Helios Towers plc announces results for the year and quarter ended 31 December 2022

FY 2022 results in line with expectations

Record site and tenancy growth delivered

Adjusted EBITDA growth of 24-29% targeted in FY 2023

London, 16 March 2023: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the year to 31 December 2022 ("FY 2022").

	FY 2022	FY 2021	Change	**Q4 2022**	Q3 2022	Change
Sites	**13,553**	9,560	+42%	**13,553**	10,872	+25%
Tenancies	**24,492**	18,776	+30%	**24,492**	20,913	+17%
Tenancy ratio	**1.81x**	1.96x	-0.15x	**1.81x**	1.92x	-0.11x
Revenue (US$m)	**560.7**	449.1	+25%	**151.9**	143.4	+6%
Adjusted EBITDA (US$m)[1]	**282.8**	240.6	+18%	**76.0**	70.7	+7%
Adjusted EBITDA margin[1]	**50.4%**	53.6%	-3ppt	**50.0%**	49.3%	+1ppt
Operating profit (US$m)	**80.3**	59.0	+36%	**17.4**	23.1	-24%
Portfolio free cash flow (US$m)[1]	**201.4**	168.3	+20%	**56.3**	44.7	+26%
Cash generated from operations (US$m)	**193.2**	195.9	-1%	**31.5**	70.7	-55%
Net debt (US$m)[1]	**1,678.0**	948.5	+77%	**1,678.0**	1,148.1	+46%
Net leverage[1,2]	**5.1x**	3.6x	+1.5x	**5.1x**	4.1x	+1.0x

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

2 Calculated as per the Senior Notes definition of net debt divided by annualised Adjusted EBITDA.

Tom Greenwood, Chief Executive Officer, said:

"In my first year as CEO, I am delighted with the team's performance and the progress we have made. We have delivered a number of successes despite challenging global macro volatility: stellar operational delivery for our customers, record tenancy additions, smooth acquisition integration and strong financial performance. We also continued to build the foundations for future growth: investing in our people, focusing on customer service excellence, evolving our strategy, and delivering for our communities, the environment around us and our investors.

All nine of our markets feature substantial mobile growth over the coming years, driven by low mobile penetration today, huge population growth and the demand for higher-quality and ubiquitous mobile coverage. We have built an exciting platform to drive sustainable value creation and organic growth across all our markets in 2023 and beyond, capturing the compelling growth opportunity across the region."

Financial highlights

- FY 2022 revenue increased by 25% year-on-year to US$560.7m (FY 2021: US$449.1m), driven by strong organic revenue growth of 14%, reflecting organic tenancy growth and CPI and power escalations, in addition to the acquisition of four tower portfolios in new markets across 2021 and 2022.
    - Q4 2022 revenue increased by 6% quarter-on-quarter to US$151.9m (Q3 2022: US$143.4m).
- FY 2022 Adjusted EBITDA increased by 18% year-on-year to US$282.8m (FY 2021: US$240.6m), driven by tenancy growth, with Adjusted EBITDA margin decreasing 3ppt year-on-year to 50.4% (FY 2021: 53.6%).
    - The decrease in Adjusted EBITDA margin reflects the combined impact of acquired assets with low initial tenancy ratios and higher power costs across the Group, most notably in DRC, that resulted in both higher revenues and power operating expenses.

    - Q4 2022 Adjusted EBITDA increased by 7% quarter-on-quarter to US$76.0m (Q3 2022: US$70.7m), with Q4 2022 Adjusted EBITDA margin improving 1ppt to 50.0% (Q3 2022: 49.3%).

- FY 2022 operating profit increased by 36% year-on-year to a record US$80.3m (FY 2021: US$59.0m) driven by Adjusted EBITDA growth, partially offset by higher depreciation due to the increase in acquired and organic sites.
    - Loss before tax increased to US$162.5m (2021 US$119.4m), driven by a US$54.1 million year-on-year increase in non-cash expenses related to both the fair value movements of the embedded derivatives in the Group's bond and foreign exchange movements, primarily on Euro and US dollar denominated intercompany borrowings.

- FY 2022 portfolio free cash flow increased by 20% year-on-year to US$201.4m (FY 2021: US$168.3m), driven by the growth in Adjusted EBITDA and higher cash conversion.
    - Q4 2022 portfolio free cash flow increased by 26% quarter-on-quarter to US$56.3m (Q3 2022: US$44.7m), driven by Adjusted EBITDA growth and lower tax payments.

- FY 2022 cash generated from operations decreased by 1% year-on-year to US$193.2m (FY 2021: US$195.9m), due to working capital movements, partially offset by the increase in Adjusted EBITDA.
    - Working capital outflow in the year of US$70.5m was driven by investment for future growth and performance, in addition to timing of customer payments.

- Net leverage of 5.1x increased by +1.5x year-on-year (FY 2021: 3.6x) and +1.0x quarter-on-quarter (Q3 2022: 4.1x), primarily driven by the acquisitions in Malawi and Oman in March and December 2022, respectively.

- Contracted revenues increased by 20% year-on-year to US$4.7bn (FY 2021: US$3.9bn), with an average remaining life of 7.6 years (FY 2021: 7.6 years). With 99% of this contracted revenue from blue-chip MNOs, with embedded CPI and power price escalators, it underpins the growth and resilience of our business.

Operational highlights

- Sites increased by 3,993 year-on-year to 13,553 sites (FY 2021: 9,560 sites), reflecting a record 751 organic site additions and the acquisition of 3,242 sites during the year.
    - Sites increased by 2,681 quarter-on-quarter (Q3 2022: 10,872), reflecting 162 organic site additions and 2,519 acquired sites in Oman.

- Tenancies increased by a record 5,716 year-on-year to 24,492 tenants (FY 2021: 18,776 tenants), reflecting 1,601 organic tenancy additions and 4,115 acquired tenancies through the year.
    - Tenancies increased by 3,579 quarter-on-quarter (Q3 2022: 20,913), reflecting 562 organic tenancy additions and 3,017 acquired tenancies in Oman.

- Tenancy ratio decreased 0.15x year-on-year to 1.81x (FY 2021: 1.96x), reflecting the acquisitions in Malawi and Oman, with a combined tenancy ratio of 1.3x.
    - In-line with Helios Towers' business model, the Company expects to lease-up these acquired portfolios, driving margin expansion and returns.

Environmental, Social and Governance (ESG)

- Helios Towers is committed to sustainable business and its purpose of driving the growth of mobile communications in Africa and the Middle East, and maximising impact in its key focus areas of digital inclusion, local, diverse and talented teams, climate action and responsible governance.

- The Company has been positively recognised for its Sustainable Business Strategy and commitment to transparency;
    - AAA score from MSCI, the highest possible rating, recognising the Company's leading governance practices and approach sustainable business strategy embedded across the business.
    - B score from CDP (increasing from B- in 2021), reflecting the Company's commitment and progress on climate action.
    - 87% score for WDI disclosure, including a special mention for 'workforce action' at the Workforce Transparency Awards.
    - Inclusion in the FTSE4Good Index, which measures the performance of companies demonstrating strong ESG practices.

- Effective from the 2023 long term incentive plan (LTIP) awards, the Company has introduced an impact scorecard that will account for 20% of the LTIP awards and is designed to measure progress against certain ESG targets included in the Company's Sustainable Business Strategy.

2023 outlook and guidance

- In-line with medium-term guidance provided at the Company's Capital Markets Day in May 2022, the Group targets tenancy additions of 1,600 – 2,100 in FY 2023, of which 40% are anticipated to be new sites.

- FY 2023 Adjusted EBITDA of US$350m – US$365m, reflecting year-on-year growth of 24% - 29%.

- FY 2023 portfolio free cash flow of US$230m – US$245m, reflecting year-on-year growth of 14 – 22% and cash conversion in the range of c.65 - 70%, in-line with medium-term guidance.

- FY 2023 capital expenditure in the range of US$170m – US$210m, broadly aligning with the medium-term outlook provided at the Company's Capital Markets Day.
    - 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 GMT on Thursday, 16 March 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 FY 2022 Results Conference Call
Event Name: FY2022
Password: HELIOS

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

Europe & International	+44 203 936 2999
South Africa (local)	087 550 8441
USA (local)	+1 646 664 1960
Passcode:	**958818**

About Helios Towers

- Helios Towers is a leading independent telecommunications infrastructure company, having established one of the most extensive tower portfolios across Africa and the Middle East. It builds, owns and operates telecom passive infrastructure, providing services to mobile network operators.
- Helios Towers owns and operates over 13,500 telecommunication tower sites in Tanzania, Democratic Republic of Congo, Congo Brazzaville, Ghana, South Africa, Senegal, Malawi, Madagascar and Oman.
- 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, please see the Alternative Performance Measures section of this release.

Chair’s Statement; Sir Samuel Jonah KBE, OSG

Driving the growth of mobile communications

“I am delighted with the team’s performance in 2022, delivering on multiple fronts. Indeed, in the three years since IPO in 2019, we have seen tremendous growth. Not only in the number of our towers and attractive markets, but in the growth of our people, partner relationships, customer service and business excellence.”

It is my pleasure to welcome you to our 2022 Annual Results, which highlights the substantial expansion of the business, our resilience to macroeconomic volatility and our strategy to drive Sustainable Value Creation for all our stakeholders.

In my three years to date as Chair of Helios Towers, we have seen an unprecedented global pandemic, the aftershocks of which are still being felt, and now a period of rising global inflation and turbulence, driven in part by the conflict in Ukraine.

It is at times like these that the true mettle of any company is tested and I believe Helios Towers has passed that test with flying colours. Our business has shown remarkable resilience to macroeconomic volatility, and continues to support the substantial growth opportunity across the region.

In 2022, we added more sites and tenancies than in any previous year, creating a stronger and more diversified tower platform ready for the next chapter of our growth story.

Combined with the acquisitions we completed in Senegal and Madagascar in 2021, we have entered four new markets and look forward to applying our tried and tested approach to these new geographies, bringing service excellence to MNOs and enabling digital inclusion for more communities.

Here in Ghana, I have observed the transformation this brings first-hand: communities, schools, health providers, trade, banks and fledgling businesses being enabled and propelled by the arrival of mobile communications and mobile internet. At Helios Towers, we play a pivotal role in enabling this connectivity and contributing to social and economic development in our markets. I am proud that in 2022 we continued to drive value for our stakeholders while actively contributing to the UN SDGs.

Our 2026 strategy

Our record tenancy and geographic expansion in 2022 meant that we exceeded the ambitious targets we set out at IPO. Accordingly, and with Tom Greenwood moving into the Group CEO position in April 2022, this was a natural juncture where we could develop a revised five-year Sustainable Business Strategy, and one that reflects the evolution of the business.

At the heart of the new strategy: a target to reach 22,000 towers by 2026, while expanding Group margins and returns. This target sits among several others designed to drive impact in the areas of digital inclusion, climate action and developing local, diverse and talented teams.

The strategy is underpinned by our commitment to strong governance and ethics. We believe our strategy and actions reflect the requirements and our compliance with Section 172(1), and we give more information throughout this Strategic Report, and specifically on pages 53–56. This includes our commitment to our workforce, customers, suppliers, investors, communities and the environment.

Digital inclusion and climate action

By delivering on our purpose, we will enable digital inclusion for our communities. We achieve this through site expansion, tenancy growth and delivering operational improvements, including reliable power, to our sites. In 2022, our growth meant an additional 23 million people were under the coverage footprint of our towers, six million of which were through organic site expansion in the year. We also continued to deliver reliable power to our sites despite operating in markets where grid power can be limited, unreliable or even non-existent.

Given the huge population growth and low mobile penetration in our regions today, we expect to see continued strong demand for tower infrastructure over the coming years. We are committed to meeting this demand and playing our part in closing the vast communications infrastructure gap, while minimising our environmental footprint.

We launched our carbon target in late 2021, aiming to reduce our emissions per tenant by almost 50% by 2030 in the five markets where we were operational during our 2020 baseline year. While we saw a marginal increase in emissions intensity relative to the baseline due to more fuel intensive (and therefore more carbon intensive) markets growing tenancies faster than the Group average, we are focused on driving long-term reductions across the Group through targeted investments in lower-carbon solutions.

As a reflection of its importance to the business, we updated our long-term incentive plan to include performance against our carbon target, that will be effective from 2023.

Local, diverse, talented teams
The Board firmly believes that an inclusive culture is central to employee engagement and the key to long-term success of the Company. We were therefore delighted to attract a 100% response rate to our second biennial Employee Engagement Survey, reflecting how our people feel they can express their opinions freely. We were particularly pleased to see that one of our highest scores concerned employees believing that action would be taken as a result of the survey.

And I believe they have good reason. As a direct result of feedback to our inaugural survey in 2020, we implemented several actions. These included awarding all our people the equivalent of no-cost share options under a new HT SharingPlan, allowing them to participate in the long-term success of the Company. 2022 saw the second year of the plan and we complemented this with a Cost of Living Award designed to help our colleagues address rising domestic bills.

Feedback in 2020 also called for further training and development opportunities, and I was pleased to see further progress in this area in 2022. We provided a leadership training course to 50 of the Company's future leaders and enhanced our learning management system. I was particularly pleased that 42% of our people have been trained in Lean Six Sigma.

We are now working to address the key feedback from our 2022 survey and further enriching our colleagues' experience of working with Helios Towers.

Responsible governance
We are attuned to the need for a strong governance framework to ensure we meet the ambitious targets we set ourselves.

At Board level, we exceed the FCA's Listing Rules target and Parker Review requirement on ethnicity. We also comply with the FTSE Women Leaders Review recommendation and FCA's Listing Rules target of 40% female representation, and are aware of the FTSE Woman Leaders Review recommendation and FCA's Listing Rules target to have a female director in one of the senior board positions.

Helis Zulijani-Boye joined the Board in March 2022, replacing David Wassong. With Kash Pandya stepping down in August 2022 to pursue other opportunities, this means female representation on the Board has increased to 40% from 27%.

On behalf of all stakeholders, I would like to take the opportunity to thank David and Kash for their invaluable contributions to the Company's success. In April 2022, Tom Greenwood was formally appointed as Group CEO, following an effective two-year transition period into the role. Our governance structures and policies help us to deliver on our strategy, manage our performance and ultimately support the value we create for all our stakeholders, and it is particularly gratifying when this is recognised externally. We were delighted to receive the highest 'AAA' rating from MSCI during the year, reflecting the strong understanding we have of the social and environmental risks and opportunities of our operations, and the effective governance we have put in place.

Outlook

Our key phase of expansion is now complete, with the integration of Malawi and Oman. With our refreshed strategy in place, we enter 2023 in an exciting position to drive sustainable value for our stakeholders on our enlarged platform.

I thank all the Helios Towers team for their commitment and dedication, as well as our partners for their constant support, as we continue to drive the growth of mobile communications across Africa and the Middle East.

Sir Samuel Jonah KBE, OSG
Chair

Group CEO’s Statement; Tom Greenwood

New strategy; Enlarged platform; Delivering excellence

“2022, my first year as CEO and thirteenth in the business, saw us expand into new markets, launch our refreshed five-year strategy and expand our platform to deliver sustainable value for every stakeholder in the years ahead.”

I am delighted with the team’s performance and the progress we have made in 2022. We have delivered for stakeholders through stellar operational delivery, smooth integration execution and strong financial performance in a year of macro volatility.

We have also laid the foundations for future success through leadership changes, strategy evolution and, crucially, focusing on Customer Service Excellence on our enlarged platform.

If we were writing the story of Helios Towers, we would now have arrived at chapter four. In the first chapter we established our initial platform, and in the second we launched business excellence, focusing on driving operational efficiencies. In turn, we supported our customers’ missions to expand and densify mobile networks across our markets.

Then, following our 2019 IPO, came our third chapter: an ambitious expansion programme with tower portfolio acquisitions in four new markets – including our first in the Middle East through our investment in Oman – all bringing scale, diversification and high-quality cash flows to our business.

This remarkable journey has seen us diversify and almost double our platform since 2019: from five high-growth markets to nine today, and from 7,000 towers to nearly 14,000 now.

As we close 2022, our fourth chapter sees us embark on our new five-year strategy and our ‘22 by 26’ target of 22,000 sites by 2026. Through site expansion, driving lease-up and operational efficiencies, we will grow the business in a way that delivers value for all our stakeholders: our customers, communities, people, environments and investors.

Our strategy comprises three pillars – Customer Service Excellence, People and Business Excellence, and Sustainable Value Creation.

Customer Service Excellence
Our philosophy is simple: we must provide Customer Service Excellence in everything we do, whether that’s in our core offerings of power delivery, rollout and site services, or through anticipating and responding to our customers’ needs. This requires transparent and collaborative customer relationships to achieve our shared goals.

In 2022, this ethos of service excellence took our customer offering to the next level.We delivered record tenancy additions of 5,716 (+30%). This was driven by our second-highest year of organic tenancy of 1,601; including our busiest-ever year for build-to-suit sites; and the addition of four high-quality MNO customers through acquisitions in Oman and Malawi. This sets us up well for lease-up going forward and supporting the efficient proliferation of mobile connectivity, with a reduced environmental footprint.

One of our main KPIs is power availability, and in 2022 we achieved uptime of 99.97% (2021: 99.99%). Despite this slight decrease year-on-year, we continued to deliver at world-class levels, even in markets with limited grid availability. And we remain focused on our goal of just 30 seconds of downtime per tower per week by 2026.

All our new markets will see this metric improve through our Lean Six Sigma training and business excellence practices. Indeed, we’re seeing strong progress already: in Senegal we have improved power uptime from 99.94% at acquisition in 2021 to 99.99% today.

People and Business Excellence
We can only achieve Customer Service Excellence by having the best people and the best business processes – hence our People and Business Excellence pillar.

We invest in, develop and empower our people and partners by providing them with the tools and training to make data-driven decisions. As a Lean Six Sigma Black Belt myself, I am passionate about supporting colleagues through our Orange and Black Belt programmes. As part of our Lean Six Sigma training, all colleagues are tasked with delivering a project that supports driving efficiency in the business. Just one example from the year was when I became the project sponsor for Eric Kaganda, our Group Structural Upgrade Programme Manager in Tanzania whose project focused on shortening lead times for site acquisition on new build-to-suit sites, that will support elevating our customer service excellence. Lean Six Sigma sits at the heart of our people development, and our goal is to train 70% of our colleagues by 2026. We're making good progress towards this with 42% of our team trained today.

During the year we also invested significantly in other technical, soft skills and leadership training. We enhanced our learning management system which provides everyone across the Group with tailored training, and invested in 50 of our rising stars with leadership training from Cranfield University. I was delighted to see that our most improved score from our biennial Employee Engagement Survey was that our colleagues believe they can get the training and development they need to be successful in their role.

I also believe our teams should reflect the communities they serve, and our commitment to diversity, equity and inclusion (DEI) is central to our future success. With colleagues drawn from more than 35 countries, our culture is all the richer as a result. We have also seen female representation increasing year- on-year from 24% to 28%, including 9% to 27% at Executive Committee level and from 27% to 40% at Board level.

Sustainable Value Creation

This third pillar in our strategy is designed to deliver impact for all of our stakeholders, as well as the environment.

As lease-up of our sites continues apace, and as we expand our portfolio, it's with real pride we see the societal and environmental benefits that our tower-sharing model creates. We also enable MNOs to rollout their coverage faster and more cost- efficiently than they could themselves.

