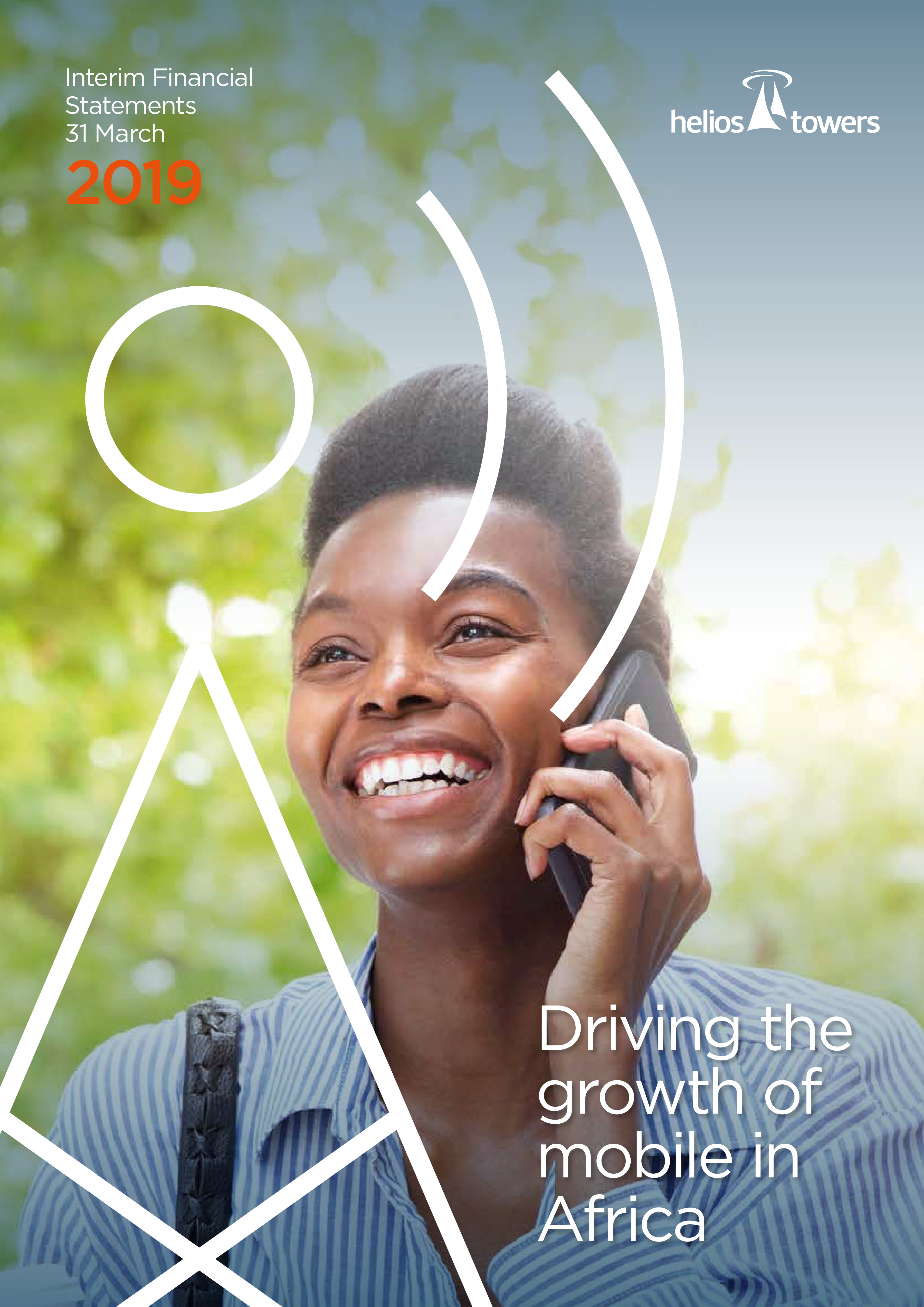
Interim Financial Statements 31 March 2019

helios towers



Driving the growth of mobile in Africa

Creating a platform for sustainable growth

Helios Towers (HT) owns and operates telecommunications towers and passive infrastructure in five high-growth African markets.

Operating and Financial Review

Condensed Interim Financial Statements

Key quarterly highlights

Financial – Quarter ending 31 March 2019

Revenue (US$m)

2019 93.7
2018 88.9

+5%

Adjusted EBITDA[1] (US$m)

2019 48.8
2018 42.0

+16%

Adjusted EBITDA margin[1] (%)

2019 52%
2018 47%

+5 percentage points

Operating profit/(loss) (US$m)

2019 6.9
2018 (8.6)

+$15m

We are pleased to have delivered another strong set of financial results in Q1 2019, including 5% revenue growth and 16% Adjusted EBITDA growth.

In addition, site increased by 4% to 6,716 and tenancies increased by 4% to 13,600 resulting in an improved tenancy ratio of 2.03x.

The Group is well positioned for continued growth in some of the most attractive and highest growth telecom markets in Sub-Saharan Africa.

Kash Pandya | Chief Executive Officer

Operational – as at 31 March 2019

Total sites[1]

2019 6,716
2018 6,485

+4%

Total colocations[1]

2019 6,884
2018 6,578

+5%

Tenancy ratio[1]

2019 2.03x
2018 2.01x

+0.02x

The key highlights are presented for the quarter ended 31 March 2019 in comparison to the quarter ended 31 March 2018.

(1) Please refer to pages 26 and 27.

Quarter-on-quarter comparison

For the purpose of the Operating and Financial Review section of this report, the analysis of the Group's financial results and performance has largely been performed on a quarterly basis as the Group reports its results quarterly. A quarterly analysis is considered more appropriate and meaningful. Other sections of this interim report present a continuing view of the Group's financial position.

