HELIOS TOWERS plc

Unaudited results for the 6 months ended 30 June 2021

Strong H1 performance through acquisitions and continued operational excellence

Transformational period underway for the Company through multiple acquisitions

2021 tenancy outlook for existing markets unchanged

London, 19 August 2021: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the six months to 30 June 2021.

	H1 2021	H1 2020	Change	**Q2 2021**	Q1 2021	Change
Sites	**8,603**	7,092	**+21%**	**8,603**	7,358	**+17%**
Tenancies	**17,090**	14,906	**+15%**	**17,090**	15,732	**+9%**
Tenancy ratio	**1.99x**	2.10x	**-0.11x**	**1.99x**	2.14x	**-0.15x**
Revenue (US$m)	**212.4**	204.0	**+4%**	**108.8**	103.6	**+5%**
Adjusted EBITDA (US$m)[1]	**114.2**	109.1	**+5%**	**58.4**	55.8	**+5%**
Adjusted EBITDA margin[1]	**54%**	53%	**+1ppt**	**54%**	54%	**-**
Operating profit (US$m)	**26.9**	29.3	**-8%**	**9.8**	17.1	**-43%**
Portfolio free cash flow (US$m)[1]	**73.8**	89.1	**-17%**	**36.8**	37.0	**-1%**
Cash generated from operations (US$m)	**45.7**	88.3	**-48%**	**15.7**	30.0	**-48%**
Net debt (US$m)[1]	**786.0**	655.7	**+20%**	**786.0**	673.2	**+17%**
Net leverage[1,2]	**3.2x**	3.0x	**+0.2x**	**3.2x**	3.0x	**+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.

Kash Pandya, Chief Executive Officer, said:

"The first half of 2021 has been a busy period for the Group, closing the acquisition of Free Senegal's tower assets and announcing five further acquisitions across Africa and the Middle-East. We are delighted to have commenced operations in the attractive Senegal market and through our experienced new markets function we have created a strong local team with our processes, systems and culture in place, ready to support mobile network operators efficiently expand coverage. We will be applying our tried and tested framework across each of the announced acquisitions, which we expect to close over the coming nine months.

At the same time we remain incredibly focused on delivering exceptional customer service to our MNO partners in all our operating markets and driving organic growth. In Q2 2021 we delivered steady organic growth and another quarter of leading power uptime, while strengthening our tenancy pipeline to support accelerated growth in the second half of 2021."

Financial highlights

- H1 2021 revenue increased by 4% year-on-year to US$212.4m (H1 2020: US$204.0m) driven by continued organic tenancy growth across the Group and the addition of 1,264 tenancies through the acquisition of Free Senegal's passive infrastructure assets, which closed during Q2 2021.
  - Q2 2021 revenue increased by 5% quarter-on-quarter to US$108.8m (Q1 2021: US$103.6m).

- H1 2021 Adjusted EBITDA increased by 5% year-on-year to US$114.2m (H1 2020: US$109.1m), driven by tenancy growth and continued improvements in operational efficiency, with H1 2021 Adjusted EBITDA margin at 54% (H1 2020: 53%), up 1ppt.
  - Q2 2021 Adjusted EBITDA increased by 5% quarter-on-quarter to US$58.4m (Q1 2021: US$55.8m), including a contribution of US$2.3m from Senegal, with Q2 2021 Adjusted EBITDA margin at 54% (Q1 2021: 54%).

- Operating profit decreased by US$2.4 million, from US$29.3 million in H1 2020 to US$26.9 million in H1 2021, driven by an increase in deal costs, depreciation and loss on disposal of property, plant and equipment, partially offset by an increase in adjusted EBITDA and lower amortisation and project costs.

- Portfolio free cash flow decreased by 17% year-on-year to US$73.8m (H1 2020: US$89.1m), driven by timing of corporate income tax and non-discretionary capex payments.

    - Q2 2021 portfolio free cash flow decreased by 1% quarter-on-quarter to US$36.8 million (Q1 2021: US$37.0m), driven by forward purchases of non-discretionary capex and upfront ground lease payments in our new market Senegal.

- Cash generated from operations decreased by US$42.6 million from US$88.3 million in H1 2020 to US$45.7 million in H1 2021, primarily driven by working capital movements including escrow deposit payments in relation to acquisitions.

- Net leverage increased by +0.2x both year-on-year and quarter-on-quarter to 3.2x (H1 2020: 3.0x), remaining below the Group's medium term target range of 3.5x-4.5x.

- In June 2021, Helios Towers successfully raised US$160m gross proceeds through a US$110m equity placing and retail offer and US$50m convertible bond tap issuance. The proceeds have further enhanced the Company's balance sheet and provides additional capital to drive the Group's organic and inorganic growth strategy.

- Business underpinned by long-term contracted revenues of US$3.5bn (H1 2020: US$2.8bn), of which 99% is from multinational MNOs, with an average remaining life of 7.4 years (H1 2020: 6.8 years).

Operational highlights

- Sites increased by 1,511 year-on-year to 8,603 sites (H1 2020: 7,092 sites), driven by the acquisition of 1,207 sites from Free Senegal and 304 site additions within Helios Towers' established markets. Sites increased by 1,245 quarter-on-quarter (Q1 2021: 7,358).

- Tenancies increased by 2,184 year-on-year to 17,090 tenants (H1 2020: 14,906 tenants), reflecting the addition of 1,264 tenancies through the acquisition of Free Senegal's passive infrastructure assets and 920 tenancy additions within Helios Towers' established markets.

- Tenancy ratio decreased 0.11x year-on-year to 1.99x (H1 2020: 2.10x), reflecting the expected dilutive impact of the acquired assets from Free Senegal (Senegal H1 21 tenancy ratio: 1.05x). Excluding the acquisition, the Group's tenancy ratio expanded 0.04x year-on-year to 2.14x.

- Helios Towers continues to monitor the impact of COVID-19 on its operations. The telecommunications sector has been classified as an 'essential service' in our markets, allowing us to operate at our normal high levels of service. To date, there has been minimal impact on the Group's delivery of service and operational execution.

Environmental, Social and Governance (ESG)

- Helios Towers' Sustainable Business Strategy enables the company to deliver a positive impact for all stakeholders, in line with its purpose of driving the growth of communications in Africa and the Middle-East.

- The Group published its first Sustainable Business Report on 10 March 2021. The report provides a detailed review of the Group's progress against its strategic objectives and ambitions.

- The Group is currently developing its carbon emissions reduction target and expects to publish this target in Q4 2021.

- The Group submitted its first climate questionnaire response to CDP in July 2021, which will deliver Helios Towers' first CDP score and will be communicated once received.

Strategic Updates

- During H1 2021 Helios Towers has made significant progress on its growth strategy including closing the acquisition of Free Senegal's passive infrastructure assets and entering into the following agreements for entry into new markets:

    - On 23 March 2021, Helios Towers announced it had signed agreements with Airtel Africa Group companies ("Airtel Africa") to acquire its passive infrastructure operating companies in Madagascar and Malawi and enter into exclusive memorandum of understanding arrangements for the potential acquisition of its passive infrastructure assets in Chad and Gabon (together, the "Transactions"). The Transactions represent 2,227 sites with further growth anticipated through 315 committed BTS and colocation lease-up.

  - On 11 May 2021, Helios Towers announced it had entered into an agreement to acquire 2,890 sites from Oman Telecommunications Company ("Omantel") for US$575m, with further growth anticipated through a 300 build-to-suit ("BTS") site commitment as well as colocation lease-up. The acquisition supports the Company's entry into one of the fastest growing markets in the Middle-East region, and further diversifies its portfolio with an acquisition that meets Helios Towers' acquisition criteria.

  - On 18 May 2021, Helios Towers closed the acquisition of Free Senegal's passive infrastructure assets, adding 1,207 sites to its portfolio.

- These acquisitions, together with the committed BTS, increases Group site count close to 15,000 towers across 11 markets, delivering the Group's 2025 vision of expanding to 12,000+ towers in at least 8 markets.

- Upon closing these acquisitions, Helios Towers will become the most diverse independent telecommunications infrastructure company across Africa and the Middle-East.

2021 Outlook and guidance

- Tenancy guidance for the established five markets remains unchanged, targeting 1,000 - 1,500 tenancies which is supported by a robust tenancy pipeline.

