HELIOS TOWERS plc

Unaudited results for the 6 months ended 30 June 2023

Record organic tenancy additions year-to-date

Half-year revenue and Adjusted EBITDA ahead of expectations

2023 guidance tightened upwards

London, 3 August 2023: Helios Towers plc ("Helios Towers","the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the 6 months to 30 June 2023.

	H1 2023	H1 2022	Change	**Q2 2023**	Q1 2023	Change
Sites	**13,870**	10,694	+30%	**13,870**	13,684	+1%
Tenancies	**25,883**	20,549	+26%	**25,883**	25,120	+3%
Tenancy ratio	**1.87x**	1.92x	-0.05x	**1.87x**	1.84x	+0.03x
Revenue (US$m)	**350.2**	265.4	+32%	**179.4**	170.8	+5%
Adjusted EBITDA (US$m)[1]	**173.8**	136.1	+28%	**89.1**	84.7	+5%
Adjusted EBITDA margin[1]	**50%**	51%	-1ppt	**50%**	50%	-
Operating profit (US$m)	**69.3**	39.8	+74%	**36.3**	33.0	+10%
Portfolio free cash flow (US$m)[1]	**124.5**	100.4	+24%	**66.8**	57.7	+16%
Cash generated from operations (US$m)	**147.6**	91.0	+62%	**111.4**	36.2	+208%
Net debt (US$m)[1]	**1,714.9**	1,082.4	+58%	**1,714.9**	1,734.2	-1%
Net leverage[1]	**4.8x**	3.9x	0.9x	**4.8x**	5.1x	-0.3x

[1] Alternative Performance Measures are described in our defined terms and conventions.

Tom Greenwood, Chief Executive Officer, said:

"I am delighted with the Company's performance in the first half of the year, which included delivering record organic tenancies and continuing improvements in customer delivery. The team also continues to make solid progress on our 2023 goals of acquisition integration, tenancy ratio expansion, accelerating Adjusted EBITDA growth and reducing net leverage. Accordingly, we have tightened our full-year 2023 guidance to the top end of our previously announced range and we remain committed to delivering sustainable value for all our stakeholders."

Financial highlights

Structural growth and robust business model driving record financial performance across a number of key metrics

- H1 2023 revenue increased by 32% year-on-year to US$350.2m (H1 2022: US$265.4m) driven by strong organic tenancy growth across the Group, acquisitions in Malawi and Oman and contractual escalators.
  - Organic revenue increased 18% year-on-year, of which 9% was due to tenancy growth and 9% due to power and CPI escalators, net of foreign exchange movements.
  - Q2 2023 revenue increased by 5% quarter-on-quarter to US179.4m (Q1 2023: US$170.8m).

- H1 2023 Adjusted EBITDA increased by 28% year-on-year to US$173.8m (H1 2022: US$136.1m), mainly driven by tenancy growth.
  - Excluding acquisitions, Adjusted EBITDA increased by 13% year-on-year.
  - Q2 2023 Adjusted EBITDA increased by 5% quarter-on-quarter to US$89.1m (Q1 2023: US$84.7m).

- H1 2023 Adjusted EBITDA margin decreased 1ppt year-on-year to 50% (H1 2022: 51%), reflecting an increase in both power-linked revenues and power operating expenses, due to higher fuel prices.
  - Excluding the impact of higher fuel prices, Adjusted EBITDA margin increased 2ppt year-on-year.

- Operating profit increased 74% year-on-year to a record US$69.3m (H1 2022: US$39.8m) largely driven by Adjusted EBITDA growth.
  - H1 2023 finance costs increased by 5% year-on-year to US$110.3m, driven by an increase in interest costs that largely reflects debt drawn in Oman and at Group level in December 2022, partially offset by non-cash foreign exchange movements.
  - Loss before tax decreased to US$39.4m (H1 2022 US$122.2m), driven by an increase in operating profit and a decrease in other gains and losses and foreign exchange losses.

- Portfolio free cash flow increased by 24% year-on-year to a record US$124.5m (H1 2022: US$100.4m), driven by Adjusted EBITDA growth partially offset by timing of non-discretionary capital expenditure.

- Cash generated from operations increased by 62% to a record US$147.6m (H1 2022: US$91.0m), driven by higher Adjusted EBITDA and movements in working capital.

- Net leverage decreased by 0.3x quarter-on-quarter to 4.8x (Q1 2023: 5.1x), primarily driven by growth in Adjusted EBITDA.
  - The Group continues to target being in or around the high-end of its 3.5-4.5x target range by Q4 2023.

- Business underpinned by long-term contracted revenues of US$4.9bn (H1 2022: US$4.2bn), of which 99% is from large multinational MNOs, with an average remaining life of 7.1 years (H1 2022: 7.2 years).

Operational highlights
Consistent and strong tenancy growth reflecting leadership positions in structurally high-growth markets

- Sites increased by 3,176 year-on-year to 13,870 (H1 2022: 10,694), reflecting organic site growth of 657 sites and the acquisition of 2,519 sites in Oman.
  - Sites increased organically by 186 quarter-on-quarter.
  - Sites increased organically by 317 year-to-date.

- Tenancies increased by 5,334 year-on-year to 25,883 (H1 2022: 20,549), reflecting a record addition of 2,317 organic tenancies and 3,017 acquired tenancies in Oman.
  - Tenancies increased organically by 763 quarter-on-quarter.
  - Tenancies increased organically by 1,391 year-to-date.

- Quarter-on-quarter tenancy ratio increased to 1.87x (Q1 2023: 1.84x), reflecting solid progress across several markets: DRC, Ghana, Oman and Malawi.

Environmental, Social and Governance (ESG)
Increased rating from Sustainalytics and highest possible ESG score from MSCI reaffirmed; solid progress against KPIs

- Continued progress against the Group's 2026 Sustainable Business Strategy targets in H1 2023:
  - 143m population coverage footprint (FY 22: 141m)
  - 99.98% power uptime (FY 22: 99.97%)
  - 29% female staff (FY 22: 28%)
  - 48% staff trained in Lean Six Sigma (FY 22: 42%)
  - 96% local staff in our operating companies (FY 22: 96%)

- Helios Towers' ESG score of 'AAA' from MSCI, the highest score from the investment research firm, was reaffirmed in July 2023.

- In July 2023, Sustainalytics improved Helios Towers' ESG risk rating from Medium risk (22.6) to Low risk (16.8).

- The Group is currently updating its carbon emissions reduction target to reflect its expansion into four high-growth markets across 2021 and 2022, and expects to publish this updated target by Q1 2024.

2023 Outlook and guidance

- The Group has tightened upwards its guidance on all metrics, reflecting strong performance in H1 2023 and robust commercial pipeline:

  - Tenancy additions of 1,900 - 2,100 (prior: 1,600 – 2,100), of which 40% are anticipated to be new sites.
  - Adjusted EBITDA of US$355m - US$365m (prior: US$350m - US$365m).
  - Portfolio free cash flow of US$235m - US$245m (prior: US$230m - US$245m).
  - Capital expenditure of US$180m - US$210m (prior: US$170m – US$210m).
    - Of which, US$40m is anticipated to be non-discretionary capital expenditure.

For further information go to:
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Helios Towers' management will host a conference call for analysts and institutional investors at 09.30 BST on Thursday, 3 August 2023. 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 2023 Results Conference Call
Event Name: H12023
Password: HELIOS

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

Europe & International	+44 204 587 0498
South Africa (local)	087 550 8441
USA (local)	+1 646 664 1960
Passcode:	**059607**

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 over 13,800 telecommunication tower sites in nine countries across Africa and the Middle East.