Condensed consolidated statement of profit or loss

For the 3 months ended 31 March

	3 months ended 31 March 2019 US$'000	3 months ended 31 March 2018 US$'000
Revenue	93,711	88,945
Cost of sales	(65,339)	(65,840)
Gross profit	28,372	23,105
Administrative expenses	(16,336)	(31,312)
Loss on disposal of property, plant and equipment	(5,145)	(375)
Operating profit/(loss)	6,891	(8,582)
Investment income	102	186
Other gains and losses	15,714	(9,397)
Finance costs	(31,438)	(25,467)
Loss before tax	(8,731)	(43,260)
Tax expense	(702)	(1,352)
Loss after tax	(9,433)	(44,612)

Key metrics

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa[3]	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Revenue for the quarter	$93.7	$88.9	$39.3	$36.8	$38.5	$35.0	$6.2	$6.3	$9.8	$10.9	–	–
Gross margin[1]	64%	60%	64%	62%	62%	59%	69%	61%	67%	59%	–	–
Sites at beginning of the quarter	6,745	6,519	3,701	3,491	1,773	1,819	380	384	891	825	–	–
Sites at quarter end	6,716	6,485	3,654	3,495	1,759	1,767	380	384	910	839	13	–
Tenancies at beginning of the quarter	13,549	12,987	7,848	7,392	3,492	3,347	529	525	1,680	1,723	–	–
Tenancies at quarter end	13,600	13,063	7,824	7,457	3,519	3,330	531	525	1,709	1,751	17	–
Tenancy ratio at quarter end	2.03x	2.01x	2.14x	2.13x	2.00x	1.88x	1.40x	1.37x	1.88x	2.09x	1.31x	–
Adjusted EBITDA for the quarter[2]	$48.8	$42.0	$22.9	$20.2	$20.9	$17.9	$3.4	$2.7	5.6	$5.3	–	–
Adjusted EBITDA Margin for the quarter	52%	47%	58%	55%	54%	51%	55%	43%	57%	49%	–	–

1 Gross margin means gross profit, add back site and warehouse depreciation, divided by revenue.
2 Group Adjusted EBITDA for the quarter is stated after corporate costs of US$4.0 million.
3 The first closing of South Africa was on 31 March 2019, hence negligible revenue and Adjusted EBITDA for the period ended 31 March 2019.

Total tenancies as at 31 March 2019

	Group		Tanzania		DRC		Congo Brazzaville		Ghana		South Africa	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Standard colocations	6,295	6,055	3,773	3,577	1,688	1,539	146	141	684	798	4	–
Amendment colocations	589	523	397	385	72	24	5	–	115	114	–	–
Total colocations	6,884	6,578	4,170	3,962	1,760	1,563	151	141	799	912	4	–
Anchor tenants	6,716	6,485	3,654	3,495	1,759	1,767	380	384	910	839	13	–
Total tenancies	13,600	13,063	7,824	7,457	3,519	3,330	531	525	1,709	1,751	17	–

Revenue

Revenue increased by 5% to US$93.7 million in the quarter ended 31 March 2019 from US$88.9 million in the quarter ended 31 March 2018. The increase in revenue was largely driven by the increase in total tenancies from 13,063 as of 31 March 2018 to 13,600 as of 31 March 2019.

Cost of sales

	3 Months ended 31 March			
		% of Revenue		% of Revenue
(US$'000s)	2019	2019	2018	2018
Power	20,730	22.1%	21,801	24.5%
Non-power	13,078	14.0%	13,463	15.1%
Site depreciation	31,531	33.6%	30,576	34.4%
Total cost of sales	65,339	69.7%	65,840	74.0%

The table below shows an analysis of the cost of sales on a country-by-country basis for the three month period ended 31 March 2019 and 2018.

	Tanzania		DRC		Congo Brazzaville		Ghana	
	3 months ended 31 March		3 months ended 31 March		3 months ended 31 March		3 months ended 31 March	
(US$'000s)	2019	2018	2019	2018	2019	2018	2019	2018
Power	7,358	7,804	10,470	9,851	829	755	2,073	3,391
Non-power	6,628	6,175	4,219	4,539	1,115	1,685	1,116	1,064
Site depreciation	13,031	13,884	13,798	12,437	2,695	2,639	2,007	1,616
Total cost of sales	27,017	27,863	28,487	26,827	4,639	5,079	5,196	6,071

The quarter-on-quarter decrease was 1% to US$65.3 million in the quarter ended 31 March 2019 from US$65.8 million in the quarter ended 31 March 2018. Gross margin for the quarter ended 31 March 2018 was 60%, compared to the quarter ended 31 March 2019 of 64%. The overall decrease in cost of sales was primarily due to lower power costs, following operational improvements.

Administrative expenses

Administrative expenses decreased by 48% to US$16.3 million in the quarter ended 31 March 2019 from US$31.3 million in the quarter ended 31 March 2018. The decrease in administrative expenses is primarily due to exceptional cost items of US$15.9 million in the prior year, with the majority of this being related to the exploration of strategic options including, but not limited to, a listing on the London Stock Exchange (LSE). Deal costs in the quarter ended 31 March 2019 were US$1.2 million.

For the quarter ended 31 March

	3 months ended 31 March			
		% of Revenue		% of Revenue
(US$'000s)	2019	2019	2018	2018
Other administrative costs	11,093	11.8%	12,339	13.9%
Depreciation and amortisation	4,083	4.4%	3,061	3.4%
Exceptional and adjusting items	1,160	1.2%	15,912	17.9%
Total administrative expense	16,336	17.4%	31,312	35.2%

Quarter-on-quarter comparison (continued)

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$5.1 million in the quarter ended 31 March 2019, compared to a loss of US$0.4 million during the quarter ended 31 March 2018. This increase in loss on disposal was primarily a result of the disposal of assets in the current year, mainly due to site consolidations in DRC and Tanzania.

Other gains and losses

Other gains and losses recognised in the quarter ended 31 March 2019 was a gain of US$15.7 million, compared to loss of US$9.4 million in the quarter ended 31 March 2018. This is all in relation to the fair value movement of the embedded derivative valuation of the bond.

Finance costs

Finance costs of US$31.4 million for the quarter ended 31 March 2019, mainly comprise of interest for the US$600 million 9.125% bond and the $100 million term loan facility activated in October 2018, of which US$75 million was drawn at 31 March 2019. The increase in foreign exchange differences quarter-on-quarter is driven primarily by the Ghanian Cedi.