- Capex guidance for the Group is unchanged, targeting the following for FY 2021:

  - US$110m - US$140m of capex in Helios Towers' established five markets, of which US$20m - US$25m is non-discretionary capex.

  - US$215m of capital expenditure in our sixth market, Senegal, reflecting acquisition capex of approximately US$190m and US$25m of growth, upgrade and non-discretionary capex.

  - US$108m consideration for the acquisition of Airtel Africa's passive infrastructure companies in Madagascar and Malawi, expected to close in or around Q4 2021.

  - US$575m consideration for the acquisition of Omantel's tower portfolio, expected to close in H2 2021.

For further information go to:
www.heliostowers.com

Investor Relations
Chris Baker-Sams - Corporate Finance Manager
+44 (0)752 310 1475

Media relations
Edward Bridges / Stephanie Ellis
FTI Consulting LLP
+44 (0)20 3727 1000

Helios Towers' management will host a conference call for analysts and institutional investors at 09.30 BST on Thursday, 19 August 2021. 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 H1 2021 Results Conference Call
Event Name: H1RESULTS
Password: HELIOS

If you intend to participate in Q&A during the call or are unable to use the webcast, 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:	**238362**

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 and Senegal. Following recent acquisition agreements and subject to regulatory approval, Helios Towers expects to establish a presence in five new markets across Africa and the Middle-East over the next nine months. Including these acquisitions and committed BTS, the Group's total site count is expected to increase from over 8,600 towers to almost 15,000.
- 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.

Financial and Operating Review

Condensed consolidated statement of profit or loss

For the 6 months ended 30 June

	6 months ended 30 June	
	2021 US$m	**2020 US$m**
Revenue	**212.4**	204.0
Cost of sales	**(138.4)**	(130.2)
Gross profit	**74.0**	73.8
Administrative expenses	**(43.9)**	(43.2)
Loss on disposal of property, plant and equipment	**(3.2)**	(1.3)
Operating profit	**26.9**	29.3
Interest receivable	**0.2**	0.5
Other gains and (losses)	**(6.2)**	(35.0)
Finance costs	**(64.5)**	(77.8)
Loss before tax	**(43.6)**	(83.0)
Tax expense	**(7.5)**	(7.8)
Loss after tax	**(51.1)**	(90.8)

Key metrics

For the 6 months ended 30 June

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa		Senegal[3]	
	2021 US$m	2020 US$m	**2021 US$m**	2020 US$m	**2021 US$m**	2020 US$m	**2021 US$m**	2020 US$m	**2021 US$m**	2020 US$m	**2021 US$m**	2020 US$m	**2021 US$m**	2020 US$m
Revenue for the period	**$212.4**	$204.0	**$84.1**	$83.2	**$85.5**	$85.4	**$13.9**	$12.5	**$21.4**	$21.6	**$2.8**	$1.3	**$4.7**	–
Adjusted gross margin[1]	**67%**	67%	**69%**	67%	**65%**	65%	**64%**	69%	**69%**	74%	**73%**	76%	**60%**	–
Sites at beginning of the period	**7,356**	6,991	**3,821**	3,667	**1,895**	1,853	**426**	384	**978**	964	**236**	123	**–**	–
Sites at period end	**8,603**	7,092	**3,817**	3,668	**1,915**	1,867	**431**	415	**986**	970	**247**	172	**1,207**	–
Tenancies at beginning of the period	**15,656**	14,677	**8,625**	8,120	**4,096**	3,883	**617**	565	**1,914**	1,891	**404**	218	**–**	–
Tenancies at period end	**17,090**	14,906	**8,649**	8,131	**4,185**	3,944	**629**	606	**1,952**	1,905	**411**	320	**1,264**	–
Tenancy ratio at period end	**1.99x**	2.10x	**2.27x**	2.22x	**2.19x**	2.11x	**1.46x**	1.46x	**1.98x**	1.96x	**1.66x**	1.86x	**1.05x**	–
Adjusted EBITDA for the period[2]	**$114.2**	$109.1	**$55.6**	$51.0	**$49.7**	$49.0	**$6.5**	$5.7	**$12.7**	$13.7	**$1.2**	$0.1	**$2.3**	–
Adjusted EBITDA Margin[2] for the period	**54%**	53%	**66%**	61%	**58%**	57%	**47%**	46%	**59%**	63%	**43%**	8%	**49%**	–

[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$13.8 million (2020: US$10.4 million).

[3] Results for the period from completion on 18 May 2021.

Total tenancies as at 30 June

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa		Senegal	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**	**2021**	2020
Standard colocation tenants	**7,574**	7,017	**4,287**	3,993	**2,170**	1,983	**175**	173	**726**	722	**159**	146	**57**	–
Amendment colocation tenants	**913**	797	**545**	470	**100**	94	**23**	18	**240**	213	**5**	2	**–**	–
Total colocation tenants	**8,487**	7,814	**4,832**	4,463	**2,270**	2,077	**198**	191	**966**	935	**164**	148	**57**	–
Total sites	**8,603**	7,092	**3,817**	3,668	**1,915**	1,867	**431**	415	**986**	970	**247**	172	**1,207**	–
Total tenancies	**17,090**	14,906	**8,649**	8,131	**4,185**	3,944	**629**	606	**1,952**	1,905	**411**	320	**1,264**	–

Revenue

Revenue increased by 4% to US$212.4 million in the period ended 30 June 2021 from US$204.0 million in the period ended 30 June 2020. The increase was largely driven by the growth in total tenancies from 14,906 as of 30 June 2020 to 17,090 as of 30 June 2021, including the addition of 1,264 tenancies in Senegal. For the period ended 30 June 2021 99% of revenues were from multinational MNOs and 61% were denominated in USD or CFA (which is pegged to the Euro).

Cost of sales and adjusted gross margin

(US$m)	2021	% of Revenue 2021	2020	% of Revenue 2020
	6 months ended 30 June			
Power	**39.3**	**18.5%**	42.3	20.7%
Non-power	**31.1**	**14.6%**	24.6	12.1%
Cost of sales excluding site depreciation	**70.4**	**33.1%**	66.9	32.8%
Site depreciation	**68.0**	**32.1%**	63.3	31.0%
Total cost of sales	**138.4**	**65.2%**	130.2	63.8%

Year-on-year cost of sales increased from US$130.2 million in the period ended 30 June 2020 to US$138.4 million in the period ended 30 June 2021 mainly due to the acquisition of Free Senegal's passive infrastructure assets and ongoing costs for Senegal during H1 2021 and non-power cost increases in Congo Brazzaville and Ghana.

The table below shows an analysis of the cost of sales on a country-by-country basis for the 6 month period ended 30 June 2021 and 2020.

	Tanzania		DRC		Congo Brazzaville		Ghana		South Africa		Senegal	
(US$m)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Power	**12.8**	15.2	**18.7**	21.7	**1.8**	1.5	**4.2**	3.7	**0.6**	0.2	**1.2**	-
Non-power	**13.4**	12.1	**11.1**	8.1	**3.2**	2.5	**2.6**	1.8	**0.2**	0.1	**0.6**	-
Site depreciation	**26.0**	26.5	**27.6**	27.3	**5.5**	5.0	**4.3**	4.1	**1.3**	0.4	**3.3**	-
Total cost of sales	**52.2**	53.8	**57.4**	57.1	**10.5**	9.0	**11.1**	9.6	**2.1**	0.7	**5.1**	-

Adjusted gross profit is defined as gross profit, adding back site depreciation. Adjusted gross margin is defined as adjusted gross profit divided by revenue. Adjusted gross margin for the period has remained flat year-on-year at 67%.

(US$m)	2021	% of Revenue 2021	2020	% of Revenue 2020
	6 months ended 30 June			
Revenue	**212.4**	**100.0%**	204.0	100.0%
Cost of sales excluding site depreciation	**(70.4)**	**33.1%**	(66.9)	32.8%
Adjusted gross margin	**142.0**	**66.9%**	137.1	67.2%
Site depreciation	**(68.0)**	**32.1%**	(63.3)	31.0%
Gross profit	**74.0**	**34.8%**	73.8	36.2%

Administrative expenses

Administrative expenses increased by 2% year-on-year, to US$43.9 million from US$43.2 million in the comparative period. Depreciation and amortisation costs decreased in H1 2021, due to the right of first refusal becoming fully amortised in 2020 (H1 2020: US$2.6 million charge). The increase in Adjusting items relates to increased expenditure in H1 2021 related to deal costs and capital raising activities.

