

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Helios Towers plc

Helios Towers enters into agreement to acquire 2,890 sites from Omantel for \$575 million

Establishing the Group's presence in one of the fastest growing markets in the Middle-East region

Build-to-suit commitment for at least 300 additional new sites

London, 11 May 2021: Helios Towers plc ("Helios Towers", the "Group"), the independent telecommunications infrastructure company, and Oman Telecommunications Company ("Omantel"), the largest mobile network operator in Oman, are pleased to announce an agreement for Helios Towers to acquire Omantel's passive tower infrastructure portfolio of 2,890 sites, for a cash consideration of \$575 million (the "Transaction"). This represents an enterprise value of \$615 million including the Group's estimate of transactions costs and capitalised ground leases of \$40 million.

Through the Transaction, Helios Towers will establish its presence in the Middle-East region, becoming a leading independent tower infrastructure provider in Oman with 2,890 sites. These assets are expected to deliver revenues of \$59 million and adjusted EBITDA of \$40 million in the first full year of operations with further growth anticipated through colocation lease-up and 300 build-to-suit ("BTS") sites committed over the next seven years, for which \$35 million growth capex is expected to be invested¹.

It is anticipated that the Transaction will close by the end of 2021, subject to approval by Helios Towers' shareholders and customary completion conditions including approval from the Telecoms Regulatory Authority of Oman. Helios Towers has received irrevocable undertakings to vote in favour of the acquisition at a General Meeting from certain shareholders representing over 50% of issued share capital at the time of announcement.

Commenting on the Transaction, Kash Pandya, Chief Executive Officer of Helios Towers said:

"We are delighted to announce the creation of our long-term partnership with Omantel through this transaction. We look forward to supporting Omantel's growth, and that of the wider Omani mobile market, through our delivery of customer service excellence and world-class infrastructure solutions and services. We view Oman as a very attractive and supportive market for foreign investments, with strong growth and exciting future prospects. We will be further investing capital in Oman as we add to the tower count through greenfield BTS site development and colocations, enhance the current tower portfolio and develop a talented local Omani team.

Through the acquisition, which establishes us as a leading tower operator in Oman, we expect to achieve our Group target of 12,000+ towers well ahead of plan, while also strengthening our business through further hard-currency revenues and diversification into one of the fastest growing markets in the Middle-East.

We look forward to working with Omantel and the other MNOs over the coming years to further develop next generation mobile infrastructure solutions and services in Oman."

¹ Revenues and adjusted EBITDA are Group estimates and reflect expected performance of the acquired assets in the first full year of ownership. These figures should not be treated as a profit forecast nor are they audited.

Mr. Talal Said Al Mamari, Chief Executive Officer of Omantel added:

“The sale of our passive tower infrastructure is in line with our strategy to develop world class asset light, strategic and advanced communications networks in Oman and to generate the greatest value and efficiency for the benefit of our shareholders, customers and partners. This strategic partnership invites Foreign Direct Investment (FDI) in Oman, supporting Oman as a leading FDI destination in the GCC, while creating jobs and opportunities in the country. This move also allows the monetization of our towers at attractive valuation levels, de-lever our balance sheet and will accelerate network development in next generation advanced technologies while enabling management to focus on innovation and product development while outsourcing non-core infrastructure management to a world-class infrastructure management firm – Helios Towers. We are excited to enter into this transaction and long-term strategic partnership with Helios Towers who have impressed us with their high level of expertise, interest and partnership credentials.”

Further transaction highlights and details

The Transaction is strongly aligned to Helios Towers’ new market and strategic growth criteria. It is expected to be immediately accretive to earnings, and together with the previously announced acquisitions², is expected to increase the Group’s geographic presence to 11 markets and strengthen Group adjusted EBITDA in hard-currency to 73%. The Transaction is also expected to enable the Group to achieve its five year vision for sites and geographies well ahead of the 2025 target.

Upon closing, Helios Towers and Omantel will enter into a long-term service contract for an initial period of 15 years.

Helios Towers has a track record of successful acquisitions and its Group structure provides a strong platform for the integration of the assets. Consistent with its other acquisitions, the Group has prepared a 100-day integration plan in anticipation of a successful completion.

Following successful capital raising activities in 2020 and the \$250 million convertible bond issuance in March 2021, the Group has sufficient cash and available facilities to finance the Transaction, in addition to funding the previously announced acquisitions. In line with its financial strategy and medium-term target net leverage range of 3.5 – 4.5x, Helios Towers continues to actively review its funding options to support its organic growth and pipeline of inorganic growth opportunities.