For the period ended 31 March

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Foreign exchange differences	7,385	3,539
Interest cost	20,272	18,352
Interest cost on lease liabilities	3,781	3,576
Total finance costs	31,438	25,467

Tax expense

Our tax expense was US$0.7 million in the quarter ended 31 March 2019 as compared to US$1.4 million in the quarter ended 31 March 2018. Our tax expense is primarily due to an additional tax levied against certain entities in Tanzania and DRC as stipulated by law in these jurisdictions, in addition to income tax payable in Ghana.

Adjusted EBITDA

Adjusted EBITDA was US$48.8 million in the quarter ended 31 March 2019 compared to US$42.0 million in the quarter ended 31 March 2018. The increase in Adjusted EBITDA between periods is primarily attributable to the changes in revenue, cost of sales and administrative expenses, as discussed above. See note 4 for more details.

Contracted revenue

The following tables provide our total undiscounted contracted revenue by country and by key customer under agreements with our customers as of 31 March 2019 for each of the years from 2019 to 2023, with local currency amounts converted at the applicable average rate for US dollars for the period ended 31 March 2019 held constant. Our contracted revenue calculation for each year presented assumes: (i) no escalation in fee rates, (ii) no increases in sites or tenancies other than our committed colocations described elsewhere in these financial statements, (iii) our customers do not utilise any cancellation allowances set forth in their MLAs and (iv) our customers do not terminate MLAs early for any reason.

	Year Ended 31 December				
(US$'000s)	2019	2020	2021	2022	2023
Tanzania	121,330	160,859	160,498	157,640	150,845
DRC	113,632	158,750	158,699	156,863	155,911
Congo Brazzaville	17,298	21,627	16,857	16,756	16,756
South Africa	433	563	563	563	563
Ghana	27,983	36,749	34,785	30,649	29,232
Total	280,676	378,548	371,402	362,471	353,307

(US$'000s)	Total Committed Revenues	Percentage of Total Committed Revenues
Africa's Big-Five MNOs	2,445,994	81%
Other	574,976	19%
Total	3,020,970	100%

Condensed consolidated statement of cash flow data

For the period ended 31 March

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Cash flows (used in) operating activities		
Loss for the period before tax	(8,731)	(43,260)
Net cash used in operating activities	(6,397)	(5,988)
Net cash used in investing activities	(21,622)	(21,654)
Net cash generated from/(used in) financing activities	49,067	(1,780)
Net increase/(decrease) in cash and cash equivalents	21,048	(29,422)
Cash and cash equivalents, beginning of period	88,987	119,700
Foreign exchange translation movement	(544)	(430)
Cash and cash equivalents, end of period	109,491	89,848

As at 31 March 2019 we had US$109.5 million of cash and cash equivalents.

Net cash used in operating activities increased from US$6.0 million during the period ended 31 March 2018 to US$6.4 million during the period ended 31 March 2019. The increase in net cash used in operating activities between periods was primarily driven by the movement in net working capital, partially off-set with an improvement in operating profit.

Net cash used in investing activities remained relatively flat at US$21.7 million during the quarter ended 31 March 2018 to US$21.6 million used during the quarter ended 31 March 2019.

Net cash generated from/(used in) financing activities improved from a use of US$(1.8) million during the quarter ended 31 March 2018 to US$49.1 million generated during the quarter ended 31 March 2019. The improvement in net cash generated by financing activities between quarters was primarily the result of the term loan draw down of US$50 million in 2019.

Capital expenditures

For the 3 month period ended 31 March

The following table shows our capital expenditures incurred by category during the quarters presented:

	2019		2018	
	US$'000	% of Total Capex	US$'000	% of Total Capex
Acquisition	2.1	13.3%	0.7	1.9%
Growth	6.7	42.8%	16.9	46.2%
Upgrade	2.5	16.0%	10.5	28.7%
Maintenance	3.9	24.7%	8.0	21.9%
Corporate	0.5	3.2%	0.5	1.3%
Total	15.7	100.0%	36.6	100.0%

The decrease in growth, upgrade and maintenance capital expenditure for the period ended 31 March 2019 is following advance orders for the rest of the year made in the first quarter of 2018. There is continued investment in the tower strengthening and upgrade programmes and the continued roll out of colocation tenants.

Off-Balance Sheet arrangements

We do not have any off-balance sheet arrangements.

Indebtedness

As of 31 March 2019 and 31 December 2018 the HT Group's outstanding loans and borrowings, excluding lease liabilities, were US$663.6 million (net of issue costs) and US$628.0 million respectively. For more details, see note 13 to the condensed consolidated interim financial statements for the period ended 31 March 2019.

Material recent developments

On 29 March 2019, the Group completed the previously announced partnership agreement with Vulatel (Pty) Ltd ("Vulatel") to create a South African telecommunications infrastructure platform, Helios Towers South Africa ("HTSA"). HTSA has subsequently acquired 13 data centres across the country.

In May 2019, the Group announced the completion of the transfer of the business of the South African tower company SA Towers (Pty) Ltd, into HTSA Towers (Pty) Limited ("HTSA Towers"). HTSA Towers' site pipeline currently includes over 500 locations.

The Group will control both of these entities and as such, following completion of the transactions, HTSA's results have been consolidated into the Group, and HTSA Towers will be consolidated in due course, in accordance with Group accounting policies.

Condensed interim financial statements

Independent review report to Helios Towers Ltd

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the three months ended 31 March 2019 which comprises the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, and related notes 1 to 20. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting".

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the three months ended 31 March 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Reading, United Kingdom
13 May 2019

Condensed consolidated statement of profit or loss and other comprehensive income

For the 3 months ended 31 March 2019

	Note	Unaudited 3 months ended 31 March 2019 US$'000	2018 US$'000
Revenue		93,711	88,945
Cost of sales		(65,339)	(65,840)
Gross profit		28,372	23,105
Administrative expenses		(16,336)	(31,312)
Loss on disposal of property, plant and equipment		(5,145)	(375)
Operating profit/(loss)		6,891	(8,582)
Investment income		102	186
Other gains and losses	16	15,714	(9,397)
Finance costs	5	(31,438)	(25,467)
Loss before tax		(8,731)	(43,260)
Tax expenses	6	(702)	(1,352)
Loss for the period		(9,433)	(44,612)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		(2,312)	2,238
Total comprehensive loss for the period		(11,745)	(42,374)
Loss attributable to:			
Owners of the Company		(9,433)	(44,612)
Loss for the period		(9,433)	(44,612)
Total comprehensive loss attributable to:			
Owners of the Company		(11,745)	(42,374)
Total comprehensive loss for the period		(11,745)	(42,374)

The notes on pages 15 to 25 form part of these financial statements.