(US$m)	2021	% of Revenue 2021	2020	% of Revenue 2020
	6 months ended 30 June			
Sales, general and administrative costs (SG&A)	**27.8**	**13.1%**	28.0	13.7%
Depreciation and amortisation	**6.6**	**3.1%**	9.4	4.6%
Adjusting items[1]	**9.5**	**4.5%**	5.8	2.8%
	43.9	**20.7%**	43.2	21.2%

[1] Adjusting items primarily relate to project and deal costs please see Note 4 of the condensed consolidated financial statements.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$3.2 million in the period ended 30 June 2021, compared to US$1.3 million during the period ended 30 June 2020 mainly due to site consolidations in DRC and Tanzania.

Other gains and losses

The derivative financial instrument represents the fair value of the put and call options embedded within the terms of the Senior Notes. See Notes 9 and 13 of the condensed consolidated financial statements. The loss on derivative financial instruments of US$6.2 million in the 6 months ended 30 June 2021 compared to a loss of US$37.6 million for the 6 months ended June 2020 was due to the change in credit spreads during the period and the upsizing of the bond in 2020. A gain of US$2.6 million in the prior year was recognised due to the change in fair value of the contingent consideration relating to the acquisition of SA Towers in South Africa.

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Fair value gain/(loss) on derivative financial instruments	**(6.2)**	(37.6)
Fair value gain on movement in contingent liability	**-**	2.6
	(6.2)	(35.0)

Finance costs

Finance costs of US$64.5 million for the period ended 30 June 2021, mainly comprise of US$51.2 million interest on all external loan borrowings across the Group. See note 13 of the condensed consolidated financial statements for further details. Included in finance costs in the prior period is a call premium and the release of transaction costs of US$13.7 million and US$10.2 million respectively, relating to the early redemption of the US$600 million Senior Notes. Foreign exchange differences relate primarily to unrealised US Dollar / local currency exchange movements on inter-company loans from the Group to Operating Subsidiaries.

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Foreign exchange differences	**4.4**	6.5
Interest cost	**51.2**	39.3
Early redemption expenses	**-**	23.9
Interest cost on lease liabilities	**8.9**	8.1
	64.5	77.8

Tax expense

Tax expense was US$7.5 million in the period ended 30 June 2021 as compared to US$7.8 million in the period ended 30 June 2020. Entities in Congo Brazzaville and Senegal are loss making, however minimum income tax is levied as stipulated by law in these jurisdictions. DRC, Ghana, Tanzania and one entity in South Africa are profit making and subject to income tax on taxable profits.

Adjusted EBITDA

Adjusted EBITDA was US$114.2 million in the period ended 30 June 2021 compared to US$109.1 million in the period ended 30 June 2020. The increase in Adjusted EBITDA between periods is primarily driven by the integration of Senegal and organic growth as mentioned above. Please refer to the Alternative Performance Measures section for more details and Note 4 of the condensed consolidated financial statements for a reconciliation of aggregate segment Adjusted EBITDA to loss before tax.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2021 for each of the periods from 2021 to 2025, with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 June 2021 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.

	6 months to 31 December	Year ended 31 December			
	2021	2022	2023	2024	2025
	US$m	US$m	US$m	US$m	US$m
Tanzania	81.9	164.3	159.4	142.2	123.5
DRC	85.0	172.5	175.0	174.5	148.5
Congo Brazzaville	13.8	27.7	27.7	27.7	17.7
South Africa	2.8	6.0	6.2	6.3	6.2
Ghana	16.1	32.6	32.6	32.6	32.6
Senegal	19.0	39.8	41.5	43.2	44.9
	218.6	442.9	442.4	426.5	373.4

The following table provides our total undiscounted contracted revenue by key customers as of 30 June 2021 over the life of the contracts with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 June 2021 held constant. Our calculation uses the same assumptions as above. The average remaining life of customer contracts is 7.4 years.

(US$m)	Total Committed Revenues	Percentage of Total Committed Revenues
Multinational MNOs	3,464.5	98.7%
Others	45.9	1.3%
	3,510.4	**100.0%**

Management cash flow

(US$m)	6 months ended 30 June 2021	2020
Adjusted EBITDA	**114.2**	109.1
Less:		
Maintenance and corporate capital additions	**(14.3)**	(7.4)
Payments of lease liabilities[1]	**(15.2)**	(11.3)
Tax paid	**(10.9)**	(1.3)
Portfolio free cash flow	**73.8**	89.1
Cash conversion %[2]	**65%**	82%
Net payment of interest[3]	**(44.7)**	(51.3)
Levered portfolio free cash flow	**29.1**	37.8
Discretionary capital additions[4]	**(222.9)**	(30.6)
Adjusted free cash flow	**(193.8)**	7.2
Net change in working capital[5]	**(13.1)**	(21.5)
Cash paid for adjusting and EBITDA adjusting items[6]	**(29.3)**	(8.7)
Cash paid in relation to Change of Control Taxes	**-**	(37.7)
Proceeds on disposal of property, plant and equipment	**0.3**	0.6
Free cash flow	**(235.9)**	(60.1)
Net cash flow from financing activities[7]	**447.6**	52.8
Net cash flow	**211.7**	(7.3)
Opening cash balance	**428.7**	221.1
Foreign exchange movements	**(0.2)**	(1.3)
Closing cash balance	**640.2**	212.5

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

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

3 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.

4 Discretionary capital additions includes acquisition, growth and upgrade capital additions and excludes IFRS 3 accounting adjustments.

5 Net change in working capital corresponds to movements in working capital in the condensed consolidated statement of cash flows, excluding cash paid for adjusting and EBITDA adjusting items and including movements in capital expenditure related working capital.

6 Cash paid for adjusting and EBITDA adjusting items corresponds to cash paid in respect of items per note 4 of the condensed consolidated financial statements – project costs, deal costs and deposits in relation to acquisitions.

7 Net cash flow from financing activities includes gross proceeds from issue of equity share capital, share issue costs, borrowing drawdowns, loan issue costs and repayment of loans in the condensed consolidated statement of cash flows.

The measure is used to value the cash flow generated by the business operations after expenditure incurred on maintaining capital assets, including lease liabilities, and taxes. It is a measure of the cash generation of the tower estate. The condensed consolidated statement of cash flows is outlined on page 17.

Capital expenditure

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

	2021		2020	
	US$m	**% of Total Capex**	US$m	% of Total Capex
Acquisition	**177.3**	**74.7%**	10.2	26.8%
Growth	**39.1**	**16.5%**	15.1	39.7%
Upgrade	**6.5**	**2.8%**	5.3	13.9%
Maintenance	**13.5**	**5.7%**	6.9	18.2%
Corporate	**0.8**	**0.3%**	0.5	1.4%
	237.2	**100.0%**	38.0	100.0%

Acquisition capex in the six months ended 30 June 2021 relates primarily to Senegal, excluding the fair value of assets and liabilities acquired and goodwill recognised under IFRS 3 (see Note 20 of the condensed consolidated financial statements).

Off-Balance Sheet arrangements

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

Indebtedness

As of 30 June 2021 and 31 December 2020, the Group's outstanding loans and borrowings net of issue costs and excluding lease liabilities, were US$1,280.1 million and US$989.4 million respectively. The Group's net debt as of 30 June 2021 and 31 December 2020 was US$786.0 million and US$692.4 million with net leverage of 3.2x and 2.9x respectively. Indebtedness and leverage as at 30 June 2021 reflect the US$975 million Senior Notes refinance which was completed during H2 2020, US$300 million of convertible bonds of which US$250m was issued in March 2021 with a coupon of 2.875% due in 2027 and US$50m of the same notes tapped in June 2021. Further details of the refinance are provided in Note 13 of the condensed consolidated financial statements and net debt and net leverage details are provided in Alternative Performance Measure section.

Risk management

The risk management and governance process has not changed since the 2020 Annual report was published and is set out on pages 62 to 65 of the 2020 Annual report (available on the Group's website at www.heliostowers.com) and summarised as follows.

The creation and maintenance of the Group risk register involves the whole business with operating company and functional head input being consolidated by Group Compliance into a register for discussion and agreement at Executive level prior to submission to the Audit Committee and the Board. The risk register is updated twice a year after these discussions and a review of the external environment for any emerging risks.

All risks are classified into six broad risk types: Strategic, Reputational, Compliance (including legal), Finance, Operational and People. All risks are assessed according to the probability and consequence of being realised and a determination made to accept, avoid, or control and mitigate, in which case mitigating controls are clearly defined. A risk owner for all risks is identified.

