

HELIOS TOWERS plc

Helios Towers plc announces results for the year and quarter ended 31 December 2023

Tenancies, Adjusted EBITDA and ROIC ahead of expectations

+29% revenue and +31% Adjusted EBITDA year-on-year growth

+10-14% Adjusted EBITDA growth, free cash flow inflection and <4.0x net leverage targeted in FY 2024

London, 14 March 2024: Helios Towers plc ("Helios Towers", "the Group" or "the Company"), the independent telecommunications infrastructure company, today announces results for the year to 31 December 2023 ("FY 2023").

Tom Greenwood, Chief Executive Officer, said:

"I am extremely pleased with the operational and financial performance of the business. In our first year with all recent acquisitions integrated, we exceeded expectations in customer delivery and across our KPIs. This included record organic tenancy growth that supported return on invested capital (ROIC) expansion.

Looking forward, we have conviction in a faster pace of tenancy ratio expansion than our prior medium-term guidance. As such, we have adjusted our strategic target of '22,000 towers by 2026', which included meaningful inorganic site growth, to '2.2x tenancy ratio by 2026', prioritising organic growth and returns expansion. Consequently, we expect FY 2024 to be our inflection year for free cash flow, and continue to grow thereafter.

We have built a compelling and unique platform in some of the world's fastest growing mobile markets and through our focus on customer service excellence, are well placed to capture the structural growth and deliver sustainable value for our stakeholders."

	FY 2023	FY 2022	Change	Q4 2023	Q3 2023	Change
Sites	14,097	13,553	+4%	14,097	14,024	+1%
Tenancies	26,925	24,492	+10%	26,925	26,624	+1%
Tenancy ratio	1.91x	1.81x	+0.10x	1.91x	1.90x	+0.01x
Revenue (US\$m)	721.0	560.7	+29%	187.3	183.5	+2%
Adjusted EBITDA (US\$m) ¹	369.9	282.8	+31%	100.7	95.4	+6%
Adjusted EBITDA margin ¹	51%	50%	+1ppt	54%	52%	+2ppt
Operating profit (US\$m)	146.1	80.3	+82%	33.5	43.3	-23%
Portfolio free cash flow (US\$m) ¹	268.2	201.4	+33%	71.1	72.6	-2%
Cash generated from operations (US\$m)	318.5	193.2	+65%	78.8	92.1	-14%
Net debt (US\$m) ¹	1,783.1	1,678.0	+6%	1,783.1	1,729.9	+3%
Net leverage ^{1,2}	4.4x	5.1x	-0.7x	4.4x	4.5x	-0.1x

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.

Financial highlights

- FY 2023 revenue increased by 29% year-on-year to US\$721.0m (FY 2022: US\$560.7m), driven by record organic tenancy growth, complemented by acquisitions in Malawi and Oman
 - Q4 2023 revenue increased by 2% quarter-on-quarter to US\$187.3m (Q3 2023: US\$183.5m)
- FY 2023 Adjusted EBITDA increased by 31% year-on-year to US\$369.9m (FY 2022: US\$282.8m), driven by tenancy growth
 - Excluding acquisitions, Adjusted EBITDA increased by 17% year-on-year, representing the Company's fastest organic growth since IPO
 - Q4 2023 Adjusted EBITDA increased by 6% quarter-on-quarter to US\$100.7m (Q3 2023: US\$95.4m)
- FY 2023 Adjusted EBITDA margin increased 1ppt year-on-year to 51% (FY 2022: 50%) reflecting tenancy ratio expansion, partially offset by higher fuel prices
 - Excluding the impact of higher fuel prices, which increase power-linked revenue and operating

- expenses comparably, Adjusted EBITDA margin expanded 3ppt year-on-year
 - Q4 2023 Adjusted EBITDA margin increased 2ppt quarter-on-quarter to 54% (Q3 2023: 52%)
- FY 2023 operating profit increased by 82% year-on-year to US\$146.1m (FY 2022: US\$80.3m), driven by Adjusted EBITDA growth
 - Loss before tax improved to US\$112.2m (FY 2022: US\$162.5m), primarily driven by a US\$65.8m year-on-year increase in operating profit and US\$53.6m favourable movement in non-cash fair value movements on embedded derivatives, partially offset by US\$60.3m higher finance costs
 - Higher finance costs reflect the non-cash impact of foreign exchange movements on the Group's intercompany borrowings and the full year impact of increased debt, largely related to the Oman acquisition which closed in December 2022
- FY 2023 portfolio free cash flow increased by 33% year-on-year to US\$268.2m (FY 2022: US\$201.4m), driven by Adjusted EBITDA growth and proportionately lower increases in payments of lease liabilities and taxes paid
 - FY 2023 portfolio free cash flow exceeded updated guidance of US\$260m - US\$265m, due to the timing of non-discretionary capex
- FY 2023 cash generated from operations increased by 65% year-on-year to US\$318.5m (FY 2022: US\$193.2m), driven by higher Adjusted EBITDA and improved working capital due to customer collections
- Net leverage of 4.4x decreased by 0.7x year-on-year (FY 2022: 5.1x) and by 0.1x quarter-on-quarter (Q3 2023: 4.5x)
- Business underpinned by future contracted revenues of US\$5.4bn (FY 2022: US\$4.7bn), of which 99% is from multinational MNOs, with an average remaining life of 7.8 years (FY 2022: 7.6 years)

Operational highlights

- Sites increased by 544 year-on-year to 14,097 sites (FY 2022: 13,553 sites) and by 73 quarter-on-quarter
- Tenancies increased by 2,433 year-on-year to 26,925 tenants (FY 2022: 24,492 tenants) and by 301 quarter-on-quarter
- Tenancy ratio increased by 0.10x year-on-year to 1.91x (FY 2022: 1.81x), reflecting expansion across all markets
 - Acquisitions in Oman and Malawi, completed in 2022, saw strong tenancy ratio expansion of 0.13x to 1.33x and 0.09x to 1.70x, respectively

Strategy update

- The Group's capital allocation policy is focused on growing portfolio free cash flow while consistently delivering ROIC above its cost of capital. Its current priorities are accretive organic investments and further deleveraging
- Combined with a faster pace of forecast tenancy ratio expansion compared to prior guidance, the Group has updated its strategic target of '22,000 towers by 2026', which included approximately 5,000 inorganic sites, to '2.2x tenancy ratio by 2026'. This is expected to support accelerated ROIC expansion over the medium-term

FY 2024 outlook and guidance¹

- Organic tenancy additions of 1,600 - 2,100
- Adjusted EBITDA of US\$405m - US\$420m
- Portfolio free cash flow of US\$275m - US\$290m
- Capital expenditure of US\$150m - US\$190m
 - Of which c.US\$45m is anticipated to be non-discretionary capital expenditure
- Net leverage below 4.0x
- Neutral free cash flow²

¹ Guidance assumes the Group continues to apply the same accounting policies.

² Excluding potential second acquisition closing in Oman, previously announced on 8 December 2022.

Environmental, Social and Governance (ESG)

- The Group has made continued progress against many of its Sustainable Business Strategy targets in FY 2023:
 - 144m population coverage footprint (FY 2022: 141m)
 - 5,817 rural sites (FY 2022: 5,593)
 - 99.98% power uptime (FY 2022: 99.96%)
 - 0% reduction in carbon emissions per tenant (FY 2022: -2%)³
 - 28% female employees (FY 2022: 28%)
 - 53% employees trained in Lean Six Sigma (FY 2022: 42%)
 - 98% local employees in our operating companies (FY 2022: 96%)

- 90% local employees in our operating companies (FY 2022: 90%)
- The Company has been recognised by external rating agencies for its Sustainable Business Strategy and commitment to transparency
 - ESG score of 'AAA' from MSCI, the highest score from the investment research firm, was reaffirmed
 - B score from CDP was reaffirmed
 - Inclusion in the FTSE4Good Index for a second consecutive year
 - ESG risk rating from Sustainalytics improved from Medium risk (22.6) to Low risk (16.8)
 - 80% score for WDI disclosure exceeded sector and UK company average
- In 2024, the Group expects to publish an updated carbon emissions reduction target to reflect its recent expansion into four new markets

3 Reflects change in scope 1 and 2 carbon emissions per tenant compared to 2020 baseline. Includes only the five markets that were operational in our 2020 baseline year.

For further information go to:

www.heliostowers.com

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Helios Towers' management will host a conference call for analysts and institutional investors at 09.30 GMT on Thursday, 14 March 2024. 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 2023 Results Conference Call](#)

Event Name: FY2023

Password: HELIOS

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

Europe & International	+44 203 936 2999
South Africa (local)	+27 87 550 8441
USA (local)	+1 646 787 9445
Passcode:	311823

Upcoming Conferences and Events

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

- JP Morgan Telecoms Towers Call Series (Virtual) - 18 Mar 2024
- Berenberg UK Corporate Conference (Watford) - 19 Mar 2024
- Jefferies Pan-European Mid-Cap Conference (London) - 20 Mar 2024
- Annual General Meeting (London) - 25 Apr 2024

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 14,000 telecommunication tower sites in nine countries across Africa and the Middle East
- Helios Towers pioneered the model in Africa of buying towers that were held by single operators and providing services utilising the tower infrastructure to the seller and other operators. This allows wireless operators to outsource non-core tower-related activities, enabling them to focus their capital and managerial resources on providing higher quality services more cost-effectively

Alternative Performance Measures

The Group has presented a number of Alternative Performance Measures ("APMs"), which are used in addition to IFRS statutory performance measures. The Group believes that these APMs, which are not considered to be a

substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Loss before tax, gross profit, non-current and current loans and long-term and short-term lease liabilities are the equivalent statutory measures (see 'Certain defined terms and conventions'). For more information on the Group's Alternative Performance Measures, please see the Alternative Performance Measures section of this release.

Chair's statement

Uniquely positioned in the world's most exciting mobile markets

"Our talented people and partners have once again ensured that Helios Towers has delivered excellent performance in 2023, exceeding both operational and financial expectations laid out at the beginning of the year. Our focus on Customer Service Excellence and People and Business Excellence has been matched by our unwavering commitment to responsible governance."

Sir Samuel Jonah KBE, OSG

Chair

I am delighted to welcome you to our 2023 Annual Report, which demonstrates the strong progress we have made on our platform during the year. Through successful acquisition integration and continued progress on our 2026 strategy, underpinned by a robust governance framework, the business is well-positioned to create sustainable value for our stakeholders.

This is my fifth letter as Chair of Helios Towers and as I reflect on our latest accomplishments detailed throughout this report, I am reminded of how the business has transformed over these years and effectively mitigated global challenges, delivering on our purpose of driving the growth of mobile communications across Africa and the Middle East.

Through the challenges of Covid-19 and subsequent macroeconomic volatility, the Company consistently demonstrates its qualities: the resilience to inflation and foreign currency movements in its revenues, its operational expertise to deliver best-in-class customer service, and the embedded organic growth and lease-up opportunities across its markets.

Following the platform expansion across 2020 to 2022, in which the business doubled its portfolio and diversified through entry into four new markets, the Company entered 2023 with the opportunity to demonstrate the quality of its enlarged portfolio, against the backdrop of macroeconomic volatility.

With operational and financial performance exceeding guidance laid out at the beginning of the year, resulting in the fastest rate of organic growth and ROIC expansion since our Initial Public Offering (IPO), the quality of our enlarged platform, leadership and local teams is evident.

Our 2026 Sustainable Business Strategy

Our 2026 Sustainable Business Strategy is focused on creating value for all stakeholders and is reflected through targets within each of our three pillars: Customer Service Excellence, People and Business Excellence, and Sustainable Value Creation.

In the context of higher interest rates globally, we have updated our capital allocations principles to focus on organic growth and deleveraging, and as such target a slower pace of inorganic platform expansion. Combined with conviction in a faster pace of tenancy ratio expansion than prior guidance, the Board and management have adapted our prior target of '22 by 26' to '2.2x by 26'. The prior target being linked to portfolio scale and operating 22,000 towers by 2026, to now focus on portfolio utilisation and to deliver a 2.2x tenancy ratio by 2026.

We expect to achieve this through our uniquely positioned platform, proactive sales approach and our focus on Customer Service Excellence. This adaptation does not rule out acquisitions, which remain a key tool for us, but reflects our disciplined approach to capital allocation and focus on organic growth, lease-up and ROIC enhancement.

Our strategy is underpinned by our commitment to strong governance and ethics. The Board is satisfied that our strategy and actions reflect the requirements of, and our compliance with, Section 172(1), and there is more information relating to this throughout this Strategic Report. This includes our commitment to our workforce, customers, partners, suppliers, investors, communities and the environment, and our key impact areas of digital inclusion, climate action, local and talented teams and responsible governance.

Digital inclusion and climate action

Enabling digital inclusion in the communities we serve is one of the key reasons why we do what we do. Every new site, colocation or operational improvement we make furthers this ambition.