Today, we estimate that our sites cover 141 million people, with our ambition to cover around 250 million by 2026. This includes many people in rural areas who have no mobile today, much less the internet, today. Furthermore, through our infrastructure-sharing model and Project 100, our US$100 million investment in lower-carbon solutions, we expect to almost halve carbon emissions per tenant by 2030, compared to 2020[1]

This model translates into sound and Sustainable Value Creation, and in 2022 we delivered strong financial and operational performance, both from an organic and inorganic perspective. With revenues up 25% year-on-year, Adjusted EBITDA up 18% and operating profit up 36%, we demonstrated resilience and capability in a volatile climate. In the process, we also closed our Oman and Malawi transactions.

Following two years of significant expansion, roughly doubling the size of our business, we now enter 2023 with an enlarged platform for greater value creation.

As such, we are focused on driving margins and returns, targeting Adjusted EBITDA margin expansion of 1–2 ppt on average per annum and similar levels of increases in ROIC up to 2026. Given the huge structural growth in our regions, we continue to target platform expansion, albeit at a more gradual pace, aiming o reach 22,000 towers by 2026.

Investor partnerships

In 2022, we were delighted to establish long-term partnerships with well- established local investors in three of our markets. They are supporting our businesses both financially and through their local knowledge and expertise.

Oman Infrastructure Fund (Rakiza) acquired a 30% minority stake in our acquisition in Oman; Old Mutual Investment Group (OMIG) invested in a 20% minority shareholding in our Malawi operating company; and Clearwater Capital invested in a 34% stake in our South African operations. The latter resulted in the business attaining a Level 1 B-BBEE certification, the highest rating. We look forward to working with our new partners in 2023 and beyond.

Outlook

I am delighted with the strategic progress we have made in 2022. We have laid the foundations for a successful 2023 and beyond, and are now focused on driving Sustainable Value Creation for our customers, employees, communities, environment and our investors.

Tom Greenwood
Group CEO

Group CFO's Statement; Manjit Dhillon

Successful integration of new markets, record tenancy growth and further demonstration of our robust business model

"Our business model demonstrated its resilience through 2022. Despite global macro volatility we continued to capture the structural growth across our markets.

The hallmarks of our approach remain constant: disciplined capital deployment, that delivers growth and is supported by a strong balance sheet."

2022 has been a productive year with success across multiple fronts. We delivered record site and tenancy additions, through a combination of an exceptional year for organic tenancy growth and the integration of two new markets. We also further demonstrated how our business model is robust and resilient to macro volatility.

The Helios Towers 'playbook'
We were delighted to close two important acquisitions in 2022, entering Oman and Malawi. Coupled with our 2021 acquisitions in Madagascar and Senegal, we have now entered four high-growth markets over the last two years, and are the leading independent tower company in all of them.

Together, these acquisitions have further strengthened our business. They improve our diversification, hard currency mix and earnings visibility, with a broader set of investment grade or near-investment grade customers. They also open up considerable opportunities to drive growth and attractive returns on invested capital over the medium term.

Although the acquired towers come initially with both low tenancy ratios and Adjusted EBITDA margins, we will drive these higher through lease-up and operational improvements – just as we have with each of the 11 successfully executed deals before them.

In addition to these important acquisitions, we further expanded our tower portfolio through record organic site growth, building 751 sites in attractive locations where we see a clear pathway to colocation lease-up, which in turn will drive higher margins and attractive returns.

Through the combination of acquisitions and record organic site growth, we have materially increased our platform, creating a stronger business from which we can drive colocation and operational improvements that supports growth, profitability and high-quality compounding cash returns.

Robust Business Model
2022 was also notable for the continued resilience of our business model. Despite substantial global inflation and currency volatility, our business continued to deliver Adjusted EBITDA growth and operating profit growth, both of which are closely correlated to factors within our control – namely tenancy growth. Revenue increases, triggered by contractual escalators, effectively offset the impact of higher power costs and inflation, and ensured our Adjusted EBITDA was protected.

Alongside these escalators, our insulation from macro volatility is created by a protective combination of market and blue-chip customer diversification; robust contract structures with long tenors; and importantly, hard currency earnings

Customer mix: We serve some of the largest MNOs across Africa and the Middle East, which in 2022 accounted for approximately 98% of our revenues. This is spread across a number of blue-chip MNOs, and no single customer accounted for more than 28% of the year's revenues. We also price sustainably, with our lease rates approximately 30% lower than the MNOs' total cost of ownership.

Long-term contracts: Typically, our contracts have initial terms of 10–15 years, with automatic renewals thereafter. As at 31 December 2022, we had an average of 7.6 initial term years remaining across the Group. This represents US$4.7 billion of future revenue already contracted (+20% year-on-year) from a strong base of high-quality customers on which we can grow through organic and inorganic opportunities.

Hard currency earnings: A further protection is that we operate in hard currency markets; DRC, Senegal, Oman and Congo Brazzaville are either dollarised or hard currency pegged. Across the Group, 72% of our Adjusted EBITDA is in hard currency, and this is further complemented by contractual escalators for power and CPI, which provide further earnings protection.

Throughout the year we demonstrated how these characteristics protect our Adjusted EBITDA and positions us well to capitalise on growth opportunities.

Our performance in 2022

We closed the year with revenue and Adjusted EBITDA growth of 25% and 18% respectively, and delivered a record operating profit of US$80 million, an increase of 36% year-on-year, all of which was driven by record tenancy growth.

Our Adjusted EBITDA margin decreased by 3ppts from 53.6% in 2021 to 50.3% in 2022, which largely reflected the impact of the two new acquisitions (that collectively delivered an Adjusted EBITDA margin of 35%. In addition, we saw margin impact from higher fuel prices that comparably increased both our revenues and operating expenses. So while Adjusted EBITDA dollars are well-insulated, the margin decreases were due to the higher revenue base. The Group's loss before tax was US$162 million, an increase in loss of US$43 million year-on-year. This was driven by non-cash expenses related to both the fair value movements of the embedded derivates in the Group's bond, and foreign exchange movements on Euro- and US Dollar-denominated intercompany borrowings, partially offset by the record operating profit delivered in 2022.

We anticipate that we will see continued statutory Group losses as we integrate and grow the acquired assets. However, as we drive lease-up and operational improvements, we expect to see improved profitability in the near term. We are seeing this dynamic in our established markets, with our business transitioning to being profit-making.

Cash flow

Cash flow generation from our existing asset base, or portfolio free cash flow (PFCF), increased by 20% to US$201 million. The increase was driven by Adjusted EBITDA growth and higher cash conversion, principally related to lower non-discretionary capex.

We invested a record US$765 million in capex during the year, of which US$745 million was discretionary capex, supporting our entry into two new attractive markets and purchasing 3,242 sites across Oman and Malawi; delivering our second best- ever year of organic tenancy additions (1,601); investing US$9 million in Project 100 initiatives (such as solar, hybrid and grid connections); and allocating capex to upgrading the structural integrity on some of the acquired sites.

Minority interest

During 2022, we received investments from, and formed long-term partnerships with, well-established local investors in three of our markets. In March, in accordance with the Broad-based Black Economic Empowerment (B-BBEE) framework, we collaborated with Clearwater Capital, who acquired a 34% share of Helios Towers South Africa. In October, as a result of this partnership, and our other local business set-up and initiatives we attained a Level 1 B-BBEE certification, the highest rating. We also partnered with Old Mutual Investment Group (OMIG) to complete our acquisition of Airtel's tower business in Malawi. OMIG invested in a 20% local shareholder making the business compliant with local regulation. We are pleased to team up with a long-established and experienced investor in the market.

In June, we announced our partnership with Oman Infrastructure Fund (Rakiza) who invested in a 30% minority stake in our Oman acquisition. We are delighted to be partnering with Rakiza, who bring a wealth of local knowledge and infrastructure expertise to support our entry into Oman, as we seek to strengthen our foothold in the Middle East.

We look forward working closely with our new partners in 2023 to further support and grow our businesses in these markets.

Balance Sheet
Our recent acquisitions and robust business model supported the business receiving a B rating in its first credit rating from Fitch. This is one notch above our current ratings of B2 (Moody's) and B (S&P), and highlights the benefit of our increased diversification, earnings visibility and scale.

Given the record investment made in 2022, we ended the year with net leverage of 5.1x, slightly above our medium-term target range of 3.5–4.5x. Given the projected earnings growth ahead, we expect to move back towards our target range by the end of 2023.

Importantly, our balance sheet is in a solid position. Our debt has a four-year average remaining life and 83% of it is fixed, therefore there is no immediate requirement to adjust our debt structure. We will continue to be opportunistic in regard to our debt management over the coming years.

Capital allocation
We are highly disciplined in our capital allocation and constantly review our investment returns and criteria to ensure we achieve the best return possible for the capital deployed.

2022 represented a year of record investment, adding substantially higher number of sites. Looking forward, we continue to anticipate substantial organic and inorganic opportunities in our pipeline to support delivering our target of 22,000 towers by 2026.

Accordingly, our near-term capital allocation will continue to be prioritised towards capital expenditure, which delivers attractive compounding returns. The Directors recommend that no dividends be paid for the year ended 31 December 2022. Over the medium term, we expect to reach sufficient scale that both our growth ambitions and a potential dividend can be achieved in tandem.

Outlook
With the significant investment undertaken across 2021 and 2022, we have created a uniquely positioned and diversified platform primed for growth. We have an exciting year ahead. Reducing carbon emissions, helping to connect the unconnected, and growing a safe and talented workforce. All are areas we look forward to taking to new heights while delivering high-quality returns and capturing the exceptional growth opportunity that is unique to Africa and the Middle East

Manjit Dhillon

Group CFO

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 purpose of setting remuneration targets.

Adjusted EBITDA and 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 a better understanding of the Group's underlying trading performance.

Reconciliation between APM and IFRS	**2022 US$m**	2021 US$m
Loss before tax	**(162.5)**	(119.4)
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Deal costs[1]	**19.1**	19.3
Share-based payments and long-term incentive plan charges[2]	**4.5**	2.0
Loss on disposal of property, plant and equipment	**0.4**	0.5
Other gains and losses	**51.4**	28.0
Depreciation of property, plant and equipment	**144.6**	142.2
Amortisation of intangible assets	**12.6**	2.3
Depreciation of right-of-use assets	**21.3**	15.3
Interest receivable	**(1.8)**	(0.7)
Finance costs	**193.2**	151.1
Adjusted EBITDA	**282.8**	240.6
Revenue	**560.7**	449.1
Adjusted EBITDA margin	**50%**	54%

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 Includes associated costs.

Adjusted gross profit and Adjusted gross margin

Definition

Adjusted gross profit means gross profit, adding back site and warehouse depreciation, divided by revenue.

Adjusted gross margin means Adjusted gross profit divided by revenue.

Purpose

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

Reconciliation between IFRS and APM	2022 US$m	2021 US$m
Gross profit	**194.8**	153.8
Add back: Site and warehouse depreciation	**158.1**	145.1
Adjusted gross profit	**352.9**	298.9
Revenue	**560.7**	449.1
Adjusted gross margin	**63%**	67%

Portfolio free cash flow

Definition

Portfolio free cash flow is 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.

Purpose

Portfolio free cash flow is used to value the cash flow generated by the business operations after expenditure incurred on maintaining capital assets, including lease liabilities, and taxes. It is a measure of the cash generation of the tower estate.

Reconciliation between IFRS and APM	2022 US$m	2021 US$m
Cash generated from operations	**193.2**	195.9
Adjustments applied:		
Movement in working capital	**70.5**	25.4
Adjusting items:		
Deal costs[1]	**19.1**	19.3
Adjusted EBITDA	**282.8**	240.6
Less: Maintenance and corporate capital additions	**(20.3)**	(22.1)
Less: Payments of lease liabilities[2]	**(40.8)**	(31.0)
Less: Tax paid	**(20.3)**	(19.2)
Portfolio free cash flow	**201.4**	168.3

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

Gross debt, net debt and net leverage

Definition

Gross debt is calculated as non-current loans and 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[1].

Purpose

Gross debt is a prominent metric used by investors and rating agencies.

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 the Group's cash position relative to 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's medium-term net leverage target is to be broadly in the range of 3.5-4.5x.

Reconciliation between IFRS and APM	**2022 US$m**	**2021 US$m**
External debt	**1,571.6**	1,295.5
Lease liabilities	**226.0**	181.9
Gross debt	**1,797.6**	1,477.4
Cash and cash equivalents	**119.6**	528.9
Net debt	**1,678.0**	948.5
Annualised Adjusted EBITDA[1]	**328.8**	264.0
Net leverage	**5.1x**	3.6x

1 Annualised Adjusted EBITDA calculated as per the Senior Notes definition as the most recent fiscal quarter multiplied by four, 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.

Return on invested capital

Definition

Return on invested capital (ROIC) is 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.

Reconciliation between IFRS and APM	2022 US$m	2021 US$m (Restated)
Property, plant and equipment	**931.4**	708.2
Accumulated depreciation	**934.0**	833.3
Accumulated maintenance and corporate capital expenditure	**(224.8)**	(202.7)
Intangible assets	**583.5**	231.4
Accumulated amortisation	**50.4**	24.5
Accounting adjustments and deferred consideration for future sites	**(102.5)**	(93.2)
Total invested capital	**2,172.0**	1,501.5
Annualised portfolio free cash flow[1]	**223.8**	177.3
Return on invested capital	**10.3%**	11.8%

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

Detailed Financial Review

Consolidated Income Statement

For the year ended 31 December

(US$M)	Year ended 31 December 2022	2021
Revenue	**560.7**	449.1
Cost of sales	**(365.9)**	(295.3)
Gross profit	**194.8**	153.8
Administrative expenses	**(114.1)**	(94.3)
Loss on disposal of property, plant and equipment	**(0.4)**	(0.5)
Operating profit	**80.3**	59.0
Interest receivable	**1.8**	0.7
Other gains and losses	**(51.4)**	(28.0)
Finance costs	**(193.2)**	(151.1)
Loss before tax	**(162.5)**	(119.4)
Tax expense	**(8.9)**	(36.8)
Loss after tax	**(171.4)**	(156.2)
Loss attributable to:		
Owners of the Company	**(171.5)**	(156.2)
Non-controlling interests	**0.1**	–
Loss for the year	**(171.4)**	(156.2)
Loss per share:		
Basic loss per share (cents)	**(16)**	(15)
Diluted loss per share (cents)	**(16)**	(15)

Segmental key performance indicators
For the year ended 31 December

	Group		Tanzania		DRC		Congo Brazzaville		Ghana	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Sites at year end	**13,553**	9,560	**4,188**	4,005	**2,233**	2,062	**511**	459	**1,113**	1,040
Tenancies at year end	**24,492**	18,776	**9,422**	9,012	**5,215**	4,701	**715**	661	**2,216**	2,041
Tenancy ratio at year end	**1.81x**	1.96x	**2.25x**	2.25x	**2.34x**	2.28x	**1.40x**	1.44x	**1.99x**	1.96x
Revenue for the year	**$560.7**	$449.1	**$201.4**	$170.4	**$205.9**	$176.4	**$28.2**	$27.7	**$36.6**	$42.8
Adjusted gross margin	**63%**	67%	**70%**	69%	**57%**	64%	**66%**	65%	**66%**	69%
Adjusted EBITDA for the year[1]	**$282.8**	$240.6	**$133.7**	$113.2	**$104.4**	$101.0	**$13.8**	$13.1	**$20.7**	$25.8
Adjusted EBITDA margin for the year	**50%**	54%	**66%**	66%	**51%**	57%	**49%**	47%	**57%**	60%

	South Africa		Senegal		Madagascar		Malawi		Oman	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Sites at year end	**369**	272	**1,347**	1,232	**508**	490	**765**	–	**2,519**	–
Tenancies at year end	**631**	464	**1,439**	1,303	**605**	594	**1,232**	–	**3,017**	–
Tenancy ratio at year end	**1.71x**	1.71x	**1.07x**	1.06x	**1.19x**	1.21x	**1.61x**	–	**1.20x**	–
Revenue for the year	**$9.5**	$6.0	**$36.8**	$23.4	**$15.1**	$2.4	**$23.6**	–	**$3.6**	–
Adjusted gross margin	**74%**	75%	**72%**	64%	**49%**	50%	**40%**	–	**73%**	–
Adjusted EBITDA for the year[1]	**$4.5**	$2.6	**$22.0**	$12.7	**$5.7**	$0.9	**$7.2**	–	**$2.3**	–
Adjusted EBITDA margin for the year	**48%**	44%	**60%**	54%	**38%**	37%	**30%**	–	**64%**	–

1 Group Adjusted EBITDA for the year includes corporate costs of US$31.5 million (2021: US$28.7 million).

Total tenancies as at 31 December

	Group		Tanzania		DRC		Congo Brazzaville		Ghana	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Standard colocations	**9,611**	8,256	**4,524**	4,432	**2,766**	2,536	**172**	179	**762**	752
Amendment colocations	**1,328**	960	**710**	575	**216**	103	**32**	23	**341**	249
Total colocations	**10,939**	9,216	**5,234**	5,007	**2,982**	2,639	**204**	202	**1,103**	1,001
Total sites	**13,553**	9,560	**4,188**	4,005	**2,233**	2,062	**511**	459	**1,113**	1,040
Total tenancies	**24,492**	18,776	**9,422**	9,012	**5,215**	4,701	**715**	661	**2,216**	2,041

	South Africa		Senegal		Madagascar		Malawi		Oman	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Standard colocations	**240**	187	**89**	70	**93**	100	**467**	–	**498**	–
Amendment colocations	**22**	5	**3**	1	**4**	4	**–**	–		–
Total colocations	**262**	192	**92**	71	**97**	104	**467**	–	**498**	–
Total sites	**369**	272	**1,347**	1,232	**508**	490	**765**	–	**2,519**	–
Total tenancies	**631**	464	**1,439**	1,303	**605**	594	**1,232**	–	**3,017**	–

Revenue

Revenue increased by 24.8% to US$560.7 million in the year ended 31 December 2022 from US$449.1 million in the year ended 31 December 2021. The increase in revenue was largely driven by the 30.4% increase in tenancies from 18,776 as of 31 December 2021 to 24,492 as of 31 December 2022, due to strong organic tenancy growth across the group, full year of operations in Senegal and Madagascar and the addition of 1,098 tenancies in Malawi in Q2 and 3,017 tenancies in Oman in Q4 2022.

Cost of sales

	Year ended 31 December			
		% of Revenue		% of Revenue
(US$m)	**2022**	**2022**	2021	2021
Power	**131.3**	**23.4%**	85.4	19.0%
Non-power	**76.5**	**13.6%**	64.8	14.4%
Site and warehouse depreciation	**158.1**	**28.2%**	145.1	32.4%
Total cost of sales	**365.9**	**65.3%**	295.3	65.8%

The table below shows an analysis of the cost of sales on a country-by-country basis for the year ended 31 December 2022 and 2021.