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

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

Principal risks and uncertainties

There has been no change in the nature, probability or potential impact of previously identified risks as set out on pages 62 to 65 of the 2020 Annual report (available on the Group's website at www.heliostowers.com). The risks are summarised as follows:

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

Control environment

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

Impact of COVID-19

The Group's business and operations are inherently resilient against the implications of the COVID-19 pandemic and associated lockdowns, due to operating in the telecoms sector, which sees continued strong demand, and through having long-term revenue contracts with multinational MNOs. 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 operating companies • Field operations are in dispersed locations and outdoor environments with personnel classified as essential workers • Return to work protocols are being discussed with employee wellbeing at the core	• Minimal disruption to-date • Business continuity maintained
Existing Revenue / Liquidity	• US$3.5 billion contracted revenues with 7.4 years contract duration across six countries and 99% with multinational MNOs • The Group has strong liquidity with >US$1bn available, reflecting a cash balance of US$640m and undrawn debt facilities of US$270m at Group, ZAR 351m at Helios Towers South Africa and €80m (denominated in both XOF and €) at Helios Towers Senegal	• Minimal impact to existing revenue experienced • Strong liquidity
Customer roll-out	• Implications for rate of roll out if equipment supply chains are disrupted • Strong pipeline of opportunities coming through from customers with tenancy outlook unchanged	• Mobile services are critical and in high demand • Long-term customer growth strategies remain unchanged • Robust pipeline
Supply Chain	• Minimal supply chain delays have been experienced to date • Forward purchasing of capex and materials	• High quality operational performance ensured
Situation management	• Regular monitoring and communications with Board, executive management and employees	• Minimal disruption experienced

- Cloud-based systems and group-wide video-conferencing for smooth remote-working

Going concern

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

Alternative Performance Measures

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

Adjusted EBITDA and Adjusted EBITDA margin

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

Purpose - The Group believes that Adjusted EBITDA and Adjusted EBITDA margin facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. The Group excludes certain items from Adjusted EBITDA, such as loss on disposal of property, plant and equipment and other adjusting items because it believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Adjusted EBITDA	**114.2**	109.1
Adjustments applied in arriving at Adjusted EBITDA:		
Adjusting items:		
Project costs[1]	**-**	(4.6)
Deal costs[2]	**(8.8)**	(0.8)
Share-based payments and long-term incentive plans[3]	**(0.7)**	(0.4)
Loss on disposals of property, plant and equipment	**(3.2)**	(1.3)
Other gains and (losses)	**(6.2)**	(35.0)
Depreciation of property, plant and equipment	**(66.3)**	(63.7)
Depreciation of right-of-use assets	**(7.1)**	(4.8)
Amortisation of intangibles	**(1.2)**	(4.2)
Interest receivable	**0.2**	0.5
Finance costs	**(64.5)**	(77.8)
Loss before tax	**(43.6)**	(83.0)

[1] Project costs relate to the preparation of debt refinancing which cannot be capitalised.

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

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

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Adjusted EBITDA	**114.2**	109.1
Revenue	**212.4**	204.0
Adjusted EBITDA margin	**54%**	53%

Adjusted gross profit and adjusted gross margin

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

Purpose - These measures are used to evaluate the underlying level of gross profitability of the operations of the business, excluding depreciation, which is the major non-cash measure reflected in cost of sales. The Group believes that Adjusted gross profit facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by the age and booked depreciation on assets. It is also a proxy for the gross cash generation of its operations.

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Gross profit	**74.0**	73.8
Add back: site depreciation	**68.0**	63.3
Adjusted gross profit	**142.0**	137.1
Revenue	**212.4**	204.0
Adjusted gross margin	**67%**	67%

Portfolio 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.

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 cash generation of the tower estate.

	6 months ended 30 June	
	2021	**2020**
	US$m	**US$m**
Adjusted EBITDA	**114.2**	109.1
Less: Maintenance and corporate capital additions	**(14.3)**	(7.4)
Less: Payments of lease liabilities[1]	**(15.2)**	(11.3)
Less: Tax paid[2]	**(10.9)**	(1.3)
Portfolio free cash flow	**73.8**	89.1
Cash conversion %[3]	**65%**	82%

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

2 Tax paid in the 6 months ended 30 June 2020 exclude US$37.7 million paid in relation to Change of Control Taxes. See Note 6 to the condensed consolidated financial statements.

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

Gross debt, net debt, net leverage and 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 cash and cash equivalents. Net leverage is calculated as net debt divided by 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. Net leverage is used to show how many years it would take for a company to pay back its debt if net debt and Adjusted EBITDA are held constant. The Group aims to maintain net leverage broadly in the range of 3.5x-4.5x.

	30 June	31 December
	2021	2020
	US$m	US$m
External debt[1]	**1,280.1**	989.4
Lease liabilities	**146.1**	131.7
Gross debt	**1,426.2**	1,121.1
Cash and cash equivalents	**640.2**	428.7
Net debt	**786.0**	692.4
Annualised Adjusted EBITDA[2]	**243.4**	240.4
Net leverage[3]	**3.2x**	2.9x

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

2 Annualised Adjusted EBITDA calculated as per the Senior Notes definition as the most recent fiscal quarter multiplied by 4, adjusted to reflect the annualised contribution from acquisitions that have closed in the most recent fiscal quarter. This is not a forecast of future results.

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

Return on invested capital

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

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

	30 June 2021 US$m	31 December 2020 US$m
Property, plant and equipment	**674.7**	594.7
Accumulated depreciation	**766.8**	713.0
Accumulated maintenance and corporate capital expenditure	**(194.8)**	(180.6)
Intangible assets	**119.8**	23.2
Accumulated amortisation	**23.2**	56.4
Total invested capital	**1,389.7**	1,206.7
Annualised portfolio free cash flow[1]	**163.7**	174.4
Return on invested capital	**12%**	14%

[1] Annualised portfolio free cash flow is calculated as the most recent fiscal quarter multiplied by four, adjusted to annualise the impact of acquisitions closed during the period

Material recent developments

On 18 August 2021 Kash Pandya informed the Board of his decision to retire as Chief Executive Officer with effect from the Company's AGM in April 2022. Effective upon his retirement and at the Board's request, Kash will move into a new role as non-executive Deputy Chairman of the Company. In an orderly transition, the Board is also pleased to announce that Tom Greenwood, currently Chief Operating Officer, has been appointed CEO-Designate with immediate effect. Tom will formally take up the Chief Executive Officer role from Kash following the AGM in April 2022.

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 half-yearly financial report for the six months ended 30 June 2021 which comprises the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes 1 to 23. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly 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 will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly 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 half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the Company 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. 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.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
18 August 2021

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

For the 6 months ended 30 June 2021

	Note	6 months ended 30 June 2021 US$m	2020 US$m
Revenue		**212.4**	204.0
Cost of sales		**(138.4)**	(130.2)
Gross profit		**74.0**	73.8
Administrative expenses		**(43.9)**	(43.2)
Loss on disposal of property, plant and equipment		**(3.2)**	(1.3)
Operating profit		**26.9**	29.3
Interest receivable		**0.2**	0.5
Other gains and (losses)	16	**(6.2)**	(35.0)
Finance costs	5	**(64.5)**	(77.8)
Loss before tax	4	**(43.6)**	(83.0)
Tax expense	6	**(7.5)**	(7.8)
Loss for the period		**(51.1)**	(90.8)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**3.6**	(3.9)
Total comprehensive loss for the period		**(47.5)**	(94.7)
Loss attributable to:			
Owners of the Company		**(51.1)**	(91.1)
Non-controlling interests		**-**	0.3
Loss for the period		**(51.1)**	(90.8)
Total comprehensive loss attributable to:			
Owners of the Company		**(47.5)**	(94.9)
Non-controlling interests		**-**	0.2
Total comprehensive loss for the period		**(47.5)**	(94.7)

Earnings per share			
Basic loss per share (cents)	21	**(5.1)**	(9.1)
Diluted loss per share (cents)	21	**(5.1)**	(9.1)

Condensed consolidated statement of financial position (unaudited)