Condensed consolidated statement of financial position

As at 31 March 2019

	Notes	Unaudited 31 March 2019 US$'000	Audited 31 December 2018 US$'000
Non current assets			
Intangible assets	7	10,407	12,406
Property, plant and equipment	8a	652,645	676,643
Right-of-use assets	8b	101,337	103,786
Investments in subsidiaries		–	132
Derivative financial assets	9	22,800	7,086
		787,189	800,053
Current assets			
Inventories		10,315	10,265
Trade and other receivables	10	124,191	102,250
Prepayments		19,839	16,225
Cash and bank balances	11	109,491	88,987
		263,836	217,727
Total assets		1,051,025	1,017,780
Equity			
Issued capital and reserves			
Share capital	12	909,154	909,154
Share premium		186,951	186,951
Stated capital		1.096,105	1,096,105
Other reserves		(12,778)	(12,778)
Translation reserve		(83,975)	(81,663)
Accumulated losses		(889,392)	(879,959)
Equity attributable to owners		109,960	121,705
Non-controlling interest		1,931	–
Total equity		111,891	121,705
Non current liabilities			
Loans	13	660,231	610,790
Long-term lease liabilities	15	98,103	98,720
		758,334	709,510
Current liabilities			
Trade and other payables	14	157,655	149,752
Loans	13	3,336	17,254
Short-term lease liabilities	15	19,809	19,559
		180,800	186,565
Total liabilities		939,134	896,075
Total equity and liabilities		1,051,025	1,017,780

The notes on pages 15 to 25 form part of these financial statements.

Condensed consolidated statement of changes in equity

For the 3 months ended 31 March 2019

Unaudited	Share capital US$'000	Share premium US$'000	Stated capital US$'000	Other reserves US$'000	Translation reserves US$'000	Accumulated losses US$'000	Available to the owners of the parent US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2018 (as previously reported)	909,154	186,951	1,096,105	(12,778)	(79,653)	(741,757)	261,917	–	261,917
Restatement – IFRS 16(*)	–	–	–	–	204	(10,523)	(10,319)	–	(10,319)
Balance at 1 January 2018 (restated)	909,154	186,951	1,095,105	(12,778)	(79,449)	(752,280)	251,598	–	251,598
Effect of transition to IFRS 9 at 1 January 2018	–	–	–	–	–	(3,732)	(3,732)	–	(3,732)
Loss for the period	–	–	–	–	–	(44,612)	(44,612)	–	(44,612)
Other comprehensive loss	–	–	–	–	2,238	–	2,238	–	2,238
Total comprehensive loss for the period	–	–	–	–	2,238	(44,612)	(42,374)	–	(42,374)
Balance at 31 March 2018	909,154	186,951	1,096,105	(12,778)	(77,211)	(800,624)	205,492	–	205,492
Loss for the period	–	–	–	–	–	(79,335)	(79,335)	–	(79,335)
Other comprehensive loss	–	–	–	–	(4,452)	–	(4,452)	–	(4,452)
Total comprehensive loss for the period	–	–	–	–	(4,452)	(79,335)	(83,787)	–	(83,787)
Balance at 31 December 2018	909,154	186,951	1,096,105	(12,778)	(81,663)	(879,959)	121,705	–	121,705
Non-controlling interest	–	–	–	–	–	–	–	1,931	1,931
Loss for the period	–	–	–	–	–	(9,433)	(9,433)	–	(9,433)
Other comprehensive loss	–	–	–	–	(2,312)	–	(2,312)	–	(2,312)
Total comprehensive loss for the period	–	–	–	–	(2,312)	(9,433)	(11,745)	–	(11,745)
Balance at 31 March 2019	909,154	186,951	1,096,105	(12,778)	(83,975)	(889,392)	109,960	1,931	111,891

The notes on pages 15 to 25 form part of these financial statements.

Condensed consolidated statement of cash flows

For the 3 months ended 31 March 2019

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Cash flows generated from operating activities		
Loss for the period before taxation	(8,731)	(43,260)
Adjustments for:		
Other gains and losses	(15,714)	9,397
Finance costs	31,438	25,467
Investment income	(102)	(186)
Depreciation and amortisation	35,610	33,990
Loss on disposal	5,145	375
Movement in working capital:		
Increase in inventories	471	401
Increase in trade and other receivables	(21,153)	(4,641)
Increase in prepayments	(2,132)	(381)
(Decrease)/increase in trade and other payables	(368)	4,277
Cash generated from operations	24,464	25,439
Interest paid	(30,488)	(31,427)
Tax paid	(373)	–
Net cash used in operating activities	(6,397)	(5,988)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(21,823)	(20,467)
Payment to acquire intangible assets	–	(1,373)
Proceeds on disposal on assets	–	–
Interest received	201	186
Net cash used in investing activities	(21,622)	(21,654)
Cash flows from financing activities		
Borrowing drawdowns	50,000	–
Loan financing costs	–	–
Borrowing repayments	–	–
Repayment of lease liabilities	(933)	(1,780)
Net cash generated from/(used in) financing activities	49,067	(1,780)
Foreign exchange on translation movement	(544)	(430)
Net increase/(decrease) in cash and cash equivalents	21,048	(29,422)
Cash and cash equivalents at the beginning of period	88,987	119,700
Cash and cash equivalents at end of period	109,491	89,848

Notes to the condensed interim financial statements

Notes to the condensed interim financial statements

For the 3 months ended 31 March 2019

1. Authorisation of financial statements and statement of compliance with IFRS

Helios Towers, Ltd. trading as Helios Towers is a limited company incorporated and domiciled in the Republic of Mauritius. Helios Towers, Ltd. and its subsidiaries (collectively referred to as "the Group") condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The principal accounting policies adopted by the Group are set out in note 2.

2. Accounting Policies

Basis of preparation

The unaudited condensed set of financial statements included in the quarterly financial report has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRSs").