	Group		**Tanzania**		**DRC**		**Congo Brazzaville**		**Ghana**	
(US$m)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Power	**131.3**	85.4	**33.1**	25.9	**61.1**	40.1	**3.0**	3.3	**8.7**	9.0
Non-power	**76.5**	64.8	**27.6**	26.8	**28.1**	23.3	**6.6**	6.5	**3.7**	4.3
Site and warehouse depreciation	**158.1**	145.1	**58.8**	53.2	**55.8**	53.7	**8.2**	10.5	**6.3**	8.4
Total cost of sales	**365.9**	295.3	**119.5**	105.9	**145.0**	117.1	**17.8**	20.3	**18.7**	21.7

	South Africa		**Senegal**		**Madagascar**		**Malawi**		**Oman**	
(US$m)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Power	**2.0**	1.3	**5.9**	5.0	**5.5**	0.8	**11.4**	–	**0.6**	–
Non-power	**0.4**	0.2	**4.5**	3.3	**2.2**	0.4	**2.9**	–	**0.5**	–
Site and warehouse depreciation	**3.9**	2.9	**17.5**	16.1	**3.4**	0.3	**2.0**	–	**2.2**	–
Total cost of sales	**6.3**	4.4	**27.9**	24.4	**11.1**	1.5	**16.3**	–	**3.3**	–

Cost of sales increased to US$365.9 million in the year ended 31 December 2022 from US$295.3 million in the year ended 31 December 2021, due primarily to a full year of operations in Senegal and Madagascar and the acquisition of passive infrastructure assets in Malawi, and organic site growth, which led to an increase in site and warehouse depreciation. In addition, rising power prices across the Group, especially in DRC where there were higher fuel costs, resulted in power costs increasing year on year. As a result, the Adjusted gross margin reduced by 4% to 63%.

Administrative expenses

Administrative expenses increased by 21.0% to US$114.1 million in the year ended 31 December 2022 from US$94.3 million in the year ended 31 December 2021. Year-on-year administrative expenses as a percentage of revenue has decreased by 0.7%. The increase in administrative expenses is primarily due to the impact of acquisitions that increased amortisation and other administrative costs.

	Year ended 31 December			
	% of Revenue		% of Revenue	
(US$m)	**2022**	**2022**	2021	2021
Other administrative costs	**70.0**	**12.5%**	58.3	13.0%
Depreciation and amortisation	**20.3**	**3.6%**	14.7	3.3%
Adjusting items	**23.8**	**4.2%**	21.3	4.7%
Total administrative expense	**114.1**	**20.3%**	94.3	21.0%

Adjusted EBITDA

Adjusted EBITDA was US$282.8 million in the year ended 31 December 2022 compared to US$240.6 million in the year ended 31 December 2021. The increase in Adjusted EBITDA between periods is primarily attributable to the changes in revenue, cost of sales and administrative expenses, as discussed above. Please refer to the Alternative Performance Measures section for more details and Note 4 of the Group Financial Statements for a reconciliation of aggregate Adjusted EBITDA to loss before tax.

Other gains and losses

Other gains and losses recognised in the year ended 31 December 2022 was a loss of US$51.4 million, compared to a loss of US$28.0 million in the year ended 31 December 2021. This is mainly related to the non-cash US$51.5 million fair value movement of the embedded derivative valuation of the put and call options embedded within the terms of the Senior Notes. See Note 26 of the Group Financial Statements

Finance costs

Finance costs of US$193.2 million for the year ended 31 December 2022 included an interest cost of US$115.4 million that reflects interest on the Group's debt instruments, fees on available Group and local term loans and RCF facilities, withholding taxes and amortisation. The increase in foreign exchange differences from US$21.6 million in 2021 to US$52.3 million in 2022 primarily reflects fluctuations of the Malawian Kwacha, Ghanaian Cedi and Central African Franc which declined against the US Dollar during the year.

	Year ended 31 December	
(US$m)	**2022**	2021
Foreign exchange differences	**52.3**	21.6
Interest cost	**115.4**	110.2
Interest cost on lease liabilities	**25.5**	19.3
Total finance costs	**193.2**	151.1

Tax expense

Tax expense was US$8.9 million in the year ended 31 December 2022 as compared to US$36.8 million in the year ended 31 December 2021. The decrease is predominantly driven by exceptional corporate income tax in 2021 of US$29.1 million for change of control purposes which did not recur in 2022.

Though entities in Congo Brazzaville and Senegal have continued to be loss-making for tax purposes, minimum income taxes and/or asset based taxes were levied, as stipulated by law in these jurisdictions. DRC, Ghana, Madagascar, Tanzania and two entities in South Africa are profitable for tax purposes and subject to income tax thereon.

Contracted Revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2022 for each year from 2023 to 2027, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2022 held constant. Our contracted revenue calculation for each year presented assumes:

- no escalation in fee rates;
- no increases in sites or tenancies other than our committed tenancies;
- our customers do not utilise any cancellation allowances set forth in their MLAs;
- our customers do not terminate MLAs prior their current term; and
- no automatic renewal.

	Year ended 31 December				
(US$m)	2023	2024	2025	2026	2027
Tanzania	208.3	208.7	209.1	141.8	116.2
DRC	231.2	230.7	201.5	172.7	139.8
Congo Brazzaville	20.9	20.9	15.5	11.5	11.4
Ghana	26.2	23.7	23.9	24.0	24.0
South Africa	8.3	8.3	8.2	7.9	7.6
Senegal	37.5	37.0	38.7	40.4	45.0
Madagascar	12.4	12.4	13.0	15.9	15.9
Malawi	18.4	18.4	18.4	18.5	18.5
Oman	45.2	44.0	44.0	44.0	44.0
Total	**608.4**	**604.1**	**572.3**	**476.7**	**422.4**

The following table provides our total undiscounted contracted revenue by key customers as of 31 December 2022 over the life of the contracts with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2022 held constant. As at 31 December 2022, total contracted revenue was US$4.7 billion, of which 98.9% is from multinational MNOs, with an average remaining life of 7.6 years.

(US$m)	Total committed revenues	% of total committed revenues
Multinational MNOs	4,653.0	98.9%
Other	52.0	1.1%
Total	**4,705.0**	**100.0%**

Management cash flow

(US$m)	Year ended 31 December 2022	2021
Adjusted EBITDA	**282.8**	240.6
Less:		
Maintenance and corporate capital additions	**(20.3)**	(22.1)
Payments of lease liabilities[1]	**(40.8)**	(31.0)
Corporate taxes paid	**(20.3)**	(19.2)
Portfolio free cash flow[2]	**201.4**	168.3
Cash conversion %[3]	**71%**	70%
Net payment of interest[4]	**(97.7)**	(93.3)
Levered portfolio free cash flow	**103.7**	75.0
Discretionary capital additions[5]	**(745.0)**	(373.3)
Adjusted free cash flow	**(641.3)**	(298.3)
Net change in working capital[6]	**(86.5)**	(11.6)
Cash paid for exceptional and one-off items, and proceeds on disposal of assets[7]	**7.2**	(75.1)
Free cash flow	**(720.6)**	(385.0)
Transactions with non-controlling interests	**(11.8)**	–
Net cash flow from financing activities[8]	**327.4**	487.3
Net cash flow	**(405.0)**	102.3
Opening cash balance	**528.9**	428.7
Foreign exchange movement	**(4.3)**	(2.1)
Closing cash balance	**119.6**	528.9

1 Payment of lease liabilities comprises interest and principal repayments of lease liabilities.
2 Refer to reconciliation of cash generated from operating activities to portfolio free cash flow in the Alternative Performance Measures section.
3 Cash conversion % is calculated as portfolio free cash flow divided by Adjusted EBITDA.
4 Net payment of interest corresponds to the net of 'Interest paid' (including withholding tax) and 'Interest received' in the Consolidated Statement of Cash Flow, excluding interest payments on lease liabilities.
5 Discretionary capital additions includes acquisition, growth and upgrade capital additions.
6 Working capital means the current assets less the current liabilities for the Group. Net change in working capital corresponds to movements in working capital, excluding cash paid for exceptional and one-off items and including movements in working capital related to capital expenditure.
7 Cash paid for exceptional and one-off items and proceeds on disposal of assets includes project costs, deal costs, deposits in relation to acquisitions, proceeds on disposal of assets and non-recurring taxes. Non-recurring taxes were US$29 million in 2021 and were fully-funded by Helios Towers' pre-IPO shareholders.
8 Net cash flow from financing activities includes gross proceeds from issue of equity share capital, share issue costs, loan drawdowns, loan issue costs, repayment of loan and capital contributions in the Consolidated Statement of Cash Flows.

Cash conversion has increased slightly from 70% for the year ended 31 December 2021 to 71% for the year ended 31 December 2022. This is driven by Adjusted EBITDA growing faster than corporate taxes paid and maintenance and corporate additions declining year-on-year. Net change in working capital decreased by US$74.9 million year-on-year due to timing of cash payments and an increase in supplier advance payments made to secure capex and fuel for our ongoing growth in tenancies.

The Group's Consolidated Statement of Cash Flows is set out on page 155 of the Annual report.

Cash flows from operations, investing and financing activities

Cash generated from operations reduced by 1.4% to US$193.2 million (2021: US$195.9 million) due to working capital movements, offset by the increase in Adjusted EBITDA. Net cash used in investing activities was US$381.5 million for the year ended 31 December 2022, down from US$407.6 million in the prior year. The decrease was primarily a result of less cash paid for acquisitions in the year, offset by an increase in capital expenditure due to organic growth in sites during the year. Net cash used in financing activities during the year was US$74.6 million, which primarily related to loan drawdowns and equity payments from minority shareholders in South Africa, Oman and Malawi.

Cash and cash equivalents

Cash and cash equivalents decreased by US$409.3 million year-on-year to US$119.6 million at 31 December 2022 (2021: US$528.9 million), primarily due to planned expenditure relating to acquisitions and organic growth.

Capital expenditure

The following table shows our capital expenditure additions by category during the year ended 31 December:

	2022		2021	
	US$m	**% of total capex**	US$m	% of total capex
Acquisition	**557.4**	**72.9%**	237.6	60.1%
Growth	**171.2**	**22.4%**	117.9	29.8%
Upgrade	**16.3**	**2.1%**	17.8	4.5%
Maintenance	**17.9**	**2.3%**	20.3	5.1%
Corporate	**2.5**	**0.3%**	1.8	0.5%
Total	**765.3**	**100.0%**	395.4	100.0%

Acquisition capex in the year ended 31 December 2022 relates primarily to the acquisitions in Malawi and Oman, excluding the fair value of assets and liabilities acquired and goodwill recognised under IFRS 3. See Note 31 of the Group Financial Statements.

Trade and other receivables

Trade and other receivables increased from US$191.5 million at 31 December 2021 to US$246.8 million at 31 December 2022, primarily due to increases from new markets entered, contract assets and VAT and WHT receivables.

Trade and other payables

Trade and other payables decreased from US$247.5 million at 31 December 2021 to US$244.7 million at 31 December 2022 respectively. The composition of the balance changed year-on-year, with an increase in both trade payables and accruals due to acquisitions in the year being offset by a decrease in deferred income and deferred consideration.

Loans and borrowings

As of 31 December 2022 and 31 December 2021 the HT Group's outstanding loans and borrowings, excluding lease liabilities, were US$1,571.6 million (net of issue costs) and US$1,295.5 million respectively, and net leverage was 5.1x and 3.6x respectively.

Indebtedness and leverage as at 31 December 2022 reflect the US$975 million Senior Notes refinance which was completed during the year ended 31 December 2020, US$300 million of convertible bonds issued in March 2021 with a coupon of 2.875% due in 2027. During 2022, indebtedness increased by US$247.9 million, pursuant to the acquisitions in Malawi and Oman. Further details of loans and borrowings are provided in Note 20 of the Group Financial Statements.

Principal risks and uncertainties

Risk	Category	Description	Mitigation	Status
1. Major quality failure or breach of contract	• Reputational • Financial	The Group's reputation and profitability could be damaged if the Group fails to meet its customers' operational specifications, quality standards or delivery schedules. A substantial portion of Group revenues is generated from a limited number of large customers. The loss of any of these customers would materially affect the Group's finances and growth prospects. Many of the Group's customer tower contracts contain liquidated damage provisions, which may require the Group to make unanticipated and potentially significant payments to its customers..	• Continued skills development and training programmes for the project and operational delivery team; • Detailed and defined project scoping and life cycle management through project delivery and transfer to ongoing operations; • Contract and dispute management processes in place; • Continuous monitoring and management of customer relationships; and • Use of long-term contracting with minimal termination rights.	▶
2. Non-compliance with laws and regulations, such as: • Safety, health and environmental laws • Anti-bribery and corruption provisions	• Compliance • Financial • Reputational	Non-compliance with applicable laws and regulations may lead to substantial fines and penalties, reputational damage and adverse effects on future growth prospects. Sudden and frequent changes in laws and regulations, their interpretation or application and enforcement, both locally and internationally, may require the Group to modify its existing business practices, incur increased costs and subject it to potential additional liabilities.	• Constant monitoring of potential changes to laws and regulatory requirements; • In-person and virtual training on Safety, Health and Environmental matters provided to employees and relevant third-party contractors; • Ongoing refresh of compliance and related policies including specific details covering: anti-bribery and corruption; anti- facilitation of Tax Evasion; anti-money laundering; • Compliance monitoring activities and periodic reporting requirements introduced; • Ongoing engagement with external lawyers and consultants and regulatory authorities, as necessary, to identify and assess changes in the regulatory environment; • Third-Party Code of Conduct communicated and annual certifications required of all high and medium risk third parties; • Supplier audits and performance reviews; • ISO Certifications maintained; • Regionalisation of the Compliance function and recruitment of additional resource; and • Internal audit function adding additional checks and balances.	▶
3. Economic and political instability	• Operational • Financial	A slowdown in the growth of, or a reduction in demand for, wireless communication services could adversely affect the demand for communication sites and tower space and could have a material adverse effect on the Group's financial condition and results of operations. There are significant risks related to political instability, security, ethnic, religious and regional tensions in each market where the Group has operations.	• Ongoing market analysis and business intelligence gathering activities; • Market share growth strategy in place; • Close monitoring of any potential risks that may affect operations; and • Business continuity and contingency plans in place to respond to any emergency situations.	▶
4. Significant exchange rate movements	• Financial	Fluctuations in, or devaluations of, local market currencies or sudden interest rate movements where the Group operates could have a significant and negative financial impact on the Group's business, financial condition and results. Such impacts may also result from any adverse effects such movements have on Group third-party customers and strategic suppliers. If interest rates increase materially, the Group may struggle to meet its debt repayments.	• US Dollar- and Euro-pegged contracts; • 'Natural' hedge of local currencies (revenue vs. opex); • Ongoing review of exchange rate differences and interest rate movements; • Maintain a prudent level of leverage; • Manage cash flows; and • Regular upstream of cash with the majority of cash held in hard currency, i.e. US Dollar and Sterling at Group.	▶

Risk	Category	Description	Mitigation	Status
5. Non-compliance with permit requirements	• Operational	The Group may not always operate with the necessary required approvals and permits for some of its tower sites, particularly in the case of existing tower portfolios acquired from a third party. Vagueness, uncertainty and changes in interpretation of regulatory requirements are frequent and often without warning. As a result, the Group may be subject to potential reprimands, warnings, fines and penalties for non-compliance with the relevant permitting and approval requirements.	• Inventory of required licences and permits maintained for each operating company; • Compliance registers maintained with any potential non-conformities identified by the relevant government authority with a timetable for rectification; • Periodic engagement with external lawyers and advisors and participation in industry groups; and • Active and ongoing engagement with relevant regulatory authorities to proactively identify, assess and manage actual and potential regulation changes.	▶
6. Loss of key personnel	• People	The Group's successful operational activities and growth is closely linked to the knowledge and experience of key members of senior management and highly skilled technical employees. The loss of any such personnel, or the failure to attract, recruit and retain equally high calibre professionals could adversely affect the Group's operations, financial condition and strategic growth prospects.	• Talent identification and succession-planning exit for key roles; • Competitive benchmarked performance-related remuneration plans; and • Staff performance and development/support plans.	▶
7. Technology risk	• Strategic	Advances in technology that enhance the efficiency of wireless networks and potential active sharing of wireless spectrum may significantly reduce or negate the need for tower-based infrastructure or services. This could reduce the need for telecommunications operators to add more tower-based antenna equipment at certain tower sites, leading to a potential decline in tenants, service needs and decreasing revenue streams. Examples of such new technologies may include spectrally efficient technologies which could potentially relieve certain network capacity problems or complementary voice over internet protocol access technologies that could be used to offload a portion of subscriber traffic away from the traditional tower-based networks.	• Strategic long-term planning; • Business intelligence; • Exploring alternatives; e.g. solar power technologies • Continuously improving product offering to enable adaptation to new wireless technologies; and • Applying for new licences to provision active infrastructure services in certain markets.	▶
8. Failure to remain competitive	• Financial	Competition in, or consolidation of, the telecommunications tower industry may create pricing pressures that materially and adversely affect the Group.	• KPI monitoring and benchmarking against competitors; • Total cost of ownership (TCO) analysis for MNOs to run towers; • Fair and competitive pricing structure; • Business intelligence and review of competitors' activities; • Strong tendering team to ensure high win/retention rate; and • Continuous capex investment to ensure that the Group can facilitate customer needs quickly.	▶
9. Failure to integrate new lines of business in new markets	• Strategic • Financial • Operational	Multiple risks exist with entry into new markets and new lines of business. Failure to successfully manage and integrate operations, resources and technology could have material adverse implications for the Group's overall growth strategy and negatively impact its financial position and organisation culture.	• Pre-acquisition due diligence conducted with the assistance of external advisors with specific geographic and industry expertise; • Ongoing monitoring activities post-acquisition/agreement; • Detailed management, operations and technology integration plans; • Ongoing measurement of performance vs. plan and Group strategic objectives; and • Implementation of a regional CEO and support function governance and oversight structure.	▶
10. Tax disputes	• Compliance • Financial • Operational • Reputational	Our operations are based in certain countries with complex, frequently changing and bureaucratic and administratively burdensome tax regimes. This may lead to significant disputes around interpretation and application of tax rules and may expose us to significant additional	• Frequent interaction and transparent communication with relevant governmental authorities and representatives; • Engagement of external legal and tax advisors to advise on legislative/tax code	▶