The Transaction consideration may be adjusted for the value of any additional sites that are added to the transaction perimeter before completion by Omantel (up to a maximum cap of 50 sites) or deductions to account for any decommissioned sites or any sites where a force majeure has occurred, and is subject to a post-completion adjustment mechanism linked to the working capital and levels of debt/cash at the assets on the date of completion.

The Transaction is deemed Class 1 under the Financial Conduct Authority’s Listing Rules and, as a result, is subject to approval by Helios Towers’ shareholders. Further detail on the Transaction and procedure for voting at a General Meeting to be convened for Helios Towers’ shareholders will be set out in a circular to be published in due course.

² Reflects the Free Senegal transaction announced in August 2020 and the Airtel Africa agreements across Malawi, Madagascar, Chad and Gabon announced in March 2021, which remain subject to completion.

Market Overview

Similar to Helios Towers' other markets, Oman represents a compelling market for telecoms with its combination of a growing and urbanised population. It is forecast 3,000 new points of service will be required over the next six years, driven by the incumbent operators Omantel and Ooredoo and also new entrant, Vodafone partner Oman Future Telecommunications, who received their license in January 2021. In addition to these strong growth dynamics, the market benefits from a hard-currency dollar-pegged environment.

	Oman
Markets overview:	
Population (m) ⁽¹⁾ <i>(2020)</i>	5
GDP CAGR ⁽²⁾ <i>(2020 – 2026)</i>	3%
Unique subscriber penetration ⁽³⁾ <i>(2020)</i>	66%
4G subscriber growth ⁽³⁾ <i>(2020 – 2025)</i>	6%
Mobile network operators (#)	3
Points of Service CAGR ⁽⁴⁾ <i>(2020 – 2026)</i>	7%
Transaction KPIs:	
Sites	2,890
Site tenancy ratio	1.2x
Committed BTS	300
Y1 Revenues (US\$m) ⁽⁵⁾	59
Y1 Adj. EBITDA (US\$m) ⁽⁵⁾	40

1. United Nations, World Population Prospects 2019
2. Fitch Database, accessed April 2021
3. Unique mobile subscriber penetration and subscriber growth. GSMA Intelligence Database, accessed April 2021
4. Hardiman report, March 2021
5. Revenues and adjusted EBITDA are Group estimates and reflect expected performance of the acquired assets in the first full year of ownership, with further growth expected through the 300 committed BTS and colocation lease-up. These figures should not be read as a profit forecast and have not been audited

Contact

HELIOS TOWERS

Investor Relations

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

Media Relations

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

For the purposes of MAR, the person responsible for making this announcement is Paul Barrett, General Counsel and Company Secretary.

Helios Towers' management will host a conference call for analysts and institutional investors today at 13:00 BST. 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 - Omantel tower portfolio acquisition](#)

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

Europe & International: +44 203 936 2999
South Africa (local): 087 550 8441
USA (local): +1 646 664 1960
Passcode: 563500

About Helios Towers

- Helios Towers is a leading independent telecommunications infrastructure company, having established one of the most extensive tower portfolios across Africa. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.
- Helios Towers owns and operates telecommunication tower sites in Tanzania, Democratic Republic of Congo, Congo Brazzaville, Ghana and South Africa. Following recently announced acquisition agreements (including the Transaction) and subject to applicable regulatory and certain shareholder approvals, Helios Towers expects to establish a presence in six new markets across Africa and the Middle-East over the next 12 months. Including these acquisitions and committed BTS, the Group's total site count is expected to increase from over 7,300 towers currently to approaching 15,000.
- Helios Towers pioneered the model in Africa of buying towers that were held by single operators and providing services utilising the tower infrastructure to the seller and other operators. This allows wireless operators to outsource non-core tower-related activities, enabling them to focus their capital and managerial resources on providing higher quality services more cost-effectively.

About Omantel

- Omantel is the first and the leading telecommunications operator in Oman with the most advanced mobile and converged networks in the country, and one of the most prominent telecom operators in the Middle East with leading technologies and initiatives in digital transformation with consolidated group revenues of US\$6.5 billion in 2020.
- Omantel has further established its prominence in the Middle East in 2017 post the acquisition of a controlling stake in Zain Group; with a presence now spanning 8 countries.
- Omantel is listed on the Muscat Stock Exchange and majority owned by Oman Investment Authority.