Accounting policies are consistent with those adopted in the last statutory financial statements and the audit opinion was unmodified.

Presentation of interest paid on lease liabilities in the prior period of US$4.1m has been reclassified from repayment of lease liabilities to interest paid, to give a consistent presentation to the current period.

The condensed set of financial statements included in the quarterly financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The information as of 31 December 2018 has been extracted from the audited financial statements for the year ended 31 December 2018.

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

These condensed financial statements do not constitute statutory financial statements under the Companies Act.

Going concern

The Directors believe that Helios Towers, Ltd. and its subsidiaries (collectively referred to as "the Group") is well placed to manage its business risks successfully, despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

The Directors have looked at forecast compliance with covenants attached to the drawn loan facilities and have concluded that the Group should be able to operate within the level of its current committed facilities.

As part of their regular assessment of Group's working capital and financing position, the directors have prepared a detailed trading and cash flow forecast for a period which covers at least 12 months after the date of approval of the interim financial statements. In assessing the forecast, the directors have considered:

- trading risks presented by the current economic conditions in the operating markets;
- the impact of macroeconomic factors, particularly interest rates and foreign exchange rates;
- the status of the Group's financial arrangements;
- progress made in developing and implementing cost reduction programmes and operational improvements; and
- mitigating actions available should business activities fall behind current expectations, including the deferral of discretionary overheads and restricting cash outflows.

The directors have acknowledged the latest guidance on going concern. Management have considered the latest forecasts available to them and additional sensitivity analysis has been prepared to consider any reduction in anticipated levels of Adjusted EBITDA.

3. Segmental reporting

The following segmental information is presented in a consistent format with management information considered by the CEO of each operating segment, and the CEO and CFO of the Group, who are considered to be the chief operating decision makers (CODM). Operating segments are determined based on geographical location. All operating segments have the same business of operating and maintaining telecoms towers and renting space on such towers. Accounting policies are applied consistently for all operating segments. The segment operating result used by CODM is Adjusted EBITDA, which is defined in note 4.

3 months ended 31 March 2019	Ghana US$'000	Tanzania US$'000	DRC US$'000	Congo Brazzaville US$'000	Total operating companies US$'000	Corporate US$'000	Group Total US$'000
Revenue	9,755	39,297	38,461	6,198	93,711	–	93,711
Gross margin	67%	64%	62%	69%	64%	–	64%
Adjusted EBITDA	5,622	22,907	20,880	3,416	52,825	(4,027)	48,798
Adjusted EBITDA margin	57%	58%	54%	55%	56%	–	52%
Financing costs:							
Interest costs	(1,033)	(12,215)	(10,800)	(2,116)	(26,164)	2,111	(24,053)
Foreign exchange differences	(2,535)	(2,572)	35	(1,373)	(6,445)	(940)	(7,385)
Total financing costs	(3,568)	(14,787)	(10,765)	(3,489)	(32,609)	1,171	(31,438)

3 months ended 31 March 2018	Ghana US$'000	Tanzania US$'000	DRC US$'000	Congo Brazzaville US$'000	Total operating companies US$'000	Corporate US$'000	Group Total US$'000
Revenue	10,880	36,765	35,041	6,259	88,945	–	88,945
Gross margin[1]	59%	62%	59%	61%	60%	–	60%
Adjusted EBITDA	5,252	20,157	17,873	2,685	45,967	(3,971)	41,996
Adjusted EBITDA margin	49%	55%	51%	43%	52%	–	47%
Financing costs:							
Interest costs	(1,173)	(12,299)	(11,558)	(2,195)	(27,225)	5,297	(21,928)
Foreign exchange differences	220	(4,169)	326	1,543	(2,080)	(1,459)	(3,539)
Total financing costs	(953)	(16,468)	(11,232)	(652)	(29,305)	3,838	(25,467)

1 Gross margin means gross profit, add back site and warehouse depreciation, divided by revenue.

Capital Additions, Depreciation and Amortisation

	3 months ended 31 March 2019		3 months ended 31 March 2018	
	Capital additions US$'000	Depreciation and Amortisation US$'000	Capital additions US$'000	Depreciation and Amortisation US$'000
Ghana	2,236	2,184	1,894	1,830
Tanzania	4,524	12,687	12,160	13,337
Democratic Republic of Congo	5,891	15,475	21,950	13,629
South Africa	1,976	–	–	–
Congo Brazzaville	1,086	2,961	580	2,768
Total operating company	15,713	33,307	36,584	31,563
Corporate	–	456	–	36
Total	15,713	33,763	36,584	31,599

Right-of-use assets

	31 March 2019 Capital additions and disposals US$'000	31 March 2018 Capital additions and disposals US$'000
Ghana	7	132
Tanzania	247	429
Congo Brazzaville	102	–
Democratic Republic of Congo	(219)	118
Total	137	679

Notes to the condensed interim financial statements (continued)

For the 3 months ended 31 March 2019

4. Adjusted EBITDA

The segment operating result used by chief operating decision makers is Adjusted EBITDA.

Management define Adjusted EBITDA as loss for the year, adjusted for additional tax, income tax, finance costs, other gains and losses, investment income, loss on disposal of property, plant and equipment, amortisation and impairment of intangible assets, depreciation and impairment of property, plant and equipment, deal costs relating to unsuccessful tower acquisition transactions or successful tower acquisition transactions that cannot be capitalised and exceptional items. Exceptional items are items that are considered exceptional in nature by management by virtue of their size and/or incidence. Adjusted EBITDA is reconciled to loss before tax as follows:

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Adjusted EBITDA	48,798	41,996
Adjustments applied in arriving at Adjusted EBITDA		
Exceptional items:		
Litigation costs[1]	–	(1,259)
Exceptional project costs[2]	–	(14,655)
Deal costs	(1,160)	–
Loss on disposals of assets[3]	(5,145)	(375)
Other gains and losses (note 16)	15,714	(9,397)
Recharged depreciation	–	(299)
Depreciation of property, plant and equipment	(31,776)	(29,482)
Depreciation of right-of-use assets	(1,839)	(2,400)
Amortisation of intangibles	(1,987)	(2,108)
Investment income	102	186
Finance costs	(31,438)	(25,467)
Loss before tax	(8,731)	(43,260)

1 Relates to legal costs incurred in connection with a previously terminated equity transaction.
2 Exceptional project costs relate to the exploration of strategic options including, but not limited to, a potential listing of equity on a public exchange.
3 Loss on disposal of assets in the current period mainly relates to the disposal of sites dismantled as part of the Group's site consolidation program, whereby tenants from a given site are moved to another site in close proximity, and the given site is dismantled.