Risk	Category	Description	Mitigation	Status
		taxation liabilities.	changes and assessed liabilities or audits; • Engagement with trade associations and industry bodies and other international companies and organisations facing similar issues; • Defending against unwarranted claims; and • Strengthening of the Group Tax Team and continued recruitment of in-house tax expertise at both Group and OpCo levels.	
11. Operational resilience	• Strategic • Reputational • Operational	The ability of the Group to continue operations is heavily reliant on third parties, the proper functioning of its technology platforms and the capacity of its available human resources. Failure in any of these three areas could severely affect its operational capabilities and ability to deliver on its strategic objectives..	• Ongoing enhancements to data security and protection measures with third-party expert support; • Additional investment in IT resource and infrastructure to increase automation and workflow of business as usual activities; • Third-party due diligence, ongoing monitoring and regular supplier performance reviews; • Alternative sources of supply are previously identified to deal with potential disruption to the strategic supply chain; • Ongoing review and involvement of the human resources department at an early stage in organisation design and development activities; and • Buffer stock maintained of critical materials for site delivery.organisation design and development activities.	▶
12. Pandemic Risk	• Operational • Financial	In addition to the risk to the health and safety of our employees and contractors, the ongoing impact of Covid-19 or other such pandemic could materially and adversely affect the financial and operational performance of the Group across all of its activities. The effects of a pandemic may also disrupt the achievement of the Group's strategic plans and growth objectives and place additional strain on its technology infrastructure. There is also an increased risk of litigation due to the potential effects of a pandemic on fulfilment of contractual obligations.	• Health and safety protocols established and implemented; • Business continuity plans implemented with ongoing monitoring; • Financial modelling, scenario building and stress testing; • Continuous scanning of the external environment; • Increased fuel purchases; and • Review of contractual terms and conditions.	▶
13. Cyber security risk	• Operational • Financial • Reputational	We are increasingly dependent on the performance and effectiveness of our IT systems. Failure of our key systems, exposure to the increasing threat of cybercrime attacks and threats, loss or theft of sensitive information, whether accidentally or intentionally, expose the Group to operational, strategic, reputational and financial risks. These risks are increasing due to greater interconnectivity, reliance on technology solutions to drive business performance, use of third parties in operational activities and continued adoption of remote working practices. Cyber attacks are becoming more sophisticated and frequent and may compromise sensitive information of the Group, its employees, customers or other third parties. Failure to prevent unauthorised access or to update processes and IT security measures may expose the Group to potential fraud, inability to conduct its business, damage to customers as well as regulatory investigations and associated fines and penalties.	• Ongoing implementation and enhancement of security and remote access processes, policies and procedures; • Regular security testing regime established, validated by independent third parties; • Annual staff training and awareness programme in place; • Security controls based on industry best practice frameworks, such as NCSC (www.ncsc.gov.uk/), and validated through internal Audit assessments; • Specialist security third parties engaged to assess cyber risks and mitigation plans; • Incident management and response processes aligned to ITIL® best practice – identification, containment, eradication, recovery and lessons learned; • New supplier risk management assessments and due diligence carried out; and • Pursuing ISO 27001 (Information security) certification.	▶
14. Climate change	• Operational • Financial • Reputational	Climate change is a global challenge and therefore critical to our business, our investors, our customers and other stakeholders. Regulatory requirements and expectations of	• Carbon reduction intensity target to 2030 with an ambition to decarbonise our emissions to Net Zero by 2040; • Monitoring changes to carbon legislation	▶

Risk	Category	Description	Mitigation	Status
		compliance with best practice are also evolving rapidly. A failure to anticipate and respond appropriately and sufficiently to climate risks or opportunities could lead to an increased footprint, disruption to our operations and reputational damage. Business risks we may face as a result of climate change relate to physical risks to our assets, operations and personnel (i.e. events arising due to the frequency and severity of extreme weather events or shifts in climate patterns) and transition risks (i.e. economic, technology or regulatory changes related to the move towards a low-carbon economy). Governments in our operating markets, in addition to increasing qualitative and quantitative disclosure requirements, may take action to address climate change such as the introduction of a carbon tax or mandate Net Zero requirements which could impact our business through higher costs or reduced flexibility of operations.	and regulations in all our markets; • Investing in solutions which reduce carbon footprint and reliance on diesel such as installing hybrid and solar solutions and connecting to grid power where possible; • Additional capital expenditure in carbon reduction innovation; • Factoring emissions and climate risk into strategy and growth plans. All operating companies' budgets and forecasts include calculated emissions to evaluate trends vs. our 2030 carbon target; and • Reporting in alignment with TCFD recommendations and improving our understanding of the financial and operational impacts of climate-related risks and opportunities on our business.	

Note: Principal risks identified, may combine and amalgamate elements of individual risks included in the detailed Group risk register.

Financial Statements

Consolidated Income Statement

For the year ended 31 December

	Note	2022 US$m	2021 US$m
Revenue	3	**560.7**	449.1
Cost of sales		**(365.9)**	(295.3)
Gross profit		**194.8**	153.8
Administrative expenses		**(114.1)**	(94.3)
Loss on disposal of property, plant and equipment		**(0.4)**	(0.5)
Operating profit	5a	**80.3**	59.0
Interest receivable	8	**1.8**	0.7
Other gains and (losses)	24	**(51.4)**	(28.0)
Finance costs	9	**(193.2)**	(151.1)
Loss before tax		**(162.5)**	(119.4)
Tax expense	10	**(8.9)**	(36.8)
Loss after tax for the year		**(171.4)**	(156.2)
Loss attributable to:			
Owners of the Company		**(171.5)**	(156.2)
Non-controlling interests		**0.1**	–
Loss for the year		**(171.4)**	(156.2)
Loss per share:			
Basic loss per share (cents)	29	**(16)**	(15)
Diluted loss per share (cents)	29	**(16)**	(15)

All activities relate to continuing operations.

The accompanying Notes form an integral part of these Financial Statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December

	2022 US$m	2021 US$m
Loss after tax for the year	**(171.4)**	(156.2)
Other comprehensive (loss)/gain:		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	**(5.5)**	3.3
Total comprehensive loss for the year, net of tax	**(176.9)**	(152.9)
Total comprehensive loss attributable to:		
Owners of the Company	**(176.4)**	(152.9)
Non-controlling interests	**(0.5)**	
Total comprehensive loss for the year	**(176.9)**	(152.9)

The accompanying Notes form an integral part of these Financial Statements.

Consolidated Statement of Financial Position

As at 31 December

Assets	Note	2022 US$m	2021 US$m (Restated)
Non-current assets			
Intangible assets	11	**583.5**	231.4
Property, plant and equipment	12a	**931.4**	708.2
Right-of-use assets	12b	**200.0**	161.1
Derivative financial assets	26	**2.8**	57.7
		1,717.7	1,158.4
Current assets			
Inventories	14	**14.6**	10.5
Trade and other receivables	15	**246.8**	191.5
Prepayments	16	**45.7**	43.3
Cash and cash equivalents	17	**119.6**	528.9
		426.7	774.2
Total assets		**2,144.4**	1,932.6
Equity and liabilities			
Equity			
Share capital	18	**13.5**	13.5
Share premium	18	**105.6**	105.6
Other reserves		**(87.0)**	(87.0)
Convertible bond reserves	20	**52.7**	52.7
Share-based payments reserves	25	**23.2**	19.6
Treasury shares	18	**(1.1)**	(1.1)
Translation reserve		**(93.5)**	(88.6)
Retained earnings		**(5.1)**	153.3
Equity attributable to owners		**8.3**	168.0
Non-controlling interest		**41.0**	-
Total equity		**49.3**	168.0
Current liabilities			
Trade and other payables	19	**244.7**	247.5
Short-term lease liabilities	21	**34.1**	33.0
Loans	20	**19.9**	2.8
		298.7	283.3
Non-current liabilities			
Deferred tax liabilities		**50.1**	39.7
Long-term lease liabilities	21	**191.9**	148.9
Loans	20	**1,551.7**	1,292.7
Minority interest buyout liability		**2.7**	–
		1,796.4	1,481.3
Total liabilities		**2,095.1**	1,764.6
Total equity and liabilities		**2,144.4**	1,932.6

The accompanying Notes form an integral part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Board on 15 March 2023 and signed on its behalf by:

Tom Greenwood **Manjit Dhillon**

Consolidated Statement of Changes in Equity

For the year ended 31 December

	Note	Share capital US$m	Share premium US$m	Other reserves US$m	Treasury shares US$m	Share-based payments reserves US$m	Convertible bond reserves US$m	Translation reserve US$m	Retained earnings US$m	Attributable to the owners of the Company US$m	Non–controlling interest ('NCI') US$m	Total equity US$m
Balance at 1 January 2021		12.8	–	(87.0)	(2.3)	18.4	–	(91.9)	280.3	130.3	–	130.3
Loss for the year		–	–	–	–	–	–	–	(156.2)	(156.2)	–	(156.2)
Other comprehensive loss		–	–	–	–	–	–	3.3	–	3.3	–	3.3
Total comprehensive loss for the year		–	–	–	–	–	–	3.3	(156.2)	(152.9)	–	(152.9)
Transactions with owners:												
Issue of share capital		0.7	105.6	–	–	–	–	–	–	106.3	–	106.3
Convertible bond reserves		–	–	–	–	–	52.7	–	–	52.7	–	52.7
Share-based payments	25	–	–	–	–	2.4	–	–	–	2.4	–	2.4
Transfer of treasury shares			–	–	1.2	(1.2)	–	–	–	–	–	–
Capital contribution	10	–	–	–	–	–	–	–	29.2	29.2	–	29.2
Balance at 31 December 2021		13.5	105.6	(87.0)	(1.1)	19.6	52.7	(88.6)	153.3	168.0	–	168.0
Loss for the year		–	–	–	–	–	–	–	(171.5)	(171.5)	0.1	(171.4)
Other comprehensive loss		–	–	–	–	–	–	(4.9)	–	(4.9)	(0.6)	(5.5)
Total comprehensive loss for the year		–	–	–	–	–	–	(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	25	–	–	–	–	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**

In March 2021 the Group issued US$250 million of convertible bonds with a coupon of 2.875%, due in 2027. In June 2021 the Group tapped the bond for an aggregate principal amount of US$50 million. On initial recognition of the convertible bond and the convertible bond tap, a liability and equity reserve component were recognised being US$242.4 million and US$52.7 million respectively including transaction costs. Share-based payments reserves relate to share options awarded. See Note 25.

Translation reserve relates to the translation of the Financial Statements of overseas subsidiaries into the presentational currency of the Consolidated Financial Statements.

Included in other reserves is the merger accounting reserve which arose on Group reorganisation in 2019 and is the difference between the carrying value of the net assets acquired and the nominal value of the share capital.

The accompanying Notes form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 31 December

	Note	2022 US$m	2021 US$m
Cash flows from operating activities			
Loss for the year before tax		**(162.5)**	(119.4)
Adjustments for:			
Other gains and (losses)	24	**51.4**	28.0
Finance costs	9	**193.2**	151.1
Interest receivable	8	**(1.8)**	(0.7)
Depreciation and amortisation on property, plant and equipment	11, 12	**178.5**	159.8
Share-based payments and long-term incentive plans	25	**4.5**	2.0
Loss on disposal of property, plant and equipment		**0.4**	0.5
Operating cashflows before movements in working capital		**263.7**	221.3
Movement in working capital:			
(Increase) in inventories		**(3.3)**	(1.6)
(Increase) in trade and other receivables		**(79.0)**	(18.1)
(Increase) in prepayments		**(2.0)**	(4.6)
Increase/(decrease) in trade and other payables		**13.8**	(1.1)
Cash generated from operations		**193.2**	195.9
Interest paid		**(121.8)**	(111.7)
Tax paid	10	**(20.3)**	(48.3)
Net cash generated from operating activities		**51.1**	35.9
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(244.4)**	(168.5)
Payments to acquire intangible assets		**(3.4)**	(2.0)
Acquisition of subsidiaries (net of cash acquired)	31	**(135.6)**	(238.2)
Proceeds on disposal of property, plant and equipment		**0.1**	0.5
Interest received		**1.8**	0.6
Net cash used in investing activities		**(381.5)**	(407.6)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		**–**	109.3
Share issue costs		**–**	(3.0)
Transactions with non-controlling interests		**11.8**	–
Loan drawdowns		**280.6**	367.6
Loan issue costs		**(7.2)**	(15.8)
Repayment of loan		**(341.0)**	–
Repayment of lease liabilities		**(18.8)**	(13.3)
Capital contributions		**–**	29.2
Net cash (used in)/generated from financing activities		**(74.6)**	474.0
Net (decrease)/increase in cash and cash equivalents		**(405.0)**	102.3
Foreign exchange on translation movement		**(4.3)**	(2.1)
Cash and cash equivalents at 1 January		**528.9**	428.7
Cash and cash equivalents at 31 December		**119.6**	528.9

The accompanying Notes form an integral part of these Financial Statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

1. Statement of compliance and presentation of financial statements

Helios Towers plc (the 'Company'), together with its subsidiaries (collectively, 'Helios', or the 'Group'), is an independent tower company, with operations across nine countries. Helios Towers plc is a public limited company incorporated and domiciled in the UK, and registered under the laws of England & Wales under company number 12134855 with its registered address at 10th Floor, 5 Merchant Square West, London, W2 1AS, United Kingdom. In October 2019, the ordinary shares of Helios Towers plc were admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority and trade on the London Stock Exchange Plc's main market for listed securities.

The Company and entities controlled by the Company are disclosed in Note 13. The principal accounting policies adopted by the Group are set out in Note 2. These policies have been consistently applied to all periods presented.

2(a). Accounting policies

Basis of preparation

The Group's Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom ('IFRSs'), taking into account IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. The Financial Statements are presented in United States Dollars ('US$') and rounded to the nearest hundred thousand (US$0.1 million) except when otherwise indicated. Comparatives are updated where appropriate.

The principal accounting policies adopted are set out below.

The financial information included within this Preliminary Announcement does not constitute the Company's statutory Financial Statements for the years ended 31 December 2022 or 31 December 2021 within the meaning of s435 of the Companies Act 2006, but is derived from those Financial Statements. Statutory Financial Statements for the year ended 31 December 2021 have been delivered to the Registrar of Companies and those for the year ended 31 December 2022 will be delivered to the Registrar of Companies during April 2023. The auditor has reported on those Financial Statements; their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. While the financial information included in this Preliminary Announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs") adopted pursuant to IFRSs as issued by the United Kingdom, this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full Financial Statements that comply with IFRSs during March or April 2023. Page number references in this document refer to the Group's 2022 Annual Report.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that have present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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 debt facilities (Note 20).

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 non- reliance 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 year, 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.

New accounting policies in 2022
In the current financial year, the Group has adopted the following new and revised Standards, Amendments and Interpretations. Their adoption has not had a significant impact on the amounts reported in these Financial Statements:

- Amendments to IFRS 3: Reference to the Conceptual Framework, Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use, Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a Contract, Annual Improvements to IFRS Standards: 2018–2020 Cycle, Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41: Agriculture.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination in accordance with IFRS 3 Business Combinations ('IFRS 3') is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. The identifiable

assets, liabilities and contingent liabilities ('identifiable net assets') are recognised at their fair value at the date of acquisition. Acquisition-related costs are expensed as incurred and included in administrative expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- uncertain tax positions and deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquired (if any) over the net of the fair values of acquired assets and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss. Goodwill is capitalised as an intangible asset with any subsequent impairment in carrying value being charged to the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (a period of no more than 12 months), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. The carrying value of contingent consideration is the present value of those cash flows (when the effect of the time value of money is material).

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequently, changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments are recognised in the income statement, when contingent consideration amounts are remeasured to fair value at subsequent reporting dates.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units ('CGU') that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss is recognised directly in profit or loss. An impairment loss recognised for goodwill is not able to be reversed in subsequent periods. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition
The Group recognises revenue from the rendering of tower services provided by utilisation of the Group's tower infrastructure pursuant to written contracts with its customers. The Group applies the five-step model in IFRS 15 Revenue from Contracts with Customers. Prescriptive guidance in IFRS 15 is followed to deal with specific scenarios and details of

the impact of IFRS 15 on the Group's Consolidated Financial Statements are described below. Revenue is not recognised if uncertainties over a customer's intention and ability to pay means that collection is not probable.

On inception of the contract a 'performance obligation' is identified based on each of the distinct goods or services promised to the customer. The consideration specified in the contract with the customer is allocated to a performance obligation identified based on their relative standalone selling prices. In line with IFRS 15, the Group has one material performance obligation, which is providing a series of distinct tower space and site services. This performance obligation includes fees for the provision of tower infrastructure, power escalations and tower service contracts. This is the only material performance obligation for the Group at the balance sheet date.

Revenue from these services is recognised as the performance obligation is satisfied over time using the time elapsed output method for each customer to measure the Group's progress under the contract. Customers are usually billed in advance creating a deferred income which is then recognised as the performance obligation is met over a straight-line basis. Amounts billed in arrears are recognised as contract assets.

Revenue is measured at the fair value of the consideration received or expected to be received and represents amounts receivable for services provided in the normal course of business, less VAT and other sales-related taxes. Where refunds are issued to customers, they are deducted from revenue in the relevant service period.

The entire estimated loss for a contract is recognised immediately when there is evidence that the contract is unprofitable. If these estimates indicate that any contract will be less profitable than previously forecasted, contract assets may have to be written down to the extent they are no longer considered to be fully recoverable. We perform ongoing profitability reviews of our contracts in order to determine whether the latest estimates are appropriate. Key factors reviewed include:

- transaction volumes or other inputs affecting future revenues which can vary depending on customer requirements, plans, market position and other factors such as general economic conditions;
- the status of commercial relations with customers and the implications for future revenue and cost projections;
- our estimates of future staff and third-party costs and the degree to which cost savings and efficiencies are deliverable

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Group, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Group; typically, this is over the customer contract period as new commissions are payable on contract renewal.

Foreign currency translation
The individual Financial Statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in United States Dollars ('US$'), which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Financial assets
Financial assets within the scope of IFRS 9 are classified as financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

At the current reporting period the Group did not elect to classify any financial instruments as fair value through OCI.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

Financial liabilities
Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

(b) Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives
A derivative may be embedded in a non-derivative 'host contract' such as put and call options over loans. Such combinations are known as hybrid instruments. If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, then the relevant classification and measurement requirements are applied to the entire contract at the date of initial recognition. Should the host contract not be a financial asset within the scope of IFRS 9, the embedded derivative is separated from the host contract, if it is not closely related to the host contract, and accounted for as a standalone derivative. Where the embedded derivative is separated, the host contract is accounted for in accordance with its relevant accounting policy, unless the entire instrument is designated at FVTPL in accordance with IFRS 9.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases
The Group applies IFRS 16 Leases. The Group holds leases primarily on land, buildings and motor vehicles used in the ordinary course of business. Based on the accounting policy applied the Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The Group depreciates the right-of-use asset from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable.

The lease payments are discounted using the incremental borrowing rate at the commencement of the lease contract or modification. Generally, it is not possible to determine the interest rate implicit in the land and building leases. The incremental borrowing rate is estimated taking account of the economic environment of the lease, the currency of the lease and the lease term. The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Property, plant and equipment
Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses, if any.

Assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes material and labour and professional fees in accordance with the Group's accounting policy, and only those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are capitalised. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. Borrowing costs are not captialised as assets are generally constructed in substantially less than one year.

Freehold land is not depreciated.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Site assets – towers	Up to 15 years
Site assets – generators	8 years
Site assets – plant & machinery	3–5 years
Fixtures and fittings	3 years
IT equipment	3 years
Motor vehicles	5 years
Leasehold improvements	5–10 years

Directly attributable costs of acquiring tower assets are capitalised together with the towers acquired and depreciated over a period of up to 15 years in line with the assets estimated useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit and loss.

Intangible assets
Contract-acquired-related intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over the life of the contract.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Customer contracts	Amortised over their contractual lives
Customer relationships	Up to 30 years
Colocation rights	Amortised over their contractual lives
Right of first refusal	Amortised over their contractual lives
Non-compete agreement	Amortised over their contractual lives
Computer software and licences	2–3 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets
At each reporting date, the Directors review the carrying amounts of its goodwill, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). For the purposes of

assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units – 'CGUs'). Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the CGU to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Any impairment is allocated pro-rata across all assets in a CGU unless there is an indication that a class of asset should be impaired in the first instance or a fair market value exists for one or more assets. Once an asset has been written down to its fair value less costs of disposal then any remaining impairment is allocated equally amongst all other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years.