In 2023, our growth of +544 sites meant an additional 3.7 million people enjoyed the coverage provided by our towers. We also continued to improve power uptime at our sites, delivering 99.98% even though in many of our markets grid connectivity can be unreliable or inconsistent.

With significant population growth predicted and low mobile penetration in many of our regions today, we expect to see continued strong demand for tower infrastructure over the coming years.

While we seek to grow, we also understand the importance of minimising our carbon footprint. Alongside lower emissions, reducing our reliance on fuel supports improved financial performance. Between 2022-2030 we plan to invest US\$100 million in low carbon solutions across the Group, including grid connections, hybrid and solar solutions. We look forward to further advancing our carbon reduction roadmap in 2024, including refreshing our carbon

targets to include our four recent acquisitions.

Local, diverse, talented teams

The Board values our inclusive culture, believing it to be central to employee engagement and a crucial enabler for the long-term success of the Company. We were delighted once again to attract a 100% response rate to our Pulse Engagement Survey, which serves as a check-in between our biennial engagement survey.

We have been working to address the key feedback from our 2022 survey to further enrich our colleagues' experience of working with Helios Towers. Furthermore, we have implemented several initiatives including new wellbeing programmes, enhancing employee development and improving performance management across the Company.

Responsible governance

We fully appreciate the need for a strong governance framework to ensure we meet the high standards we set ourselves to work responsibly and comply with regulations.

At Board level, in relation to the Financial Conduct Authority's (FCA) Listing Rules target, FTSE Women Leaders Review recommendations and the Parker Review, we continue to exceed on ethnicity and have held 40% female representation on the Board, along with 24% in management positions. Following changes to Board roles announced in May 2023, we now also comply with the FTSE Women Leaders Review recommendation and FCA's Listing Rules target to have a female director in at least one of the senior board positions.

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.

Outlook

Our performance in 2023 demonstrated the quality of our platform, uniquely positioned in some of the world's fastest growing mobile markets, as well as the dedicated, local teams and strong leadership throughout the Company. Looking forward, I am confident we will continue to drive the growth of mobile communications in our regions and deliver sustainable value for many years to come for all stakeholders.

Sir Samuel Jonah KBE, OSG

Chair

Group CEO's statement

Strong and consistent delivery on our expanded platform

"In my second year as CEO, and the first for the business in our enlarged nine-market platform, I am delighted with the team's performance on multiple fronts. Through the effective execution of our Sustainable Business Strategy, which prioritises delivering Customer Service Excellence through empowering our people, we took our customer service levels to new highs, successfully integrated our new acquisitions, delivered record organic tenancy growth and continued to drive sustainable value through robust colocation lease-up and ROIC enhancement."

Tom Greenwood

Group CEO

I am thrilled to report on strong Group performance in 2023, a year in which we again have demonstrated the qualities of our enlarged platform and our resilience against a volatile macroeconomic backdrop. This performance is underpinned by our talented local teams who continue to deliver best-in-class service for our customers.

Following a period of transformational expansion across 2020 to 2022, investing over US\$1 billion to double the size of our platform to almost 14,000 towers and expand into four new markets, we entered 2023 ready to demonstrate our ability to successfully integrate assets while at the same time further elevating our best-in-class customer service, driving lease-up and materially improving ROIC.

I am delighted that we exceeded many of our ambitious expectations laid out at the beginning of the year, delivering record organic tenancy additions and strong lease-up, accelerating Adj. EBITDA and portfolio free cash flow growth and reducing net leverage back to within our target range. It was the fastest rate of organic growth and ROIC expansion delivered since IPO.

At the same time, we continued to demonstrate our resilience to macroeconomic volatility. Despite average inflation of 6% and foreign currency volatility in some of our markets, notably Ghana and Malawi, our financial performance measured by Adj. EBITDA continued to track in line with tenancy growth. It is our robust business model that supports this resilience, reflected by US\$5.4 billion of future contracted revenues with investment grade or near investment grade customers, that is largely denominated in hard currencies with further protections through consumer price index (CPI) and power escalators.

It is from these strong foundations we drive value for all our stakeholders, captured in ambitious targets under our three pillars of Customer Service Excellence, People and Business Excellence, and Sustainable Value Creation.

Customer Service Excellence

Our philosophy for customers is simple: we are committed to delivering Customer Service Excellence in everything we do, whether that's in our core offerings of power delivery, roll out and site services, or by proactively anticipating and responding to our customers' needs.

One of our main KPIs is power availability, and in 2023 we achieved power uptime of 99.98% (2022: 99.96%). We

continued to deliver at world-class levels, even in markets with limited grid availability and road infrastructure. All of our new markets have seen material improvements in power uptime since we started operations. For example, since entering Oman in December 2022 we reduced downtime per tower by 89% from nearly six minutes to 38 seconds. Similarly in Senegal, we reduced downtime per tower from six minutes in May 2021 to a record four seconds in December 2023. We remain focused on our Group goal of just 30 seconds of downtime per tower per week by 2026.

Another core customer service offering is the speed at which we can safely roll out new sites and get MNOs on air. We have internal targets focused on continuous improvement, covering multiple functions from supply chain management to operations and finance. In 2023, we took our performance to new levels, installing many colocations for our customers within 24 hours from order.

This focus on Customer Service Excellence has supported record organic tenancy growth in 2023. Coupled with our sustainable pricing strategy and continuous improvement ethos, it ensures we are positioned to support our customers and deliver excellence for the long-term, through the initial 10-15-year contract term and well beyond.

People and Business Excellence

Our second pillar focuses on integrating top talent and safe, efficient business practices to achieve Customer Service Excellence and in turn our overall success. While we are an asset-heavy business, our most important asset is always our people. We dedicate resources to nurture and enable our people and partners, equipping them with tools and training for data-driven decision-making, and personal development with people's health and safety of paramount importance in everything we do.

As a Lean Six Sigma (LSS) Black Belt, I'm committed to supporting colleagues through our Orange and Black Belt initiatives. As part of our LSS programme, colleagues are challenged to execute projects enhancing business efficiency and performance. During this year, I was delighted to be the mentor for Lujaina Al Amri, a female project engineer in Oman. This opportunity allowed me to directly contribute to discussing her project and business challenges, while nurturing our emerging talent and advocating for increased female representation in a historically male-dominated field.

LSS is at the core of our people development, and one of our strategic targets is to have 70% of our workforce trained to Orange or Black Belt by 2026.

We are making good progress, with 53% of our team trained by the end of the year. We've also invested in another cohort of next generation leaders, with 25 of our rising stars going to Cranfield University for leadership training, following 50 colleagues who completed the programme last year.

When it comes to enhancing our culture and leadership approach, the big themes this year have been empowerment, ownership and accountability. We viewed these as particularly important following our expansion across 2020 to 2022, which doubled the size of the business and meant our previous management operating model had to change to effectively manage the new scale. We held several off-site management meetings to promote our ethos of empowering colleagues across the business to make the right decisions quickly. We also held strategy days across each of our OpCos, enabling every employee to understand and contribute to the strategic development of the Company.

Our OpCo teams, which have 96% local staff across the Group, strongly mirror the communities we serve, fostering a rich business culture. We believe that the most effective business performance is achieved through empowering local leadership and teams to deliver. Female representation has remained at 28% in the year, with 24% at the senior management level and 40% at the Board level.

In 2023, we started a Board mentor programme connecting female Board members with our top 25 female leaders across the organisation, creating an environment for coaching and support for career enhancement. In 2024, we're initiating a female-male 'reciprocal mentoring' programme, which focuses on two-way mentorship between colleagues throughout the organisation.

Sustainable Value Creation

The third pillar in our strategy, Sustainable Value Creation, takes the successful output of our other two pillars and combines it with our disciplined approach to capital allocation. It is focused on value creation for all our stakeholders.

In 2023, we achieved record organic tenancy additions of +2,433, far exceeding our previous record of +1,601 tenancies in 2022. It was particularly pleasing to see our new market Oman deliver +358 tenancies in the first year of ownership, exceeding our initial expectations, as well as achieving over +1,000 organic tenancy additions in DRC for the very first time.

Notably, the majority of the tenancy additions came through lease-up on our existing towers, with our tenancy ratio expanding +0.10x year-on-year to 1.91x. This reflects our ability to identify uniquely positioned towers in each of our markets and our pro-active customer partnership approach. This approach supports our ongoing readiness to safely deliver new rollout in market-leading timescales.

As lease-up of our sites continues apace, and as we expand our portfolio, it's with real pride that we see the societal and environmental benefits that our tower-sharing model creates. Today, we estimate that our sites now cover 144 million people, compared to 141 million one year ago.

We also continued to invest in low carbon solutions, investing US\$12 million in 2023 on grid connections, solar and hybrid solutions in addition to trialling wind technology for the first time.

Year-on-year carbon emissions per tenant were flat, with the benefit of colocation lease-up and power investments offset by higher grid emission factors in Tanzania and Senegal, as well as record tenancy growth in DRC, a fuel intensive market.

Through our strong tenancy growth and operational investments, we achieved +31% Adj. EBITDA and +82% operating profit growth in 2023. This also supported ROIC increasing meaningfully, expanding from 10.3% to 12.0%. Loss before tax improved by US\$50.3 million to a loss of US\$112.2 million, reflecting improved operating profit.

2.2x by 26

In the context of higher interest rates, we have updated our capital allocation priorities and over the near-term we are focused on organic growth and deleveraging. We anticipate inorganic activity and platform growth to be at a slower pace than previously guided. As such, we have tweaked our internal target from 22,000 towers by 2026 to 2.2x tenancy ratio by 2026. This reflects our updated capital allocation priorities and conviction in faster lease-up than previously guided.

This does not rule out attractive acquisitions, but it does illustrate our continued disciplined approach to capital allocation and to ensure our strategy is adaptable to external factors to drive the best value for our stakeholders.

Embedding health and safety in our DNA

I am proud of all the ways we support our people, but at Helios Towers we know the single most important thing we can do for our colleagues is to protect their health and safety. In the last two to three years, we have worked hard at every level of the organisation to embed this fully into our culture. From working at height to tower construction to working with power set-ups, safety risks are always present for our people and partners, so we do everything we can to avoid accidents.

We are also very transparent in our health and safety disclosures, declaring the number of incidents not just in our own workforce, but also among the 11,500 partners in our contractor network. Transparency is key to achieving our safety culture, and I'm very pleased to see that our near miss reporting rate has increased by 50% year-on-year. This improvement demonstrates open transparent communication through the business and increases our data pool, which allows us to learn, adapt and improve to ensure we are better able to keep our colleagues and partners safe when at work.

Furthermore, this year we have been leading the way in the wider telecoms community, for example by organising health and safety forums for the tower industry in Africa, in partnership with Nokia. We are breaking new ground in getting the whole industry together to ensure safety is our shared number one priority.

I am pleased that our commitment to health and safety, and sustainability more generally, also continues to deliver solid value to a range of stakeholders. Our sustainability credentials were confirmed this year by a AAA sustainability rating with MSCI, one of the leading providers of critical decision support tools and services for the global investment community.

Outlook

Following a strong 2023, in which we demonstrated the strength of our platform through accelerating organic growth and increasing returns, we expect to deliver more of the same over the coming years. Our revised strategic goal of '2.2x by 26', reflects our capital allocation priorities and conviction of faster lease-up than previously guided.

I expect our uniquely positioned platform with leading market share in some of the world's fastest growing markets, our dedicated focus on delivering Customer Service Excellence, alongside our talented local teams, will continue to drive sustainable value for all our stakeholders for many years to come.

Tom Greenwood

Group CEO

Group CFO's statement

Record organic tenancy growth, ROIC enhancement and proactively managing our balance sheet

"In 2023, we accelerated our organic growth, increased ROIC and strengthened our funding position, against the backdrop of a rising interest rate environment and continued global volatility. This performance reflects the strength and diversification of our enlarged platform, following two years of transformational expansion."

Manjit Dhillon

Group CFO

2023 was our most successful year for organic growth and ROIC expansion since IPO. With a record +2,433 organic tenancy additions delivered across our enlarged platform, we exceeded expectations for Adjusted EBITDA, operating profit and cash flow generation, while also reducing our net leverage back within our target range, ahead of schedule.

We also strengthened our funding position, partially reducing our 2025 Senior Notes through new loan facilities, which extended our average maturity by one year with only a minimal increase in our cost of debt, despite materially higher rates globally.

Our playbook in action

Our playbook is fairly simple - identify attractive high growth mobile markets with power and tower infrastructure gaps. Then identify compelling entry opportunities, either organically or more commonly inorganically through portfolio acquisitions, which create leading market positions, provide strong organic growth and lease-up opportunities and are underpinned by a robust base of revenues, often in hard currencies and supplemented by contractual escalators.

This has been demonstrated through the four new market acquisitions which have been integrated in the last couple of years. We are pleased with the performance of the new acquisitions, all of which have hit the ground running.