5. Finance costs

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Foreign exchange difference	7,385	3,539
Interest costs	20,272	18,352
Interest costs on lease liabilities	3,781	3,576
	31,438	25,467

6. Tax expense

	3 months ended 31 March	
	2019 US$'000	2018 US$'000
Additional taxes	702	1,352

Though entities in Congo B, Tanzania and DRC have continued to be loss making, minimum income tax has been levied based on revenue as stipulated by law in these jurisdictions. Ghana is profit making and subject to income tax.

The Company was a Category 2 – Global Business Licence Company (C2-GBLC) during the current and preceding financial periods. C2-GBLC is not subject to any income tax in Mauritius.

The applicable tax rates for the Company's subsidiaries range from 20% to 40%.

7. Intangible assets

	Exclusivity right US$'000	Non-compete agreement US$'000	Computer software and licences US$'000	Total US$'000
Cost				
At 1 January 2019	35,000	30,000	17,682	82,682
Additions during the period	–	–	–	–
Disposals during the period	–	–	(4)	(4)
Foreign exchange	–	–	1,525	1,525
At 31 March 2019	35,000	30,000	19,203	84,203
Amortisation				
At 1 January 2019	(27,500)	(30,000)	(12,776)	(70,276)
Charge for period	(1,250)	–	(737)	(1,987)
Disposals during the period	–	–	(2)	(2)
Foreign exchange	–	–	(1,531)	(1,531)
At 31 March 2019	(28,750)	(30,000)	(15,046)	(73,796)
Net book value				
At 31 March 2019	6,250	–	4,157	10,407
At 31 December 2018	7,500	–	4,906	12,406

8a. Property, plant and equipment

	IT equipment US$'000	Fixtures and fittings US$'000	Motor vehicles US$'000	Site assets US$'000	Land US$'000	Leasehold improvements US$'000	Total US$'000
Cost							
At 1 January 2019	12,248	1,026	4,371	1,139,387	8,859	1,302	1,167,193
Additions during the period	–	5	115	15,583	–	10	15,713
Disposals during the period	–	–	(7)	(14,268)	(157)	(14)	(14,446)
Foreign exchange	1,336	327	(63)	(4,480)	(49)	1,729	(1,200)
At 31 March 2019	13,584	1,358	4,416	1,136,222	8,653	3,027	1,167,260
Depreciation							
At 1 January 2019	(5,704)	(862)	(2,915)	(480,449)	–	(620)	(490,550)
Charge for period	(940)	(70)	(278)	(30,421)	–	(67)	(31,776)
Disposals during the period	–	–	2	7,441	–	4	7,447
Foreign exchange	(791)	(281)	186	2,576	–	(1,426)	264
At 31 March 2019	(7,435)	(1,213)	(3,005)	(500,853)	–	(2,109)	(514,615)
Net book value							
At 31 March 2019	6,149	145	1,411	635,369	8,653	918	652,645
At 31 December 2018	6,544	164	1,456	658,938	8,859	682	676,643

In January 2019, the Group entered into a shareholder agreement with Vulatel (Pty) Ltd to form a new legal entity named Helios Towers South Africa Holdings (Pty) Ltd ("HTSA"). The Group holds 66% of the share capital of this entity with Vulatel holding the remaining 34%. Subsequent to this, on 29 March 2019, Helios Towers Ltd transferred US$4m cash into HTSA whilst Vulatel contributed its share in the form of assets including 13 data centres valued at US$2m, which are included in the site assets above. Management are in the process of assessing the value of any other assets transferred.

Notes to the condensed interim financial statements (continued)

For the 3 months ended 31 March 2019

8b. Right-of-use assets

The Group	31 March 2019 US$'000	31 December 2018 US$'000
Right of use assets by class of underlying assets		
Land	99,451	101,617
Buildings	1,886	2,169
	101,337	103,786
Depreciation charge for right of use assets		
Land	1,601	7,122
Buildings	238	1,519
Motor vehicles	–	120
	1,839	8,761

9. Derivative financial instruments

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

	31 March 2019 US$'000	31 December 2018 US$'000
Put and call options on listed bond	22,800	7,086

The derivatives represent the fair value of the put and call options embedded within the terms of the Notes. The call options give the Group the right to redeem the bond instruments at a date prior to the maturity date (8 March 2022), 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 Notes before their redemption date in the event of a change in control (as defined in the terms of the 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. Thus, it is considered a level 3 financial instrument in the fair value hierarchy of IFRS 13.

The key assumptions in determining the fair value are, the initial fair value of the bond (assumed to be priced at 100% on issue date), the credit spread (derived using Bloomberg analytics at issuance and based on credit market data thereafter), the yield curve and the probabilities of a change in control (0% assumed) and a major asset sale (0% assumed). 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.

As at reporting date, the call option had a fair value of US$22.8 million, while the put option had a fair value of US$0 million. During the period ended 31 March 2019, a US$15.7 million fair value adjustment was recognised through profit and loss.

10. Trade and other receivables

	31 March 2019 US$'000	31 December 2018 US$'000
Trade receivables	82,758	72,030
Loss allowance	(6,773)	(6,544)
	75,985	65,486
Trade receivable from related parties	15,481	10,035
	91,466	75,521
Other receivables	26,817	21,400
VAT & Withholding tax receivable	5,908	5,329
	124,191	102,250

The Group measures the loss allowance for trade receivables and trade receivables from related parties at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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.

Of the trade receivables balance at 31 March 2019: 55% (31 December 2018: 55%) is due from four of the Group's largest customers. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. The average trade receivables collection period is 56 days (31 December 2018: 40 days).