Reversals are allocated pro-rata across all assets in the CGU unless there is an indication that a class of asset should be reversed in the first instance or a fair market value exists for one or more assets. A reversal of an impairment loss is recognised in the income statement immediately. An impairment loss recognised for goodwill is never reversed in subsequent periods.

Related parties

For the purpose of these Financial Statements, parties are considered to be related to the Group if they have the ability, directly or indirectly to control the Group or exercise significant influence over the Group in making financial or operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Share-based payments

The Group's management awards employee share options, from time to time, on a discretionary basis which are subject to vesting conditions. The economic cost of awarding the share options to its employees is recognised as an employee benefit expense in the income statement equivalent to the fair value of the benefit awarded over the vesting period. For further details refer to Note 25.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short-term deposits are defined as deposits with an initial maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the Statement of Cash Flows.

Interest expense

Interest expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

The effective interest method is a method of calculating the amortised cost of a financial asset/financial liability and of allocating interest income/interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial assets/financial liabilities, or, where appropriate, a shorter period.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised either for taxable temporary differences arising on investments in subsidiaries or on carrying value of taxable assets, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions
Provision is made for current tax liabilities where Management assess that it is probable that the relevant taxation authority will not accept the position as filed in the tax returns. The Group typically uses a weighted average of outcomes assessed as possible to determine the level of provision required, unless a single best estimate of the outcome is considered to be more appropriate. Assessments are made at the level of an individual tax uncertainty, unless uncertainties are considered to be related, in which case they are grouped together.

Provisions, which are not discounted given the short period over which they are expected to be utilised, are included within current tax liabilities, together with any liability for penalties, which to date have not been significant. Any liability relating to interest on tax liabilities is included within finance costs.

Share capital
Ordinary shares are classified as equity.

Treasury shares
Treasury shares represents the shares of Helios Towers plc that are held by the Employee Benefit Trust ('EBT'). Treasury shares are recorded at cost and deducted from equity.

New accounting pronouncements

At 31 December 2022, the following Standards, Amendments and Interpretations were in issue but not yet effective:

- IFRS 17: Insurance contracts, IFRS 10 and IAS 28 (amendments): Sale or contribution of assets between an investor and an associate or joint venture, Amendments to IAS 1: Classification of liabilities, Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, Amendments to IAS 8: Definition of Accounting Estimates, Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, Amendments to IFRS 16: Lease Liability in a Sale and Leaseback and Amendments to IAS 1: Non-current liabilities with Covenants.

The Directors do not expect that the adoption of the above Standards, Amendments and Interpretations will have a material impact on the Financial Statements of the Group in future periods.

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors, have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Revenue recognition

Revenue is recognised as service revenue in accordance with IFRS 15: Revenue from contracts with customers. In arriving at this assessment the Directors concluded that there is not an embedded lease, given customer contracts provide for an amount of space on a tower rather than a specific location on a tower. Our contracts permit us, subject to certain conditions, to relocate customer equipment on our towers in order to accommodate other tenants. Customer consent is usually required to move equipment, however, this should not be unreasonably withheld. The Directors believe these substitution rights are substantive, given the practical ability to move equipment and the economics of doing so. In applying the requirements of IFRS 15, management makes an evaluation as to whether it is probable that the Group will collect the consideration that it is entitled to under the contract. The amount of revenue that the Group is contractually entitled to but has not recognised is disclosed in Note 22.

Contingent liabilities

The Group exercises judgement to determine whether to recognise provisions and the exposures to contingent liabilities related to pending litigations or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see Note 27). Judgement is necessary to assess the likelihood that a pending claim will succeed, or a liability will arise.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of derivative financial instruments

Derivative financial instruments are held at fair value with any changes in the year reflected in the profit and loss account. The Group's material derivatives represent the fair value of the put and call options embedded within the terms of the Group borrowings, which due to a number of unobservable inputs including credit spread, and the assessment of the probability of a change of control or major asset sale, is considered to be a Level 3 fair value. The Group engages a third-party qualified valuer to perform the valuation, and management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. Further information about the valuation techniques and inputs used in determining the fair value of the derivative financial instrument is disclosed in Note 26.

As at the reporting date, the call option had a fair value of US$2.8 million (31 December 2021: US$57.7 million on the US$600 million 9.125% Senior Notes 2022), while the put option had a fair value of US$0 million (31 December 2O21: US$0 million). A relative 5% increase in credit spread would result in a nil valuation of the embedded derivatives.

Acquisition in Oman
As set out in Note 31(b) the acquisition accounting for Oman is provisional and will be finalised in 2023. Determining fair values of intangible and tangible assets requires some estimation uncertainty. Measurement period adjustments to previous acquisitions are set out in Note 31.

Impairment testing

Following the assessment of the recoverable amount of goodwill allocated to the South Africa, Senegal, Madagascar, Malawi and Oman CGUs, to which Goodwill of US$39.4 million is allocated, the directors consider the recoverable amount of goodwill allocated to the operating companies to be most sensitive to the number of tower opportunities in the relevant markets and the expected growth rates in these markets, future discount rates and operating cost and capital expenditure requirements.

An adjustment to the discount rate of South Africa 3.6%, Madagascar 3.5% and Oman of 0.4% would have a material impact. An adjustment in cash flows of South Africa (25.1%), Madagascar (28.0%), and Oman (0.7%) would have a material impact. The adjustment required for the long-term growth rate to have a material impact is South Africa (6.0%), Madagascar (5.6%) and Oman (0.7%).

Recongition of Deferred Tax Assets

The Group has material unrecognised deferred tax assets across a number of jurisdictions (see note 10) which have not be recognised to date due to current period tax losses, insufficient certainty as to future taxable profits and in the context of ongoing assessments from local tax authorities in certain jurisdictions (see note 27). Successful resolution of such assessments from tax authorities and greater certainty over future taxable profitability may lead to partial recognition of currently unrecognised deferred tax assets with the next 12 months.

The Directors have considered whether certain other estimates included in the financial statements meet the criteria to be key sources of estimation uncertainty, as follows:

Provisions for litigation
Provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation (see Note 27) are subject to estimation uncertainty. Whilst the value of open claims across the Group is material in aggregate, based on recent experiences of closing such cases, the resulting adjustments are generally not material and provisions held by the Group have accurately quantified the final amounts determined. Therefore, the Directors consider the current provisions held by the Group to be appropriate and do not anticipate a significant risk of a material change to the amounts accrued and provided at 31 December 2022 within the next financial year.

Uncertain tax positions
Measurement of the Group's tax liability involves estimation of the tax liabilities arising from transactions in tax jurisdictions for which the ultimate tax determination is uncertain. Where there are uncertain tax positions, the Directors assess whether it is probable that the position adopted in tax filings will be accepted by the relevant tax authority, with the results of this assessment determining the accounting that follows. The Group uses tax experts in all jurisdiction when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate. The Group's tax provision for these matters is recognised within current tax liabilities. The provision reflects a number of estimates where the amount of tax payable is either currently under audit by the tax authorities or relates to a period which has yet to be audited. These areas include the tax effects of change of control events, which are calculated based on valuations of the company's operations in the relevant jurisdictions, and interpretation of taxation law relating to statutory tax filings by the Group.

The nature of the items, for which a provision is held, is such that the final outcome could vary from the amounts recognised once a final tax determination is made. To the extent the estimated final outcome differs from the tax that has been provided, adjustments will be made to income tax and deferred tax balances held in the period the determination is made. Whilst the value of open tax audit cases for payroll, VAT and corporate income taxes across the group is material in aggregate, based on recent experiences of closing tax audit cases, the resulting adjustments are generally not material and tax accruals and provisions held by the Group have accurately quantified the final amounts determined. Therefore, the Directors consider the current provisions held by the Group to be appropriate and do not anticipate a significant risk of a material change to the amounts accrued and provided at 31 December 2022 within the next financial year.

Climate-related matters on the financial statements
The Directors have considered the effects climate-related matters may have on the financial statements. In particular, consideration has been given to the potential impact climate matters may have on the carrying amount of the Group's property plant and equipment and inventories, the impact climate change considerations and initiatives have when assessing forecasts as part of our going concern assessment and impairment reviews, potential financial impact that future regulatory requirements may have on financial instruments the Group may use or the way it assesses the recognition of assets and liabilities.

While no adjustments have been made to the carrying amount of assets and liabilities in the current year, the Group's forecasts reflect the Group's planned spend in respect of carbon- intensity reduction targets. The Directors will continue to assess the impact climate-related matters may have on the financial position and performance of the Group and reflect those in future financial statements.

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 the CODMs is Adjusted EBITDA, which is defined in Note 4.

	Tanzania	DRC	Congo Brazzaville	Ghana	South Africa	Senegal
For the year to 31 December 2022	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	**201.4**	**205.9**	**28.2**	**36.6**	**9.5**	**36.8**
Adjusted gross margin[1]	**70%**	**57%**	**66%**	**66%**	**74%**	**72%**
Adjusted EBITDA[2]	**133.7**	**104.4**	**13.8**	**20.7**	**4.5**	**22.0**
Adjusted EBITDA margin[3]	**66%**	**51%**	**49%**	**57%**	**48%**	**60%**
Financing costs						
Interest costs	**(40.1)**	**(52.3)**	**(6.8)**	**(8.3)**	**(4.7)**	**(18.3)**
Foreign exchange differences	**(2.2)**	**0.3**	**(5.7)**	**(26.2)**	**(1.5)**	**(7.7)**
Total finance costs	**(42.3)**	**(52.0)**	**(12.5)**	**(34.5)**	**(6.2)**	**(26.0)**
Other segmental information						
Non-current assets	**312.9**	**343.6**	**42.1**	**46.5**	**59.5**	**247.2**
Property, plant and equipment additions	**53.8**	**76.7**	**14.2**	**11.3**	**13.5**	**14.2**
Property, plant and equipment depreciation and amortisation	**52.9**	**53.3**	**8.5**	**5.5**	**3.1**	**19.7**

	Madagascar	Malawi	Oman	Total operating companies	Corporate	Group total
For the year to 31 December 2022	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	**15.1**	**23.6**	**3.6**	**560.7**	**–**	**560.7**
Adjusted gross margin[1]	**49%**	**40%**	**73%**	**63%**	**–**	**63%**
Adjusted EBITDA[2]	**5.7**	**7.2**	**2.3**	**314.3**	**(31.5)**	**282.8**
Adjusted EBITDA margin[3]	**38%**	**30%**	**64%**	**56%**	**-**	**50%**
Financing costs						

Interest costs	**(5.7)**	**(2.9)**	**(5.2)**	**(144.3)**	**3.3**	**(141.0)**
Foreign exchange differences	**(0.9)**	**(6.6)**	**(0.1)**	**(50.6)**	**(1.6)**	**(52.2)**
Total finance costs	**(6.6)**	**(9.5)**	**(5.3)**	**(194.9)**	**1.7**	**(193.2)**
Other segmental information						
Non-current assets	**67.4**	**69.7**	**524.6**	**1,713.5**	**4.2**	**1,717.7**
Property, plant and equipment additions	**1.5**	**52.3**	**149.3**	**387.0**	**2.4**	**389.4**
Property, plant and equipment depreciation and amortisation	**4.2**	**1.9**	**1.7**	**150.8**	**6.4**	**157.2**

1 Adjusted gross margin means gross profit, adding back site and warehouse depreciation, divided by revenue.
2 Adjusted EBITDA is 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.
3 Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

	Tanzania	DRC	Congo Brazzaville	Ghana	South Africa	Senegal
For the year to 31 December 2021	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	170.4	176.4	27.7	42.8	6.0	23.4
Adjusted gross margin[1]	69%	64%	65%	69%	75%	64%
Adjusted EBITDA[2]	113.2	101.0	13.1	25.8	2.6	12.7
Adjusted EBITDA margin[3]	66%	57%	47%	60%	44%	54%
Financing costs						
Interest costs	(35.6)	(50.2)	(10.8)	(8.8)	(5.5)	(12.2)
Foreign exchange differences	(0.5)	0.3	(7.1)	(2.5)	(0.1)	(0.8)
Total finance costs	(36.1)	(49.9)	(17.9)	(11.3)	(5.6)	(13.0)
Other segmental information						
Non-current assets	302.1	306.6	36.1	55.4	52.3	262.9
Property, plant and equipment additions	60.0	56.7	10.9	14.5	9.3	100.1
Property, plant and equipment depreciation and amortisation	48.9	53.2	10.8	7.7	3.2	14.7

	Madagascar	Malawi	Oman	Total operating companies	Corporate	Group total
For the year to 31 December 2021	US$m	US$m	US$m	US$m	US$m	US$m
Revenue	2.4	–	–	449.1	–	449.1
Adjusted gross margin[1]	50%	–	–	67%	–	67%
Adjusted EBITDA[2]	0.9	–	–	269.3	(28.7)	240.6
Adjusted EBITDA margin[3]	37%	–	–	60%	–	54%
Financing costs						
Interest costs	(0.1)	–	–	(123.2)	(6.3)	(129.5)
Foreign exchange differences	–	–	–	(10.7)	(10.9)	(21.6)
Total finance costs	(0.1)	–	–	(133.9)	(17.2)	(151.1)
Other segmental information						
Non-current assets	67.3	–	–	1,082.7	75.7	1,158.4
Property, plant and equipment additions	27.9	–	–	279.4	3.2	282.6
Property, plant and equipment depreciation and amortisation	0.5	–	–	139.0	5.5	144.5

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 used as an Alternative Performance Measure for the Group as a whole.

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.

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 are not indicative of its underlying trading performance.
Adjusted EBITDA is reconciled to loss before tax as follows:

	2022 US$m	2021 US$m
Adjusted EBITDA	**282.8**	240.6
Adjustments applied to give Adjusted EBITDA		
Adjusting items:		
Deal costs[1]	**(19.1)**	(19.3)
Share-based payments and long-term incentive plan charges[2]	**(4.5)**	(2.0)
Loss on disposal of property, plant and equipment	**(0.4)**	(0.5)
Other gains and (losses)	**(51.4)**	(28.0)
Depreciation of property, plant and equipment	**(144.6)**	(142.2)
Amortisation of intangible assets	**(12.6)**	(2.3)
Depreciation of right-of-use assets	**(21.3)**	(15.3)
Interest receivable	**1.8**	0.7
Finance costs	**(193.2)**	(151.1)
Loss before tax	**(162.5)**	(119.4)

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.

5a. Operating profit

Operating profit is stated after charging the following:

	2022 US$m	2021 US$m
Cost of inventory expensed	**89.0**	49.0
Auditor remuneration (see Note 5b)	**2.7**	2.8
Loss on disposal of property, plant and equipment	**0.4**	0.5
Depreciation and amortisation	**178.5**	159.8
Staff costs (Note 6)	**35.0**	31.7

5b. Audit remuneration

	2022 US$m	2021 US$m
Statutory audit of the Company's annual accounts	**0.6**	0.4
Statutory audit of the Group's subsidiaries	**1.8**	1.7
Audit fees:	**2.4**	2.1
Interim review engagements	**0.1**	0.3
Other assurance services	**0.2**	0.4
Audit related assurance services	**0.3**	0.7
Total non-audit fees	**0.3**	0.7
Total fees	**2.7**	2.8

6. Staff costs

Staff costs consist of the following components:

	2022 US$m	2021 US$m
Wages and salaries	**32.0**	29.0
Social security costs – employer contributions	**2.4**	1.9
Pension costs	**0.6**	0.8
	35.0	31.7

An immaterial allocation of directly attributable staff costs is subsequently capitalised into the cost of capital work in progress.

The average monthly number of employees during the year was made up as follows:

	2022	2021
Operations	**287**	239
Legal and regulatory	**61**	47
Administration	**59**	51
Finance	**108**	91
Sales and marketing	**33**	33
	548	461

7. Key management personnel compensation

	2022 US$m	2021 US$m
Salary, fees and bonus	**3.8**	4.6
Pension and benefits	**0.2**	0.3
Share based payment charge	**1.6**	0.6
	5.6	5.5

The above remuneration information relates to Directors in Helios Towers plc. Further details can be found in the Directors' Remuneration Report of the Annual Report.

8. Interest receivable

	2022 US$m	2021 US$m
Bank interest receivable	**1.8**	0.7

9. Finance costs

	2022 US$m	2021 US$m
Foreign exchange differences	**52.2**	21.6
Interest costs	**115.5**	110.2
Interest costs on lease liabilities	**25.5**	19.3
	193.2	151.1

The year-on-year increase in foreign exchange differences is driven primarily by the fluctuations year-on-year of the Central African Franc, Ghanaian Cedi and Malawian Kwacha.

10. Tax expense, tax paid and deferred tax

	2022 US$m	2021 US$m
(a) Tax expense:		
Current tax		
In respect of current year	**19.1**	29.5
Adjustment in respect of prior years	**(1.2)**	11.7
Total current tax	**17.9**	41.2
Deferred tax		
Originating temporary differences on acquisition of subsidiary undertakings	**(1.8)**	(0.2)
Originating temporary differences on capital assets	**(5.9)**	(4.2)
Adjustment in respect of prior years	**(1.3)**	–
Total deferred tax	**(9.0)**	(4.4)
Total tax expense	**8.9**	36.8
(b) Tax reconciliation:		
Loss before tax	**(162.5)**	(119.4)
Tax computed at the local statutory tax rate	**(26.3)**	(20.9)
Tax effect of expenditure not deductible for tax purposes	**28.7**	39.4
Tax effect of income not taxable in determining taxable profit	**–**	(7.2)
Fixed asset timing differences	**0.4**	0.9
Deferred income tax movement not recognised	**7.6**	(1.4)
Prior year (under)/over provision	**(2.5)**	11.7
Change of control taxes	**–**	12.0
Minimum income taxes	**0.3**	0.3
Other	**0.7**	2.0
Total tax expense	**8.9**	36.8

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

As stipulated by local applicable law, minimum income and asset based taxes apply to operating entities in Congo Brazzaville and Senegal respectively which reported tax losses for the year ended 31 December 2022. Minimum income tax rules do not apply to the loss-making entities in Malawi, Oman or South Africa.

A tax charge is reported in the consolidated financial statements despite a consolidated loss for accounting purposes, as a result of losses recorded in certain holding companies in Mauritius and UK. Such losses are not able to be group relieved against taxable profits in the operating company jurisdictions.

The profits of the Mauritius entities are subject to taxation at the headline rate of 15%, with eligibility for a statutory 80% exemption, subject to ongoing satisfaction of the Global Business License conditions.

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.

Tax Paid	2022 US$m	2021 US$m
Income tax	**(20.3)**	(19.2)
Change of Control Taxes funded by escrow restricted cash	**–**	(29.1)
Total tax paid	**(20.3)**	(48.3)

Deferred tax
As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, the deferred tax balance at the balance sheet date has been calculated at the rate at which the relevant balance is expected to be recovered or settled. Management has performed an assessment, for all material deferred income tax assets and liabilities, to determine the period over which the deferred income tax assets and liabilities are forecast to be realised. The deferred tax balances are calculated by applying the relevant statutory corporate income tax rates at the balance sheet date.