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

Alternative Performance Measures

The Group has presented a number of Alternative Performance Measures ("APMs"), which are used in addition to IFRS statutory performance measures. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Loss before tax, gross profit, non-current and current loans and long-term and short-term lease liabilities are the equivalent statutory measures (see 'Certain defined terms and conventions'). For more information on the Group's Alternative Performance Measures, see the Group's Annual report for the year ended 31 December 2022, published on the Group's website. Reconciliations of APMs to the equivalent statutory measure are also included in this half-year financial report.

Upcoming Conferences and Events

Helios Towers management is expected to participate in the upcoming conferences outlined below:

- JP Morgan Telecoms Towers Call Series Fireside Chat (virtual) – 3 August 2023
- BofA European Telecoms Field Trip Fireside Chat (virtual) – 19 September 2023
- JP Morgan Emerging Markets Credit Conference (London) – 21 September 2023
- RBC Capital Markets Global Communications Infrastructure Conference (Chicago) – 27 to 28 September 2023

Financial and Operating Review

Condensed consolidated statement of profit or loss

For the six months ended 30 June

	6 months ended 30 June	
	2023 US$m	2022 US$m
Revenue	**350.2**	265.4
Cost of sales	**(218.5)**	(173.6)
Gross profit	**131.7**	91.8
Administrative expenses	**(62.9)**	(52.6)
Profit on disposal of property, plant and equipment	**0.5**	0.6
Operating profit	**69.3**	39.8
Interest receivable	**0.7**	0.4
Other gains and (losses)	**0.9**	(57.7)
Finance costs	**(110.3)**	(104.7)
Loss before tax	**(39.4)**	(122.2)
Tax expense	**(5.0)**	(2.9)
Loss for the period	**(44.4)**	(125.1)
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	**5.2**	(1.0)
	(39.2)	(126.1)
Loss attributable to:		
Owners of the Company	**(41.0)**	(124.2)
Non-controlling interests	**(3.4)**	(0.9)
Loss for the period	**(44.4)**	(125.1)
Total comprehensive loss attributable to:		
Owners of the Company	**(36.4)**	(125.2)
Non-controlling interests	**(2.8)**	(0.9)
Total comprehensive loss for the period	**(39.2)**	(126.1)

Financial and operating metrics

Key metrics

For the six months ended 30 June

	Group		Middle East & North Africa[3]		East & West Africa[4]		Central & Southern Africa[5]	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	US$m	US$m	**US$m**	US$m	**US$m**	US$m	**US$m**	US$m
Sites at period end	**13,870**	10,694	**2,519**	-	**6,349**	6,134	**5,002**	4,560
Tenancies at period end	**25,883**	20,549	**3,192**	-	**12,334**	11,704	**10,357**	8,845
Tenancy ratio at period end	**1.87x**	1.92x	**1.27x**	-	**1.94x**	1.91x	**2.07x**	1.94x
				-				
Revenue for the period	**$350.2**	$265.4	**$27.0**	-	**$156.1**	$121.3	**$167.1**	$144.1
Adjusted gross margin[1]	**62%**	64%	**77%**	-	**67%**	68%	**55%**	62%
Adjusted EBITDA for the period[2]	**$173.8**	$136.1	**$18.0**	-	**$95.7**	$76.4	**$77.2**	$75.8
Adjusted EBITDA Margin for the period	**50%**	51%	**67%**	-	**61%**	63%	**46%**	53%

1 Adjusted gross margin means gross profit, adding back site depreciation, divided by revenue.
2 Group Adjusted EBITDA for the period includes corporate costs of US17.1 million (2022: US$16.1m).
3 Middle East & North Africa segment reflects the Company's operations in Oman (for further information on segmental split refer to note 3).
4 East & West Africa segment reflects the Company's operations in Tanzania, Senegal and Malawi.
5 Central & Southern Africa segment reflects the Company's operations in DRC, Congo Brazzaville, South Africa, Ghana and Madagascar.

Total tenancies as at 30 June

	Group		Middle East & North Africa[3]		East & West Africa[4]		Central & Southern Africa[5]	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	US$m	US$m	**US$m**	US$m	**US$m**	US$m	**US$m**	US$m
Standard colocation tenants	**10,401**	8,743	**623**	-	**5,182**	4,945	**4,596**	3,798
Amendment colocation tenants	**1,612**	1,112	**50**	-	**803**	625	**759**	487
Total colocation tenants	**12,013**	9,855	**673**	-	**5,985**	5,570	**5,355**	4,285
Total sites	**13,870**	10,694	**2,519**	-	**6,349**	6,134	**5,002**	4,560
Total tenancies	**25,883**	20,549	**3,192**	-	**12,334**	11,704	**10,357**	8,845
Tenancy ratio	**1.87x**	1.92x	**1.27x**	-	**1.94x**	1.91x	**2.07x**	1.94x

Revenue

Revenue increased by 32% to US$350.2m in the period ended 30 June 2023 (H1 2022: US$265.4m). The increase was largely driven by the growth in total tenancies from 20,549 as of 30 June 2022 to 25,883 as of 30 June 2023, including the addition of 3,017 tenancies relating to the acquisition in Oman, which closed in December 2022. The acquisition in Oman, alongside an acquisition in Malawi which closed in March 2022, contributed a US$38.7m year-on-year increase in revenues alongside US$46.1m from organic growth across other markets.

For the period ended 30 June 2023, 98% of revenues were from multinational MNOs and 63% were denominated in hard currency, being either USD, XAF/XOF (both of which are pegged to the Euro) or OMR (which is pegged to the US Dollar).

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2023 for each of the periods from 2023 to 2027, with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 June 2023 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 MSAs, (iv) our customers do not terminate MSAs early for any reason and (v) no automatic renewal.

		Year ended 31 December			
	6 months to 31 December 2023 US$m	2024 US$m	2025 US$m	2026 US$m	2027 US$m
Middle East & North Africa	26.3	47.4	48.4	49.4	50.4
East & West Africa	145.2	262.2	249.0	198.2	183.3
Central & Southern Africa	167.7	341.1	306.4	275.2	242.5
	339.2	**650.7**	**603.8**	**522.8**	**476.2**

The following table provides our total undiscounted contracted revenue as of 30 June 2023 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 2023 held constant. Our calculation uses the same assumptions as above. The average remaining life of customer contracts is 7.1 years (H1 2022: 7.2 years).

(US$m)	Total Committed Revenues	Percentage of Total Committed Revenues
Large multinational MNOs	4,830.6	98.6%
Other	71.0	1.4%
	4,901.6	**100.0%**

Cost of sales and adjusted gross profit

	6 months ended 30 June			
(US$m)	**2023**	**% of Revenue 2023**	2022	**% of Revenue** 2022
Power	**89.2**	**25.5%**	56.1	21.1%
Non-power	**43.9**	**12.5%**	38.2	14.4%
Cost of sales excluding site depreciation	**133.1**	**38.0%**	94.3	35.5%
Site depreciation	**85.4**	**24.4%**	79.3	29.9%
Total cost of sales	**218.5**	**62.4%**	173.6	65.4%

Year-on-year cost of sales increased by US$44.9m from US$173.6m in the period ended 30 June 2022 to US$218.5m in the period ended 30 June 2023. This increase is due to the impact of acquisitions in Malawi and Oman (US$23.9m), increases in tenancies and inflationary power price increases primarily in DRC. The Group has both annual CPI and quarterly or annual power price escalators embedded into its customers' contracts, which provides effective protection from inflation and power price movements on the Group's cost of sales.

The table below shows an analysis of the cost of sales on a region-by-region basis for the six month period ended 30 June 2023 and 2022.