While our efficiency metrics were diluted in these acquisitive years (notably tenancy ratio, Adjusted EBITDA margin

and ROIC), this not only reflected the relative infancy of these assets but also the opportunity. In 2023, we started to demonstrate the quality of these acquisitions, alongside the long-term embedded growth within all our markets.

Our record organic tenancy growth supported our tenancy ratio expanding by +0.1x, reflecting expansion in both our new markets, which are tracking in line with our expectations, as well as continued growth within our established platform, in particular DRC that added over 1,000 tenancies through the year.

Consequently, Group ROIC expanded at its fastest rate since IPO from 10.3% to 12.0% with portfolio free cash flow expanding +33% and substantially reduced capital intensity for the business, reflecting our disciplined approach to capital allocation which always targets investments with a meaningful surplus to our weighted average cost of capital (WACC).

Robust business model

Our strong performance is underpinned by our robust business model that continues to demonstrate its resilience through macroeconomic volatility. While we saw a 11% increase in fuel prices, 6% in CPI and 4% foreign currency movements against the dollar, our Adjusted EBITDA expanded 31%, in line with our average tenancy growth.

Our revenues are largely protected from inflation and foreign currency movements, through four of our markets being innately hard-currency, in addition to contractual CPI and power price escalations. In our quarterly earnings releases over the past few years, we continue to demonstrate this dynamic.

In addition to these escalations, our defence against macroeconomic volatility is established through a protective blend of sustainable pricing strategy, market diversity and a diverse portfolio of blue-chip customers.

Customer mix: Our customers comprise major MNOs across Africa and the Middle East, contributing around 98% of our revenues in 2023. This revenue stream is diversified across several blue-chip MNOs, with none representing more than 27% of our revenue for the year. Additionally, we maintain sustainable pricing, offering lease rates approximately 30% lower than the MNOs' overall cost of ownership.

Long-term contracts: Traditionally, our agreements span initial periods of 10-15 years, followed by automatic renewals. As at 31 December 2023, the Group had an average of 7.8 years remaining in the initial term across our contracts. This equates to US\$5.4 billion in future revenue already secured, marking a 15% increase year-on-year, through organic growth and contract renewals.

Hard currency earnings: Another layer of safeguarding comes from our operation within hard currency markets. Countries like DRC, Senegal, Oman, and Congo Brazzaville are either dollarised or hard currency pegged. Within the Group, 71% of our Adjusted EBITDA comes from hard currency sources, strengthened by contractual escalations linked to power and CPI.

Through the year, we showcased how these attributes shield our Adjusted EBITDA and position us favourably to seize growth opportunities in a robust and resilient manner.

Our performance in 2023

We delivered record organic tenancy additions of +2,433, far exceeding our guidance of +1,600-2,100 provided at the beginning of the year, with the overachievement largely driven by lease-up. Consequently, we saw strong revenue and Adjusted EBITDA growth of 29% and 31% respectively. Our operating profit reached a record of US\$146.1 million, marking an increase of 82% year-on-year.

Our Adjusted EBITDA margin increased by 1ppt from 50.4% in 2022 to 51.3% in 2023. Our Adjusted EBITDA margin was partially impacted by higher fuel prices in 2023, as both fuel-linked revenues and operating expenses increased comparably due to pricing and therefore decreased margin. Adjusting for this dynamic, our Adjusted EBITDA margin increased by 3ppt year-on-year, reflecting the strong lease-up delivered through the year.

The Group's loss before tax was US\$112.2 million, an improvement of US\$50.3 million year-on-year. The impact of foreign currency movements was US\$86.1 million, largely reflecting the non-cash impact of intercompany loan movements. Nevertheless, with our focus on tenancy growth and operational efficiencies, we anticipate enhanced profitability in the near term. This transformation is evident in our five established markets, where our business is evolving towards profitability.

Cash flow

Cash flow generated from our existing asset base, or portfolio free cash flow, increased by 33% to US\$268.2 million. The increase was driven by Adjusted EBITDA growth and improved cash conversion, principally related to proportionately lower increases in payments of lease liabilities and taxes paid. Cash generated from operations increased by 65% to a record US\$318.5 million (2022: US\$193.2 million) driven by higher Adjusted EBITDA, lower deal costs and movements in working capital.

With portfolio free cash flow growth and a large decrease in capital expenditure in the year, our free cash flow improved materially from negative US\$720.6 million to negative US\$81.1 million and we continue to move towards reaching neutral free cash flow in 2024 and positive free cash flow thereafter.

Balance sheet

In September, we raised up to US\$720 million loan and credit facilities as part of a liability management exercise, to opportunistically partially tender our 2025 Senior Notes and repay our existing term loan. In total US\$405 million was utilised, resulting in our average maturities extending by one year with a minimal increase in our cost of debt, despite the rising interest rate environment.

We believe this reflects the consistency of our performance delivery over the past few years, as well as the improved scale and diversification achieved through our platform expansion. Our expansion over the last few years has resulted in us having US\$38.5 million of net liabilities at year-end, primarily driven by the depreciation on acquired assets and financing costs associated with those acquisitions, as well as the non-cash impact of foreign currency movements on our foreign currency asset base. As we lease-up those assets over the next few years, we expect the liability position to reverse. Our net current assets at year end remain strong at US\$84.2 million.

At year-end our balance sheet debt remained in a solid position, with a four-year average remaining life and over 80% of it being fixed. However, we continue to be opportunistic in regard to our debt liability management and are currently reviewing options around refinancing in 2024.

We closed the year with net leverage of 4.4x, within our medium-term target range of 3.5-4.5x and ahead of expectations. Given the projected earnings growth ahead, we target to be below 4.0x by the end of 2024.

Capital allocation

We have a disciplined approach to capital allocation, in which every investment needs to achieve a sufficient spread above our cost of capital among other factors. While we have a strong platform, the higher interest rate environment in which we operate today requires us to adjust return requirements for each investment.

In this context, our primary focus for capital allocation looking forward revolves around maximising returns through highly selective organic investments and strengthening our balance sheet. Consistent with prior years our primary focus is on organic investments including colocations, operating expense initiatives and highly selective BTS. Following this, our capital allocation priorities shift from acquisitions in the short term to supporting a reduction in our net leverage to below 4.0x by year-end 2024.

With free cash flow anticipated to move into positive territory over the near term, we are now close to a juncture where the capital we generate allows us the capacity to make distributions to our investors, both debt and equity holders, while still having ample resources to invest in our growth.

Outlook

Our outlook and strategy is simple - consistently look for and invest in capital efficient opportunities to increase our return on invested capital and ensure we continue to exceed our cost of capital. We have an exciting year ahead where we will continue to prioritise our capital allocation on high returning organic growth while delivering exceptional customer experience.

In 2024 and beyond, our focus remains steadfast on these objectives, aiming to leverage the positive aspects of our high-growth markets combined with our robust business model for the benefit of all stakeholders.

This fundamental approach forms the core of our strategy. We've laid down the foundations that promise a strong growth trajectory irrespective of global market shifts.

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 Adjusted EBITDA margin

Definition

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

Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue.

Purpose

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

Reconciliation between APM and IFRS

	2023 US\$m	2022 US\$m
Loss before tax	(112.2)	(162.5)
<i>Adjustments applied to give Adjusted EBITDA Adjusting items:</i>		
Deal costs ¹	3.3	19.1
Share-based payments and long-term incentive plan charges ²	3.7	4.5
Other/Restructuring	0.9	-
(Loss)/Gain on disposal of property, plant and equipment	(3.1)	0.4
Other gains and losses	6.1	51.4
Depreciation of property, plant and equipment	160.9	144.6
Amortisation of intangible assets	26.1	12.6
Depreciation of right-of-use assets	32.0	21.3

Interest receivable	(1.3)	(1.8)
Finance costs	253.5	193.2
Adjusted EBITDA	369.9	282.8
Revenue	721.0	560.7
Adjusted EBITDA margin	51%	50%

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

	2023 US\$m	2022 US\$m
Gross profit	270.6	194.8
Add back: Site and warehouse depreciation	185.6	158.1
Adjusted gross profit	456.2	352.9
Revenue	721.0	560.7
Adjusted gross margin	63%	63%

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

	2023 US\$m	2022 US\$m
Cash generated from operations	318.5	193.2
Adjustments applied:		
Movement in working capital	48.1	70.5
Adjusting items:		
Deal costs ¹	3.3	19.1
Adjusted EBITDA	369.9	282.8
Less: Maintenance and corporate capital additions	(35.5)	(20.3)
Less: Payments of lease liabilities ²	(45.3)	(40.8)
Less: Tax paid	(20.9)	(20.3)
Portfolio free cash flow	268.2	201.4

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 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 EBITDA¹.

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.

Reconciliation between IFRS and APM

	2023 US\$m	2022 US\$m
External debt	1,650.3	1,571.6
Lease liabilities	239.4	226.0
Gross debt	1,889.7	1,797.6

<u>Cash and cash equivalents</u>	106.6	119.6
<u>Net debt</u>	1,783.1	1,678.0
<u>Annualised Adjusted EBITDA¹</u>	403.0	328.8
<u>Net leverage</u>	4.4x	5.1x

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 and IAS 29 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.

<u>Reconciliation between IFRS and APM</u>	2023 US\$m	2022 US\$m (Restated) ²
Property, plant and equipment	918.3	907.9
Accumulated depreciation	1,127.5	934.0
Accumulated maintenance and corporate capital expenditure	(260.3)	(224.8)
Intangible assets	546.4	575.2
Accumulated amortisation	75.6	50.4
<u>Accounting adjustments and deferred consideration for future sites</u>	(180.1)	(70.7)
<u>Total invested capital</u>	2,227.4	2,172.0
<u>Annualised portfolio free cash flow¹</u>	268.2	223.8
<u>Return on invested capital</u>	12.0%	10.3%

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.

² Restatement on finalisation of acquisition accounting; see Note 31.

Detailed financial review

Consolidated Income Statement

For the year ended 31 December

	Year ended 31 December	
(US\$m)	2023	2022
Revenue	721.0	560.7
Cost of sales	(450.4)	(365.9)
Gross profit	270.6	194.8
Administrative expenses	(127.6)	(114.1)
Gain/(loss) on disposal of property, plant and equipment	3.1	(0.4)
Operating profit	146.1	80.3
Interest receivable	1.3	1.8
Other gains and losses	(6.1)	(51.4)
Finance costs	(253.5)	(193.2)
Loss before tax	(112.2)	(162.5)
Tax expense	0.4	(8.9)
Loss after tax	(111.8)	(171.4)
Loss attributable to:		
Owners of the Company	(100.1)	(171.5)
Non-controlling interests	(11.7)	0.1
Loss for the year	(111.8)	(171.4)
Loss per share:		
Basic loss per share (cents)	(10)	(16)
Diluted loss per share (cents)	(10)	(16)

Segmental key performance indicators

For the year ended 31 December

Following the Group's recent expansion into new countries and related internal management and reporting reorganisation, the Group's segments are now presented on a regional rather than a country basis, with comparative information re-presented accordingly.

\$ values are presented as US\$m	Group		MENA ²		East & West Africa ³		Central & Southern Africa ⁴	
	2023	2022	2023	2022	2023	2022	2023	2022
Sites at year end	14,097	13,553	2,535	2,519	6,396	6,300	5,166	4,734
Tenancies at year end	26,925	24,492	3,375	3,017	12,608	12,093	10,942	9,382
Tenancy ratio at year end	1.91x	1.81x	1.33x	1.20x	1.97x	1.92x	2.12x	1.98x
Revenue for the year (\$)	721.0	560.7	57.5	3.6	312.6	261.8	350.9	295.3
Adjusted gross margin ⁵	63%	63%	77%	73%	69%	67%	56%	59%

Adjusted gross margin ¹	369.9	282.8	38.5	2.3	199.8	162.9	167.6	149.1
Adjusted EBITDA ^Δ for the year ¹ (\$)								
Adjusted EBITDA margin ^Δ for the year	51%	50%	67%	64%	64%	62%	48%	50%

1 Group Adjusted EBITDA for the year includes corporate costs of US\$36.0 million (2022: US\$31.5 million).

2 MENA (Middle East & North Africa) segment reflects the Company's operations in Oman.

3 East & West Africa segment reflects the Company's operations in Tanzania, Senegal and Malawi.

4 Central & Southern Africa segment reflects the Company's operations in DRC, Congo Brazzaville, South Africa, Ghana and Madagascar.

Total tenancies as at 31 December

\$ values are presented as US\$m	Group		MENA		East & West Africa		Central & Southern Africa	
	2023	2022	2023	2022	2023	2022	2023	2022
Standard colocations	10,929	9,611	744	498	5,332	5,080	4,853	4,033
Amendment colocations	1,899	1,328	96	-	880	713	923	615
Total colocations	12,828	10,939	840	498	6,212	5,793	5,776	4,648
Total sites	14,097	13,553	2,535	2,519	6,396	6,300	5,166	4,734
Total tenancies	26,925	24,492	3,375	3,017	12,608	12,093	10,942	9,382

Δ Alternative Performance Measures are defined on pages 64-66 of the Annual Report.