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation US$m	Short term timing differences US$m	Tax losses US$m	Intangible assets US$m	Total US$m
1 January 2021	(1.0)	(3.4)	–	–	(4.4)
Arising on acquisition	–	–	–	(38.7)	(38.7)
Charge for the year	(1.7)	4.7	1.2	0.2	4.4
Exchange rate differences	–	–	–	2.4	2.4
31 December 2021	(2.7)	1.3	1.2	(36.1)	(36.3)
Arising on acquisition	(1.2)	–	–	(8.5)	(9.7)
Charge for the year	0.4	8.0	(1.2)	1.8	9.0
Exchange rate differences	–	–	–	5.6	5.6
31 December 2022	(3.5)	9.3	–	(37.2)	(31.4)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 US$m	2021 US$m
Deferred tax liabilities	**(50.1)**	(42.6)
Deferred tax assets	**18.7**	6.3
Total	**(31.4)**	(36.3)

Unrecognised deferred tax

No deferred tax asset is recognised on US$206.8 million of tax losses at the balance sheet date, as the relevant businesses are not expected to generate sufficient forecast future taxable profits to justify recognising the associated deferred tax assets. Tax losses for which no deferred tax assets were recognised are as follows: US$82.0 million are subject to expiry under local statutory tax rules within periods of 3 to 5 years and US$124.8m are not expected to expire. As at the balance sheet date, the geographical split of the unrecognised deferred tax assets in relation to losses is DRC US$101.2 million (tax effect US$30.4 million), Congo Brazzaville US$11.7 million (tax effect US$3.3 million), Malawi US$3.0 million (tax effect US$0.9 million), Mauritius US$59.4 million (tax effect US$8.9 million), Oman US$8.0 million (tax effect US$1.2 million), South Africa US$15.2 million (tax effect US$4.3 million) and UK US$8.3 million (tax effect US$1.6 million).

At the balance sheet date, no deferred tax liability is recognised on temporary differences relating to the aggregate amount of unremitted earnings of overseas operating subsidiaries of US$0.2 million as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

The recovery of the Group's deferred tax assets is not expected to be impacted by any climate related risks.

11. Intangible assets

	Goodwill US$m	Customer contracts US$m	Customer relationships US$m	Colocation rights US$m	Right of first refusal US$m	Non-compete agreement US$m	Computer software and licence US$m	Total US$m
At 1 January 2021	4.9	3.3	6.8	8.8	35.0	1.1	19.7	79.6
Additions during the year	–	–	–	–	–	–	2.0	2.0
Additions on acquisition of subsidiary undertakings (Restated)[1]	17.7	–	205.6	–	–	–	–	223.3
Disposals	–	–	–	–	(35.0)	–	–	(35.0)
Effects of foreign currency exchange differences	(0.7)	(0.3)	(12.6)	–	–	–	(0.4)	(14.0)
At 31 December 2021 (Restated)[1]	21.9	3.0	199.8	8.8	–	1.1	21.3	255.9
Additions during the year	**–**	**–**	**–**	**–**	**–**	**–**	**5.6**	**5.6**
Additions on acquisition of subsidiary undertakings (Note 31)	**33.8**	**–**	**343.5**	**–**	**–**	**–**	**–**	**377.3**
Transfers	**–**	**–**	**–**	**–**	**–**	**–**	**19.2**	**19.2**
Effects of foreign currency exchange differences	**(4.6)**	**(0.1)**	**(17.7)**	**–**	**–**	**(0.2)**	**(1.5)**	**(24.1)**
At 31 December 2022	**51.1**	**2.9**	**525.6**	**8.8**	**-**	**0.9**	**44.6**	**633.9**
Amortisation								
At 1 January 2021	–	(0.4)	(0.8)	(0.9)	(35.0)	(0.3)	(19.0)	(56.4)
Charge for year	–	(0.2)	(0.8)	(0.5)	–	(0.2)	(0.6)	(2.3)
Disposals	–	–	–	–	35.0	–	–	35.0
Effects of foreign currency exchange differences	–	–	(0.9)	(0.2)	–	–	0.3	(0.8)
At 31 December 2021	–	(0.6)	(2.5)	(1.6)	–	(0.5)	(19.3)	(24.5)
Charge for year	–	**(0.1)**	**(6.8)**	**(0.6)**	**–**	**(0.3)**	**(4.8)**	**(12.6)**
Transfer	**–**	**–**	**–**	**–**	**–**	**–**	**(12.5)**	**(12.5)**
Effects of foreign currency exchange differences	**–**	**–**	**(2.0)**	**–**	**–**	**–**	**1.2**	**(0.8)**
At 31 December 2022	**–**	**(0.7)**	**(11.3)**	**(2.2)**	**–**	**(0.8)**	**(35.4)**	**(50.4)**
Net book value								
At 31 December 2022	**51.1**	**2.2**	**514.3**	**6.6**	**–**	**0.1**	**9.2**	**583.5**
At 31 December 2021 (Restated)[1]	21.9	2.4	197.3	7.2	–	0.6	2.0	231.4

[1] Restatement on finalisation of acquisition accounting; see note 31, page 190

On 24 March 2022, the Group completed the acquisition of Malawi Towers Ltd of the previously announced transaction with Airtel Africa. The group has acquired 100% of the share capital of Malawi Towers Limited which includes the passive infrastructure on 723 sites, colocation contracts and certain supplier contracts. The Group has treated this as a business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations ('IFRS 3') using the acquisition method. On 24 March 2022 in tandem with but immediately subsequent to the acquisition, the minority shareholder contributed US$5.3m for a 20% stake in the business. Goodwill arising on this business combination has been allocated to the Malawi CGU. Please refer to further details in Note 31.

On 8 December 2022, the Group completed the acquisition of Oman Tech Infrastructure SAOC of the previously announced transaction with Omantel. The group has acquired 70% of the share capital of the entity which includes the passive infrastructure on 2,519 sites, colocation contracts and certain supplier contracts. The Group has treated this as a business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations ('IFRS 3') using the acquisition method. Goodwill arising on this business combination has been allocated to the Oman CGU. Please refer to further details in Note 31.

Impairment

The Group tests goodwill, irrespective of any indicators, at least annually for impairment. All other intangible assets are tested for impairment where there is an impairment indicator. The Group's CGUs are aligned to its operating segments. If any such indication exists, then the CGUs recoverable amount is estimated. For goodwill, the recoverable amount of the related CGU is also estimated each year.

The carrying value of goodwill at 31 December was as follows:

Goodwill	**2022 US$m**	2021 US$m (Restated)
2019 South Africa	**4.2**	4.5
2021 Senegal	**5.0**	5.3
2021 Madagascar	**10.3**	12.1
2022 Malawi	**8.1**	–
2022 Oman	**23.5**	–
Total	**51.1**	21.9

The recoverable amount is determined based on a value in use calculation using cash flow projections for the next five years from financial budgets approved by the Board of Directors, which incorporates climate considerations (with the exception of Oman which has been calculated over 10 years, due to the anticipated growth profile of the business which has been based on contractual commitments in the SPA with Omantel).

Key assumptions used in value in use calculations

- number of additional colocation tenants added to towers in future periods. These are based on estimates of the number of tower opportunities in the relevant markets and the expected growth in these markets;
- discount rate; and
- operating cost and capital expenditure requirements.

The key assumptions used to assess the value in use calculations were a pre-tax discount rate (South Africa, 11.9%, Senegal 11.2%, Madagascar 15.1%, Malawi 12.7% and Oman 11.4%) and also estimated long-term growth rates assumed to be 2.0% across all markets.

Due to the CGUs only recently being acquired, there is limited headroom in the impairment model for South Africa, Madagascar and Oman, which is to be expected. All businesses are performing in line with management expectations, but a reasonable change in key assumptions would result in an impairment. The adjustment required to the discount rate to breakeven is an increase of South Africa 1.5%, Madagascar 1.7%, and Oman 0.2%. The adjustment required to the future cash flows to breakeven is a decrease of South Africa 12.0%, Madagascar 15.9% and Oman 2.3%. The adjustment required to the long-term growth rate to breakeven is a decrease of South Africa 2.2%, Madagascar 2.6% and Oman 0.4%. Amortisation of intangibles are included within Administrative expenses in the Consolidated Income Statement.

12a. Property, plant and equipment

	IT equipment US$m	Fixtures and fittings US$m	Motor vehicles US$m	Site assets US$m	Land US$m	Leasehold improvements US$m	Total US$m
Cost							
At 1 January 2021	22.8	1.5	4.6	1,268.8	6.8	3.2	1,307.7
Additions	4.9	0.3	0.4	165.0	–	0.3	170.9
Additions on acquisition of subsidiary undertakings (Note 31) (restated)[1]	–	–	–	101.2	–	–	101.2
Disposals	–	–	–	(13.7)	–	–	(13.7)
Effects of foreign currency exchange differences	(0.2)	(0.2)	(0.3)	(23.7)	(0.2)	–	(24.6)
At 31 December 2021 (restated)[1]	27.5	1.6	4.7	1,497.6	6.6	3.5	1,541.5
Additions	**0.1**	**–**	**0.1**	**203.9**	**–**	**0.1**	**204.2**
Additions on acquisition of subsidiary undertakings	**–**	**–**	**–**	**148.9**	**36.3**	**–**	**185.2**
Transfers	**(19.2)**	**–**	**–**	**–**	**–**	**–**	**(19.2)**
Disposals	**–**	**–**	**–**	**(1.6)**	**–**	**–**	**(1.6)**
Effects of foreign currency exchange differences	**(0.5)**	**0.1**	**(0.5)**	**(43.5)**	**(0.1)**	**(0.2)**	**(44.7)**
At 31 December 2022	**7.9**	**1.7**	**4.3**	**1,805.3**	**42.8**	**3.4**	**1,865.4**
Depreciation							
At 1 January 2021	(15.4)	(1.4)	(3.3)	(689.9)	(0.1)	(2.9)	(713.0)
Charge for the year	(4.9)	–	(0.6)	(136.4)	–	(0.3)	(142.2)
Disposals	–	–	–	11.6	–	–	11.6
Effects of foreign currency exchange differences	0.2	–	0.4	9.7	–	–	10.3
At 31 December 2021	(20.1)	(1.4)	(3.5)	(805.0)	(0.1)	(3.2)	(833.3)
Charge for the year	**(0.5)**	**(0.1)**	**(0.4)**	**(143.2)**	**(0.2)**	**(0.2)**	**(144.6)**
Transfers	**12.6**	**–**	**–**	**–**	**–**	**–**	**12.6**
Disposals	**–**	**–**	**–**	**8.2**	**–**	**–**	**8.2**
Effects of foreign currency exchange differences	**0.4**	**0.1**	**0.3**	**22.0**	**–**	**0.3**	**23.1**
At 31 December 2022	**(7.6)**	**(1.4)**	**(3.6)**	**(918.0)**	**(0.3)**	**(3.1)**	**(934.0)**
Net book value							
At 31 December 2022	**0.3**	**0.3**	**0.7**	**887.3**	**42.5**	**0.3**	**931.4**
At 31 December 2021	7.4	0.2	1.2	692.6	6.5	0.3	708.2

1 Restatement on finalisation of acquisition accounting; see note 31, page 190.

At 31 December 2022, the Group had US$129.6 million (2021: US$96.5 million) of expenditure recognised in the carrying amount of items of site assets that were in the course of construction. On completion of the construction, they will remain within the site assets balance, and depreciation will commence when the assets are available for use.

12b. Right-of-use assets

	Land US$m	Buildings US$m	Motor Vehicles US$m	Total US$m
Cost				
At 1 January 2022	**224.7**	**12.1**	**0.3**	**237.1**
Additions	**60.0**	**4.9**	**0.2**	**65.1**
Disposals	**(13.8)**	**(2.1)**	**–**	**(15.9)**
Effects of foreign currency exchange differences	**(8.6)**	**(0.9)**	**–**	**(9.5)**
At 31 December 2022	**262.3**	**14.0**	**0.5**	**276.8**
Depreciation				
At 1 January 2022	**(68.8)**	**(7.1)**	**(0.1)**	**(76.0)**
Charge for the year	**(17.6)**	**(3.2)**	**(0.5)**	**(21.3)**
Disposals	**13.8**	**2.1**	**–**	**15.9**
Effects of foreign currency exchange differences	**3.9**	**0.4**	**0.3**	**4.6**
At 31 December 2022	**(68.7)**	**(7.8)**	**(0.3)**	**(76.8)**
Net book value				
At 31 December 2022	**193.6**	**6.2**	**0.2**	**200.0**
At 31 December 2021	**155.9**	**5.0**	**0.2**	**161.1**

As part of the acquisitions in Malawi and Oman, the Group acquired right-of-use assets of US$2.8 million and US$19.4 million respectively (see Note 31). The Group also entered into various leases during the year in the normal course of business. Refer to Note 21 for details of lease liabilities.

13. Investments

The subsidiary companies of Helios Towers plc are as follows:

Name of subsidiary	Country of incorporation	Effective shareholding 2022 Direct	Effective shareholding 2022 Indirect	Effective shareholding 2021 Direct	Effective shareholding 2021 Indirect
Helios Towers Chad Holdco Limited	Mauritius	**–**	**100%**	–	100%
Helios Towers Africa LLP	United Kingdom	**–**	**100%**	–	100%
Helios Towers Bidco Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Chad Holdings Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Congo Brazzaville SASU	Republic of Congo	**–**	**100%**	–	100%
Helios Towers DRC S.A.R.L.	Democratic Republic of Congo	**–**	**100%**	–	100%
Helios Towers FZ-LLC	United Arab Emirates	**–**	**100%**	–	100%
Helios Towers Gabon Holdings Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Ghana Limited	Ghana	**–**	**100%**	–	100%
Helios Towers, Ltd	Mauritius	**100%**	**–**	100%	–
Helios Towers Madagascar Holdings Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Malawi Holdings Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Partners (UK) Limited	United Kingdom	**–**	**100%**	–	100%
Helios Towers Senegal SAU	Senegal	**–**	**100%**	–	100%
Helios Towers South Africa Holdings (Pty) Ltd	South Africa	**–**	**100%**	–	100%
Helios Towers South Africa (Pty) Ltd	South Africa	**–**	**66%**	–	100%
Helios Towers South Africa Services (Pty) Ltd	South Africa	**–**	**100%**	–	100%
Helios Towers (SFZ) SPC	Oman	**–**	**100%**	–	100%
Helios Towers Tanzania Limited	Tanzania	**–**	**100%**	–	100%
Helios Towers UK Holdings Limited	United Kingdom	**100%**	**–**	100%	–
HS Holdings Limited	Tanzania	**–**	**1%**	–	1%
HT Congo Brazzaville Holdco Limited	Mauritius	**–**	**100%**	–	100%
HT DRC Infraco S.A.R.L.	Democratic Republic of Congo	**–**	**100%**	–	100%
HT Holdings Tanzania Ltd	Mauritius	**–**	**100%**	–	100%
HTA Group, Ltd	Mauritius	**–**	**100%**	–	100%
HTA Holdings Ltd	Mauritius	**–**	**100%**	–	100%
HTA (UK) Partner Ltd	United Kingdom	**–**	**100%**	–	100%
HTG Managed Services Limited	Ghana	**–**	**100%**	–	100%
HTSA Towers (Pty) Ltd	South Africa	**–**	**100%**	–	100%
HTT Infraco Limited	Tanzania	**–**	**100%**	–	100%
Madagascar Towers SA	Madagascar	**–**	**100%**	–	100%
McRory Investment B.V.	The Netherlands	**–**	**100%**	–	100%
McTam International 1 B.V.	The Netherlands	**–**	**100%**	–	100%
Towers NL Coöperatief U.A.	The Netherlands	**–**	**100%**	–	100%
HT Services Limited	Malawi	**–**	**100%**	–	100%
Helios Towers Group Services (Pty) Ltd	South Africa	**–**	**100%**	–	100%
Malawi Towers Limited*	Malawi	**–**	**80%**	–	-
Helios Towers Gabon S.A.*	Gabon	**–**	**100%**	–	-
Oman Tech Infrastructure SAOC*	Oman	**–**	**70%**	–	-

All subsidiaries were incorporated in prior years, other than those marked *, which were incorporated into the Group structure in 2022. Helios Towers plc or its subsidiaries have subscribed to the majority of the shares as shown above. The consideration paid for these shares on incorporation was minimal. The registered office address of all subsidiaries is included in the list of subsidiaries on page 195 of the Annual report.

Helios Towers Ghana Limited, Helios Towers South Africa Holdings (Pty) Ltd, HTA Holdings Ltd, Helios Towers DRC S.A.R.L., Helios Towers Tanzania Limited, HT Congo Brazzaville Holdco Limited, Helios Towers Chad Holdco Limited, Towers NL Coöperatief U.A., McRory Investment B.V., McTam International 1 B.V., HT Holdings Tanzania Ltd, Helios Towers UK Holdings Limited, HTA (UK) Partner Ltd, Helios Towers Bidco Limited, Helios Towers Limited and HTA (UK) Partner Limited are intermediate holding companies.

The principal activities of HTG Managed Services Limited, HT DRC Infraco S.A.R.L., HTT Infraco Limited, and Helios Towers Congo Brazzaville SASU, Helios Towers Senegal SAU, Madagascar Towers SA, Malawi Towers Limited, Oman Tech Infrastructure SAOC and the remaining South African entities are the building and maintenance of telecommunications towers to provide space on those towers to wireless telecommunication service providers in Africa and the Middle East.

All investments relate to ordinary shares.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Principal place of business and incorporation	Proportion of ownership interests and voting rights held by NCI		Profit (loss) allocated to NCI for the year		NCI	
		2022	2021	**2022**	2021	**2022**	2021
Oman Tech Infrastructure SAOC	Oman	30%	-	-1.8	-	47.9	-

14. Inventories

	2022 US$m	2021 US$m
Inventories	**14.6**	10.5

Inventories are primarily made up of fuel stocks of US$10.5 million (2021: US$7.5 million) and raw materials of US$4.1 million (2021: US$3.0 million). The impact of inventories recognised as an expense during the year in respect of continuing operations was US$89.0 million (2021: US$49.0 million).

15. Trade and other receivables

	2022 US$m	2021 US$m (Restated)[1]
Trade receivables	**80.5**	83.1
Loss allowance	**(5.8)**	(6.0)
	74.7	77.1
Contract Assets	**91.6**	47.2
Deferred Tax Assets	**18.7**	6.3
Sundry Receivables	**38.6**	47.9
VAT and withholding tax receivable	**23.2**	13.0
	246.8	191.5

Loss allowance	**2022 US$m**	2021 US$m
Balance brought forward	**(6.0)**	(5.8)
Amounts written off/derecognised	**–**	–
Net remeasurement of loss allowance	**–**	(0.2)
Unused amounts reversed	**0.2**	–
	(5.8)	(6.0)

1 Restatement on finalisation of acquisition accounting; see note 31, page 190.

The Group measures the loss allowance for trade receivables, trade receivables from related parties and other receivables at an amount equal to lifetime expected credit losses ('ECL'). The ECL 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. Additional detail on provision for impairment can be found in Note 26.