	Group		Middle East & North Africa		East & West Africa		Southern & Central Africa	
(US$m)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Power	**89.2**	56.1	**3.3**	-	**32.2**	21.3	**53.7**	34.8
Non-power	**43.9**	38.2	**2.9**	-	**19.2**	18	**21.8**	20.2
Site depreciation	**85.4**	79.3	**7.7**	-	**39.0**	39.6	**38.7**	39.7
Total cost of sales	**218.5**	173.6	**13.9**	-	**90.4**	78.9	**114.2**	94.7

Adjusted gross profit for the period increased by 27% due to organic tenancy growth and the acquisition of Oman, partially offset by an increase in power costs.

	6 months ended 30 June			
		% of Revenue		% of Revenue
(US$m)	**2023**	**2023**	2022	2022
Revenue	**350.2**	**100.0%**	265.4	100.0%
Cost of sales excluding site depreciation	**(133.1)**	**38.0%**	(94.3)	35.5%
Adjusted gross profit	**217.1**	**62.0%**	171.1	64.5%
Site depreciation	**(85.4)**	**24.4%**	(79.3)	29.9%
Gross profit	**131.7**	**37.6%**	91.8	34.6%

Administrative expenses

Administrative expenses increased by US$10.3m year-on-year, to US$62.9m from US$52.6m in the prior year. The increase in cost base largely reflects the impact of new acquisitions and inflationary increases. Year-on-year the administrative cost level as a percentage of revenue has decreased to 18.0% (H1 2022: 19.8%).

	6 months ended 30 June			
		% of Revenue		% of Revenue
(US$m)	**2023**	**2023**	2022	2022
Sales, general and administrative costs (SG&A)	**43.3**	**12.4%**	35.0	13.2%
Depreciation and amortisation	**15.7**	**4.5%**	9.5	3.6%
Adjusting items	**3.9**	**1.1%**	8.1	3.0%
	62.9	**18.0%**	52.6	19.8%

Operating profit

Operating profit increased 74% year-on-year to US$69.3m (H1 2022: US$39.8m) driven by strong organic revenue growth across the Group, as well as the acquisitions of tower portfolios in Malawi and Oman in 2022, partially offset by an increase in cost of sales and administrative expenditure.

Other gains and losses

The fair value gain of US$0.9m in H1 2023 (H1 2022: loss of US$57.7m) was driven by a fair value movement in the derivative instruments. Further details are explained in note 6 to the condensed consolidated financial statements.

	6 months ended 30 June	
	2023	2022
	US$m	US$m
Fair value gain/(loss) on derivative financial instruments	**0.9**	(57.7)
	0.9	(57.7)

Finance costs

Finance costs have increased 5% year-on-year to US$110.3m for the period ended 30 June 2023 (30 June 2022: US$104.7m). The increase is primarily an increase in interest costs due to debt drawn down in Oman and at Group level in December 2022, partially offset by non-cash foreign exchange movements.

Tax expense

Tax expense was US$5.0m in the period ended 30 June 2023 (30 June 2022: US$2.9m). Though entities in Congo Brazzaville and Senegal continue to be loss-making for tax purposes, minimum income taxes and/or asset based taxes were levied, as stipulated by law in these jurisdictions. Malawi, Oman and South Africa are loss making for tax purposes and no minimum income tax applies. DRC, Ghana, Madagascar, Tanzania and two entities in South Africa are profitable for tax purposes and subject to income tax on taxable profits thereon.

Loss after tax

The loss after tax for the half year was US$44.4m compared to US$125.1m in the comparative half year. The decrease in loss before tax is due to an increase in operating profit and a gain on the fair value of derivative instruments (as opposed to a loss in prior year), partially offset by an increase in cost of sales, administrative expenditure and finance costs.

Management cash flow

(US$m)	6 months ended 30 June 2023	2022
Adjusted EBITDA	**173.8**	136.1
Less:		
Maintenance and corporate capital additions	**(18.4)**	(9.3)
Payments of lease liabilities[1]	**(24.7)**	(20.0)
Tax paid	**(6.2)**	(6.4)
Portfolio free cash flow	**124.5**	100.4
Cash conversion %[2]	**72%**	74%
Net payment of interest[3]	**(60.3)**	(45.7)
Levered portfolio free cash flow	**64.2**	54.7
Discretionary capital additions[4]	**(74.5)**	(122.4)
Adjusted free cash flow	**(10.3)**	(67.7)
Net change in working capital[5]	**(21.4)**	(52.8)
Cash paid for adjusting and EBITDA adjusting items[6]	**(5.5)**	(5.5)
Proceeds on disposal of assets	**-**	0.2
Free cash flow	**(37.2)**	(125.8)
Net cash flow from financing activities[7]	**45.7**	(11.3)
Net cash (outflow)/ inflow	**8.5**	(137.1)
Opening cash balance	**119.6**	528.9
Foreign exchange movement	**(0.4)**	(3.1)
Closing cash balance	**127.7**	388.7

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 Consolidated Statement of cash flow, 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, excluding cash paid for adjusting and EBITDA adjusting items and including movements in capital expenditure related working capital.
6 Cash paid for exceptional and one-off items includes project costs and deal costs.
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.

Cash flows from operations

Cash generated from operations increased by US$56.6m to US$147.6m (H1 2022: US$91.0m), driven by higher Adjusted EBITDA and movements in working capital. The Group has presented a Condensed consolidated statement of cash flows for the six months ended 30 June 2023 later in the release.

Capital expenditure

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

	2023		2022	
	US$m	**% of Total Capex**	US$m	% of Total Capex
Acquisition	**8.8**	**9.5%**	**42.7**	**32.4%**
Growth	**51.6**	**55.6%**	**68.1**	**51.8%**
Upgrade	**14.1**	**15.2%**	**11.6**	**8.8%**
Maintenance	**17.5**	**18.9%**	**8.6**	**6.5%**
Corporate	**0.9**	**0.8%**	**0.7**	**0.5%**
	92.9	**100.0%**	**131.7**	**100.0%**

Acquisition capex has declined significantly year on year, reflecting the acquisition of Airtel Africa's passive infrastructure company in Malawi which closed in H1 2022.

Trade and other receivables

Trade and other receivables increased by US$83.0m from US$246.8m as at 31 December 2022 to US$329.8m as at 30 June 2023. This increase was predominately driven by an increase in trade receivables of US$92.7m, due to timing of invoices being issued to customers.

Trade and other payables

Trade and other payables have increased by US$69.6m from US$244.7m as at 31 December 2022 to US$314.3m as at June 2023. This was primarily driven by an increase in deferred income of US$71.8m due to timing of invoices being issued to customers.

Loans and borrowings

As of 30 June 2023 and 31 December 2022 the Group's outstanding loans net of issue costs and excluding lease liabilities, were US$1,619.1 and US$1,571.6m respectively with net leverage decreasing to 4.8x in June 2023 from 5.1x in December 2022.

Alternative Performance Measures

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

Adjusted EBITDA and Adjusted EBITDA margin

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

Purpose - The Group believes that Adjusted EBITDA and Adjusted EBITDA margin facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation on assets. The Group excludes certain items from Adjusted EBITDA, such as loss on disposal of property, plant and equipment and other adjusting items because it believes they facilitate better understanding of the Group's underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	6 months ended 30 June	
	2023	**2022**
	US$m	**US$m**
Adjusted EBITDA	**173.8**	136.1
Adjustments applied in arriving at Adjusted EBITDA:		
Adjusting items:		
Deal costs[1]	**(2.2)**	(6.9)
Share-based payments and long-term incentive plans[2]	**(1.0)**	(1.2)
Other/Restructuring	**(0.8)**	-
Gain/(loss) on disposals of assets	**0.5**	0.6
Other gains and (losses)	**0.9**	(57.7)
Depreciation of property, plant and equipment	**(76.1)**	(75.8)
Depreciation of right-of-use assets	**(12.7)**	(9.3)
Amortisation of intangibles	**(12.2)**	(3.7)
Interest receivable	**0.7**	0.4
Finance costs	**(110.3)**	(104.7)
Loss before tax	**(39.4)**	(122.2)

1 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.