Revenue

Revenue increased by 28.6% to US\$721.0 million in the year ended 31 December 2023 from US\$560.7 million in the year ended 31 December 2022. The increase in revenue was driven by organic tenancy growth, especially in DRC, contractual CPI and power escalators and acquisitions in Malawi and Oman in 2022.

Cost of sales

(US\$m)	Year ended 31 December			
	% of Revenue		% of Revenue	
	2023	2023	2022	2022
Power	177.3	24.6%	131.3	23.4%
Non-power	87.5	12.2%	76.5	13.6%
Site and warehouse depreciation	185.6	25.7%	158.1	28.2%
Total cost of sales	450.4	62.5%	365.9	65.3%

The table below shows an analysis of the cost of sales on a region-by-region basis for the year ended 31 December 2023 and 2022.

(US\$m)	Group				Middle East & North Africa		East & West Africa		Central & Southern Africa	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Power	177.3	131.3	7.4	0.6	60.4	50.4	109.5	80.3		
Non-power	87.5	76.5	5.9	0.5	36.4	35.0	45.2	41.0		
Site and warehouse depreciation	185.6	158.1	19.0	2.2	80.9	78.3	85.7	77.6		
Total cost of sales	450.4	365.9	32.3	3.3	177.7	163.7	240.4	198.9		

Cost of sales increased to US\$450.4 million in the year ended 31 December 2023 from US\$365.9 million in the year ended 31 December 2022, due primarily to a full year of operations in Malawi and Oman (US\$42.7 million) and organic site growth.

Administrative expenses

Administrative expenses increased by 11.8% to US\$127.6 million in the year ended 31 December 2023 from US\$114.1 million in the year ended 31 December 2022. Year-on-year administrative expenses as a percentage of revenue has decreased by 2.6%. The increase in administrative expenses is primarily due to the impact of acquisitions that increased amortisation and other administrative costs.

(US\$m)	Year ended 31 December			
	% of Revenue		% of Revenue	
	2023	2023	2022	2022
Other administrative costs	86.4	12.0%	70.0	12.5%
Depreciation and amortisation	33.4	4.6%	20.3	3.6%
Adjusting items	7.8	1.1%	23.8	4.2%
Total administrative expense	127.6	17.7%	114.1	20.3%

Adjusted EBITDA

Adjusted EBITDA was US\$369.9 million in the year ended 31 December 2023 compared to US\$282.8 million in the year ended 31 December 2022. 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 2023 was a loss of US\$6.1 million, compared to a loss of US\$1.4 million in the year ended 31 December 2022. This is mainly related to the impacts of hyperinflation accounting in 2023 in Ghana and the non-cash US\$2.1 million (2022: US\$1.5 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.

FINANCIAL COSTS

Finance costs of US\$253.5 million for the year ended 31 December 2023 included interest costs of US\$150.2 million which reflects interest on the Group's debt instruments, fees on available Group and local term loans and revolving credit facilities (RCF), withholding taxes and amortisation. The increase in interest costs from US\$115.4 million in 2022 to US\$150.2 million in 2023 is primarily due to a full year of interest costs for the Oman term loan. The increase in non-cash foreign exchange differences from US\$52.3 million in 2022 to US\$86.1 million in 2023 primarily reflects fluctuations of the Malawian Kwacha, Ghanaian Cedi and Tanzanian Shilling which declined against the US Dollar during the year.

(US\$m)	Year ended 31 December	
	2023	2022
Foreign exchange differences	86.1	52.3
Interest costs	150.2	115.4
Interest costs on lease liabilities	25.0	25.5
Gain on refinancing	(7.8)	-
Total finance costs	253.5	193.2

TAX EXPENSE

Tax expense was US\$0.4 million credit in the year ended 31 December 2023 as compared to US\$8.9 million expense in the year ended 31 December 2022. The decrease in overall tax charge is predominantly driven by the recognition of previously unrecognised deferred tax assets in profitable territories.

Though entities in Congo Brazzaville and Senegal have continued to be loss-making for tax purposes, minimum income taxes or/and 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 corporate income tax thereon.

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2023 for each year from 2024 to 2028, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2023 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.

(US\$m)	Year ended 31 December				
	2024	2025	2026	2027	2028
Middle East & North Africa	52.5	49.6	49.6	49.6	49.6
East & West Africa	278.3	287.4	247.2	231.8	227.8
Central & Southern Africa	362.1	334.7	300.8	271.5	256.6
Total	692.9	671.7	597.6	552.9	534.0

The following table provides our total undiscounted contracted revenue by key customers as of 31 December 2023 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 2023 held constant. As at 31 December 2023, total contracted revenue was US\$5.4 billion (2022: US\$4.7 million), of which 99% is from multinational MNOs, with an average remaining life of 7.8 years (2022: 7.6 years).

(US\$m)	Total committed revenues	% of total committed revenues
		99.0%
Multinational MNOs	5,363.2	99.0%
Other	54.0	1.0%
Total	5,417.2	100.0%

MANAGEMENT CASH FLOW

(US\$m)	Year ended 31 December	
	2023	2022
Adjusted EBITDA	369.9	282.8
Less:		
Maintenance and corporate capital additions	(35.5)	(20.3)
Payments of lease liabilities ¹	(45.3)	(40.8)
Corporate taxes paid	(20.9)	(20.3)
Portfolio free cash flow ²	268.2	201.4
Cash conversion % ³	73%	71%
Net payment of interest ⁴	(127.9)	(97.7)
Net change in working capital ⁵	(47.1)	(86.5)
Levered portfolio free cash flow ⁶	93.2	17.2
Discretionary capital additions ⁷	(167.5)	(745.0)
Cash paid for exceptional and one-off items, and proceeds on disposal assets ⁸	(6.8)	7.2
Free cash flow	(81.1)	(720.6)
Transactions with non-controlling interests	-	(11.8)
Net cash flow from financing activities ⁹	75.7	327.4
Net cash flow	(5.4)	(405.0)
Opening cash balance	119.6	528.9
Foreign exchange movement	(7.6)	(4.3)
Closing cash balance	106.6	110.6

CLOSING CASH BALANCE

100.0 119.0

- 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 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.
- 6 Levered portfolio free cash flows have been represented based on the updated structure of the management cash flow. It is defined as portfolio free cash flow less net payment of interest and net change in working capital.
- 7 Discretionary capital additions includes acquisition, growth and upgrade capital additions.
- 8 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.
- 9 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 71% for the year ended 31 December 2022 to 73% for the year ended 31 December 2023. This is driven by Adjusted EBITDA growing faster than corporate taxes paid and payment of lease liabilities.

Net change in working capital decreased by US\$39.4 million year-on-year due to timing of cash payments to suppliers and improved collections from customers.

The Group's Consolidated Statement of Cash Flows is set out on page 135 of the Annual Report.

Cash flows from operations, investing and financing activities

Cash generated from operations increased by 64.9% to US\$318.5 million (2022: US\$193.2 million) driven by higher Adjusted EBITDA, lower deal costs and movements in working capital. Net cash used in investing activities was US\$195.8 million for the year ended 31 December 2023, down from US\$381.5 million in the prior year. The decrease was primarily due to lower organic and inorganic site growth in 2023. Net cash generated from financing activities during the year was US\$43.2 million, which primarily related to loan drawdowns net of loan repayments.

Cash and cash equivalents

Cash and cash equivalents decreased by US\$13.0 million year-on-year to US\$106.6 million at 31 December 2023 (2022: US\$119.6 million) as described above.

Capital expenditure

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

	2023		2022	
	US\$m	% of total capex	US\$m	% of total capex
Acquisition	20.2	10.0%	557.4	72.9%
Growth	112.5	55.4%	171.2	22.4%
Upgrade	34.8	17.1%	16.3	2.1%
Maintenance	31.3	15.4%	17.9	2.3%
Corporate	4.2	2.1%	2.5	0.3%
Total	203.0	100.0%	765.3	100.0%

Acquisition capex in the year ended 31 December 2023 relates primarily to deferred consideration in Senegal.

Trade and other receivables

Trade and other receivables increased from US\$228.1 million at 31 December 2022 to US\$297.2 million at 31 December 2023, primarily due to increases from new markets entered, organic growth, customer billing profile and contract assets. Debtor days decreased from 57 days in 2022 to 47 days in 2023 (see Note 15).

Trade and other payables

Trade and other payables increased from US\$239.4 million at 31 December 2022 to US\$301.7 million at 31 December 2023. The increase is primarily driven by an increase in deferred income, as a result of the timing of customer billings, and an increase in accruals due to the timing of capital expenditure and other purchases around year-end.

Loans and borrowings

As of 31 December 2023 and 31 December 2022, the Group's outstanding loans and borrowings, excluding lease liabilities, were US\$1,650.3 million (net of issue costs) and US\$1,571.6 million respectively, and net leverage was 4.4x and 5.1x respectively. The year-on-year change in indebtedness largely reflects a US\$325 million partial tender of the Group's Senior Notes due 2025 and US\$65 million repayment of the Group's previous term loan using proceeds from new banking facilities completed during the year. Further details of loans and borrowings are provided in Note 20 of the Group Financial Statements.

Principal risks and uncertainties

^ Risk increasing v Risk decreasing ~ No change ± New risk

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	- Continued skills development and training programmes for the project and operational delivery team; - Detailed and defined project scoping and lifecycle management through project delivery and transfer to ongoing operations; - Contract and dispute management processes in place; - Continuous monitoring and management of customer relationships; and	~

		<p>provisions, which may require the Group to make unanticipated and potentially significant payments to its customers.</p>	<p>- Use of long-term contracting with minimal termination rights.</p>
2 Non-compliance with laws and regulations, such as:	<ul style="list-style-type: none"> - Compliance - Financial - Reputational 	<p>Non-compliance with applicable laws and regulations may lead to substantial fines and penalties, reputational damage and adverse effects on future growth prospects.</p> <p>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.</p>	<ul style="list-style-type: none"> - 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; - Internal Audit function adding additional checks and balances; and - Supplier/Partner forums continuing to be rolled out to all OpCos to build further third-party capability and competency.
3 Economic and political instability	<ul style="list-style-type: none"> - Operational - Financial 	<p>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.</p> <p>There are significant risks related to political instability (including elections), security, ethnic, religious and regional tensions in each market where the Group has operations.</p>	<ul style="list-style-type: none"> - 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 and tested to respond to any emergency situations.
4 Significant exchange rate and interest rate movements	<ul style="list-style-type: none"> - Financial 	<p>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.</p> <p>This may also negatively affect availability of foreign currency in local markets and the ability of the Group to upstream cash.</p>	<ul style="list-style-type: none"> - USD - and EURO-pegged contracts; - 'Natural' hedge of local currencies (revenue vs opex); - Ongoing review of exchange rate differences and interest rate movements; - Fixed rate debt/swaps in place - 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.
5 Non-compliance with permit requirements	<ul style="list-style-type: none"> - Operational 	<p>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.</p>	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - People 	<p>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.</p>	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Strategic 	<p>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.</p> <p>Examples of such new technologies may include spectrally efficient technologies that 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.</p>	<ul style="list-style-type: none"> - Strategic long-term planning; - Business intelligence; - Exploring alternatives, e.g. solar power technologies - Continuously improving product offering to enable adaptation to new wireless technologies; - Applying for new licences to provision active infrastructure services in certain markets; and - Technology committee in place with Board involvement/oversight.