As at 30 June 2021

	Note	30 June 2021 US$m	Audited 31 December 2020 US$m
Non-current assets			
Intangible assets	7	**195.8**	23.2
Property, plant and equipment	8a	**674.7**	594.7
Right-of-use assets	8b	**129.7**	109.2
Derivative financial assets	9	**79.5**	88.8
		1,079.7	815.9
Current assets			
Inventories		**9.6**	9.0
Trade and other receivables	10	**181.6**	137.6
Prepayments		**36.7**	39.3
Cash and cash equivalents	11	**640.2**	428.7
		868.1	614.6
Total assets		**1,947.8**	1,430.5
Equity			
Share capital	12	**13.5**	12.8
Share premium		**105.6**	-
Other reserves		**(87.0)**	(87.0)
Convertible bond reserves		**52.7**	-
Share-based payment reserves		**18.5**	18.4
Treasury shares		**(1.7)**	(2.3)
Translation reserve		**(88.3)**	(91.9)
Retained earnings		**229.2**	280.3
Total equity attributable to owners		**242.5**	130.3
Current liabilities			
Loans	13	**3.3**	2.6
Trade and other payables	14	**245.8**	174.7
Short-term lease liabilities	15	**24.3**	23.5
		273.4	200.8
Non-current liabilities			
Loans	13	**1,276.8**	986.8
Long-term lease liabilities	15	**121.8**	108.2
Deferred tax liabilities		**33.3**	4.4
		1,431.9	1,099.4
Total liabilities		**1,705.3**	1,300.2
Total equity and liabilities		**1,947.8**	1,430.5

Condensed consolidated statement of changes in equity (unaudited)

For the 6 months ended 30 June 2021

	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share-based payments reserves US$m	Convertible bond reserves US$m	Translation reserves US$m	Retained earnings US$m	Attributable to owners of the Company US$m	Non-controlling interest US$m	Total equity US$m
Balance at 1 January 2020	12.8	–	(87.0)	(4.4)	19.6	–	(82.7)	317.6	175.9	(0.6)	175.3
Loss for the period	–	–	–	–	–	–	–	(91.1)	(91.1)	0.3	(90.8)
Other comprehensive expense	–	–	–	–	–	–	(3.8)	–	(3.8)	(0.1)	(3.9)
Total comprehensive (loss)/income for the period	–	–	–	–	–	–	(3.8)	(91.1)	(94.9)	0.2	(94.7)
Share-based payments	–	–	–	–	0.4	–	–	–	0.4	–	0.4
Exercise of share options	–	–	–	1.6	(1.6)	–	–	–	–	–	–
Balance at 30 June 2020	12.8	–	(87.0)	(2.8)	18.4	–	(86.5)	226.5	81.4	(0.4)	81.0

	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share-based payments reserves US$m	Convertible bond reserves US$m	Translation reserves US$m	Retained earnings US$m	Attributable to owners of the Company US$m	Non-controlling interest US$m	Total equity US$m
Balance at 1 January 2021	**12.8**	**–**	**(87.0)**	**(2.3)**	**18.4**	**–**	**(91.9)**	**280.3**	**130.3**	**–**	**130.3**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(51.1)**	**(51.1)**	**–**	**(51.1)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**3.6**	**–**	**3.6**	**–**	**3.6**
Total comprehensive (loss)/income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**3.6**	**(51.1)**	**(47.5)**	**–**	**(47.5)**
Issue of share capital	**0.7**	**105.6**	**–**	**–**	**–**	**–**	**–**	**–**	**106.3**	**–**	**106.3**
Convertible bond reserves	**–**	**–**	**–**	**–**	**–**	**52.7**	**–**	**–**	**52.7**	**–**	**52.7**
Share-based payments	**–**	**–**	**–**	**–**	**0.7**	**–**	**–**	**–**	**0.7**	**–**	**0.7**
Exercise of share options	**–**	**–**	**–**	**0.6**	**(0.6)**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2021	**13.5**	**105.6**	**(87.0)**	**(1.7)**	**18.5**	**52.7**	**(88.3)**	**229.2**	**242.5**	**–**	**242.5**

Condensed consolidated statement of cash flows (unaudited)

For the 6 months ended 30 June 2021

	Note	6 months ended 30 June 2021 US$m	2020 US$m
Cash flows generated from operating activities			
Loss for the period before taxation	4	**(43.6)**	(83.0)
Adjustments for:			
Other (gains) and losses	16	**6.2**	35.0
Finance costs	5	**64.5**	77.8
Interest receivable		**(0.2)**	(0.5)
Share-based payments and long-term incentive plans		**0.7**	0.4
Depreciation and amortisation of property, plant and equipment		**74.6**	72.7
Loss on disposal of property, plant and equipment		**3.2**	1.3
Movement in working capital:			
(Increase)/decrease in inventories		**(0.6)**	0.4
(Increase)/decrease in trade and other receivables		**(39.5)**	1.9
Increase in prepayments		**(7.7)**	(2.8)
Decrease in trade and other payables		**(11.9)**	(14.9)
Cash generated from operations		**45.7**	88.3
Interest paid		**(46.2)**	(56.0)
Tax paid	6	**(10.9)**	(39.0)
Net cash used in operating activities		**(11.4)**	(6.7)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(49.2)**	(51.6)
Payments to acquire intangible assets		**(1.9)**	-
Proceeds on disposal of property, plant and equipment		**0.3**	0.6
Business acquisition	20	**(167.4)**	-
Interest received		**0.2**	0.5
Net cash used in investing activities		**(218.0)**	(50.5)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		**109.3**	-
Share issue costs		**(1.0)**	-
Loan drawdowns		**351.8**	756.5
Loan issue costs		**(12.5)**	(15.0)
Repayment of loan		-	(688.7)
Repayment of lease liabilities		**(6.5)**	(2.9)
Net cash generated from financing activities		**441.1**	49.9
Foreign exchange on translation movements		**(0.2)**	(1.3)
Net increase/(decrease) in cash and cash equivalents		**211.7**	(7.3)
Cash and cash equivalents at the beginning of period		**428.7**	221.1
Cash and cash equivalents at end of period		**640.2**	212.5

Notes to the condensed consolidated financial statements (unaudited)

For the 6 months ended 30 June 2021

1. General Information

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

Going concern

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook in the wider economy. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should remain adequately liquid and should operate within the covenant levels of its current debt facilities. The Directors consider it appropriate to adopt the going concern basis of preparation for the condensed consolidated financial statements.

As part of their regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed trading and cash flow forecast for a period which covers at least 12 months after the date of approval of the interim financial statements. As at 30 June 2021 Helios Towers had a strong liquidity position, with approximately US$390 million of undrawn facilities and US$640 million of cash and cash equivalents (see Note 11). 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 June 2020 and December 2020 and the thematic review published in July 2020. Management have considered the latest forecasts available to them and additional sensitivity analysis has been prepared to consider any reduction in anticipated levels of Adjusted EBITDA and operating profit arising from various scenarios.

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

2. Accounting Policies

Basis of preparation

The interim financial statements of Helios Towers plc and its subsidiaries are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom, 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.

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 2020 has been extracted from the audited financial statements of Helios Towers plc for the year ended 31 December 2020. These condensed financial statements do not constitute statutory financial statements under the Companies Act 2006.

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

Judgements and estimates

Judgements and estimates are consistent with those adopted in the last statutory financial statements of Helios Towers plc. The Directors have considered the impact of events in the half year including the ongoing effects of COVID-19 on these judgements and estimates and still consider them appropriate.

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, COO and CFO of the Group, who are considered to be the chief operating decision makers ('CODMs'). Operating segments are determined based on geographical location. All operating segments have the same business of operating and maintaining telecoms towers and renting space on such towers. Accounting policies are applied consistently for all operating segments. The segment operating result used by CODMs is Adjusted EBITDA, which is defined in Note 4.