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

	6 months ended 30 June	
	2023	2022
	US$m	US$m
Adjusted EBITDA	**173.8**	136.1
Revenue	**350.2**	265.4
Adjusted EBITDA margin	**50%**	51%

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	
	2023	2022
	US$m	US$m
Gross profit	**131.7**	91.8
Add back: site depreciation	**85.4**	79.3
Adjusted gross profit	**217.1**	171.1
Revenue	**350.2**	265.4
Adjusted gross margin	**62%**	64%

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	
	2023	2022
	US$m	US$m
Adjusted EBITDA	**173.8**	136.1
Less: Maintenance and corporate capital additions	**(18.4)**	(9.3)
Less: Payments of lease liabilities[1]	**(24.7)**	(20.0)
Less: Tax paid	**(6.2)**	(6.4)
Portfolio free cash flow	**124.5**	100.4
Cash conversion %[2]	**72%**	74%

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.

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
	2023	2022
	US$m	US$m
External debt[1]	**1,619.1**	1,571.6
Lease liabilities	**223.5**	226.0
Gross debt	**1,842.6**	1,797.6
Cash and cash equivalents	**127.7**	119.6
Net debt	**1,714.9**	1,678.0
Annualised Adjusted EBITDA[2]	**356.3**	328.8
Net leverage[3]	**4.8x**	5.1x

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

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

	30 June 2023 US$m	31 December 2022 US$m
Property, plant and equipment	**931.4**	931.4
Accumulated depreciation	**997.9**	934.0
Accumulated maintenance and corporate capital expenditure	**(243.2)**	(224.8)
Intangible assets	**573.5**	583.5
Accumulated amortisation	**62.7**	50.4
Accounting adjustments and deferred consideration for future sites	**(97.6)**	(102.5)
Total invested capital	**2,224.7**	2,172.0
Annualised portfolio free cash flow[1]	**234.3**	223.8
Return on invested capital	**10.5%**	10.3%

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

Risk management

The risk management and governance process has not changed since the 2022 Annual report was published and is set out on pages 58 to 63 of the 2022 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.

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 59 to 63 of the 2022 Annual report (available on the Group's website at www.heliostowers.com). The risks are summarised as follows:

- 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
- Operational resilience
- Pandemic risk
- Cyber security risk
- Climate change

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.

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.

INDEPENDENT REVIEW REPORT TO HELIOS TOWERS PLC

Conclusion

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 2023 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 17.

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 2023 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.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 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 (ISRE (UK) 2410). 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.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting 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".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of 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.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. 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
Statutory Auditor
London, United Kingdom
2 August 2023

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

For the 6 months ended 30 June 2023

	Note	6 months ended 30 June 2023 US$m	6 months ended 30 June 2022 US$m
Revenue		**350.2**	265.4
Cost of sales		**(218.5)**	(173.6)
Gross profit		**131.7**	91.8
Administrative expenses		**(62.9)**	(52.6)
Profit on disposal of property, plant and equipment		**0.5**	0.6
Operating profit		**69.3**	39.8
Interest receivable		**0.7**	0.4
Other gains and (losses)	11	**0.9**	(57.7)
Finance costs		**(110.3)**	(104.7)
Loss before tax	4	**(39.4)**	(122.2)
Tax expense	5	**(5.0)**	(2.9)
Loss for the period		**(44.4)**	(125.1)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**5.2**	(1.0)
		(39.2)	(126.1)
Loss attributable to:			
Owners of the Company		**(41.0)**	(124.2)
Non-controlling interests		**(3.4)**	(0.9)
Loss for the period		**(44.4)**	(125.1)
Total comprehensive loss attributable to:			
Owners of the Company		**(36.4)**	(125.2)
Non-controlling interests		**(2.8)**	(0.9)
Total comprehensive loss for the period		**(39.2)**	(126.1)

Earnings per share

	Note	2023	2022
Basic and diluted loss per share (cents)	15	**(3.9)**	(11.9)

Condensed consolidated statement of financial position (unaudited)

As at 30 June 2023

	Notes	30 June 2023 US$m	31 December 2022 US$m
Non-current assets			
Intangible assets		**573.5**	583.5
Property, plant and equipment		**931.4**	931.4
Right-of-use assets		**201.5**	200.0
Derivative financial assets		**3.7**	2.8
		1,710.1	1,717.7
Current assets			
Inventories		**10.6**	14.6
Trade and other receivables	7	**329.8**	246.8
Prepayments		**42.0**	45.7
Cash and cash equivalents		**127.7**	119.6
		510.1	426.7
Total assets		**2,220.2**	2,144.4
Equity			
Share capital		**13.5**	13.5
Share premium		**105.6**	105.6
Other reserves		**(87.0)**	(87.0)
Convertible bond reserves		**52.7**	52.7
Share based payment reserve		**23.5**	23.2
Treasury shares		**(1.2)**	(1.1)
Translation reserve		**(88.9)**	(93.5)
Retained earnings		**(46.1)**	(5.1)
Equity attributable to owners		**(27.9)**	8.3
Non-controlling interest		**38.2**	41.0
Total equity		**10.3**	49.3
Current liabilities			
Trade and other payables	9	**314.3**	244.7
Short-term lease liabilities	10	**32.8**	34.1
Loans	8	**20.0**	19.9
		367.1	298.7
Non-current liabilities			
Loans	8	**1,599.1**	1,551.7
Long-term lease liabilities	10	**190.7**	191.9
Deferred tax liabilities		**50.5**	50.1
Minority interest buyout liability		**2.5**	2.7
		1,842.8	1,796.4
Total liabilities		**2,209.9**	2,095.1
Total equity and liabilities		**2,220.2**	2,144.4

Condensed consolidated statement of changes in equity (unaudited)

For the 6 months ended 30 June 2023

	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share based payments reserve US$m	Convertible bond reserves US$m	Translation reserves US$m	Accumulated (losses)/profits US$m	Available to the owners of the Company US$m	Non-controlling interest US$m	Total equity US$m
Balance at 1 January 2022	**13.5**	**105.6**	**(87.0)**	**(1.1)**	**19.6**	**52.7**	**(88.6)**	**153.3**	**168.0**	**-**	**168.0**
Loss for the period	-	-	-	-	-	-	-	**(124.2)**	**(124.2)**	**(0.9)**	**(125.1)**
Other comprehensive expense	-	-	-	-	-	-	**(1.0)**	-	**(1.0)**	-	**(1.0)**
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	**(1.0)**	**(124.2)**	**(125.2)**	**(0.9)**	**(126.1)**
Transactions with owners;											
Share based payments	-	-	-	**0.1**	**0.8**	-	-	-	**0.9**	-	**0.9**
Shares issued to minority interest	-	-	-	-	-	-	-	**6.4**	**6.4**	**5.4**	**11.8**
Buyout Obligation to non-controlling interest	-	-	-	-	-	-	-	-	-	**(6.8)**	**(6.8)**
Balance at 30 June 2022	**13.5**	**105.6**	**(87.0)**	**(1.0)**	**20.4**	**52.7**	**(89.6)**	**35.5**	**50.1**	**(2.3)**	**47.8**
Balance at 1 January 2022	**13.5**	**105.6**	**(87.0)**	**(1.1)**	**19.6**	**52.7**	**(88.6)**	**153.3**	**168.0**	**-**	**168.0**
Loss for the period	-	-	-	-	-	-	-	**(171.5)**	**(171.5)**	**0.1**	**(171.4)**
Other comprehensive expense	-	-	-	-	-	-	**(4.9)**	-	**(4.9)**	**(0.6)**	**(5.5)**
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	**(4.9)**	**(171.5)**	**(176.4)**	**(0.5)**	**(176.9)**
Transactions with owners;											
Issue of share capital	-	-	-	-	-	-	-	**13.1**	**13.1**	-	**13.1**
Non-controlling interests	-	-	-	-	-	-	-	-	-	**48.1**	**48.1**
Share based payments	-	-	-	-	**3.6**	-	-	-	**3.6**	-	**3.6**
Buyout Obligation Liability	-	-	-	-	-	-	-		-	**(6.6)**	**(6.6)**
Balance at 31 December 2022	**13.5**	**105.6**	**(87.0)**	**(1.1)**	**23.2**	**52.7**	**(93.5)**	**(5.1)**	**8.3**	**41.0**	**49.3**
Balance at 1 January 2023	**13.5**	**105.6**	**(87.0)**	**(1.1)**	**23.2**	**52.7**	**(93.5)**	**(5.1)**	**8.3**	**41.0**	**49.3**
Loss for the period	-	-	-	-	-	-	-	**(41.0)**	**(41.0)**	**(3.4)**	**(44.4)**
Other comprehensive expense	-	-	-	-	-	-	**4.6**	-	**4.6**	**0.6**	**5.2**
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	**4.6**	**(41.0)**	**(36.4)**	**(2.8)**	**(39.2)**
Transactions with owners;											
Share based payments	-	-	-	**(0.1)**	**0.3**	-	-	-	**0.2**	-	**0.2**
Balance at 30 June 2023	**13.5**	**105.6**	**(87.0)**	**(1.2)**	**23.5**	**52.7**	**(88.9)**	**(46.1)**	**(27.9)**	**38.2**	**10.3**