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 taxation liabilities.	- Frequent interaction and transparent communication with relevant governmental authorities and representatives; - Engagement of external legal and tax advisors to advise on legislative/tax code 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.
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 cyber 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 National Cyber Security Centre (NCSC) (www.ncsc.gov.uk), National Institute of Standards and Technology (NIST) (www.nist.gov), 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 - ISO 27001 (Information Security) and Cyber Essentials certification obtained during 2023.
14 Climate change	- Operational - Financial	Climate change is a global challenge and therefore critical to our business, our investors, our customers and other stakeholders. Regulatory requirements	- Carbon reduction intensity target to 2030 with an ambition to decarbonise our emissions to net zero (90% reduction in scope 1, 2, 3 emissions);

- Reputational	<p>and expectations of 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.</p> <p>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).</p> <p>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.</p>	<ul style="list-style-type: none"> - Monitoring changes to carbon legislation and regulations in all our markets; - Investing in solutions that 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; - 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; - Development of a new Group climate risk register covering both physical and transition risks for all OpCos; and - New Geographic Information System (GIS) modelling showing the impact of weather patterns on our tower portfolio and also the impact on key access points (e.g. critical roads).
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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

	Year ended 31 December	
(US\$m)	2023	2022
Revenue	721.0	560.7
Cost of sales	(450.4)	(365.9)
Gross profit	270.6	194.8
Administrative expenses	(127.6)	(114.1)
Gain/(loss) on disposal of property, plant and equipment	3.1	(0.4)
Operating profit	146.1	80.3
Interest receivable	1.3	1.8
Other gains and losses	(6.1)	(51.4)
Finance costs	(253.5)	(193.2)
Loss before tax	(112.2)	(162.5)
Tax expense	0.4	(8.9)
Loss after tax	(111.8)	(171.4)
Loss attributable to:		
Owners of the Company	(100.1)	(171.5)
Non-controlling interests	(11.7)	0.1
Loss for the year	(111.8)	(171.4)
Loss per share:		
Basic loss per share (cents)	(10)	(16)
Diluted loss per share (cents)	(10)	(16)

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

	2023	2022
	US\$m	US\$m
Loss after tax for the year	(111.8)	(171.4)
Other comprehensive (loss)/gain:		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of foreign operations	(1.8)	(5.5)
Cash flow reserve (loss)/gain	(14.7)	-
Total comprehensive loss for the year, net of tax	(128.3)	(176.9)
Total comprehensive loss attributable to:		
Owners of the Company	(117.1)	(176.4)
Non-controlling interests	(11.2)	(0.5)
Total comprehensive loss for the year	(128.3)	(176.9)

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

Consolidated Statement of Financial Position

As at 31 December

		Note	2023 US\$m	2022 US\$m (Restated) ¹
Assets				
Non-current assets				
Intangible assets	11		546.4	575.2
Property, plant and equipment	12		918.3	907.9
Right-of-use assets	13		254.0	226.5
Deferred tax asset	10		13.6	18.7
Derivative financial assets	26		6.3	2.8
			1,738.6	1,731.1
Current assets				
Inventories	14		12.7	14.6
Trade and other receivables	15		297.2	228.1
Prepayments	16		42.6	45.7
Cash and cash equivalents	17		106.6	119.6
			459.1	408.0
Total assets			2,197.7	2,139.1
Equity and liabilities				
Equity				
Share capital	18		13.5	13.5
Share premium	18		105.6	105.6
Other reserves			(101.7)	(87.0)
Convertible bond reserves	20		52.7	52.7
Share-based payments reserves	25		25.5	23.2
Treasury shares	18		(1.8)	(1.1)
Translation reserve			(56.9)	(93.5)
Retained earnings			(105.2)	(5.1)
Equity attributable to owners			(68.3)	8.3
Non-controlling interest			29.8	41.0
Total equity			(38.5)	49.3
Liabilities				
Current liabilities				
Trade and other payables	19		301.7	239.4
Short-term lease liabilities	21		35.5	34.1
Loans	20		37.7	19.9
			374.9	293.4
Non-current liabilities				
Deferred tax liabilities			25.9	50.1
Long-term lease liabilities	21		203.9	191.9
Derivative financial liabilities	26		14.6	-
Loans	20		1,612.6	1,551.7
Minority interest buyout liability			4.3	2.7
			1,861.3	1,796.4
Total Liabilities			2,236.2	2,089.8
Total equity and liabilities			2,197.7	2,139.1

Total equity and liabilities

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

These Financial Statements were approved and authorised for issue by the Board on 13 March 2024 and signed on its behalf by:

Tom Greenwood

Manjit Dhillon

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

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
Loss for the year	-	-	-	-	-	-	-	(100.1)	(100.1)	(11.7)	(111.8)
Movement in cash flow hedge reserve	-	-	(14.7)	-	-	-	-	-	(14.7)	-	(14.7)
Other comprehensive loss	-	-	-	-	-	-	(2.3)	-	(2.3)	0.5	(1.8)
Total comprehensive loss for the year	-	-	(14.7)	-	-	-	(2.3)	(100.1)	(117.1)	(11.2)	(128.3)
Transactions with owners:											
Share-based payments	25	-	-	-	1.6	-	-	-	1.6	-	1.6
Transfer of treasury shares	-	-	-	(0.7)	0.7	-	-	-	-	-	-
Translation of hyperinflationary results	-	-	-	-	-	38.9	-	38.9	-	38.9	
Balance at 31 December 2023	13.5	105.6	(101.7)	(1.8)	25.5	52.7	(56.9)	(105.2)	(68.3)	29.8	(38.5)

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 and the cash flow hedge reserve.

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

Consolidated Statement of Cash Flows

For the year ended 31 December

	Note	2023 US\$m	2022 US\$m
Cash flows from operating activities			
Loss for the year before tax		(112.2)	(162.5)
Adjustments for:			
Other gains and (losses)	24	6.1	51.4
Finance costs	9	253.5	193.2
Interest receivable	8	(1.3)	(1.8)
Depreciation and amortisation	11-13	219.0	178.5
Share-based payments and long-term incentive plans	25	3.7	4.5
(Loss)/Gain on disposal of property, plant and equipment		(3.1)	0.4
Operating cash flows before movements in working capital		365.7	263.7
Movement in working capital:			
(Increase) in inventories		(3.1)	(3.3)
(Increase) in trade and other receivables		(88.1)	(79.0)
(Increase) in prepayments		(5.1)	(2.0)
Increase in trade and other payables		49.1	13.8
Cash generated from operations		318.5	193.2
Interest paid		(150.4)	(121.8)
Tax paid	10	(20.9)	(20.3)
Net cash generated from operating activities		147.2	51.1
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(191.6)	(244.4)
Payments to acquire intangible assets		(4.8)	(3.4)
Acquisition of subsidiaries (net of cash acquired)	31	-	(135.6)
Proceeds on disposal of property, plant and equipment		(0.3)	0.1
Interest received		0.9	1.8
Net cash used in investing activities		(195.8)	(381.5)
Cash flows from financing activities			
Transactions with non-controlling interests		-	11.8
Loan drawdowns		489.6	280.6
Loan issue costs		(12.1)	(7.2)
Repayment of loan		(401.8)	(341.0)
Repayment of lease liabilities		(32.5)	(18.8)
Net cash generated/(used in) from financing activities		43.2	(74.6)
Net (decrease) in cash and cash equivalents		(5.4)	(405.0)
Foreign exchange on translation movement		(7.6)	(4.3)
Cash and cash equivalents at 1 January		119.6	528.9
Cash and cash equivalents at 31 December		106.6	119.6

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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 on page 172 of the Annual Report. 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 and for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' for the Group's entities reporting in Ghanaian Cedi. 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 2023 or 31 December 2022 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 2022 have been delivered to the Registrar of Companies and those for the year ended 31 December 2023 will be delivered to the Registrar of Companies during April 2024. 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 2024. Page number references in this document refer to the Group's 2023 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 energy prices and the broader inflationary environment in some of the Group's operations. Our expansion over the last few years has resulted in us having US\$38.5m of net liabilities at year end, primarily driven by the depreciation on acquired assets and financing costs associated with those acquisitions. As we lease-up those assets over the next few years, we expect the liability position to reverse. Our net current assets at year end remain strong at US\$84.2m.

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 2023

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

- IFRS 17: Insurance contracts, Amendments to IAS 8: Definition of Accounting Estimates, Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction and Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

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

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 (IFRS 15). 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 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 until billed.

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; and
- 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, with the exception of the Group's Ghanaian Cedi operations, which are subject to hyperinflation accounting.

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.

operations 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.

Hyperinflation Accounting

Ghana met the requirements to be designated as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies' in the quarter ended 31 December 2023. The Group has therefore applied hyperinflationary accounting, as specified in IAS 29, to its Ghanaian operations whose functional currency is the Ghanaian Cedi.

In accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', comparative amounts have not been restated.

Ghanaian Cedi denominated results and non-monetary asset and liability balances for the current financial year ended 31 December 2023 have been revalued to their present value equivalent local currency amount as at 31 December 2023, based on an inflation index, before translation to USD at the reporting date exchange rate of USD\$1:GHS11.89.

For the Group's operations in Ghana:

- The gain or loss on net monetary assets resulting from IAS 29 application is recognised in the consolidated income statement within other gains & losses.
- The Group also presents the gain or loss on cash and cash equivalents as monetary items together with the effect of inflation on operating, investing and financing cash flows as one number in the consolidated statement of cash flows.
- The Group has presented the IAS 29 opening balance adjustment to net assets within currency reserves in equity. Subsequent IAS 29 equity restatement effects and the impact of currency movements are presented within other comprehensive income because such amounts are judged to meet the definition of 'exchange differences'.

The inflation index in Ghana selected to reflect the change in purchasing power was the consumer price index (CPI) issued by the Ghana Statistical Service, which has risen by 23.2% to 200.5 (2022: 162.8) during the current financial year.

The main impacts of the aforementioned adjustments on the consolidated financial statements are shown below.

	Year ended 31 December 2023 Increase/(Decrease) US\$m
Revenue	0.4
Operating Profit	(5.8)
Loss before tax	(14.0)
Non-current assets	30.8
Equity attributable to owners of the parent	(27.6)

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.

Hedge Accounting

The Group's activities expose it to the financial risks of changes in interest rates which it manages using derivative financial instruments. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The Group designates certain derivatives as hedges of highly probable interest rate risks of firm commitments (cash flow hedges). Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date. Changes in values of all derivatives of a financing nature are included within financing costs in the income statement unless designated in an effective cash flow hedge relationship when the effective portion of changes in value are deferred to other comprehensive income. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. When hedge accounting is discontinued, any gain or loss recognised in other comprehensive income at that time remains in equity and is recognised in the income statement when the hedged transaction is ultimately recognised in the income statement.

For cash flow hedges, when the hedged item is recognised in the income statement, amounts previously recognised in other comprehensive income and accumulated in equity for the hedging instrument are reclassified to the income statement. However, when the hedged transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. If a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

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 capitalised 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. Amortisation of intangibles is included within Administrative expenses in the Consolidated Income Statement.

Impairment of tangible and intangible assets

At each reporting date, the Directors review the carrying amounts of its tangible and intangible assets (other than goodwill, which is tested at least annually as described above) 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 among 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

Where required under applicable standards, provision is made for matters where Management assess that it is probable that a relevant taxation authority will not accept the position as filed in the tax returns, it is probable an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. 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

The following Standards, Amendments and Interpretations have been issued by the IASB and are effective for annual reporting periods beginning on or after 1 January 2024:

- Amendments to IAS 1 'Classification of liabilities and Non-current liabilities with Covenants'
- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements'

The Group's financial reporting will be presented in accordance with the above new standards from 1 January 2024. 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.

Recognition of deferred tax assets

The Group has material unrecognised deferred tax assets across a number of jurisdictions (see Note 10) which have

The Group has identified deferred tax assets which have not been 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 16), which have not been 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.

2(b). Critical accounting judgements and key sources of estimation uncertainty

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.

Derivatives valuation

The group manages its interest rate risk using interest rate swap agreements. These are classified as financial instruments and recognised at fair value at the reporting date. The fair value is dependent on the future interest rate forward yield curve at the reporting date. This can have a material impact on the fair value of the interest rate swaps between periods. A 100 basis point movement will result in a change in value of US\$19.5 million which will be recognised either in the income statement or in other comprehensive income depending on if hedge accounting has been applied and effective in the period.

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:

Impairment testing

Following the assessment of the recoverable amount of goodwill allocated to the Group's CGUs, to which Goodwill of US\$40.7 million is allocated, the Directors consider the recoverable amount of goodwill allocated to the operating companies to be most sensitive to the key assumptions in the number of tenancy opportunities in the relevant markets and the expected growth rates in these markets, future discount rates and operating cost and capital expenditure requirements.

In the current year sensitivities have been applied to the key assumptions and the Directors do not consider there to be a reasonable possible change that would have a material impact to the balance sheet valuation.

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 2023 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 jurisdictions 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 and in the measurement of deferred tax assets as applicable. 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 all 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 2023 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

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. Following the Group's recent expansion into new countries and related internal management and reporting reorganisation, the Group's segments are now presented on a regional rather than a country basis, with comparative information represented accordingly. 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.