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. US$56.2 million of new contract assets were recognised in the year and US$11.9 million of contract assets at 31 December 2021 were recovered from customers. Of the trade receivables balance at 31 December 2022, 90% is due from large multinational MNOs. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Debtor days

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

	2022 US$m	2021 US$m
Trade receivables[1]	**80.5**	83.1
Accrued revenue[2]	**22.9**	7.4
Less: Loss allowance	**(5.8)**	(6.0)
Less: Deferred income[3]	**(9.8)**	(27.4)
Net receivables	**87.8**	57.1
Revenue	**560.7**	449.1
Debtor days	**57**	46

1 Trade receivables, including related parties.
2 Reported within other receivables.
3 Deferred income, as per Note 19, has been adjusted for US$0 million (2021: US$18.4 million) in respect of amounts settled by customers at the balance sheet date.

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 31 December 2022, US$16.6 million (2021: US$11.0 million) 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.

16. Prepayments

	2022 US$m	2021 US$m
Prepayments	**45.7**	43.3

Prepayments primarily comprise advance payments to suppliers.

17. Cash and cash equivalents

	2022 US$m	2021 US$m
Bank balances	**119.6**	528.9
Short-term deposits	**–**	–
	119.6	528.9

Cash and cash equivalents comprise cash at bank and in hand. Short-term deposits are defined as deposits with an initial maturity of three months or less.

18. Share capital and share premium

	2022		2021	
	Number of shares (million)	**US$m**	Number of shares (million)	US$m
Authorised, issued and fully paid ordinary shares of £0.01 each	**1,051**	**13.5**	1,048	13.5
	1,051	**13.5**	1,048	13.5

The share capital of the Group is represented by the share capital of the Company, Helios Towers plc.

On 16 June 2021, the Company issued 48 million new ordinary shares in the capital of the Company. This raised gross proceeds of US$109.3 million, and created share premium of US$105.6 million.

On 3 November 2022, the Company issued 2.5 million new ordinary shares in the Capital of the Company to the EBT to satisfy the vesting of share-based awards. The shares were issued at nominal value with no share premium created.

The treasury shares represent the cost of shares in Helios Towers plc purchased in the market and held by the Helios Towers plc EBT to satisfy options under the Group Share options plan. Treasury shares held by the Group as at 31 December 2022 are 2,827,852 (31 December 2021: 1,076,697).

19. Trade and other payables

	2022 US$m	2021 US$m
Trade payables	**32.0**	13.5
Deferred income	**9.8**	45.8
Deferred consideration	**52.2**	63.5
Accruals	**132.2**	103.2
VAT, withholding tax, and other taxes payable	**18.5**	21.5
	244.7	247.5

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2021: 25 days). Payable days are calculated as trade payables and payables to related parties, divided by cost of sales plus administration expenses less staff costs and depreciation and amortisation. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Amounts payable to related parties are unsecured, interest free and repayable on demand.

Deferred income primarily relates to site equipment revenue which is billed in advance.

The Group recognised revenue of US$45.8 million (2021: US$45.2 million) from contract liabilities held on the balance sheet at the start of the financial year. Contract liabilities are presented as deferred income in the table above.

Deferred consideration relates to consideration that is payable in the future for the purchase of certain tower assets which the Group is committed to when certain conditions are met, to enable the transfer of ownership to Helios Towers.

Accruals consist of general operational accruals, accrued capital items, and goods received but not yet invoiced.

Trade and other payables are classified as financial liabilities and measured at amortised cost. These are initially recognised at fair value and subsequently at amortised cost. These are expected to be settled within a year.

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

20. Loans

	2022 US$m	2021 US$m
Loans and bonds	**1,564.3**	1,295.5
Bank overdraft	**7.3**	-
Total loans and bonds	**1,571.6**	1,295.5
Current	**19.9**	2.8
Non-current	**1,551.7**	1,292.7
	1,571.6	1,295.5

In December 2022, Oman Tech Infrastructure SAOC entered into banking facilities representing a combined US$260 million in Oman for the purposes of repaying loan balances due to its former owner, funding growth and upgrade capex and for general working capital purposes. The facilities include both OMR and USD denominated financing with tenors from 1 year (renewable) to 13 years. This includes a revolving credit facility of US$20 million. As at 31 December 2022, US$2.9 million of this was utilised. At 31 December 2022, US$200 million of the available term loans were drawn.

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

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

In May 2021, Helios Towers Senegal entered into facilities representing a combined €120 million in Senegal for the purposes of partially funding the Senegal towers acquisition, funding the 400 committed BTS as part of the transaction and for general working capital purposes. The facilities include both EUR and XOF denominated financing with tenors ranging from 2 years to 9 years.

On 18 June 2020 HTA Group, Ltd., a wholly owned subsidiary of Helios Towers plc, issued US$750 million of 7.000% Senior Notes due 2025, guaranteed on a senior basis by Helios Towers plc and certain of its direct and indirect subsidiaries.

On 9 September 2020 HTA Group, Ltd issued a further US$225 million aggregate principal amount of its 7.000% Senior Notes due 2025.

HTA Group, Ltd also entered into a five-year US$200 million term facility with borrowing availability in US Dollars for the general corporate purposes (including acquisitions) of the Company and certain of its subsidiaries. As at 31 December 2022 US$25 million of the available term loan balance was drawn.

In 2020, HTA Group, Ltd entered into a revolving credit facility (with a 4.5-year tenor) with borrowing availability in US Dollars for the purpose of financing or refinancing the general corporate and working capital needs of the Company and certain of its subsidiaries.

Commitments under the new revolving credit facility amount to US$70 million.

The current portion of borrowings relates to accrued interest on the bonds, term loan interest payable within one year of the balance sheet date and the funds drawn on the revolving credit facility (Oman RCF).

Loans are classified as financial liabilities and measured at amortised cost. Refer to Note 26 for further information on the Group's financial instruments.

21. Lease liabilities

	2022 **US$m**	2021 US$m
Short-term lease liabilities		
Land	**31.8**	30.0
Buildings	**2.2**	2.8
Motor vehicles	**0.1**	0.2
	34.1	33.0

	2022 **US$m**	2021 US$m
Long-term lease liabilities		
Land	**188.4**	146.7
Buildings	**3.4**	2.1
Motor vehicles	**0.1**	0.1
	191.9	148.9

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. Refer to Note 12b for the Group's Right-of-use assets.

The total cash paid on leases in the year was US$40.8 million (2021: US$31.0 million).

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
31 December 2022	**43.0**	**137.7**	**122.7**	**326.0**	**629.4**
31 December 2021	33.0	110.2	111.4	278.9	533.5

22. Uncompleted performance obligations

The table below represents 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. Management refers to this as contracted revenue.

	2022 US$m	2021 US$m
Total contracted revenue	4,705.0	3,916.6

Contracted Revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2022 for each year from 2023 to 2027, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2022 held constant. Our contracted revenue calculation for each year presented assumes:

- no escalation in fee rates;
- no increases in sites or tenancies other than our committed tenancies;
- our customers do not utilise any cancellation allowances set forth in their MLAs;
- our customers do not terminate MLAs prior their current term; and
- no automatic renewal.

	Year ended 31 December				
(US$m)	2023	2024	2025	2026	2027
Tanzania	208.3	208.7	209.1	141.8	116.2
DRC	231.2	230.7	201.5	172.7	139.8
Congo Brazzaville	20.9	20.9	15.5	11.5	11.4
Ghana	26.2	23.7	23.9	24.0	24.0
South Africa	8.3	8.3	8.2	7.9	7.6
Senegal	37.5	37.0	38.7	40.4	45.0
Madagascar	12.4	12.4	13	15.9	15.9
Malawi	18.4	18.4	18.4	18.5	18.5
Oman	45.2	44.0	44.0	44.0	44.0
Total	**608.4**	**604.1**	**572.3**	**476.7**	**422.4**

23. Related Party Transactions

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

During the year, and in respect of the period for which the related party relationship was in existence, the Group companies entered into the following commercial transactions with related parties:

	2022		2021	
	Income from towers US$m	**Purchase of goods US$m**	Income from towers US$m	Purchase of goods US$m
Millicom Holding B.V. and Subsidiairies[1]	**–**	**–**	18.0	–
Total	**–**	**–**	18.0	–

1 Millicom HOLDING B.V is no longer a related party of Helios Towers plc as of June 2021.

24. Other gains and losses

	2022 US$m	2021 US$m
Fair value gain/(loss) on derivative financial instruments	**(51.5)**	(28.0)
Fair value movement on forward contracts	**0.1**	–
	(51.4)	(28.0)

25. Share based payments

Pre-IPO LTIP

Ahead of the IPO certain Directors, former Directors, Senior Managers and employees of the Group were granted nil-cost options in respect of shares up to an aggregate value of US$10 million based on an offer price of 115 pence and a US Dollar to pounds Sterling conversion rate of US$1:£0.7948 (the 'HT LTIP').

The Company issued 6,557,668 shares to the trustee of the Trust (or as it directs) immediately prior to IPO in order to satisfy future settlement of awards under the HT LTIP and nil-cost options under the HT MIPs. The Trust is consolidated into the Group.

These options became exercisable in tranches over a three-year period post-IPO. The award participants were entitled to exercise some of the share options on IPO.

Number of options	**2022**	2021
As at 1 January	**1,026,456**	1,769,864
Granted during the year	**–**	–
Exercised during the year	**(251,903)**	(743,408)
Forfeited during the year	**–**	–
At 31 December	**774,553**	1,026,456
Of which:		
Vested and exercisable	**774,553**	723,047
Unvested	**–**	303,409

Fair value of options/share awards granted pre-IPO

The fair value at grant date is independently determined using a probability-weighted expected returns methodology, which is an appropriate future-orientated approach when considering the fair value of options/shares that have no intrinsic value at the time of issue.

In this case the expected future returns were estimated by reference to the expected proceeds attributable to the underlying shares at IPO, as provided by management including adjustments for expected net debt, transaction costs and priority returns to other shareholders. This is then discounted into present value terms adopting an appropriate discount rate. The capital asset pricing methodology was used when considering an appropriate discount rate to apply to the pay-out expected to accrue to the share awards on realisation.

Key assumptions:

- Expected exit dates 0 to 4 years;
- Probability weightings up to 25%;
- Expected range of exit multiples up to 10.0x;
- Expected forecast Adjusted EBITDA across two scenarios (management case and downside case) and respective probability weightings;
- Estimated proceeds per share; and
- Hurdle per share up to US$1.25.

The Group has in place one adopted discretionary share plan called the Helios Towers plc Employee Incentive Plan 2019 (the 'EIP'), details of which are set out in this Note.

Employee Incentive Plan

Following successful admission to the London Stock Exchange, the Company has adopted a discretionary share plan called the Helios Towers plc Employee Incentive Plan 2019 (the 'EIP'). The EIP is designed to provide long-term incentives for senior managers and above (including Executive Directors) to deliver long-term shareholder returns. Participation in the plan is at the Remuneration Committee's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Shares received under the scheme by Executive Directors will be subject to a two-year post-vesting holding period. In all other respects the shares rank equally with other fully paid ordinary shares on issue.

The Group has granted Long-Term Incentive Plan awards under the EIP to the Executive Directors and selected key personnel. The equity settled awards comprise three equal and separate tranches which vest depending upon the achievement of the following performance targets over a three-year period:

- Relative TSR tranche;
- Adjusted EBITDA tranche; and
- ROIC tranche

Set out below are summaries of options granted under the EIP.

	2022 Number of options	2021 Number of options
As at 1 January	**7,695,687**	4,227,737
Granted during the year	**4,233,199**	4,072,523
Exercised during the year	**(6,131)**	–
Forfeited during the year	**(1,338,151)**	(604,573)
As at 31 December	**10,534,604**	7,695,687
Vested and exercisable at 31 December[1]	**–**	6,131

1 Vested and exercisable options relate to the non-work related death of an employee who was granted an award in March 2021. The options were exercised in January 2022.

The IFRS 2 charge recognised in the Consolidated Income Statement for the 2022 financial year in respect to the EIP was US$3.1 million (2021: US$2.0 million). All share options outstanding as at 31 December 2022 have a remaining contractual life of 8.1 years.

The fair value at grant date is independently determined using the Monte Carlo model. Key assumptions used in valuing the share-based payment charge are as follows:

2021 LTIP Award	Relative TSR	Adjusted EBITDA	ROIC
Grant date	16–Mar–21	16–Mar–21	16–Mar–21
Share price at grant date	£1.53	£1.53	£1.53
Fair value as a percentage of the grant price	58.2%	100.0%	100.0%
Term to vest (years)	2.8	2.8	2.8
Expected life from grant date (years)	2.8	2.8	2.8
Volatility	53.7%	n/a	n/a
Risk-free rate of interest	0.1%	n/a	n/a
Dividend yield	n/a	n/a	n/a
Average FTSE 250 volatility	41.3%	n/a	n/a
Average FTSE 250 correlation	27.2%	n/a	n/a
Fair value per share	£0.89	£1.53	£1.53

2022 LTIP Award

	Relative TSR	Adjusted EBITDA	ROIC
Grant date	**28–Apr–22**	**28–Apr–22**	**28–Apr–22**
Share price at grant date	**£1.12**	**£1.12**	**£1.12**
Fair value as a percentage of the grant price	**51.6%**	**100.0%**	**100.0%**
Term to vest (years)	**2.68**	**n/a**	**n/a**
Expected life from grant date (years)	**2.68**	**2.68**	**2.68**
Volatility	**47.4%**	**n/a**	**n/a**
Risk-free rate of interest	**1.6%**	**n/a**	**n/a**
Dividend yield	**n/a**	**n/a**	**n/a**
Average FTSE 250 volatility	**42.7%**	**n/a**	**n/a**
Average FTSE 250 correlation	**27.7%**	**n/a**	**n/a**
Fair value per share	**£0.58**	**£1.12**	**£1.12**

HT SharingPlan

Shareholders voted to approve the all-employee share plan schemes at the 2021 AGM. In 2021, the Board granted inaugural 'HT SharingPlan' Restricted Stock Unit (RSU) awards under the HT Global Share Purchase Plan rules. Each employee was granted a 2021 award with a three-year vesting period. The Board also granted all employees an additional one-off Covid-19 Thank You Award with a six-month vesting period.

In 2022, the Board granted a 2022 award with a three-year vesting period. The Board also granted a Cost of Living award which vested on 1 December 2022.

All employees were granted awards of equal value and on the same terms. The vesting of the awards is subject to continued employment with the Group.

	2022 Number of RSUs	2021 Number of RSUs
As at 1 January	**729,528**	–
Granted during the year	**1,681,155**	740,826
Forfeited during the year	**(104,684)**	(11,298)
Vested during the year	**(621,981)**	–
As at 31 December	**1,684,018**	729,528

Deferred Bonuses

	2022	2021
As at 1 January	**36,583**	–
Granted during the year	**49,172**	36,583
Forfeited during the year	**–**	–
Vested during the year	**–**	–
As at 31 December	**85,755**	36,583

26. Financial instruments

Financial instruments held by the Group at fair value had the following effect on profit and loss:

	31 December 2022 US$m	31 December 2021 US$m
Balance brought forward	**57.7**	88.8
Derivative financial instrument – US$975m 7.000% Senior Notes 2025	**(55.2)**	(28.0)
Currency forward contracts	**0.3**	(3.1)
Balance carried forward	**2.8**	57.7

Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. For all other assets and liabilities the carrying value is approximately equal to the fair value. The information set out below provides data about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

For those financial instruments measured at fair value, the Group has categorised them into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 13. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. There are no financial instruments which have been categorised as Level 1. There were no transfers between the levels in the year.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings disclosed in Notes 20 and 21, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

Gearing ratio

The Group keeps its capital structure under review. The gearing ratio at the year end is as follows:

	2022 US$m	2021 US$m
Debt (net of issue costs)	**1,797.6**	1,477.4
Cash and cash equivalents	**(119.6)**	(528.9)
Net debt	**1,678.0**	948.5
Equity attributable to the owners	**8.3**	168.0
Non controlling interests	**41.0**	–
	34.1x	5.6x

Debt is defined as long-term and short-term loans and lease liabilities, as detailed in Notes 20 and 21 respectively.

Externally imposed capital requirements

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	2022 US$m	2021 US$m (Restated)
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	**119.6**	528.9
Trade and other receivables	**204.9**	178.5
	324.5	707.4
Fair value through profit or loss:		
Derivative financial assets	**2.8**	57.7
	327.3	765.1
Financial liabilities		
Amortised cost:		
Trade and other payables	**216.5**	181.7
Bank overdraft	**7.3**	-
Lease liabilities	**226.0**	181.9
Loans	**1,571.6**	1,295.5
	2,021.4	1,659.1

The Directors estimate the amortised cost of cash and cash equivalents is approximate to fair value. The $975 million bond maturing in 2025 had a carrying value of US$964.5 million at 31 December 2022 and a fair value of US$904.6 million. The $300 million convertible bond maturing in 2027 had a carrying value of US$257.0 million at 31 December 2022 and a fair value of US$204.3 million. The Directors estimate the amortised cost of other loans and borrowings is approximate to fair value.

Financial risk management objectives and policies

The Group's finance function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks. The finance function is supported by the Group's senior management, which advises on financial risks and the appropriate financial risk governance framework for the Group. Key financial risks and exposures are monitored through a monthly report to the Board of Directors, together with an annual Board review of corporate treasury matters.

Financial risk

The principal financial risks to which the Group is exposed through its activities are risks of changes in foreign currency exchange rates and interest rates.

Foreign Currency risk management
The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. The Group's main currency exposures were to the New Ghanaian Cedi ('GHS'), Malagasy Ariary ('MGA'), Tanzanian Shilling ('TZS'), Central African Franc ('XAF'), South African Rand ('ZAR') and Malawian Kwacha ('MWK') through its main operating subsidiaries. The Group has exposure to Sterling ('GBP') and Euro ('EUR') fluctuations on its financial assets and liabilities, however, this is not considered material.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2022 US$m	2021 US$m	**2022 US$m**	2021 US$m
New Ghanaian Cedi	**15.7**	19.0	**20.8**	27.0
Malagasy Ariary	**10.9**	6.8	**11.8**	10.4
Tanzanian Shilling	**71.4**	39.3	**100.2**	86.9
South African Rand	**5.6**	11.4	**17.5**	22.1
Central African Franc	**35.7**	42.1	**137.0**	107.1
Malawian Kwacha	**15.4**	–	**19.8**	–
Omani Rial	**10.1**	–	**35.2**	–
	164.8	118.6	**342.3**	253.5

Foreign currency sensitivity analysis
The following table details the Group's sensitivity to a 10% increase in US Dollar against GHS, XAF, TZS, MGA, ZAR and MWK 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable potential change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where US Dollar weakens 10% against the GHS, XAF, TZS, ZAR, MWK or OMR. For a 10% strengthening of US Dollar against the GHS, XAF, TZS, ZAR, MWK or OMR, there would be an equal and opposite effect on the profit and other equity, on the basis that all other variables remain constant.