Condensed consolidated statement of cash flows (unaudited)

For the 6 months ended 30 June 2023

	Note	6 months ended 30 June 2023 US$m	 2022 US$m
Cash flows generated from operating activities			
Loss for the period before taxation	4	**(39.4)**	(122.2)
Adjustments for:			
Other (gains) and losses	**6**	**(0.9)**	57.7
Finance costs		**110.3**	104.7
Interest receivable		**(0.7)**	(0.4)
Share-based payments and long-term incentive plans		**1.0**	1.2
Depreciation and amortisation		**101.0**	88.8
Gain on disposal of property, plant and equipment		**(0.5)**	(0.6)
Operating cash flows before movement in working capital		**170.8**	129.2
Movement in working capital:			
(Increase) in inventories		**(0.2)**	(3.0)
(Increase) in trade and other receivables		**(82.4)**	(76.4)
(Increase) in prepayments		**(4.3)**	(4.4)
Increase in trade and other payables		**63.7**	45.6
Cash generated from operations		**147.6**	91.0
Interest paid		**(72.3)**	(55.8)
Tax paid	5	**(6.2)**	(6.4)
Net cash generated / (used) in operating activities		**69.1**	28.8
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(88.6)**	(108.2)
Payments to acquire intangible assets		**(2.1)**	-
Acquisition of subsidiaries (net of cash acquired)		**-**	(44.2)
Proceeds on disposal of property, plant and equipment		**-**	0.2
Interest received		**0.7**	0.4
Net cash used in investing activities		**(90.0)**	(151.8)
Cash flows from financing activities			
Transactions with Non-Controlling interests		**-**	11.8
Loan drawdowns		**76.2**	3.6
Loan issue costs		**(0.5)**	(2.7)
Repayment of loan		**(30.0)**	(12.2)
Repayment of lease liabilities		**(17.3)**	(14.7)
Net cash used in financing activities		**28.4**	(14.2)
Net increase/(decrease) in cash and cash equivalents		**7.5**	(137.2)
Foreign exchange on translation movement		**0.6**	(3.0)
Cash and cash equivalents at the beginning of period		**119.6**	528.9
Cash and cash equivalents at end of period		**127.7**	388.7

Notes to the condensed consolidated financial statements (unaudited)

For the 6 months ended 30 June 2023

1. General Information

Helios Towers plc is an independent tower company, with operations across nine countries. Helios Towers plc is a public limited company incorporated and domiciled 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.

As part of their regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed trading and cash flow forecast for a period which covers at least 12 months after the date of approval of the Consolidated Financial Statements, together with sensitivities and a 'reasonable worst case' stress scenario. In assessing the forecasts, the Directors have considered:

- trading and operating risks presented by the conditions in the operating markets;
- the impact of macroeconomic factors, particularly inflation, interest rates and foreign exchange rates;
- climate change risks and initiatives, including the Group's Project 100 initiative;
- the availability of the Group's funding arrangements, including loan covenants and nonreliance on facilities with covenant restrictions in more extreme downside scenarios;
- the status of the Group's financial arrangements;
- progress made in developing and implementing cost reduction programmes, climate change considerations and initiatives and operational improvements; and – mitigating actions available should business activities fall behind current expectations, including the deferral of discretionary overheads and other expenditures.

In particular for the current period, the Directors have considered the impact of rising energy prices and the broader inflationary environment on the Group's operations. Based on the foregoing considerations, the Directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

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.

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 2022 has been extracted from the audited financial statements of Helios Towers plc for the year ended 31 December 2022. These condensed financial statements do not constitute statutory financial statements under the Companies Act 2006. The interim financial information for the six months ended 30 June 2023 has been reviewed by the auditor, but not audited. The information for the year ended 31 December 2022 shown in this report does not constitute statutory accounts for that year as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor has reported on those accounts. Their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information for the six months ended 30 June 2023, which has been approved by the Board of Directors, has been prepared on the basis of the accounting policies set out in the Group's 2022 Annual Report on pages 156 to 165. The Group's 2022 Annual Report can be found on the Group's website www.heliostowers.com. These Condensed Interim Financial Statements should be read in conjunction with the 2022 information. The Condensed Interim Financial Statements have been prepared in accordance with UK-endorsed International Financial Reporting Standards ("IFRS"). These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006 and should be read in conjunction with the Annual Report 2022. These Condensed Interim Financial Statements have been prepared in accordance with IAS 34: "Interim Financial Reporting" contained in UK-adopted IFRS. There is no significant seasonality impact in the business.

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.

3. Segmental reporting

The following segmental information is presented in a consistent format with management information considered by the CEO of each operating segment, and the CEO and CFO of the Group, who are considered to be the chief operating decision makers ('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.

	Group Total	Corporate	East & West Africa		Central & Southern Africa		Middle East & North Africa
			Tanzania	Other	DRC	Other	Oman
6 months ended 30 June 2023	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	**350.2**	**-**	**116.6**	**39.5**	**122.2**	**44.9**	**27.0**
Adjusted gross margin[1]	**62%**	**-**	**71%**	**55%**	**52%**	**61%**	**77%**
Adjusted EBITDA[2]	**173.8**	**(17.1)**	**78.2**	**17.5**	**57.3**	**19.9**	**18.0**
Adjusted EBITDA margin[3]	**50%**	**-**	**67%**	**44%**	**47%**	**44%**	**67%**
Financing costs:							
Interest costs (including leases)	**(82.3)**	**3.6**	**(19.0)**	**(13.4)**	**(26.7)**	**(9.6)**	**(17.2)**
Foreign exchange differences	**(28.0)**	**4.6**	**(4.1)**	**(6.7)**	**0.4**	**(22.0)**	**(0.2)**
Total financing costs	**(110.3)**	**8.2**	**(23.1)**	**(20.1)**	**(26.3)**	**(31.6)**	**(17.4)**
Other segmental information							
Non-current assets	**1,710.1**	**2.6**	**306.7**	**320.2**	**353.8**	**211.7**	**515.1**
Property, plant and equipment additions	**84.1**	**1.5**	**19.2**	**11.3**	**28.1**	**20.3**	**3.7**
Property, plant and equipment depreciation and amortisation	**88.3**	**3.6**	**25.3**	**12.5**	**25.6**	**10.5**	**10.8**