11. Cash and cash equivalents

	31 March 2019 US$'000	31 December 2018 US$'000
Bank balances	58,359	57,835
Short-term deposits	51,132	31,152
	109,491	88,987

12. Share capital

The share capital as of 31 March 2019 was as follows:

	31 March 2019		31 December 2018	
	Number of shares	US$'000	Number of shares	US$'000
Authorised, issued and fully paid				
Ordinary share capital class A of US$1	390,410,138	390,410	390,410,138	390,410
Ordinary share capital class C of US$100	100	10	100	10
Ordinary share capital class D of US$1	100	–	100	–
Ordinary share capital class G of US$1	518,714,176	518,714	518,714,176	518,714
Ordinary share capital class H of US$100	100	10	100	10
Ordinary share capital class Z of US$100	100	10	100	10
	909,124,714	909,154	909,124,714	909,154

There were no share issuances during the period ended 31 March 2019.

Notes to the condensed interim financial statements (continued)

For the 3 months ended 31 March 2019

13. Loans

	31 March 2019 US$'000	31 December 2018 US$'000
US$600 million 9.125% senior notes 2022	588,798	602,852
US$100 million term loan facility 2022	74,769	25,192
Total borrowings	663,567	628,044
Current	3,336	17,254
Non-current	660,231	610,790
	663,567	628,044

On 8 March 2017, HTA Group Limited, a wholly-owned subsidiary of HT Ltd, issued US$600 million of 9.125% bonds due 2022 which are listed on the Irish Stock Exchange. Interest is payable semi-annually beginning on 8 September 2017. The bonds are guaranteed on a senior basis by the company, and certain of the HT Ltd subsidiaries. On 22 October 2018, HTA Group Ltd, a wholly owned subsidiary of the Group, signed a US$100 million term loan facility agreement. At 31 March 2019, US$75.0 million was drawn. The term loan is a bullet repayment, senior unsecured facility, with an interest rate of LIBOR plus 4.2%. The term loan is guaranteed by the Company.

14. Trade and other payables

	31 March 2019 US$'000	31 December 2018 US$'000
Trade payables	12,857	8,352
Amounts payable to related parties	949	263
Deferred income	49,269	48,071
Deferred consideration	8,246	8,246
Other payables and accruals	63,205	64,025
VAT & Withholding tax payable	23,129	20,795
	157,655	149,752

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2018: 16 days). No interest is charged on the 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.

15. Lease liabilities

	31 March 2019 US$'000	31 December 2018 US$'000
Short-term lease liabilities		
Land	18,561	18,802
Buildings	1,248	757
	19,809	19,559

	31 March 2019 US$'000	31 December 2018 US$'000
Long-term lease liabilities		
Land	97,324	97,378
Buildings	779	1,342
	98,103	98,720

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

The total cash paid on leases in the period was US$3.7 million (period ended 31 March 2018: US$5.2 million).

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

	Within 1 year US$'000	2–5 years US$'000	5+ years US$'000	Total US$'000
31 March 2019	19,809	70,005	468,010	557,824
31 December 2018	19,559	71,640	471,123	562,322

16. Other gains and losses

	31 March 2019 US$'000	31 March 2018 US$'000
Fair value (gain)/loss on derivative financial instruments	(15,714)	9,397

Notes to the condensed interim financial statements (continued)

For the 3 months ended 31 March 2019

17. Uncompleted performance obligations

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

	31 March 2019 US$'000	31 December 2018 US$'000
Total contracted revenue	3,020,970	3,080,871

Contracted revenue

The following table provides our total contracted revenue by country under agreements with our customers as of 31 March, 2019 for each of the years from 2019 to 2023, with local currency amounts converted at the applicable average rate for US dollars for the period ended 31 March, 2019 held constant. Our contracted revenue calculation for each year presented assumes: (i) no escalation in fee rates, (ii) no increases in sites or tenancies other than our committed colocations described elsewhere in these financial statements, (iii) our customers do not utilise any cancellation allowances set forth in their MLAs and (iv) our customers do not terminate MLAs early for any reason.

	Year Ended 31 December				
(US$'000s)	2019	2020	2021	2022	2023
Tanzania	121,330	160,859	160,498	157,640	150,845
DRC	113,632	158,750	158,699	156,863	155,911
Congo Brazzaville	17,298	21,627	16,857	16,756	16,756
South Africa	433	563	563	563	563
Ghana	27,983	36,749	34,785	30,649	29,232
Total	280,676	378,548	371,402	362,471	353,307

18. Related party transactions

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

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

	3 months ended 31 March 2019		3 months ended 31 March 2018	
	Income from leased towers US$'000	Purchase of goods US$'000	Income from leased towers US$'000	Purchase of goods US$'000
Millicom Holding B.V. and subsidiaries	17,760	8	15,569	271

The following amounts were outstanding at the reporting date:

	As at 31 March 2019		As at 31 December 2018	
	Amount owed by US$'000	Amount owed to US$'000	Amount owed by US$'000	Amount owed to US$'000
Millicom Holding B.V. and subsidiaries	15,378	259	7,988	263
Helios Towers Africa LLP	–	–	2,047	–

Millicom Holding B.V. is a shareholder of Helios Towers, Ltd.

HTA LLP, a subsidiary of Helios Towers Ltd, was previously not consolidated on the basis that Helios Towers Ltd did not have a right to economic benefit from the entity. On 6 March 2019, two members of HTA LLP exited from the partnership, giving rise to Helios Towers Ltd having a right to economic benefit. Therefore with effect from 6 March 2019, HTA LLP is now consolidated in the Group's financial statements. During the period to 31 March 2018, The Group received advisory services from Helios Towers Africa LLP for which fees of US$3.6 million were incurred.

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

Amounts receivable from the related parties related to other group companies are short term and carry interest varying from 0% to 15% per annum charged on the outstanding trade and other receivable balances (note 10).

19. Contingencies

In the year ended 31 December 2015, the Democratic Republic of Congo's National Tax Services issued an initial assessment against the Group for the financial years ended 31 December 2014 and 31 December 2015, which was revised to US$2.8 million in February 2019. Also, in the year ended 31 December 2016, the Ghana Revenue Authority issued an assessment against the Company for the financial years ended 31 December 2010 to 31 December 2012 of approximately US$1.0 million for unpaid direct and indirect taxes. In the year ended 31 December 2018, Congo Brazzaville Public Treasury Authority commenced an investigation for the financial years ended 31 December 2014 to 31 December 2015 in relation to direct and indirect taxes.