6 months ended 30 June 2021	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Senegal US$m	Total operating companies US$m	Corporate US$m	Group Total US$m
Revenue	**84.1**	**85.5**	**13.9**	**21.4**	**2.8**	**4.7**	**212.4**	**-**	**212.4**
Adjusted gross margin[1]	**69%**	**65%**	**64%**	**69%**	**73%**	**60%**	**67%**	**-**	**67%**
Adjusted EBITDA[2]	**55.6**	**49.7**	**6.5**	**12.7**	**1.2**	**2.3**	**128.0**	**(13.8)**	**114.2**
Adjusted EBITDA margin[3]	**66%**	**58%**	**47%**	**59%**	**43%**	**49%**	**60%**	**-**	**54%**
Financing costs:									
Interest costs	**(17.6)**	**(24.7)**	**(6.0)**	**(4.3)**	**(2.6)**	**(1.4)**	**(56.6)**	**(3.5)**	**(60.1)**
Foreign exchange differences	**(0.4)**	**0.2**	**(2.7)**	**-**	**-**	**(0.1)**	**(3.0)**	**(1.4)**	**(4.4)**
Total financing costs	**(18.0)**	**(24.5)**	**(8.7)**	**(4.3)**	**(2.6)**	**(1.5)**	**(59.6)**	**(4.9)**	**(64.5)**

6 months ended 30 June 2020	Tanzania US$m	DRC US$m	Congo Brazzaville US$m	Ghana US$m	South Africa US$m	Senegal US$m	Total operating companies US$m	Corporate US$m	Group Total US$m
Revenue	83.2	85.4	12.5	21.6	1.3	–	204.0	–	204.0
Adjusted Gross margin[1]	67%	65%	69%	74%	76%	–	67%	–	67%
Adjusted EBITDA[2]	51.0	49.0	5.7	13.7	0.1	–	119.5	(10.4)	109.1
Adjusted EBITDA margin[3]	61%	57%	46%	63%	8%	–	59%	–	53%
Financing costs:									
Interest costs	(17.6)	(24.6)	(4.6)	(3.9)	(3.0)	–	(53.7)	6.3	(47.4)
Early redemption expenses[4]	–	–	–	–	–	–	–	(23.9)	(23.9)
Foreign exchange differences	(1.1)	0.1	(0.1)	(1.2)	(2.8)	–	(5.1)	(1.4)	(6.5)
Total financing costs	(18.7)	(24.5)	(4.7)	(5.1)	(5.8)	–	(58.8)	(19.0)	(77.8)

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

2 Adjusted EBITDA is loss before tax for the period, adjusted for, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, recharged depreciation, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items.

3 Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

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

4. Reconciliation of aggregate segment Adjusted EBITDA to loss before tax

The key segment operating result used by chief operating decision makers (CODMs) is Adjusted EBITDA.

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

The Group believes that Adjusted EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. The Group excludes certain items from Adjusted EBITDA, such as loss on disposal of property, plant and equipment, and adjusting items because it believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Adjusted EBITDA	**114.2**	109.1
Adjustments applied in arriving at Adjusted EBITDA:		
Adjusting items:		
Project costs[1]	**-**	(4.6)
Deal costs[2]	**(8.8)**	(0.8)
Share-based payments and long-term incentive plans[3]	**(0.7)**	(0.4)
Loss on disposals of property, plant and equipment	**(3.2)**	(1.3)
Other gains and (losses) (note 16)	**(6.2)**	(35.0)
Depreciation of property, plant and equipment	**(66.3)**	(63.7)
Depreciation of right-of-use assets	**(7.1)**	(4.8)
Amortisation of intangibles	**(1.2)**	(4.2)
Interest receivable	**0.2**	0.5
Finance costs	**(64.5)**	(77.8)
Loss before tax	**(43.6)**	(83.0)

1 Project costs relate to the preparation of debt refinancing which cannot be capitalised.

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

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

5. Finance costs

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Foreign exchange differences	**4.4**	6.5
Interest cost	**51.2**	39.3
Early redemption expenses[1]	**-**	23.9
Interest cost on lease liabilities	**8.9**	8.1
	64.5	77.8

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

6. Tax expense

Entities in Congo Brazzaville and Senegal are loss making, however minimum income tax is levied as stipulated by law in these jurisdictions. DRC, Ghana, Tanzania and one entity in South Africa are profit making and subject to income tax on taxable profits.

The tax expense for the period is calculated by reference to the forecast full year tax rate and applied to profits for the period, adjusted for actual tax on adjusting items. The effective tax rate, calculated by reference to the statutory tax rates which are applicable to the Group’s operating subsidiaries is approximately 30% for the profitable jurisdictions. A tax charge is reported in the consolidated financial statements despite a consolidated loss for accounting purposes, as a result of losses recorded in Mauritius and UK which are not able to be group relieved against taxable profits in the operating company jurisdictions.

	6 months ended 30 June	
	2021	2020
Tax expense	**US$m**	US$m
Total current tax	**8.0**	6.9
Deferred tax	**(0.5)**	0.9
	7.5	7.8

	6 months ended 30 June	
	2021	2020
Tax paid	**US$m**	US$m
Change of Control tax funded by escrow restricted cash	**-**	37.7
Income tax	**10.9**	1.3
	10.9	39.0

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 2021	3.3	6.8	4.9	8.8	35.0	1.1	19.7	79.6
Additions during the period	–	–	–	–	–	–	1.9	1.9
Additions on acquisition (note 20)	–	171.0	5.6	–	–	–	–	176.6
Disposals	–	–	–	–	(35.0)	–	–	(35.0)
Foreign exchange	0.1	(4.2)	–	–	–	–	–	(4.1)
At 30 June 2021	**3.4**	**173.6**	**10.5**	**8.8**	**–**	**1.1**	**21.6**	**219.0**
Amortisation								
At 1 January 2021	(0.4)	(0.8)	–	(0.9)	(35.0)	(0.3)	(19.0)	(56.4)
Charge for period	(0.1)	(0.3)	–	(0.3)	–	(0.1)	(0.4)	(1.2)
Disposals	–	–	–	–	35.0	–	–	35.0
Foreign exchange	–	(0.6)	–	–	–	–	–	(0.6)
At 30 June 2021	**(0.5)**	**(1.7)**	**–**	**(1.2)**	**–**	**(0.4)**	**(19.4)**	**(23.2)**
Net book value								
At 30 June 2021	**2.9**	**171.9**	**10.5**	**7.6**	**–**	**0.7**	**2.2**	**195.8**
At 31 December 2020	2.9	6.0	4.9	7.9	–	0.8	0.7	23.2

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 period.

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 2021	22.8	1.5	4.6	1,268.8	6.8	3.2	1,307.7
Additions during the period	1.5	0.3	0.2	64.2	–	0.3	66.5
Additions on acquisition (note 20)	–	–	–	85.0	–	–	85.0
Disposals	–	–	–	(12.5)	–	–	(12.5)
Foreign exchange	–	–	–	(4.8)	(0.4)	–	(5.2)
At 30 June 2021	**24.3**	**1.8**	**4.8**	**1,400.7**	**6.4**	**3.5**	**1,441.5**
Depreciation							
At 1 January 2021	(15.4)	(1.4)	(3.3)	(689.9)	(0.1)	(2.9)	(713.0)
Charge for period	(2.4)	(0.1)	(0.3)	(63.4)	–	(0.1)	(66.3)
Disposals	–	–	–	9.4	–	–	9.4
Foreign exchange	(0.1)	–	–	3.2	–	–	3.1
At 30 June 2021	**(17.9)**	**(1.5)**	**(3.6)**	**(740.7)**	**(0.1)**	**(3.0)**	**(766.8)**
Net book value							
At 30 June 2021	**6.4**	**0.3**	**1.2**	**660.0**	**6.3**	**0.5**	**674.7**
At 31 December 2020	7.4	0.1	1.3	578.9	6.7	0.3	594.7

8b. Right-of-use assets

	30 June 2021 US$m	31 December 2020 US$m
Right-of-use assets by class of underlying assets carrying value		
Land	**123.8**	105.4
Buildings	**5.8**	3.7
Motor vehicles	**0.1**	0.1
	129.7	109.2
Depreciation charge for right-of-use assets		
Land	**5.9**	12.7
Buildings	**1.2**	1.3
	7.1	14.0

9. Derivative financial instruments

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

	30 June 2021 US$m	31 December 2020 US$m
Balance brought forward	**88.8**	41.0
Change in fair value of derivative financial instrument – US$600m 9.125% Senior Notes 2022	**-**	(41.0)
Derivative financial instrument – US$975m 7.000% Senior Notes 2025	**(6.2)**	85.7
Currency forward contracts	**(3.1)**	3.1
Balance carried forward	**79.5**	88.8

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

The put option provides the holders with the right (and the Group with an obligation) to settle the Senior Notes before their redemption date in the event of a change in control resulting in a rating downgrade (as defined in the terms of the Senior Notes, which also includes a major asset sale), and at a premium over the initial notional amount. The options are fair valued using an option pricing model that is commonly used by market participants to value such options and makes the maximum use of market inputs, relying as little as possible on the entity's specific inputs and making reference to the fair value of similar instruments in the market. The options are considered a Level 3 financial instrument in the fair value hierarchy of IFRS 13, owing to the presence of unobservable inputs. Where Level 1 (market observable) inputs are not available, the Helios Group engages a third party qualified valuer to perform the valuation. Management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The Senior Notes are quoted and it has an embedded derivative. The fair value of the embedded derivative is the difference between the quoted price of the Senior Notes and the fair value of the host contract (the Senior Notes excluding the embedded derivative). The fair value of the Senior Notes as at the Valuation Date has been sourced from an independent third party data vendor. The fair value of the host contract is calculated by discounting the Senior Notes' future cash flows (coupons and principal payment) at USD 3-month LIBOR plus Helios Towers' credit spread. For the valuation date of 30 June 2021, a relative 1% increase in credit spread would result in an approximate US$1.1 million decrease in the valuation of the embedded derivatives.