	Group Total	Corporate	East & West Africa		Central & Southern Africa		Middle East & North Africa
			Tanzania	Other	DRC	Other	Oman
6 months ended 30 June 2022 (Represented)[4]	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	265.4	-	95.8	25.5	97.9	46.2	-
Adjusted gross margin[1]	64%	-	69%	63%	60%	65%	-
Adjusted EBITDA[2]	136.1	(16.1)	63.2	13.2	52.4	23.4	-
Adjusted EBITDA margin[3]	51%	-	66%	52%	54%	51%	-
Financing costs:							
Interest costs (including leases)	(68.0)	(1.1)	(19.8)	(8.4)	(25.6)	(13.1)	-
Foreign exchange differences	(36.7)	(5.0)	(1.3)	(7.8)	0.3	(22.9)	-
Total financing costs	(104.7)	(6.1)	(21.1)	(16.2)	(25.3)	(36.0)	-

	Group Total	Corporate	East & West Africa		Central & Southern Africa		Middle East & North Africa
			Tanzania	Other	DRC	Other	Oman
As at 31 December 2022 (Represented)[4]	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Other segmental information							
Non-current assets	1,717.7	4.2	312.9	316.9	343.6	215.5	524.6
Property, plant and equipment additions	389.4	2.4	53.8	66.6	76.7	40.6	149.3
Property, plant and equipment depreciation and amortisation	157.2	6.4	52.9	21.6	53.3	21.3	1.7

[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] Due to substantial growth within the business (with the expansion from five opcos to nine) the business has opted to group operating companies into geographical regions for segmental reporting purposes. This aggregation is consistent with internal reporting and allows users to evaluate the business and environments we operate in.

In H1 2023 60% of the Group's revenue was generated from three customers (28%, 22% and 10% respectively), two of whom (28% and 10% of revenue) operated in both East & West Africa and Central & Southern Africa, with the remaining customer operating in all three segments.

In H1 2022 76% of the Group's revenue was generated from four customers (27%, 24%, 14% and 11% respectively), all of whom operated in both East & West Africa and Central & Southern Africa.

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 which is also an Alternative Performance Measure of the Group as a whole, as described above on page 10.

	6 months ended 30 June	
	2023 US$m	**2022 US$m**
Adjusted EBITDA	**173.8**	136.1
Adjustments applied in arriving at Adjusted EBITDA:		
Adjusting items:		
Deal costs[1]	**(2.2)**	(6.9)
Share-based payments and long-term incentive plans[2]	**(1.0)**	(1.2)
Other restructuring	**(0.8)**	-
Gain on disposals of assets	**0.5**	0.6
Other gains and (losses)	**0.9**	(57.7)
Depreciation of property, plant and equipment	**(76.1)**	(75.8)
Depreciation of right-of-use assets	**(12.7)**	(9.3)
Amortisation of intangibles	**(12.2)**	(3.7)
Interest receivable	**0.7**	0.4
Finance costs	**(110.3)**	(104.7)
Loss before tax	**(39.4)**	(122.2)

1 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.

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

5. Tax expense

Though entities in Congo Brazzaville and Senegal continue to be loss-making for tax purposes, minimum income taxes and/or asset based taxes were levied, as stipulated by law in these jurisdictions. Malawi, Oman and South Africa are loss making for tax purposes and no minimum income tax applies. DRC, Ghana, Madagascar, Tanzania and two entities in South Africa are profitable for tax purposes and subject to income tax on taxable profits thereon.

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 range of statutory income tax rates applicable to the Group's operating subsidiaries is between 15% and 30%. 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.

Based on recent experience of closing tax audit cases, the provisions held by the Group have accurately quantified the final amounts determined. The Directors considered the current provisions held by the Group to be appropriate.

	6 months ended 30 June	
Tax expense	**2023 US$m**	2022 US$m
Total current tax	**8.5**	6.0
Deferred tax	**(3.5)**	(3.1)
	5.0	2.9

	6 months ended 30 June	
Tax paid	**2023 US$m**	2022 US$m
Income tax	**6.2**	6.4
	6.2	6.4

6. Derivative financial instruments

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

	30 June 2023 US$m	31 December 2022 US$m
Balance brought forward	**2.8**	57.7
Derivative financial instrument – US$975m 7.000% Senior Notes 2025	**0.6**	(55.2)
Currency forward contracts	**0.3**	0.3
Balance carried forward	**3.7**	2.8

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 2023, a relative 5% increase in credit spread would result in an approximate US$nil decrease in the valuation of the embedded derivatives.

As at the reporting date, the call option had a fair value of US$3.1m (31 December 2022: US$2.5m on the US$975m 7.000% Senior Notes 2025), while the put option had a fair value of US$nil million (31 December 2022: US$nil million).

7. Trade and other receivables

	30 June 2023 US$m	31 December 2022 US$m
Trade receivables	**173.2**	80.5
Loss allowance	**(5.7)**	(5.8)
	167.5	74.7
Contract Assets	**91.5**	91.6
Deferred Tax Assets	**22.4**	18.7
Sundry receivables	**40.9**	38.6
VAT & Withholding tax receivable	**7.5**	23.2
	329.8	246.8

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.

The increase in trade receivables during the period of $92.7m is primarily due to invoicing customers in advance, which is also reflected in the higher deferred income balance at 30 June 2023 (see note 9).

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 2023 US$m	31 December 2022 US$m
Trade receivables[1]	**173.2**	80.5
Accrued Revenue[2]	**9.3**	22.9
Less: Loss allowance	**(5.7)**	(5.8)
Less: Deferred income[3]	**(81.6)**	(9.8)
Net Receivables	**95.2**	87.8
Revenue	**350.2**	560.7
Debtor days	**49**	57

1 Trade receivables, including related parties.
2 Reported within contract assets.
3 Deferred income has been adjusted for nil (2022: nil) in respect of amounts settled by customers at the balance sheet date.

The decrease in debtor days at 30 June 2023 is primarily due to significant collections during the period as well as a part-year of revenue from acquisitions in the prior period.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

At 30 June 2023, US$21.3m (2022: US$16.6m) of services had been provided to customers which had yet to meet the Group's probability criterion for revenue recognition under the Group's accounting policies. Revenue for these services will be recognised in the future as and when all recognition criteria are met.

8. Loans

	30 June 2023 US$m	31 December 2022 US$m
Loans & bonds	**1,606.5**	1,564.3
Bank overdraft	**12.6**	7.3
Total borrowings	**1,619.1**	1,571.6
Current	**20.0**	19.9
Non-current	**1,599.1**	1,551.7
	1,619.1	1,571.6

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

9. Trade and other payables

	30 June 2023 US$m	31 December 2022 US$m
Trade payables	**31.1**	32.0
Deferred income	**81.6**	9.8
Deferred consideration	**47.7**	52.2
Accruals	**130.2**	132.2
VAT, Withholding and other tax payable	**23.7**	18.5
	314.3	244.7

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 23 days (2022: 22 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.

Deferred income has increased due to timing of invoices being issued to customers and also reflects the higher trade receivables balance at 30 June 2023 (see note 7).

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

10. Lease liabilities

	30 June 2023 US$m	31 December 2022 US$m
Short-term lease liabilities		
Land	**29.7**	31.8
Buildings	**2.8**	2.2
Motor vehicles	**0.3**	0.1
	32.8	34.1
Long-term lease liabilities		
Land	**188.3**	188.4
Buildings	**2.3**	3.4
Motor vehicles	**0.1**	0.1
	190.7	191.9

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

	Within 1 year US$m	2–5 years US$m	6–10 years US$m	10+ years US$m	Total US$m
30 June 2023	**42.9**	**135.5**	**126.7**	**339.7**	**644.8**
31 December 2022	43.0	137.7	122.7	326.0	629.4

11. Other gains and (losses)

	6 months ended	
	30 June 2023 US$m	30 June 2022 US$m
Fair value gain/(loss) on derivative financial instruments	**0.9**	(57.7)
	0.9	(57.7)

The fair value gain of US$0.9 in H1 2023 was driven by a fair value movement in the embedded derivative within the terms of the Group's Senior Notes of US$0.6m (H1 2022: (US$57.6m)) and a US$0.3m fair value movement in FX forward contracts (H1 2022: (US$0.1m)).