	MENA		East & West Africa		Central & Southern Africa		Corporate	Group
	Oman US\$m	Tanzania US\$m	Other US\$m	DRC US\$m	Other US\$m	US\$m	US\$m	
For the year to 31 December 2023								
Revenue	57.5	232.5	80.1	256.9	94.0	-	721.0	
Adjusted gross margin ¹	77%	73%	57%	54%	62%	-	63%	
Adjusted EBITDA ²	38.5	162.3	37.5	123.0	44.6	(36.0)	369.9	
Adjusted EBITDA margin ³	67%	70%	47%	48%	47%	-	51%	
Financing costs								
Interest costs	(36.0)	(37.8)	(28.3)	(54.7)	(24.1)	5.7 (175.2)		
Foreign exchange differences	(0.6)	(37.9)	(31.7)	0.3	(30.2)	14.0 (86.1)		
Gain on refinancing	-	-	-	-	-	7.8	7.8	
Total finance costs	(36.6)	(75.7)	(60.0)	(54.4)	(54.3)	27.5 (253.5)		
Other segmental information								
Non-current assets	509.4	281.9	300.3	383.4	251.6	12.0 1,738.6		
Property, plant and equipment additions	13.1	34.2	24.2	68.1	36.3	3.0	178.9	
Property, plant and equipment depreciation and amortisation	23.2	47.8	29.1	51.7	27.8	7.4	187.0	
	MENA ⁴		East & West Africa ⁵		Central & Southern Africa ⁶		Corporate	Group
	Oman US\$m	Tanzania US\$m	Other US\$m	DRC US\$m	Other US\$m	US\$m	US\$m	
For the year to 31 December 2022 (Represented)								
Revenue	3.6	201.4	60.4	205.9	89.4	-	560.7	
Adjusted gross margin ¹	73%	70%	59%	57%	64%	-	63%	
Adjusted EBITDA ²	2.3	133.7	29.2	104.4	44.7	(31.5)	282.8	
Adjusted EBITDA margin ³	64%	66%	48%	51%	50%	-	50%	
Financing costs								
Interest costs	(5.2)	(40.1)	(21.2)	(52.3)	(25.5)	3.3 (141.0)		
Foreign exchange differences	(0.1)	(2.2)	(14.3)	0.30	(34.3)	(1.6) (52.2)		
Total finance costs	(5.3)	(42.3)	(35.5)	(52.0)	(59.8)	1.7 (193.2)		
Other segmental information⁷								
Non-current assets	519.3	318.0	327.8	343.6	218.2	4.2 1,731.1		
Property, plant and equipment additions	125.8	53.8	66.6	76.7	40.6	2.4 365.9		
Property, plant and equipment depreciation and amortisation	1.7	52.9	21.6	53.3	21.3	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.

4 Middle East & North Africa segment reflects the Company's operations in Oman.

5 East & West Africa segment reflects the Company's operations in Tanzania, Senegal and Malawi.

6 Central & Southern Africa segment reflects the Company's operations in DRC, Congo Brazzaville, South Africa, Ghana and Madagascar.

7 Restatement on finalisation of acquisition accounting; see Note 31, page 166.

Customer Concentration

A significant portion of our Group revenue is derived from a small number of large multinational customers (which operate across multiple segments). In the year ended 31 December 2023, revenue from our top four MNO customers, collectively accounted for 69.7% of our revenue (2022: 75.4%).

(US\$m)	Year ended 31 December			
	% of Revenue		% of Revenue	
	2023	2023	2022	2022
Airtel Africa	197.1	27.4%	158.9	28.3%
Vodafone/Vodacom	154.5	21.4%	132.5	23.6%
Orange	77.5	10.8%	60.9	10.9%
Axian	73.0	10.1%	70.4	12.6%
Total	502.1	69.7%	422.7	75.4%

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.

It believes they are not indicative of its underlying trading performance.

Adjusted EBITDA is reconciled to loss before tax as follows:

	2023 US\$m	2022 US\$m
Adjusted EBITDA	369.9	282.8
<i>Adjustments applied to give Adjusted EBITDA</i>		
Adjusting items:		
Deal costs ¹	(3.3)	(19.1)
Share-based payments and long-term incentive plan charges ²	(3.7)	(4.5)
Other/Restructuring	(0.9)	-
Loss on disposal of property, plant and equipment	3.1	(0.4)
Other gains and (losses)	(6.1)	(51.4)
Depreciation of property, plant and equipment	(160.9)	(144.6)
Amortisation of intangible assets	(26.1)	(12.6)
Depreciation of right-of-use assets	(32.0)	(21.3)
Interest receivable	1.3	1.8
Finance costs	(253.5)	(193.2)
Loss before tax	(112.2)	(162.5)

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:

	2023 US\$m	2022 US\$m
Cost of inventory expensed	125.1	89.0
Auditor remuneration (see Note 5b)	2.9	2.7
(Gain)/Loss on disposal of property, plant and equipment	(3.1)	0.4
Depreciation and amortisation	219.0	178.5
Staff costs (Note 6)	42.3	35.0

5b. Audit remuneration

	2023 US\$m	2022 US\$m
Statutory audit of the Company's annual accounts	0.8	0.6
Statutory audit of the Group's subsidiaries	1.8	1.8
Audit fees	2.6	2.4
Interim review engagements	0.3	0.1
Other assurance services	-	0.2
Audit related assurance services	0.3	0.3
Total non-audit fees	0.3	0.3
Total fees	2.9	2.7

6. Staff costs

Staff costs consist of the following components:

	2023 US\$m	2022 US\$m
Wages and salaries	38.9	32.0
Social security costs - employer contributions	2.6	2.4
Pension costs	0.8	0.6
	42.3	35.0

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:

	2023	2022
Operations	320	287
Legal and regulatory	61	61
Administration	61	59
Finance and IT	120	108
Sales and marketing	36	33
	598	548

7. Key management personnel compensation

	2023 US\$m	2022 US\$m
Salary, fees and bonus	3.7	3.8
Pension and benefits	0.2	0.2
Share based payment charge	0.6	1.6
	4.5	5.6

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

	2023 US\$m	2022 US\$m
Bank interest receivable	1.3	1.8

9. Finance costs

	2023 US\$m	2022 US\$m
Foreign exchange differences	86.1	52.2
Interest costs	150.2	115.5
Interest costs on lease liabilities	25.0	25.5
Gain on refinancing	(7.8)	-
	253.5	193.2

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

10. Tax expense, tax paid and deferred tax

	2023 US\$m	2022 US\$m
(a) Tax expense:		
Current tax		
In respect of current year	24.7	19.1
Adjustment in respect of prior years	(0.6)	(1.2)
Total current tax	24.1	17.9
Deferred tax		
Originating temporary differences on acquisition of subsidiary undertakings	0.6	(1.8)
Originating temporary differences on capital assets and losses	(24.6)	(5.9)
Adjustment in respect of prior years	(0.5)	(1.3)
Total deferred tax	(24.5)	(9.0)
Total tax expense	0.4	8.9
(b) Tax reconciliation:		
Loss before tax	(112.2)	(162.5)
Tax computed at the local statutory tax rate	(26.4)	(30.9)
Tax effect of expenditure not deductible for tax purposes	20.8	26.5
Fixed asset timing differences	(3.2)	0.3
Change in deferred income tax movement not recognised	3.9	9.7
Prior year (under)/over provision	(1.2)	(2.5)
Minimum income taxes	0.3	0.3
Different tax rates applied in overseas jurisdictions	4.1	4.8
Other	1.3	0.7
Total tax expense	0.4	8.9

The format of the tax charge presentation has changed in order to provide the users of the accounts with a more appropriate reflection of the Group's tax profile. The tax charge reported for the year ended 2023 relates to operating subsidiaries outside the UK, of which a majority have a corporate income tax rate above the effective UK tax rate of 23.5%.

The range of statutory corporate 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 2023. 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 Group 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.

	2023 US\$m	2022 US\$m
Tax paid		
Income tax	(20.9)	(20.3)
Total tax paid	(20.9)	(20.3)

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\$	Short term timing differences US\$m	Tax losses US\$m	Intangible assets US\$m	Total US\$m
1 January 2022	(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)
Adjustment to opening reserves	(7.1)	-	-	-	(7.1)
Charge for the year	(1.4)	18.9	6.4	0.7	24.6
Exchange rate differences	-	-	-	1.6	1.6
31 December 2023	(12.0)	28.2	6.4	(34.9)	(12.3)

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:

	2023 US\$m	2022 US\$m
Deferred tax liabilities	(25.9)	(50.1)
Deferred tax assets	13.6	18.7
Total	(12.3)	(31.4)

Unrecognised deferred tax

No deferred tax asset is recognised on US\$140.6 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\$94.7 million are subject to expiry under local statutory tax rules within periods of 3 to 5 years and US\$45.9 million 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 Mauritius US\$77.8 million (tax effect \$11.7 million), Oman US\$16.6 million (tax effect US\$2.5 million), South Africa US\$19.4 million (tax effect US\$5.4 million), Congo Brazzaville US\$0.3 million (tax effect US\$0.1 million) and UK US\$26.5 million (tax effect US\$6.2 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\$0.1m 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.

11. Intangible assets

	Goodwill US\$m	Customer contracts US\$m	Customer relationships US\$m	Colocation rights US\$m	Non- competitive agreement US\$m	Computer software and licences US\$m	Total US\$m
Cost							
At 1 January 2022	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) (Restated) ¹	26.9	-	342.1	-	-	-	369.0
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 (Restated)¹	44.2	2.9	524.2	8.8	0.9	44.6	625.6
Additions during the year	-	-	-	-	-	4.8	4.8
Effects of foreign currency exchange differences	(3.5)	(0.2)	(3.1)	(0.8)	0.1	(0.9)	(8.4)
At 31 December 2023	40.7	2.7	521.1	8.0	1.0	48.5	622.0
Amortisation							
At 1 January 2022	-	(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)
Transfers	-	-	-	-	-	(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)
Charge for year	-	(0.2)	(19.7)	(0.8)	(0.2)	(5.2)	(26.1)
Effects of foreign currency exchange differences	-	0.1	(0.5)	0.2	0.1	1.0	0.9
At 31 December 2023	-	(0.8)	(31.5)	(2.8)	(0.9)	(39.6)	(75.6)
Net book value							
At 31 December 2023	40.7	1.9	489.6	5.2	0.1	8.9	546.4
At 31 December 2022 (Restated)¹	44.2	2.2	512.9	6.6	0.1	9.2	575.2

¹ Restatement on finalisation of acquisition accounting; see 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 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 using the acquisition method. Goodwill arising on this business combination has been allocated to the Oman CGU. The accounting for this transaction was provisional in 2022 and was finalised in 2023. Please refer to further details in Note 31 for finalisation of Purchase Price Allocation Accounting.

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. If any such indication exists, then the CGU's 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:

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

	2023 US\$m	2022 US\$m (Restated) ¹
Goodwill		
2019 South Africa	3.8	4.2
2021 Senegal	5.3	5.0
2021 Madagascar	10.0	10.3
2022 Malawi	5.0	8.1
2022 Oman	16.6	16.6
Total	40.7	44.2

¹ Restatement on finalisation of acquisition accounting; see Note 31

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, 11.4%, Senegal 10.7%, Madagascar 13.1%, Malawi 11.3% and Oman 10.8%) and also estimated long-term growth rates assumed to be 2.0% across all markets.

The adjustment required to the discount rate to breakeven is an increase of 2.5% in Madagascar. The adjustment required to the future cash flows to breakeven is a decrease of 23.2% in Madagascar. The adjustment required to the long-term growth rate to breakeven is a decrease of 3.7% in Madagascar.

12. 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 2022	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 (Restated) ¹	-	-	-	161.7	-	-	161.7
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 (Restated) ¹	7.9	1.7	4.3	1,818.1	6.5	3.4	1,841.9
Additions	0.1	0.1	0.6	177.9	0.1	0.1	178.9
Disposals	-	-	(0.1)	(6.8)	-	-	(6.9)
Effects of foreign currency exchange differences	(0.1)	-	(0.2)	(80.1)	(0.2)	-	(80.6)
Hyperinflation impacts	0.8	0.2	1.2	110.2	-	0.1	112.5
At 31 December 2023	8.7	2.0	5.8	2,019.3	6.4	3.6	2,045.8
Depreciation							
At 1 January 2022	(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)
Charge for the year	(0.3)	(0.3)	(0.4)	(159.7)	(0.1)	(0.1)	(160.9)
Disposals	-	-	0.3	6.3	-	-	6.6
Effects of foreign currency exchange differences	0.1	-	0.2	43.0	-	-	43.3
Hyperinflation impacts	(0.8)	(0.2)	(1.1)	(80.3)	-	(0.1)	(82.5)
At 31 December 2023	(8.6)	(1.9)	(4.6)	(1,108.7)	(0.4)	(3.3)	(1,127.5)
Net book value							
At 31 December 2023	0.1	0.1	1.2	910.6	6.0	0.3	918.3
At 31 December 2022 (Restated) ¹	0.3	0.3	0.7	900.1	6.2	0.3	907.9

¹ Restatement on finalisation of acquisition accounting; see Note 31.

At 31 December 2023, the Group had US\$184.8 million (2022: US\$129.6 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.

13. Right-of-use assets

	Land US\$m	Buildings US\$m	Motor vehicles US\$m	Total US\$m
Cost				
At 1 January 2023 (Restated) ¹	288.9	14.0	0.4	303.3
Additions	44.3	13.3	1.1	58.7
Disposals	(19.6)	(2.2)	(0.2)	(22.0)
Hyperinflation impacts	25.6	2.4	-	28.0
Effects of foreign exchange differences	(12.2)	(0.6)	-	(12.8)
At 31 December 2023	327.0	26.9	1.3	355.2
Depreciation				
At 1 January 2023	(68.8)	(7.8)	(0.2)	(76.8)

Charge for the year	(27.2)	(4.1)	(0.7)	(32.0)
Disposals	14.1	2.1	0.3	16.5
Hyperinflation impacts	(11.4)	(1.4)	-	(12.8)
Effects of foreign exchange differences	3.7	0.2	-	3.9
At 31 December 2023	(89.6)	(11.0)	(0.6)	(101.2)
Net book value				
At 31 December 2023	237.4	15.9	0.7	254.0
At 31 December 2022 (Restated)¹	220.1	6.2	0.2	226.5

¹ Restatement on finalisation of acquisition accounting; see Note 31.