As at the reporting date, the call option had a fair value of US$79.5 million (31 December 2020: US$85.7 million on the US$975 million 7.000% Senior Notes 2025), while the put option had a fair value of US$0 million (31 December 2020: US$0 million).

10. Trade and other receivables

	30 June 2021 US$m	31 December 2020 US$m
Trade receivables	**106.7**	50.9
Loss allowance	**(6.4)**	(5.8)
	100.3	45.1
Trade receivable from related parties	**-**	37.1
	100.3	82.2
Other receivables	**73.3**	49.1
VAT & Withholding tax receivable	**8.0**	6.3
	181.6	137.6

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. Loss allowance expense is included within cost of sales in the Consolidated Income Statement.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Interest can be charged on past due debtors. The normal credit period of services is 30 days.

Other receivables mainly comprise of accrued income, sundry receivables and Escrow receivables.

Of the trade receivables balance at 30 June 2021, 87% (31 December 2020: 84%) is due from five of the Group's largest customers. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Debtor days

The Group calculates debtor days as set out in the table below. It considers its most relevant customer receivables exposure on a given reporting date to be the amount of receivables due in relation to the revenue that has been reported up to that date. It therefore defines its net receivables as the total trade receivables and accrued revenue, less loss allowance and deferred income that has not yet been settled.

	30 June 2021 US$m	31 December 2020 US$m
Trade receivables[1]	**106.7**	88.0
Accrued Revenue[2]	**2.6**	11.0
Less: Loss allowance	**(6.4)**	(5.8)
Less: Deferred income[3]	**(32.3)**	(32.6)
Net Receivables	**70.6**	60.6
Revenue	**212.4**	414.0
Debtor days	**60**	53

1 Trade receivables, including related parties.

2 Reported within other receivables.

3 Deferred income, as per Note 14, has been adjusted for US$18.9 million (2020: US$18.4 million) in respect of amounts settled by customers at the balance sheet date.

The increase in debtor days at 30 June 2021 is primarily due to the inclusion of Senegal for the first time, where we have invoiced customers who have payment terms which extend over the period end, customers where payments expected in June were received after the period end and discussions which are ongoing with customers who have past due debtors. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Terms and conditions attached to receivable balances due by related parties and are disclosed in Note 18.

11. Cash and cash equivalents

	30 June 2021 US$m	31 December 2020 US$m
Bank balances	**640.2**	179.7
Short-term deposits	**-**	249.0
	640.2	428.7

12. Share capital

	30 June 2021		31 December 2020	
	Number of shares	**US$m**	Number of shares	US$m
Authorised, issued and fully paid				
Ordinary share capital class A of £0.01	**1,048,000,000**	**13.5**	1,000,000,000	12.8
	1,048,000,000	**13.5**	1,000,000,000	12.8

On 16 June 2021 the Company issued 48 million new Ordinary Shares in the capital of the Company. This raised gross proceeds of US$109.3m.

13. Loans

	30 June 2021 US$m	31 December 2020 US$m
Loans	**1,280.1**	989.4
Total borrowings	**1,280.1**	989.4
Current	**3.3**	2.6
Non-current	**1,276.8**	986.8
	1,280.1	989.4

In March 2021 the Group issued US$250 million of convertible bonds with a coupon of 2.875%, due in 2027. The initial conversion price was set at US$2.9312. The conversion price is subject to adjustments for any dividend in cash or in kind, as well as customary anti-dilution adjustments, pursuant to the terms and conditions of the convertible bonds. The bondholders have the option to convert at any time up to seven business days prior to the final maturity date. Helios Towers have the right to redeem the bonds at their principal amount, together with accrued but unpaid interest up to the optional redemption date, from April 2026, if the Helios Towers share price has traded above 130% of the conversion price on twenty out of the previous thirty days prior to the redemption notice.

In June 2021 the Group tapped the above bond for an aggregate principal amount of US$50 million. On initial recognition of the convertible bond and the convertible bond tap, a liability and equity reserve component were recognised being US$242.4 million and US$52.7 million respectively including transaction costs.

On 18 June 2020 HTA Group, Ltd., a wholly owned subsidiary of Helios Towers plc, issued US$750 million of 7.000% Senior Notes due 2025, guaranteed on a senior basis by Helios Towers plc and certain of its direct and indirect subsidiaries. The Notes were issued at an issue price of 99.439% of the principal amount.

The proceeds of the Notes were used (i) to redeem US$600 million of HTA Group's outstanding Senior Notes due 2022 (plus accrued interest), (ii) to repay all amounts outstanding under its US$125 million term facility (of which US$75 million was outstanding), (iii) to pay certain fees and expenses in relation to the Offering and (iv) with excess funds available for general corporate purposes.

In addition, on 9 September 2020 HTA Group, Ltd issued a further US$225 million aggregate principal amount of its 7.000% Senior Notes due 2025. The Additional Notes will be treated as a single class together with the Original Notes for all purposes under the indenture. After giving effect to the issuance of these Additional Notes, the outstanding aggregate principal amount of Notes will be US$975 million.

HTA Group also entered into a five-year US$200 million term facility with borrowing availability in US dollars for the general corporate purposes (including acquisitions) of the Company and certain of its subsidiaries. This new term facility replaced the existing US$125 million term facility, which was cancelled upon completion of the Offering on 19 June 2020. Transactions fees related to this are reported in Prepayments.

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

The current portion of borrowings relates to accrued interest on the bonds and term loan interest payable within one year of the balance sheet date.

Loans are classified as financial liabilities and measured at amortised cost.

14. Trade and other payables

	30 June 2021 US$m	31 December 2020 US$m
Trade payables	**15.1**	12.7
Deferred income	**51.2**	51.0
Deferred consideration	**61.6**	4.1
Other payables and accruals	**90.0**	75.1
VAT, Withholding and other tax payable	**27.9**	31.8
	245.8	174.7

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2020: 27 days). Payable days are calculated as trade payables and payables to related parties, divided by cost of sales plus administration expenses less staff costs and depreciation and amortisation. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Amounts payable to related parties are unsecured, interest free and repayable on demand.

The Directors consider the carrying amount of trade payables approximates to their fair value due to their short-term nature.

15. Lease liabilities

	30 June 2021 US$m	31 December 2020 US$m
Short-term lease liabilities		
Land	**21.4**	22.4
Buildings	**2.9**	1.1
	24.3	23.5
Long-term lease liabilities		
Land	**118.9**	105.0
Buildings	**2.8**	3.1
Motor vehicles	**0.1**	0.1
	121.8	108.2

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

The total cash paid on leases in the 6 months ended 30 June 2021 was US$15.2 million (6 months ended 30 June 2020: US$11.3 million).

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

	Within 1 year US$m	1–5 years US$m	5+ years US$m	Total US$m
30 June 2021	**24.3**	**96.4**	**328.8**	**449.5**
31 December 2020	23.5	83.9	347.2	454.6

16. Other gains and (losses)

	6 months ended	
	30 June 2021 US$m	30 June 2020 US$m
Fair value (loss) / gain on derivative financial instruments	**(6.2)**	(37.6)
Fair value gain on movement in contingent consideration	**-**	2.6
	(6.2)	(35.0)

17. Uncompleted performance obligations

The table below represents undiscounted uncompleted performance obligations at the end of the reporting period. This is total revenue which is contractually due to the Group, subject to the performance of the obligation of the Group related to these revenues.