12. 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 2023 US$m	31 December 2022 US$m
Total contracted revenue	**4,901.6**	4,705.0

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 30 June 2023 for each of the periods from 2023 to 2027, with local currency amounts converted at the applicable average rate for US Dollars for the period ended 30 June 2023 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 prior their current term; and (v) no automatic renewal. The average remaining life of customer contracts is 7.1 years (H1 2022: 7.2 years).

		Year ended 31 December			
	6 months to 31 December 2023 US$m	2024 US$m	2025 US$m	2026 US$m	2027 US$m
Middle East & North Africa	26.3	47.4	48.4	49.4	50.4
East & West Africa	145.2	262.2	249.0	198.2	183.3
Central & Southern Africa	167.7	341.1	306.4	275.2	242.5
	339.2	**650.7**	**603.8**	**522.8**	**476.2**

13. Related party transactions

During the period and comparative period there were no disclosable related party transactions.

14. Contingent Liabilities

The Group exercises judgement to determine whether to recognise provisions and make disclosures for contingent liabilities.

In the period ended June 2023, the Tanzania Revenue Authority issued an assessment for corporate income tax for the financial years ending tax years 2017 to 2021 inclusive totalling $9.7 million.

In the year ending December 2022, the DRC tax authority issued an assessment on a number of taxes amounting to US$51.9 million for the financial years 2018 and 2019.

In year ending December 2022, the DRC tax authority issued an assessment amounting to US$37.5 million for the financial years 2013 to 2016 inclusive for environmental taxes.

In the period ended June 2023, the Congo Brazzaville tax authority issued an assessment for a number of taxes amounting to US$37.8 million for the years 2021 and 2022.

Responses have been submitted to the relevant tax authority in relation to the assessments and remain under review with local tax experts and as such the impact, if any, is unknown at this time.

The Directors are working with their advisers and are in discussion with the tax authorities to bring the matters to conclusion based on the facts. At this time, the Directors have identified no present obligations in relation to these tax audits that would lead to material probable future cash outflows and therefore no provision has been made for these amounts. The balances above represent the Group's assessment of the maximum possible exposure for the years assessed.

Other individually immaterial tax, and regulatory proceedings, claims and unresolved disputes are pending against Helios Towers in a number of jurisdictions. The timing of resolution and potential outcome (including any future financial obligations) of these are uncertain, but not considered probable and therefore no provision has been recognised in relation to these matters.

15. Loss per share

Basic loss per share has been calculated by dividing the total loss for the period by the weighted average number of shares in issue during the period 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 period, 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:

	2023 US$m	2022 US$m
Loss after tax for the period attributable to owners of the Company	**(41.0)**	(124.2)
Adjusted EBITDA (Note 4)	**173.8**	136.1

	6 months ended 30 June	
	2023 Number	2022 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**1,048,121,517**	1,046,948,396
Weighted average number of dilutive potential shares	**116,179,382**	112,629,231
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,164,300,899**	1,159,577,627

Loss per share

	6 months ended 30 June	
	2023 cents	2022 cents
Basic	**(3.9)**	(11.9)
Diluted	**(3.9)**	(11.9)

Adjusted EBITDA per share

	6 months ended 30 June	
	2023 Cents	2022 cents
Basic	**16.6**	13.0
Diluted	**14.9**	11.7

The calculation of basic and diluted earnings per share is based on the net loss attributable to equity holders of the Company entity for the period US$41.0m (H1 2022: US$124.2). 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$173.8m (2022: US$136.1m). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

16. Subsequent events

There were no reportable subsequent events after the balance sheet date.

17. Directors' responsibility statement

The Directors confirm that, to the best of their knowledge this condensed set of financial statements which 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 2023 have been authorised for issue on 2 August 2023.

Tom Greenwood
Chief Executive Officer

Manjit Dhillon
Chief Financial Officer

Certain defined terms and conventions

We have prepared the annual report using a number of conventions, which you should consider when reading information contained herein as follows.
All references to 'we', 'us', 'our', 'HT Group', 'Helios Towers' our 'Group' and the 'Group' are references to Helios Towers, plc and its subsidiaries, taken as a whole.

'**2G**' means the second-generation cellular telecommunications network commercially launched on the GSM and CDMA standards.
'**3G**' means the third-generation cellular telecommunications networks that allow simultaneous use of voice and data services, and provide high-speed data access using a range of technologies.
'**4G**' means the fourth-generation cellular telecommunications networks that allow simultaneous use of voice and data services, and provide high-speed data access using a range of technologies (these speeds exceed those available for 3G).
'**5G**' means the fifth generation cellular telecommunications networks. 5G does not currently have a publicly agreed upon standard; however, it provides high-speed data access using a range of technologies that exceed those available for 4G.
'**Adjusted EBITDA**' is defined by management as loss before tax for the year, adjusted for finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairments of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.
'**Adjusted EBITDA margin**' means Adjusted EBITDA divided by revenue.
'**Adjusted gross margin**' means Adjusted Gross Profit divided by revenue.
'**Adjusted gross profit**' means gross profit adding back site and warehouse depreciation.
'**Airtel**' means Airtel Africa.
'**amendment revenue**' means revenue from amendments to existing site contracts when tenants add or modify equipment, taking up additional vertical space, wind load capacity and/or power consumption under an existing site contract.
'**anchor tenant**' means the primary customer occupying each site.
'**Analysys Mason**' means Analysys Mason Limited.
'**Annualised Adjusted EBITDA**' means Adjusted EBITDA for the last three months of the respective period, multiplied by four, adjusted to reflect the annualised contribution from acquisitions that have closed in the last three months of the respective period.
'**Annualised portfolio free cash flow**' means portfolio free cash flow for the respective period, adjusted to annualise for the impact of acquisitions closed during the period.
'**Average diesel emissions per tenant**' have been calculated from diesel consumption figures for our five established markets, comparing diesel consumption on towers with one, two, three or four tenants.
'**average remaining life**' means the average of the periods through the expiration of
the term under certain agreements.
'**APMs**' Alternative Performance Measures are measures of financial performance, financial position or cash flows that are not defined or specified under IFRS but used by the Directors internally to assess the performance of the Group.
'**Average diesel emissions reductions**' have been calculated from diesel consumption figures for our five established markets, comparing diesel consumption on towers with one, two, three and four tenants.
'**Average grid hours**' or '**average grid availability**' reflects the estimated site weighted average of grid availability per day across the Group portfolio in the reporting year.
'**B-BBEE**' refers to '**Broad-Based Black Economic Empowerment**' a South African Government policy promoting the participation of ethnically diverse South Africans in the local economy.
'**BEIS**' means Department for Business, Energy and Industrial Strategy.
'**build-to-suit/BTS**' means sites constructed by our Group on order by a MNO.
'**CAGR**' means compound annual growth rate.
'**Carbon emissions per tenant**' is the metric used for our intensity target. The carbon emissions include Scope 1 and 2 emissions for the markets included in the target and the average number of tenants is calculated using monthly data.
'**Chad**' means Republic of Chad.
The '**Code**' means the UK Corporate Governance Code 2018.
'**colocation**' means the sharing of site space by multiple customers or technologies on the same site, equal to the sum of standard colocation tenants and amendment colocation tenants.
'**colocation tenant**' means each additional tenant on a site in addition to the primary anchor tenant and is classified as either a standard or amendment colocation tenant.
'**committed colocation**' means contractual commitments relating to prospective colocation tenancies with customers.
'**Company**' means Helios Towers, Ltd prior to 17 October 2019, and Helios Towers plc on or after 17 October 2019.
'**Congo Brazzaville**' otherwise also known as the Republic of Congo.
'**contracted revenue**' means total undiscounted revenue as at that date with local currency amounts converted at the applicable average rate for US Dollars held constant. Our contracted revenue calculation for each year presented assumes: (i) no escalation in fee rates, (ii) no increases in sites or tenancies other than our committed tenancies (which include committed colocations and/or committed anchor tenancies), (iii) our customers do not utilise any cancellation allowances set forth in their MLAs (iv) our customers do not terminate MLAs early for any reason and (v) no automatic renewal.
'**corporate capital expenditure**' primarily relates to furniture, fixtures and equipment.
'**CPI**' means Consumer Price Index.
'**Downtime per tower per week**' refers to the average amount of time our sites are not powered across each week.