14. Inventories

	2023 US\$m	2022 US\$m
Inventories	12.7	14.6

Inventories are primarily made up of fuel stocks of US\$12.5 million (2022: US\$10.5 million) and raw materials of US\$0.2 million (2022: US\$4.1 million). The impact of inventories recognised as an expense during the year in respect of continuing operations was US\$125.1 million (2022: US\$89.0 million).

15. Trade and other receivables

	2023 US\$m	2022 US\$m
Trade receivables	145.2	80.5
Loss allowance	(5.4)	(5.8)
Contract Assets	139.8	74.7
Sundry Receivables	109.1	91.6
VAT and withholding tax receivable	33.1	38.6
	15.2	23.2
	297.2	228.1
<u>Loss allowance</u>		
Balance brought forward	(5.8)	(6.0)
Amounts written off/derecognised	-	-
Net remeasurement of loss allowance	-	-
Unused amounts reversed	0.4	0.2
	(5.4)	(5.8)

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 expected credit loss and 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\$55.0 million of new contract assets were recognised in the year and US\$36.3 million of contract assets at 31 December 2022 were recovered from customers.

Of the trade receivables balance at 31 December 2023, 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 income that has not yet been settled.

	2023 US\$m	2022 US\$m
Trade receivables	145.2	80.5
Accrued revenue ¹	10.1	22.9
Less: Loss allowance	(5.4)	(5.8)
Less: Deferred income ²	(56.5)	(9.8)
Net receivables	93.4	87.8
Revenue	721.0	560.7
Debtor days	47	57

¹ Reported within sundry receivables.

² Deferred income, as per Note 19, has been adjusted for US\$4.1 million (2022: US\$0 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 2023, US\$26.8 million (2022: US\$16.6 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

	2023 US\$m	2022 US\$m
Prepayments	42.6	45.7

Prepayments primarily comprise advance payments to suppliers.

17. Cash and cash equivalents

	2023 US\$m	2022 US\$m
Bank balances	106.6	119.6

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

	2023	2022
	Number of shares (million)	Number of shares (million)
	US\$m	US\$m
Authorised, issued and fully paid ordinary shares of £0.01 each	1,051	1,051
	13.5	13.5
	1,051	1,051
	13.5	13.5

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

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 2023 are 1,560,641 (31 December 2022: 2,827,852).

19. Trade and other payables

	2023 US\$m	2022 US\$m (Restated)
Trade payables	31.3	32.0
Deferred income	60.6	9.8
Deferred consideration	33.5	52.2
Accruals	148.6	126.9
VAT, withholding tax, and other taxes payable	27.7	18.5
	301.7	239.4

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 12 days (2022: 22 days). Payable days are calculated as trade payables and payables to related parties, divided by cost of sales plus administration expenses less staff costs and depreciation and amortisation. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Amounts payable to related parties are unsecured, interest free and repayable on demand.

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

The Group recognised revenue of US\$9.8 million (2022: US\$45.8 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

	2023 US\$m	2022 US\$m
Loans and bonds	1,632.3	1,564.3
Bank overdraft	18.0	7.3
Total loans and bonds	1,650.3	1,571.6
Current	37.7	19.9
Non-current	1,612.6	1,551.7
	1,650.3	1,571.6

In September 2023, the Group entered into new facilities representing a combined value of up to US\$720 million, including a 5 year Term Loan of US\$600 million and an up to US\$120 million 4.5 year revolving credit facility (RCF). In October 2023, the new facilities were drawn down to buy back US\$325 million principal of the 7.000% Senior Notes.

October 2020, the new lenders were drawn down to buy back US\$20 million principal of the 2020/20 Senior Notes due 2025 and US\$80 million to repay the previous term loan facility, which was extinguished alongside upon repayment, and related fees.

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.

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

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

	2023 US\$m	2022 US\$m
Short-term lease liabilities		
Land	30.2	31.8
Buildings	4.7	2.2
Motor vehicles	0.6	0.1
	35.5	34.1
	2023 US\$m	2022 US\$m
Long-term lease liabilities		
Land	193.1	188.4
Buildings	10.8	3.4
Motor vehicles	-	0.1
	203.9	191.9

The below undiscounted cash flows do not include escalations based on CPI or other indexes which change over time. Renewal options are considered on a case-by-case basis with judgements around the lease term being based on management's contractual rights and their current intentions. Refer to Note 13 for the Group's Right-of-use assets.

The total cash paid on leases in the year was US\$45.3 million (2022: US\$40.8 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 2023	44.4	139.8	138.6	350.6	673.4
31 December 2022	43.0	137.7	122.7	326.0	629.4

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.

	2023 US\$m	2022 US\$m
Total contracted revenue	5,417.2	4,705.0

Contracted revenue

The following table provides our total undiscounted contracted revenue by country as of 31 December 2023 for each year from 2024 to 2028, with local currency amounts converted at the applicable average rate for US Dollars for the year ended 31 December 2023 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;
- no termination of existing customer tMLAs prior to their current term; and
- no automatic renewal.

As at 31 December 2023, total contracted revenue was US\$5.4 billion, with an average remaining life of 7.8 years.

(US\$m)	Year ended 31 December				
	2024	2025	2026	2027	2028
Middle East & North Africa	52.5	49.6	49.6	49.6	49.6
East & West Africa	278.3	287.4	247.2	231.8	227.8
Central & Southern Africa	362.1	334.7	300.8	271.5	256.6
Total	692.9	671.7	597.6	552.9	534.0

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. Key management personnel comprise Executive and Non-Executive Directors of Helios Towers plc. Compensation of key management personnel is disclosed in note 7.

There were no other related party transactions during the financial year.

24. Other gains and losses

	2023 US\$m	2022 US\$m
Fair value gain/(loss) on derivative financial instruments	2.1	(51.5)
Net monetary gain/(loss) on hyperinflation	(7.9)	-
Fair value movement on forward contracts	(0.3)	0.1
(6.1)	(51.4)	

All fair values are Level 2, except for the fair value of the embedded derivatives, which are Level 3. Further detail can be found in Note 26.

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	2023	2022
As at 1 January	774,553	1,026,456
Granted during the year	(252,500)	(251,903)
Exercised during the year	-	-
Forfeited during the year	-	-
At 31 December	522,053	774,553
Of which:		
Vested and exercisable	522,053	774,553
Unvested	-	-

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;

prospective 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 separate tranches which vest depending upon the achievement of the following performance targets over a three-year period:

- Relative TSR tranche;
- Adjusted EBITDA tranche;
- ROIC tranche; and
- Impact scorecard tranche (introduced in 2023).

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

	2023 Number of options	2022 Number of options
As at 1 January	10,534,604	7,695,687
Granted during the year	9,097,196	4,233,199
Lapsed during the year	(1,282,200)	-
Exercised during the year	(977,063)	(6,131)
Forfeited during the year	(806,772)	(1,338,151)
As at 31 December	16,565,765	10,534,604
Vested and exercisable at 31 December	954,734	-

The IFRS 2 charge recognised in the Consolidated Income Statement for the 2023 financial year in respect to the EIP was US\$2.1 million (2022: US\$3.1 million). All share options outstanding as at 31 December 2023 have a remaining contractual life of 8.3 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:

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

2023 LTIP Award

	Relative TSR	Adjusted EBITDA	ROIC	Impact Scorecard
Grant date	17-May-23	17-May-23	17-May-23	17-May-23
Share price at grant date	£0.918	£0.918	£0.918	£0.918
Fair value as a percentage of the grant price	42.0%	100.0%	100.0%	100.0%
Term to vest (years)	2.87	n/a	n/a	n/a
Expected life from grant date (years)	2.87	2.87	2.87	2.87
Volatility	38.3%	n/a	n/a	n/a
Risk-free rate of interest	3.9%	n/a	n/a	n/a
Dividend yield	n/a	n/a	n/a	n/a
Average FTSE 250 volatility	33.9%	n/a	n/a	n/a
Average FTSE 250 correlation	25.5%	n/a	n/a	n/a
Fair value per share	£0.385	£0.918	£0.918	£0.918

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 similar awards in 2022 and 2023, again with a three-year vesting period.

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.

	2023 Number of RSUs	2022 Number of RSUs
As at 1 January	1,684,018	729,528
Granted during the year	1,762,150	1,681,155
Forfeited during the year	(143,483)	(104,684)
Vested during the year	(37,648)	(621,981)
As at 31 December	3,265,037	1,684,018

	2023	2022
Deferred Bonuses		
As at 1 January	85,755	36,583
Granted during the year	-	49,172
Forfeited during the year	-	-
Vested during the year	-	-
As at 31 December	85,755	85,755

	31 December 2023 US\$m	31 December 2022 US\$m
26. Financial instruments		
Financial instrument assets held by the Group at fair value had the following effect on profit and loss:		
Balance brought forward	2.8	57.7
Derivative financial instrument - 7.000% Senior Notes 2025	3.5	(55.2)
Currency forward contracts	-	0.3
Balance carried forward	6.3	2.8

Fair value measurements

Some of the Group's financial derivatives are measured at fair value at the end of each reporting period. 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:

	2023 US\$m	2022 US\$m
Debt (net of issue costs)	1,889.7	1,797.6
Cash and cash equivalents	(106.6)	(119.6)
Net debt	1,783.1	1,678.0
Equity attributable to the owners	(68.3)	8.3
Non-controlling interests	29.8	41.0
	(46.3x)	34.1x

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

	2023 US\$m	2022 US\$m
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	106.6	119.6
Trade and other receivables	321.6	204.9
	428.2	324.5
Fair value through profit or loss:		
Derivative financial assets	6.3	2.8
	434.5	327.3
Financial liabilities Amortised cost:		
Trade and other payables	213.4	216.5
Bank overdraft	18.0	7.3
Lease liabilities	239.4	226.0
Loans	1,632.3	1,571.6
	2,103.1	2,021.4

As at 31 December 2023 and 31 December 2022, the Group had no cash pledged as collateral for financial liabilities. The Directors estimate the amortised cost of cash and cash equivalents is approximate to fair value. The \$650 million bond maturing in 2025 had a carrying value of US\$650.0 million at 31 December 2023 and a fair value of US\$638.2 million. The \$300 million convertible bond maturing in 2027 had a carrying value of US\$268.6 million at 31 December 2023 and a fair value of US\$262.1 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.

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 and utilising interest rate swaps. At 31 December 2023 a change of 100 basis points would increase or decrease derivative financial liabilities and equity by US\$19.5 million.

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 Group manages foreign currency risks utilising forward contracts where considered appropriate.

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

	Assets		Liabilities	
	2023 US\$m	2022 US\$m	2023 US\$m	2022 US\$m
New Ghanaian Cedi	18.0	15.7	19.1	20.8
Malagasy Ariary	11.7	10.9	13.5	11.8
Tanzanian Shilling	61.9	71.4	85.1	100.2
South African Rand	6.1	5.6	16.0	17.5
Central African Franc	35.7	35.7	156.1	137.0
Malawian Kwacha	15.2	15.4	14.8	19.8
Omani Rial	35.5	10.1	85.7	35.2
	184.1	164.8	390.3	342.3

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to foreign exchange risk. The percentage movement applied to the currency is based on the average movements in the previous three annual reporting periods of the US Dollar against the GHS, XAF, Tzs, MGA, ZAR and MWK (2022: sensitivity based on a 10% movement). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a change in foreign currency rates. A positive number below indicates an increase in profit and other equity where US Dollar weakens against the GHS, XAF, Tzs, ZAR, MWK or OMR. For a 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	
	2023 US\$m	2022 US\$m
New Ghanaian Cedi impact (27% movement)	(0.3)	0.5
Malagasy Ariary impact (5% movement)	(0.1)	0.1
Tanzanian Shilling impact (3% movement)	(0.7)	2.9
South African Rand (8% movement)	(0.8)	1.2
Central African Franc Impact (4% movement)	(3.8)	10.2
Malawian Kwacha (24% movement)	0.1	0.5
Omani Rial (Pegged to USD)	-	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. The amounts above generally correspond with the functional currency of the relevant subsidiary and the foreign currency exposures are therefore reflected in the Group's translation reserve.

The above sensitivities do not address the translation effects within equity of consolidating non-US Dollar denominated subsidiaries into the Group's US Dollar presentation currency, nor do they include the effects of foreign currency retranslation of intragroup balances which eliminate on consolidation and therefore have no impact on equity, but nonetheless give rise to foreign exchange differences within the Group's income statement. (see note 9)

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 2023, 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. The loss allowance on trade receivables represents the expected losses due to non-payment of amounts due from customers.