	30 June 2021 US$m	31 December 2020 US$m
Total contracted revenue	**3,510.4**	2,842.8

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2021 for each of the periods from 2021 to 2025, with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 June 2021 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.

	6 months to 31 December 2021 US$m	Year ended 31 December 2022 US$m	2023 US$m	2024 US$m	2025 US$m
Tanzania	81.9	164.3	159.4	142.2	123.5
DRC	85.0	172.5	175.0	174.5	148.5
Congo Brazzaville	13.8	27.7	27.7	27.7	17.7
South Africa	2.8	6.0	6.2	6.3	6.2
Ghana	16.1	32.6	32.6	32.6	32.6
Senegal	19.0	39.8	41.5	43.2	44.9
	218.6	442.9	442.4	426.5	373.4

18. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

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

	6 months ended 30 June 2021		6 months ended 30 June 2020	
	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[1]	-	-	35.9	-
Nepic (Pty) Ltd[2]	-	-	0.2	-
Vulatel (Pty) Ltd[2]	-	-	-	0.1
	-	-	36.1	0.1

The following amounts were outstanding at the reporting date:

	As at 30 June 2021		As at 31 December 2020	
	Amount owed by US$m	**Amount owed to US$m**	Amount owed by US$m	Amount owed to US$m
Millicom Holding B.V. and subsidiaries[1]	-	-	31.1	-
Vulatel (Pty) Ltd[2]	-	-	0.1	0.1
SA Towers Proprietary Limited[2]	-	-	-	1.2
Nepic (Pty) Ltd[2]	-	-	0.1	-
	-	-	31.3	1.3

1 Millicom Holding B.V is no longer a related party of Helios Towers plc as of November 2020.

2 No longer classified as related parties as of November 2020 as their shares were sold.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Amounts receivable from the related parties related to other group companies are short-term and carry interest varying from 0% to 10% per annum charged on the outstanding trade and other receivable balances (note 10).

19. Contingencies

In the year ended 31 December 2020, the Congo Brazzaville tax authority issued an assessment on a number of taxes including VAT and corporate income tax for the years 2016 and 2017. US$0.2 million has been paid in respect of property build tax, and the remaining US$2.8 million is subject to an ongoing appeal process.

In Ghana, a change of control event was triggered on 2 June 2021 and the Ghana Revenue Authority has been notified. At IPO in October 2019, pre-IPO shareholders set aside funds to cover the Ghana change of control tax liability, which falls due no later than 30 April 2022, which is also the deadline to submit the statutory tax filings to the Ghana tax authority. At the balance sheet date any measurement of the future tax outflow for HT Ghana cannot be reliably established.

In the half year ending 30 June 2021, the Tanzania Revenue Authority issued an initial assessment on a number of taxes including corporate income tax, withholding tax and stamp duty for the financial years ending 2015 to 2018 inclusive. Of the initial claim, US$81 million relates to corporate income tax, US$7.5 million for withholding tax and US$0.4 million for stamp duty. Following an enquiry regarding change of control tax, a response has been received and we are in ongoing discussions with the TRA to ensure our position is understood. We remain of the view that we are adequately provided for the Change of Control Tax. The initial assessments for all of these matters are in early stages of review with local tax experts and as such the impact, if any, is unknown at this time. A separate assessment was made for VAT and payroll taxes which have been agreed with the tax authority and fully settled at the balance sheet date. The Directors are working with their advisers and are in discussion with the tax authorities to bring the matter to conclusion based on the facts. The Directors believe that the potential future cash outflows in relation to the tax audit are not considered probable and cannot be measured reliably.

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

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. Acquisitions

On 18 May 2021, the Group completed the first closing of sites of the previously announced transaction with Free Senegal. The Group has acquired the passive infrastructure on 1,207 sites, colocation contracts and certain employee contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations ('IFRS 3') using the acquisition method. The total consideration in respect of the transaction was US$226.9m. Goodwill arising on this business combination has been allocated to the Senegal CGU. This acquisition is in line with the Group's strategy.
The business combination had the following provisional effect on the Group's assets and liabilities:

Identifiable assets acquired	18 May 2021 Provisional US$m
Assets	
Fair value of property, plant and equipment	85.0
Fair value of intangible assets	171.0
Right of use assets	17.5
Total assets	273.5
Liabilities	
Other liabilities	(4.8)
Lease liabilities	(15.2)
Deferred income	(1.9)
Deferred taxation	(30.3)
Total liabilities	(52.2)
Total net identifiable assets	221.3
Goodwill on acquisition	5.6
Total consideration	226.9
Consideration paid in cash	167.4
Deferred consideration	59.5
Total consideration	226.9

The identified goodwill reflects the lease-up potential of the asset base and the intellectual capital of the workforce.

Deferred consideration is payable subject to timing of future closings of sites and to the committed build-to-suit rollout up to December 2025. This has been discounted to reflect the present value of future payments.

The Group has assessed the fair value of assets acquired at US$273.5 million, based on appropriate valuation methodology. The valuation techniques used for measuring fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant & equipment	Depreciated replacement cost adjusted for physical deterioration as well as functional and economic obsolescence.
Intangible assets (Customer relationships)	Multi-period excess earnings method which considered the present value of net cash flows expected to be generated by the customer relationships.

The Group incurred acquisition related costs of US$4.7 million. These costs have been included in deal costs in the Group's consolidated income statement. For the period from 18 May 2021 to 30 June 2021 this acquisition contributed revenue of US$4.7 million and a loss of US$4.4 million.

21. Earnings per share

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

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

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

Earnings per share is based on:

	6 months ended 30 June	
	2021	2020
	US$m	US$m
Loss after tax for the period attributable to owners of the Company	**(51.1)**	(91.1)
Adjusted EBITDA (Note 4)	**114.2**	109.1

	30 June 2021 Number	30 June 2020 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**1,001,462,251**	996,953,727
Weighted average number of dilutive potential shares	**57,786,113**	6,961,795
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,059,248,364**	1,003,915,522

Loss per share

	6 months ended 30 June	
	2021	2020
	cents	cents
Basic	**(5.1)**	(9.1)
Diluted	**(5.1)**	(9.1)

Adjusted EBITDA per share

	6 months ended 30 June	
	2021	2020
	cents	cents
Basic	**11.4**	10.9
Diluted	**10.8**	10.9

The calculation of basic and diluted earnings per share is based on the loss attributable to owners of the Company entity for the period US$51.1 million (2020: US$91.1 million). Basic and diluted earnings per share amounts are calculated by dividing the net loss attributable to equity shareholders of the Company entity by the weighted average number of shares outstanding during the year. Dilutive potential shares are anti-dilutive due to the loss after tax attributable to ordinary shareholders reported.

The calculation of Adjusted EBITDA per share and diluted EBITDA per share are based on the Adjusted EBITDA earnings for the period of US$114.2 million (2020: US$109.1 million). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

22. Subsequent events

On 18 August 2021 Kash Pandya informed the Board of his decision to retire as Chief Executive Officer with effect from the Company's AGM in April 2022. Effective upon his retirement and at the Board's request, Kash will move into a new role as non-executive Deputy Chairman of the Company. In an orderly transition, the Board is also pleased to announce that Tom Greenwood, currently Chief Operating Officer, has been appointed CEO-Designate with immediate effect. Tom will formally take up the Chief Executive Officer role from Kash following the AGM in April 2022.

23. Directors' responsibility statement

The Directors confirm that, to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R and that this Interim Report includes a fair review of the information required by content of the Interim Management section in the Disclosure Guidance and Transparency Rules 4.2.7R and Disclosure Guidance and Transparency Rules 4.2.8R.

The interim financial statements for the period ended 30 June 2021 have been authorised for issue on 19 August 2021.

Kash Pandya
Chief Executive Officer

Manjit Dhillon
Chief Financial Officer

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.

"Adjusted EBITDA" Management defines Adjusted EBITDA as loss before tax for the period, adjusted for, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. 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 gross margin" means adjusted gross profit, divided by revenue.

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

"**Corporate capital expenditure**" is primarily for furniture, fixtures and equipment.

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

"**Gross debt**" means non-current loans and current loans and long-term and short-term lease liabilities.

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

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

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

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

"**MLA**" means master lease agreement.

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

"Organic tenancy growth" means anchor and colocation tenants added to the portfolio on an organic basis. This excludes tenancies added to the portfolio through tower portfolio purchases.

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

"**Tenancy**" means a space leased for installation of a base transmission site and associated antennae.

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

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

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