'**DEI**' means Diversity, Equity and Inclusion.

'**Deloitte**' means Deloitte LLP.

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

'**EBT**' means Employee Benefit Trust.

'**ESG**' means Environmental, Social and Governance.

'**Executive Committee**' means the Group CEO, the Group CFO, the regional CEO's, the Director of Business Development and Regulatory Affairs, the Director of Delivery and Business Excellence, the Director of Operations and Engineering, the Director of Human Resources, the Director of Property and SHEQ and the General Counsel and Company Secretary.

'**Executive Leadership Team**' means the Executive Committee, the regional directors, the country managing directors and the functional specialists.

'**Executive Management**' means Executive Committee.

'**Fatality frequency rate**' refers to occupational fatalities per million hours worked (five-year roll).

'**FCA**' means 'Financial Conduct Authority'.

'**FRC**' means the Financial Reporting Council.

'**FRS 102**' means the Financial Reporting Standard Applicable in the UK and Republic of Ireland.

'**FTSE WLR**' means FTSE Women Leaders Review.

'FTSE' refers to 'Financial Times Stock Exchange'.

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

'**Gabon**' means Gabonese Republic.

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

'**GHG**' means greenhouse gases.

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

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

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

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

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

'**GSMA**' is the industry organisation that represents the interests of mobile network operators worldwide.

'**Hard currency Adjusted EBITDA**' refers to Adjusted EBITDA that is denominated in US Dollars, US$ pegged, US Dollar linked or Euro pegged.

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

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

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

'**Helios Towers Oman**' or '**HT Oman**' means Oman Tech Infrastructure SAOC.

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

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

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

'**IAL**' means Independent Audit Limited.

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

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

'**Indicative site ROIC'** is for illustrative purposes only, and based on Group average build-to-suit tower economics as of December 2022. Site ROIC calculated as site portfolio free cash flow divided by indicative capital expenditure. Site portfolio free cash flow reflects indicative Adjusted gross profit per site less ground lease expense and non-discretionary capex.

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

'**IPO'** means Initial Public Offering.

'IS accreditations' refers to the International Organisation for Standardisation and its published standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety) and ISO 37001 (Anti-Bribery Management).

'**Lath**' means Lath Holdings, Ltd.

'**Lean Six Sigma**' is a renowned approach that helps businesses increase productivity, reduce inefficiencies and improve the quality of output.

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

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

'**Lost Time Injury Frequency Rate**' means the number of lost time injuries per 1m person-hours worked (12-month roll)

'**LSE**' means London Stock Exchange.

'**LTIP**' means Long Term Incentive Plan.

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

'Malawi' means Republic of Malawi.

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

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

'**MSCI**' means Morgan Stanley Capital International.

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

‘**Millicom**’ means Millicom International Cellular SA.

‘**MLA**’ means master lease agreement. ‘**MNO**’ means mobile network operator.

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

‘**MTN**’ means MTN Group Ltd.

‘**MTSAs**’ means master tower services agreements.

‘**Near miss**’ is an event not causing harm but with the potential to cause injury or ill health.

‘**NED**’ means Non- Executive Director.

‘**net debt**’ means gross debt less adjusted cash and cash equivalents.

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

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

‘**Newlight**’ means Newlight Partners LP.

‘**Oman**’ means Sultanate of Oman.

‘**Orange**’ means Orange S.A.

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

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

‘**Percentage of employees trained in Lean Six Sigma**’ is the percentage of permanent employees who have completed the Orange or Black Belt training programme.

‘**Population coverage**’ refers to the Company estimated potential population that falls within the network coverage footprint of each of our towers, calculated using WorldPop source data.

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

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

‘**Power uptime**’ reflects the average percentage our sites are powered across each month, and is a key component of our service offering to customers. Figures presented reflects towers that are under service level agreements with customers.

‘**Principal Shareholders**’ refers to Quantum Strategic Partners Ltd, Helios Investment Partners and Albright Capital Management.

‘**Project 100**’ refers to our commitment to invest US$100 million between 2022 and 2030 on carbon reduction and carbon innovation.

‘**Quantum**’ means Quantum Strategic Partners, Ltd.

‘**Road Traffic Accident Frequency Rate**’ means the number of work related road traffic accidents per 1m km driven (12-month roll).

‘**ROIC**’ means return on invested capital and is defined as annualised portfolio free cash flow divided by invested capital.

‘**Rural area**’ while there is no global standardised definition of rural, we have defined rural as milieu with population density per square kilometre of up to 1,000 inhabitants. These include greenfield sites, small villages and towns with a series of small settlement structures.

‘**Rural coverage**’ is the population living within the footprint of a site located in a rural area.

‘**Rural sites**’ means sites which align to the above definition of ‘Rural area’.

‘**Senegal**’ means the Republic of Senegal.

‘**Shares**’ means the shares in the capital of the Company.

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

‘**SHEQ**’ means Safety, health, environment and quality.

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

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

‘**SLA**’ means service-level agreement.

‘**South Africa**’ means the Republic of South Africa.

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

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

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

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

‘**Tanzania**’ means the United Republic of Tanzania.

‘**TCFD**’ means Task Force on Climate- Related Financial Disclosures.

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

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

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

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

‘**the Code**’ means the UK Corporate Governance Code published by the FRC and dated July 2018, as amended from time to time.

‘**the Regulations**’ means the Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008 (as amended).

‘**the Trustee**’ means the trustee(s) of the EBT.

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

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

'**total tenancies**' means total anchor, standard and amendment colocation tenants as of a given date.
'**tower contract**' means the MLA and individual site agreements executed by us with our customers, which act as a schedule to the relevant MLA and includes certain site-specific information (for example, location and equipment).
'**towerco**' means tower company, a corporation involved primarily in the business of building, acquiring and operating telecommunications towers that can accommodate and power the needs of multiple tenants.
'**tower sites**' means ground-based towers and rooftop towers and installations constructed and owned by us on property (including a rooftop) that is generally owned or leased by us.
'**TSR**' means total shareholder return.
'**UK Corporate Governance Code**' means the UK Corporate Governance Code published by the Financial Reporting Council and dated July 2018, as amended from time to time.
'**UK GAAP**' means the United Kingdom Generally Accepted Accounting Practice.
'**upgrade capex**' or '**upgrade capital expenditure**' comprises structural, refurbishment and consolidation activities carried out on selected acquired sites.
'**US-style contracts**' means the structure and tenor of contracts are broadly comparable to large US-based companies.
'**Viettel**' means Viettel Tanzania Limited.
'**Vodacom**' means Vodacom Group Limited.
'**Vodacom Tanzania**' means Vodacom Tanzania plc.