The Directors have appealed against these assessments and together with their advisors are in discussion with the tax authorities to bring the matter to conclusion based on the facts.

The Directors, having taken advice as appropriate, believe that there is no merit to these assessments and accordingly will defend their position vigorously and do not believe there will be a material impact to the Group.

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

20. Subsequent events

In May 2019, the Group announced the completion of the transfer of the business of the South African tower company SA Towers (Pty) Ltd, into HTSA Towers (Pty) Limited ("HTSA Towers"). HTSA Towers' site pipeline currently includes over 500 locations. In the short to medium term consideration for this transaction is expected to be up to US$65 million. Given this transaction closed recently the initial accounting for the business combination and IFRS 3 disclosures will be included in our H1 report.

The interim financial statements for the period ended 31 March 2019 have been authorised for issue on 13 May 2019.

Kash Pandya

Simon David Pitcher

Certain defined terms and conventions

We have prepared the interim 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", our "Group" and the "Group" are references to Helios Towers, Ltd. (the "Company") and its subsidiaries taken as a whole.

"**Adjusted EBITDA**" as loss for the period, adjusted for loss for the period from discontinued operations, additional tax, income tax, finance costs, other gains and losses, investment income, loss on disposal of property, plant and equipment, amortisation and impairment of intangible assets, depreciation and impairment of property, plant and equipment, deal costs relating to unsuccessful tower acquisition transactions or successful tower acquisition transactions that cannot be capitalised, and exceptional items. Exceptional items are material items that are considered exceptional in nature by management by virtue of their size and/or incidence.

"**Adjusted EBITDA margin**" as Adjusted EBITDA divided by revenue.

"**Africa's Big-Five MNO's**" means Airtel, MTN, Orange, Tigo and Vodacom.

"**Airtel**" means Bharti Airtel International.

"**amendment colocation tenant**" means an existing customer on a site (anchor tenant or standard colocation tenant) adding or modifying equipment, taking up additional vertical space, wind load capacity and/or power consumption, which leads to additional revenue billing under the menu pricing of an existing MLA agreement. The Group calculates amendment colocations using the additional revenue generated by the amendment on a weighted basis as compared to the market average rate for a standard tenancy in the month the amendment is added.

"**anchor tenant**" means the primary customer occupying each tower.

"**build-to-suit/BTS**" means sites constructed by our Group on order by an MNO.

"**CODM**" means Chief Operating Decision Maker.

"**colocation**" means the sharing of tower space by multiple customers or technologies on the same tower, equal to the sum of standard colocation tenants and amendment colocation tenants.

"**colocation tenant**" means each additional tenant on a tower in addition to the primary anchor tenant.

"**Company**" means Helios Towers, Ltd.

"**Congo Brazzaville**" means the Republic of Congo, Congo Brazzaville or Congo.

"**contracted revenue**" means revenue contracted under our site agreements under all total tenancies, assuming no escalation of maintenance fees and no renewal upon the expiration of the current term.

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

"**data centre**" secure temperature-controlled technical facilities, which are smaller than a standard core network data centre, used to house computer hardware and associated components, such as telecommunications, processing power and storage systems.

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

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

"**gross debt**" as our total borrowings (non-current loans and current loans) excluding unamortised loan issue costs.

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

"**growth capital expenditure**" comprises structural, refurbishment and consolidation activities carried out on selected acquired sites.

"**Helios Towers Ghana**" means Helios Towers Ghana Limited.

"**Helios Towers Tanzania**" means Helios Towers Tanzania Limited.

"**HT Congo Brazzaville**" means HT Congo Brazzaville Holdco Limited.

"**IBS**" means in-building cellular enhancement.

"**IFRS**" means International Financial Reporting Standards.

"**ISA**" means individual site agreement.

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

"**maintained sites**" refers to sites that are maintained by the Company on behalf of a telecommunications operator but which are not marketed by the Company to other telecommunications operators for colocation (and in respect of which the Company has no right to market).

"**managed sites**" refers to sites that the Company currently manages but does not own due to either: (i) certain conditions for transfer under the relevant acquisition documentation, ground lease and/or law not yet being satisfied; or (ii) the site being subject to an agreement with the relevant MNO under which the MNO retains ownership and outsources management and marketing to the Company.

"**Mauritius**" means the Republic of Mauritius.

"**Millicom**" means Millicom International Cellular SA.

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

"**MNO**" means mobile network operator.

"**MTN**" means MTN Group Ltd.

"**net debt**" means gross debt less cash and cash equivalents.

"**Orange**" means Orange S.A.

"**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.

"**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.

"**Tanzania**" means the United Republic of Tanzania.

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

"**tenancy**" means a space leased for installation of a base transmission site and associated antennaes.

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

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

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

"**total colocations**" means total colocation tenants.

"**total sites**" means total towers, IBS sites, data centres or sites with customer equipment installed on third-party infrastructure that are owned and/or managed by the Company with each reported site having at least one active customer tenancy as of a given date.

"**total tenancies**" means the individual tower occupancies by each customer as of a given date.

"**tower sites**" means ground-based towers and rooftop towers and installations constructed and owned by us on real property (including a rooftop) that is generally owned or leased by us.

"**upgrade capital expenditure**" relates to (i) installation of colocation tenants and (ii) and investments in power management solutions.

"**US dollars**" or "**$**" refers to the lawful currency of the United States of America.

"**United States**" or "**US**" means the United States of America.

"**Vodacom**" means Vodacom Group Limited.

"**Vodacom Tanzania**" means Vodacom Tanzania Ltd.

"**Zantel**" means Zanzibar Telecom PLC.

Officers and professional advisors

Directors
Anja Blumert
Carlos Reyes Lopez
David Karol Wassong
Joshua Ho-Walker (appointed 31 January 2019)
Kash Pandya
Nelson Oliveira
Richard Byrne
Simon David Pitcher
Simon Hillard Poole
Temitope Olugbeminiyi Lawani
Umberto Pisoni
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