572.5**
31 December 2019	21.5	76.1	459.8	557.4

16. Other gains and losses

	3 months ended 31 March 2020 US$m	3 months ended 31 March 2019 US$m
Fair value gain/(loss) on derivative financial instruments (see note 9)	**(41.0)**	15.7

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.

	31 March 2020 US$m	31 December 2019 US$m
Total contracted revenue	**2,868.5**	2,871.7

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 March 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 31 March 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			
(US$Ms)	9 months to 31 December 2020	2021	2022	2023	2024
Tanzania	125.3	166.7	163.8	156.7	136.5
DRC	125.5	167.2	167.2	167.2	165.6
Congo Brazzaville	17.1	22.8	22.8	22.8	22.1
South Africa	1.2	1.9	2.2	2.4	2.5
Ghana	26.9	35.8	34.2	33.2	32.6
Total	296.0	394.4	390.2	382.3	359.3

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.

	3 months ended 31 March 2020		3 months ended 31 March 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	**18.2**	**–**	17.8	8.0
Nepic (Pty) Ltd	**0.1**	–	–	–
Vulatel (Pty) Ltd	**0.2**	**0.1**	–	–
Total	**18.5**	**0.1**	**17.8**	**8.0**

The following amounts were outstanding at the reporting date:

	As at 31 March 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	**23.8**	**–**	22.9	–
Vulatel (Pty) Ltd	**0.2**	**0.1**	0.2	–
SA Towers Proprietary Limited	**–**	**1.1**	–	1.5
Nepic (Pty) Ltd	**0.1**	**–**	0.3	0.1
Total	**24.1**	**1.2**	**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

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote, but is not considered probable or cannot be measured reliably.

In the year ended 31 December 2015, the Democratic Republic of Congo's National Tax Services issued an initial assessment for the financial years ended 31 December 2014 and 31 December 2015, of US$2.6 million. In the year ended 31 December 2019, the Ghana Revenue Authority issued an initial assessment on Transfer Pricing for years 2012 to 2017 of approximately US$10.0 million. In the quarter ended 31 March 2020, the Tanzania Revenue Authority issued an initial assessment for the financial years ended 2016, 2017 and 2018, of US$9.6m. The assessments are under review with local tax experts and as such the impact, if any, is unknown at this time.

The Directors have appealed against these assessments and together with their advisers are in discussion with the tax authorities to bring the matters to conclusion based on the facts.

Legal claims

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

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$7.3 million. 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. There was no change in the fair value of the contingent consideration for the period ended 31 March 2020. 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%.

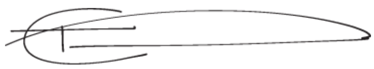
21. Subsequent events

There are no reportable events after the balance sheet date.

22. 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 31 March 2020 have been authorised for issue on 14 May 2020.



Kash Pandya
Chief Executive Officer

Tom Greenwood
Chief Financial 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 for the period, adjusted for tax expenses, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, recharged depreciation, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and ad items. Exceptional items are material items that are considered exceptional in nature 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**” as Adjusted EBITDA divided by revenue.

“**Africa’s Big-Five MNO’s**” means Airtel, MTN, Orange, Tigo and Vodacom/Vodafone.

“**Airte**l” means Airtel Africa.

“**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, assuming no escalation of maintenance fees and no renewal upon the expiration of the current term.

“**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.

“**HT 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.

“**ISP**” means Internet Service Provider.

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

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

"**LCY**" means Local Currency.

"**LD**" means Liquidated Damages; 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.

"**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 basis 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.

"**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.

"**Small cells**" means low-powered cellular radio access nodes that operate in licensed and unlicensed spectrum that have a range of 10 meters to a few kilometres.

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

"**TCF**" means Tower Cash Flow defined as Tower Service Revenues less Site Opex.

"**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**" 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.

"**Viettel**" means Viettel Tanzania Limited.

"**Vodacom**" means Vodacom Group Limited.

"**Vodacom Tanzania**" means Vodacom Tanzania Ltd.

"**Zante**l" means Zanzibar Telecom PLC