	Impact on profit or loss	
	2022 US$m	2021 US$m
New Ghanaian Cedi impact	**0.5**	0.8
Malagasy Ariary impact	**0.1**	0.4
Tanzanian Shilling impact	**2.9**	4.8
South African Rand	**1.2**	1.1
Central African Franc Impact	**10.2**	6.5
Malawian Kwacha	**0.5**	–
Omani Rial	**2.5**	–

This is mainly attributable to the exposure outstanding on GHS, MGA, XAF, TZS, ZAR, MWK and OMR receivables and payables in the Group at the reporting date.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Default does not occur later than when a financial asset is 90 days past due (unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate). Write-off happens at least a year after a financial asset has become credit impaired and when management does not have any reasonable expectations to recover the asset.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and other information provided by the counterparty (where appropriate) to deliver a credit rating for its major customers. As of 31 December 2022, the Group has a concentration risk with regards to four of its largest customers. The Group's exposure and the credit ratings of its counterparties and related parties are continuously monitored and the aggregate value of credit risk within the business is spread amongst a number of approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The carrying amount of the financial assets recorded in the Financial Statements, which is net of impairment losses, represents the Group's exposure to credit risk.

The Group uses the IFRS 9 ECL model to measure loss allowances at an amount equal to their lifetime ECL.

In order to minimise credit risk, the Group has categorised exposures according to their degree of risk of default. The use of a provision matrix is based on a range of qualitative and quantitative factors that are deemed to be indicative of risk of default, and range from 1 (lowest risk of irrecoverability) to 5 (greatest risk of rrecoverability). Loss allowances for trade receivables from related parties held by the Company are deemed immaterial.

The below table shows the Group's trade and other receivables balance and associated loss allowances in each Group credit rating category.

		31 December 2022			31 December 2021 (Restated)		
Group Rating	Risk of impairment	**Gross exposure US$m**	**Loss allowance US$m**	**Net exposure US$m**	Gross exposure US$m	Loss allowance US$m	Net exposure US$m
1	Remote risk	**184.1**	**(0.3)**	**183.8**	153.3	(0.1)	153.2
2	Low risk	**21.8**	**(0.8)**	**21.0**	11.2	(0.4)	10.8
3	Medium risk	**0.3**	**-**	**0.3**	0.2	–	0.2
4	High risk	**20.7**	**(3.8)**	**16.9**	18.6	(4.3)	14.3
5	Impaired	**2.5**	**(0.9)**	**1.6**	1.2	(1.2)	–
Total		**229.4**	**5.8**	**223.6**	184.5	(6.0)	178.5

Liquidity risk management

The Group has long-term debt financing through Senior Loan Notes of US$975 million due for repayment in December 2025 and other debt as disclosed in note 20. The Group has a revolving credit facility of US$70 million for funding general corporate and working capital needs. As at 31 December 2022 the facility was undrawn. This facility is available until December 2024. The Group has remained compliant during the year to 31 December 2022 with all the covenants contained in the Senior Credit facility. Please refer to Note 20 for further information in relation to debt facilities.

Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves of liquid funds and banking facilities and continuously monitoring forecast and actual cash flows including consideration of appropriate sensitivities.

Non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table below includes principal cash flows.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2022					
Non-interest bearing	**216.5**	**–**	**–**	**–**	**216.5**
Fixed interest rate instruments	**43.0**	**39.7**	**1,441.3**	**493.8**	**2,017.8**
Variable interest rate instruments	**10.2**	**–**	**25.0**	**200.0**	**235.2**
	269.7	**39.7**	**1,466.3**	**693.8**	**2,469.5**
31 December 2021					
Non-interest bearing	181.7	–	–	–	181.7
Fixed interest rate instruments	35.8	29.9	1,373.1	390.2	1,829.0
	217.5	29.9	1,373.1	390.2	2,010.7

Non-derivative financial assets

The following table details the Group's expected maturity for other non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets except where the Group anticipates that the cash flow will occur in a different period.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2022					
Non-interest bearing	**204.9**	**–**	**–**	**–**	**204.9**
Fixed interest rate instruments	**119.6**	**–**	**–**	**–**	**119.6**
	324.5	**–**	**–**	**–**	**324.5**
31 December 2021					
Non-interest bearing	339.5	–	–	–	339.5
Fixed interest rate instruments	353.0	10.0	–	–	363.0
	692.5	10.0	–	–	702.5

Derivative financial instruments assets

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 US Dollar 3-month LIBOR plus Helios Towers' credit spread. For the valuation date of 31 December 2022, a relative 5% increase in credit spread would result in a nil valuation of the embedded derivatives. As at the reporting date, the call option had a fair value of US$2.5 million (31 December 2021: US$57.7 million on the US$600 million 9.125% Senior Notes 2022), while the put option had a fair value of US$0 million (31 December 2021: US$0 million). The increase in the fair value of the call option is attributable the tightening of the Group's credit spread, which is in line with the market movement.

The key assumptions in determining the fair value are: the quoted price of the bond as at 31 December 2022; the credit spread; and the yield curve. The probabilities relating to change of control and major asset sale represent a reasonable expectation of those events occurring that would be held by a market participant.

	Within 1 year US$m	1–2 years US$m	2–5 years US$m	5+ years US$m	Total US$m
31 December 2022					
Net settled:					
Embedded derivatives	**–**	**–**	**2.5**	**–**	**2.5**
	–	**–**	**2.5**	**–**	**2.5**
31 December 2021					
Net settled:					
Embedded derivatives	–	–	57.7	–	57.7
	–	–	57.7	–	57.7

Interest rate risk management
The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

27. Contingent Liabilities

The Group exercises judgement to determine whether to recognise provisions and make disclosures for contingent liabilities as explained in Note 2b.

During the year, the Tanzania Revenue Authority commenced a tax assessment for a number of taxes for the financial years ending 2017 to 2021 inclusive. The initial claim amount is approximately US$99.3 million. Responses are being collated to submit 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.

In the year ending 2022, the DRC tax authorities issued an assessment on a number of taxes amounting to US$62.1 million for the financial years 2018 and 2019.

In year ending 2022, the DRC tax authorities issued a payment collection notice amounting to US$44 million for the financial years 2013 to 2016.

In respect of these cases, the Directors believe that no present obligation has been established and the quantum of potential future cash outflows in relation to these tax audits cannot be reasonably assessed 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. 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.

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.

Legal claims
Other individually immaterial legal 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 no cash outflows are considered probable and therefore no provisions have been recognised in relation to these matters.

28. Net debt

	2022 US$m	2021 US$m
External debt	**(1,571.6)**	(1,295.5)
Lease liabilities	**(226.0)**	(181.9)
Cash and cash equivalents	**119.6**	528.9
Net debt	**(1,678.0)**	(948.5)

2022	**At 1 January 2022 US$m**	**Cash flows US$m**	**Other[1] US$m**	**At 31 December 2022 US$m**
Cash and cash equivalents	**528.9**	**(405.0)**	**(4.3)**	**119.6**
External debt	**(1,295.5)**	**(261.2)**	**(14.9)**	**(1,571.6)**
Lease liabilities	**(181.9)**	**40.8**	**(84.9)**	**(226.0)**
Total financing liabilities	**(1,477.4)**	**(220.4)**	**(99.8)**	**(1,797.6)**
Net debt	**(948.5)**	**(625.4)**	**(104.1)**	**(1,678.0)**

2021	At 1 January 2021 US$m	Cash flows US$m	Other[1] US$m	At 31 December 2021 US$m
Cash and cash equivalents	428.7	102.3	(2.1)	528.9
External debt	(989.4)	(351.8)	45.7	(1,295.5)
Lease liabilities	(131.7)	13.3	(63.5)	(181.9)
Total financing liabilities	(1,121.1)	(338.5)	(17.8)	(1,477.4)
Net debt	(692.4)	(236.2)	(19.9)	(948.5)

[1]Other includes foreign exchange and non-cash interest movements.

Refer to Note 20 for further details on the year-on-year movements in short-term loans and long-term loans.

29. Loss per share

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

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

The Directors believe that Adjusted EBITDA per share is a useful additional measure to better understand the performance of the business (refer to Note 4).

Loss per share is based on:

	2022 US$m	2021 US$m
Loss after tax for the year attributable to owners of the Company	**(171.5)**	(156.2)
Adjusted EBITDA (Note 4)	**282.8**	240.6

	2022 Number	2021 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**1,047,039,919**	1,024,306,006
Weighted average number of dilutive potential shares	**114,017,600**	84,788,045
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,161,057,519**	1,109,094,051

Loss per share	**2022 cents**	2021 cents
Basic	**(16)**	(15)
Diluted	**(16)**	(15)

Adjusted EBITDA per share	**2022 cents**	2021 cents
Basic	**27**	23
Diluted	**24**	22

The calculation of basic and diluted loss per share is based on the net loss attributable to equity holders of the Company entity for the year of US$176.4 million (2O21: US$159.0 million). Basic and diluted loss 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.

The calculation of Adjusted EBITDA per share and diluted EBITDA per share are based on the Adjusted EBITDA earnings for the year of US$282.8 million (2021: US$240.6 million). Refer to Note 4 for a reconciliation of Adjusted EBITDA to net loss before tax.

30. Non-controlling Interest

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Oman	
	2022 US$m	2021 US$m
Current assets	**11.3**	–
Non-current assets	**512.3**	–
Current liabilities	**(112.8)**	–
Non-current liabilities	**(256.3)**	–
Equity attributable to owners of the Company	**111.9**	–
Non-controlling interests	**47.9**	–

	Oman	
	2022 US$m	2021 US$m
Revenue	**3.6**	–
Expenses	**(9.5)**	–
Loss for the year	**(5.9)**	
Loss attributable to owners of the Company	**(4.1)**	–
Loss attributable to the non-controlling interests	**(1.8)**	–
Loss for the year	**(5.9)**	–
Net cash inflow (outflow) from operating activities	**(4.6)**	–
Net cash inflow (outflow) from investing activities	**–**	–
Net cash inflow (outflow) from financing activities	**8.2**	–
Net cash inflow (outflow)	**3.6**	–

31. Acquisition of 100% of the share capital of Malawi Towers Limited

The Malawi and Oman acquisitions open up considerable growth opportunities to Helios Towers. The portfolios of towers purchased from the MNOs come with lower tenancy ratios initially as they were principally built and operated for a sole MNO. Therefore, whilst the tenancy ratio and EBITDA margins are lower than the Group margins, they offer a platform from which the assets can be developed to serve the needs of all the MNOs in these markets.

The breakdown of the acquisition price and goodwill generated by the acquisition is as follows:

Investing cash flows	**2022 US$m**
Malawi	44.2
Oman	91.4
Total investing cash flows	**135.6**

a) Malawi (March 2022)

On 24 March 2022, the Group completed the acquisition of Malawi Towers Ltd of the previously announced transaction with Airtel Africa. The Group has acquired 100% of the share capital of Malawi Towers Limited which includes the passive infrastructure on 723 sites, colocation contracts and certain supplier contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3, using the acquisition method. The total consideration in respect of the transaction was US$57.7 million. Goodwill arising on this business combination has been allocated to the Malawi CGU. The goodwill is not deductible for tax purposes. On the same date, in tandem with, but immediately subsequent to the acquisition, the minority shareholder contributed US$5.3m for a 20% stake in the business. See section ii) for the transactions with minority shareholders on the acquisition date. Non-controlling interest is recognised under the proportion of net assets basis method as permitted under IFRS 3.

i) **Acquisition of 100% of the share capital of Malawi Towers Ltd**

The breakdown of the acquisition price and goodwill generated by the acquisition is as follows:

Acquisition price and goodwill	24 March 2022 US$m
Consideration paid in cash	44.8
Deferred consideration	12.9
Total acquisition price (100%)	**57.7**
Net assets required (100%)	(47.4)
Resulting goodwill	**10.3**

The business combination had the following effect on the Group's assets and liabilities:

Identifiable assets acquired	24 March 2022 US$m
Assets	
Fair value of property, plant and equipment	37.6
Fair value of intangible assets	20.7
Right-of-use assets	2.8
Other assets	2.6
Cash	0.6
Total assets	**64.3**
Liabilities	
Other liabilities	(6.6)
Lease liabilities	(2.1)
Deferred taxation	(8.2)
Total liabilities	**(16.9)**
Total net identifiable assets	**47.4**

The identified goodwill reflects the lease-up potential of the asset base. Deferred consideration is payable subject to timing of future closings of sites and to the committed build-to-suit rollout up to March 2025. This has been discounted to reflect the present value of future payments.

The Group has assessed the fair value of assets acquired at US$47.4 million, based on appropriate valuation methodology. The valuation techniques used for measuring fair value of material assets acquired were as follows:

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

The Group incurred acquisition related costs of US$2.0 million in 2022 and US$3.1 million in previous financial years. These costs have been included in deal costs in the Group's consolidated income statement when incurred. For the period from 24 March to 31 December 2022 this acquisition contributed revenue of US$23.6 million and EBITDA of US$7.2 million.

The business combination had the following effect on the Group's statement of cash flows:

Total cash outflow	US$m
Consideration paid in cash	44.8
Less: cash acquired	(0.6)
Total cash outflow	**44.2**

ii) Contribution from minority shareholders

On 24 March 2022 in tandem with but immediately subsequent to the acquisition, the minority shareholder contributed US$5.3 million for a 20% stake in the business. On the same date the minority shareholder also contributed a loan of US$3.5 million to the entity.

b) Oman (December 2022)

On 8 December 2022, the Group completed the acquisition of Oman Tech Infrastructure SAOC of the previously announced transaction with Omantel. The Group has acquired 70% of the share capital of which includes the passive infrastructure on 2,519 sites, colocation contracts and certain supplier contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 – Business Combinations using the acquisition method. The total consideration in respect of the transaction was US$494.6 million. Goodwill arising on this business combination has been allocated to the Oman CGU. The Goodwill is deductible for tax purposes. This acquisition is in line with the Group's strategy. On the same date, a 30% stake in the business was sold to Rakiza Telecommunications Infrastructure LLC as part of the same agreement for total consideration of US$89.1 million. Non-controlling interest is recognised under the fair value method as permitted under IFRS 3.

The fair value assessment of the assets and liabilities acquired is still ongoing and may be updated within the 12-month period following the acquisition in line with the requirements of IFRS 3. The below figures are therefore provisional.

The breakdown of the acquisition price and goodwill generated by the acquisition is as follows:

	8 December 2022 US$m
Total consideration paid	494.6
Repayment of debt to seller	(328.8)
Consideration paid in cash for minority equity stake	(49.7)
Deferred receivable	(7.3)
IFRS consideration	**108.8**
Non-controlling interest	49.7
Less: Net assets acquired	(135.0)
Resulting goodwill	**23.5**

The business combination had the following effect on the Group's assets and liabilities:

Identifiable assets acquired:	8 December 2022 US$m
Assets	
Fair value of property, plant and equipment	147.6
Fair value of intangible assets	322.8
Right of use assets	19.4
Other assets	0.7
Cash	0.6
Total assets	491.1
Liabilities	
Other liabilities	(7.9)
Lease liabilities	(19.4)
Loans	(328.8)
Total liabilities	(356.1)
Total net identifiable assets acquired	135.0

The identified goodwill reflects the lease-up potential of the asset base.

The Group has assessed the fair value of net assets acquired at US$477.4 million, based on appropriate valuation methodology. The valuation techniques used for measuring fair value of material assets acquired were as follows:

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

The Group incurred acquisition related costs of US$13.4 million in 2022 and US$8.0 million in previous financial years. These costs have been included in deal costs in the Group's consolidated income statement when incurred. For the period from 8 December to 31 December 2022 this acquisition contributed revenue of US$3.6 million and EBITDA of US$2.3 million. It is not possible to disclose full year revenue and EBITDA for FY22 as the business did not operate as a standalone business prior to the acquisition.

Total cash outflow	US$m
Investing	
Acquisition of subsidiary equity	116.0
Less: deposit paid in prior year	(24.0)
Less: cash acquired	(0.6)
Total investing cash flows	**91.4**
Financing	
Repayment of debt	328.8
Drawdown of debt facility	(200.0)
Minority investor loan facility	(39.4)
Total financing cash flows	**89.4**
Total cash outflow	**180.8**

c) Finalisation of Madagascar acquisition purchase price accounting (2021)

On 2 November 2021, the Group completed the acquisition of Madagascar Towers SA of the previously announced transaction with Airtel Madagascar. The group has acquired the passive infrastructure on 490 sites, colocation contracts and certain supplier contracts. The Group has treated this as a single business combination transaction and accounted for it in accordance with IFRS 3 using the acquisitions method. The total consideration in respect of the transaction was US$59.0 million. Goodwill arising on this business combination has been allocated to the Madagascar CGU. The goodwill is not deductible for tax purposes. This acquisition is in line with the Group's strategy.

Following completion of the purchase price accounting process the fair value of the initial assets acquired has been adjusted as follows:

Identifiable assets acquired at 2 November 2021:	Previously reported US$m	Adjustment US$m	Final allocation US$m
Assets			
Fair value of property, plant and equipment	26.7	(10.5)	16.2
Fair value of intangible assets	34.6		34.6
Right of use assets	3.6		3.6
Other assets	1.6	4.9	6.5
Cash	0.1		0.1
Total assets	**66.6**	**(5.6)**	**61.0**
Liabilities			
Other liabilities	(3.6)	1.5	(2.1)
Lease liabilities	(3.6)		(3.6)
Deferred taxation	(8.4)		(8.4)
Total liabilities	**(15.6)**	**1.5**	**(14.1)**
Total net identifiable assets	**51.0**	**(4.1)**	**46.9**
Goodwill on acquisition	8.0	4.1	12.1
Total consideration	**59.0**	**–**	**59.0**
Consideration paid in cash	46.8		46.8
Deferred consideration	12.2		12.2
Total consideration	**59.0**	**–**	**59.0**

Prior year comparatives have been restated in accordance with the above.

32. Subsequent events

There were no material subsequent events.

Glossary

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 ofproperty, 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 persite less indicative selling, general and administrative ('SG&A'), depreciation and financing costs.

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

‘ISO 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.

Our customers, as well as certain other telecommunications operators named in this Annual Report, are generally referred to in this document by their trade names.

Our contracts with these customers are typically with an entity or entities in that customer’s group of companies.

URLs included in the Annual Report and Financial Statements 2022

Annual Report and Financial Statements 2022: https://www.heliostowers. com/annual-report-2022.pdf

Reporting supplement to the Annual Report and Financial Statements 2022: https://www.heliostowers.com/ annual-report-supplement-2022.pdf

GSMA State of Mobile Connectivity 2022: https://www.gsma.com/r/wp-content/ uploads/2022/12/The-State-of-Mobile- Internet-Connectivity-Report-2022.pdf

Strategic Community Investment: https://www.heliostowers.com/media/ icwftqys/helios-towers-strategic- community-investment.pdf

World Population Prospects 2022: https://population.un.org/wpp/

International Energy Agency - African Energy Outlook 2022: https://iea.blob. core.windows.net/assets/6fa5a6c0-ca73-4a7f-a243-fb5e83ecfb94/ AfricaEnergyOutlook2022.pdf

Code of Conduct: https://www.heliostowers. com/media/d4dhgw43/the-helios-towers- code-of-conduct_20220929.pdf

Third party code of conduct: https:// www.heliostowers.com/media/gtno4feb/ third-party-code-of-conduct.pdf

Human Rights Policy: https://www. heliostowers.com/media/yzrlkopy/ ht-human-rights-policy-2021.pdf

Modern Slavery and Human Trafficking Statement: https://www.heliostowers. com/media/i1cpkilk/modern-slavery-and- human-trafficking-statement-2022-1.pdf