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, based on the Group's historical experience, forward-looking macroeconomic data and informed credit assessments, that are deemed to be indicative of risk of default, and range from 1 (lowest risk of irrecoverability) to 5 (greatest risk of irrecoverability).

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

Group Rating	Risk of impairment	31 December 2023			31 December 2022		
		Group 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	251.6	(0.3)	251.3	184.1	(0.3)	183.8
2	Low risk	27.0	(0.9)	26.1	21.8	(0.8)	21.0
3	Medium risk	0.9	(0.1)	0.8	0.3	-	0.3
4	High risk	5.9	(3.5)	2.4	20.7	(3.8)	16.9
5	Impaired	2.0	(0.6)	1.4	2.5	(0.9)	1.6
Total		287.4	(5.4)	282.0	229.4	(5.8)	223.6

Liquidity risk management

The Group has long-term debt financing through Senior Loan Notes of US\$650 million due for repayment in December 2025 and other debt as disclosed in Note 20. The Group has a revolving credit facility of US\$120 million for funding general corporate and working capital needs. As at 31 December 2023 the facility was undrawn. This facility is available until December 2024. The Group has remained compliant during the year to 31 December 2023 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 2023					
Non-interest bearing	213.4	-	-	-	213.4
Fixed interest rate instruments	44.4	789.8	438.6	350.5	1,623.4
Variable interest rate instruments	18.0	22.3	489.8	144.5	674.6
	275.8	812.1	928.4	495.0	2,511.4
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

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 2023					
Non-interest bearing	282.0	-	-	-	282.0
Fixed interest rate instruments	106.6	-	-	-	106.6
	388.6	-	-	-	388.6

31 December 2022 Non-interest bearing	204.9	-	-	-	204.9
Fixed interest rate instruments	119.6	-	-	-	119.6
	324.5	-	-	-	324.5

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 2023, 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\$6.3 million (31 December 2022: US\$2.5 million) on the US\$650 million 7.000% Senior Notes 2025, while the put option had a fair value of US\$0 million (31 December 2022: 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 2023; 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 2023					
Net settled:					
Embedded derivatives	-	6.3	-	-	6.3
	-	6.3	-	-	6.3
31 December 2022					
Net settled:					
Embedded derivatives	-	-	2.5	-	2.5
	-	-	2.5	-	2.5

Risk management strategy of hedge relationships

The Group's activities expose it to the financial risks of changes in interest rates which it manages using derivative financial instruments. The objective of cash flow hedges is principally to protect the group against adverse interest rate movements. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date. Changes in values of all derivatives of a financing nature are included within finance costs in the income statement unless designated in an effective cash flow hedge relationship when the effective portion of changes in value are deferred to other comprehensive income. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. When hedge accounting is discontinued, any gain or loss recognised in other comprehensive income at that time remains in equity and is recognised in the income statement when the hedged transaction is ultimately recognised in the income statement.

For cash flow hedges, when the hedged item is recognised in the income statement, amounts previously recognised in other comprehensive income and accumulated in equity for the hedging instrument are reclassified to the income statement.

If a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

For hedges of foreign currency denominated borrowings and investments, the Group uses interest rate swaps to hedge its exposure to interest rate risk and enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. Therefore the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in the opposite direction in response to movements in the underlying exchange rates and interest rates. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness may occur due to:

- a) The fair value of the hedging instrument on the hedge relationship designation date if the fair value is not nil;
- b) Changes in the contractual terms or timing of the payments on the hedged item; and
- c) A change in the credit risk of the Group or the counterparty with the hedging instrument.

The hedge ratio for each designation will be established by comparing the quantity of the hedging instrument and the quantity of the hedged item to determine their relative weighting; for all of the Group's existing hedge relationships the hedge ratio has been determined as 1:1. The fair values of the derivative financial instruments are calculated by discounting the future cash flows to net present values using appropriate market rates and foreign currency rates prevailing at 31 December. The valuation basis is level 2 of the fair value hierarchy. This classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the asset and liability, either directly or indirectly.

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand US\$M	Within 1 year US\$M	1-2 years US\$M	2-5 years US\$M	> 5 years US\$M	Total US\$M
31 December 2023						
Financial derivatives	-	1.4	(5.5)	(12.7)	(2.1)	(18.9)
	-	1.4	(5.5)	(12.7)	(2.1)	(18.9)
Interest Rate Swaps	Nominal amounts US\$M	Carrying value US\$M	Opening balance 1 Jan 2023 US\$M	(Gain)/Loss deferred to OCI US\$M	Closing balance 31 Dec 2023 US\$M	Weighted average maturity year
USD Term Loans	400	(14.7)	-	14.7	14.7	2029

27. Contingent liabilities

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

A claim arising from a prior period is outstanding from the Tanzania Revenue Authority for corporate income tax for the financial years ending 2018-2021 inclusive. The outstanding amount is approximately US\$9.2m.

A claim arising from a prior period is outstanding from DRC tax authorities issued an assessment on a number of taxes amounting to \$46.3 million for the financial years 2018 and 2019.

A claim arising from a prior period the DRC tax authorities issued a payment collection notice for environmental taxes amounting to \$33.7 million for the financial years 2013 to 2016.

In the year ended 2023, the Congo Brazzaville tax authorities issued a claim for securities income tax, VAT and withholding tax. The outstanding amount is \$10.1 million.

For all cases above, responses have been submitted to the relevant tax authority in relation to the assessments and remain under review with local tax experts. The Directors believe that the quantum of potential future cash outflows in relation to these tax audits is not probable 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

	2023 US\$M	2022 US\$M
External debt	(1,650.3)	(1,571.6)
Lease liabilities	(239.4)	(226.0)
Cash and cash equivalents	106.6	119.6
Net debt	(1,783.1)	(1,678.0)

2023	At 1 January 2023 US\$M	Cash flows US\$M	Other ¹ US\$M	At 31 December 2023 US\$M
Cash and cash equivalents	119.6	(5.4)	(7.6)	106.6
External debt	(1,571.6)	(75.7)	(3.0)	(1,650.3)
Lease liabilities	(226.0)	54.1	(67.5)	(239.4)
Total financing liabilities	(1,797.6)	(21.6)	(70.5)	(1,889.7)
Net debt	(1,678.0)	(27.0)	(78.1)	(1,783.1)

	1 January 2022 US\$m	Cash flows US\$m	Other ¹ US\$m	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)

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

Refer to Note 20 for further details on the year-on-year movements in 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:

	2023 US\$m	2022 US\$m
Loss after tax for the year attributable to owners of the Company	(100.1)	(171.5)
Adjusted EBITDA (Note 4)	369.9	282.8
<hr/>		
	2023 Number	2022 Number
Weighted average number of ordinary shares used to calculate basic earnings per share	1,048,501,270	1,047,039,919
Weighted average number of dilutive potential shares	119,278,686	114,017,600
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,167,779,956	1,161,057,519
<hr/>		
Loss per share	2023 cents	2022 cents
Basic	(10)	(16)
Diluted	(10)	(16)
<hr/>		
Adjusted EBITDA per share	2023 cents	2022 cents
Basic	35	27
Diluted	32	24

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\$100.1 million (2022: US\$171.5 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\$369.9 million (2022: US\$282.8 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 have material non-controlling interests is set out below.

The summarised financial information below represents amounts before intragroup eliminations.

	Oman	
	2023 US\$m	2022 US\$m
Current assets	39.7	11.3
Non-current assets	509.4	519.6
Current liabilities	(254.6)	(114.8)
Non-current liabilities	(247.2)	(256.3)
Equity attributable to owners of the Company	33.1	111.9
Non-controlling interests	14.2	47.9
<hr/>		
	2023 US\$m	2022 US\$m
Revenue	57.5	3.6
Expenses	(81.4)	(9.5)
Loss for the year	(23.9)	(5.9)
<hr/>		
Loss attributable to owners of the Company	(16.7)	(4.1)
Loss attributable to the non-controlling interests	(7.2)	(1.8)
Loss for the year	(23.9)	(5.9)

Net cash inflow/(outflow) from operating activities	22.9	(4.6)
Net cash (outflow)/inflow from investing activities	(13.5)	-
Net cash inflow/(outflow) from financing activities	(2.1)	8.2
Net cash inflow/(outflow)	7.3	3.6

¹ Restatement on finalisation of acquisition accounting.

31. Acquisition of subsidiary undertakings

a) Finalisation of Oman acquisition purchase price accounting (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 (IFRS 3) 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 breakdown of the acquisition price and goodwill generated by the acquisition is as follows:

	Previously reported US\$m	Adjustment US\$m	Final allocation US\$m
Total consideration paid	494.6	-	494.6
Repayment of debt to seller	(328.8)	-	(328.8)
Consideration paid in cash for minority interest	(49.7)	-	(49.7)
Deferred receivable	(7.3)	-	(7.3)
IFRS Consideration	108.8	-	108.8
<u>Non-controlling interest</u>	49.7	-	49.7
<u>Less: Net assets acquired</u>	(135.0)	(6.9)	(141.9)
Resulting goodwill	23.5	(6.9)	16.6

Following completion of the purchase price accounting process and additional information received post-closing the fair value of the initial assets acquired have been adjusted as follows:

	Previously reported US\$m	Adjustment US\$m	Final allocation US\$m
<u>Identifiable assets acquired at 8 December 2022:</u>			
Assets			
Fair value of property, plant and equipment	147.6	(23.3)	124.3
Fair value of intangible assets	322.8	(1.4)	321.4
Right of use assets	19.4	26.5	45.9
Other assets	0.7	-	0.7
Cash	0.6	-	0.6
Total assets	491.1	1.8	492.9
Liabilities			
Other liabilities	(7.9)	4.6	(3.3)
Lease liabilities	(19.4)	0.5	(18.9)
Loans	(328.8)	-	(328.8)
Total liabilities	(356.1)	5.1	(351.0)
Total net identifiable assets	135.0	6.9	141.9

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 of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.

'Adjusted EBITDA margin' means Adjusted EBITDA divided by revenue.

'**Adjusted gross margin**' means Adjusted Gross Profit divided by revenue.

'**Adjusted gross profit**' means gross profit adding back site and warehouse depreciation.

'**Airtel**' means Airtel Africa.

'**amendment revenue**' means revenue from amendments to existing site contracts when tenants add or modify equipment, taking up additional vertical space, wind load capacity and/or power consumption under an existing site contract.

'**anchor tenant**' means the primary customer occupying each site.

'**Analysys Mason**' means Analysys Mason Limited.

'**Annualised Adjusted EBITDA**' means Adjusted EBITDA for the last three months of the respective period, multiplied by four, adjusted to reflect the annualised contribution from acquisitions that have closed in the last three months of the respective period.

'**Annualised portfolio free cash flow**' means portfolio free cash flow for the respective period, adjusted to annualise for the impact of acquisitions closed during the period.

'**average 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 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.

'**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.

'**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 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 within our 7 markets that Helios Towers was operating in across 2022 and 2023.

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

'**Deloitte**' means Deloitte LLP.

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

'**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.

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

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

'**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.

'**Hard currency Adjusted EBITDA %**' refers to Hard currency Adjusted EBITDA as a % of Adjusted EBITDA

'**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 2023. 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 2023. Site profit/(loss) before tax calculated as indicative Adjusted gross profit per site less indicative selling, general and administrative (SG&A), depreciation and financing costs.

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

'**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), ISO 27001 (Information Security Management).

'**IVMS**' means in-vehicle monitoring system.

'**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 one million 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.

'**MENA**' means Middle East and North Africa.

'**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 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.

'**Organic tenancy growth**' means the addition of BTS or colocations.

'**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 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. For comparability, figures presented only reflect portfolios that are subject to power SLAs for both the current and prior reporting period. This includes Tanzania, DRC, Senegal, Congo Brazzaville, South Africa, Ghana and Madagascar.

'**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 1 million

kilometres 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 MTSAs, 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 recordable case frequency rate' means the total recordable injuries that occur per one million hours worked (12-month roll).

'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.

Disclaimer:

This release does not constitute an offering of securities or otherwise an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Helios Towers plc (the **'Company'**) or any other member of the Helios Towers group (the **'Group'**), nor should it be construed as legal, tax, financial, investment or accounting advice. This release contains forward-looking statements which are subject to known and unknown risks and uncertainties because they relate to future events, many of which are beyond the Group's control. These forward-looking statements include, without limitation, statements in relation to the Company's financial outlook and

future performance. No assurance can be given that future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group.

You are cautioned not to rely on the forward-looking statements made in this release, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances. Nothing in this release is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of the Company or the Group or their businesses.

This release also contains non-GAAP financial information which the Directors believe is valuable in understanding the performance of the Group. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in the Group's industry. Although these measures are important in the assessment and management of the Group's business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures.

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