helios towers

Annual Report
2017

Creating a platform for sustainable growth

Who we are

Expanding mobile horizons

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

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www.heliostowersafrica.com

Key highlights

Financial

Revenue US$m

+22%

Adjusted EBITDA(1) US$m

+39%

Adjusted EBITDA margin(1) %

+5 percentage points

Operating loss US$m

–31%

Operational

Total sites(1)

+1%

Total colocations(1)

+7%

Tenancy ratio(1)

+3%

(1) Please refer to pgs 56–57

Financial highlights

- Revenue increased 22% year-on-year. 80% of revenue from investment grade or near investment grade customers
- Adjusted EBITDA up 39% year-on-year with Adjusted EBITDA margin at 42%
- Operating loss decreased 31% year-on-year
- Cash and cash equivalents of US$120 million at the end of the period (31 December 2016: US$134 million)

For further information pgs 36-40

Operational highlights

- Tenancy ratio improved to 1.99x from 1.93x
- Total sites at 6,519, up 1% year-on-year
- Total colocations at 6,468, up 7% year-on-year
- Existing customers increasing equipment on sites driving amendment revenues and tenancies

At a glance

Our assets

We are the market leader, and sole independent player, in three countries: Tanzania, Democratic Republic of Congo (DRC) and Congo Brazzaville (Congo B). We also own a growing portfolio in Ghana, with a particular strength in high-traffic urban areas.

Sole independent owner / operator in Tanzania, DRC, and Congo Brazzaville with greater than 49% market share[1], and leading operator in Ghana.

Focus on driving operational excellence and margin growth.

Continue to look at acquisitions that fit strategically and deliver value.

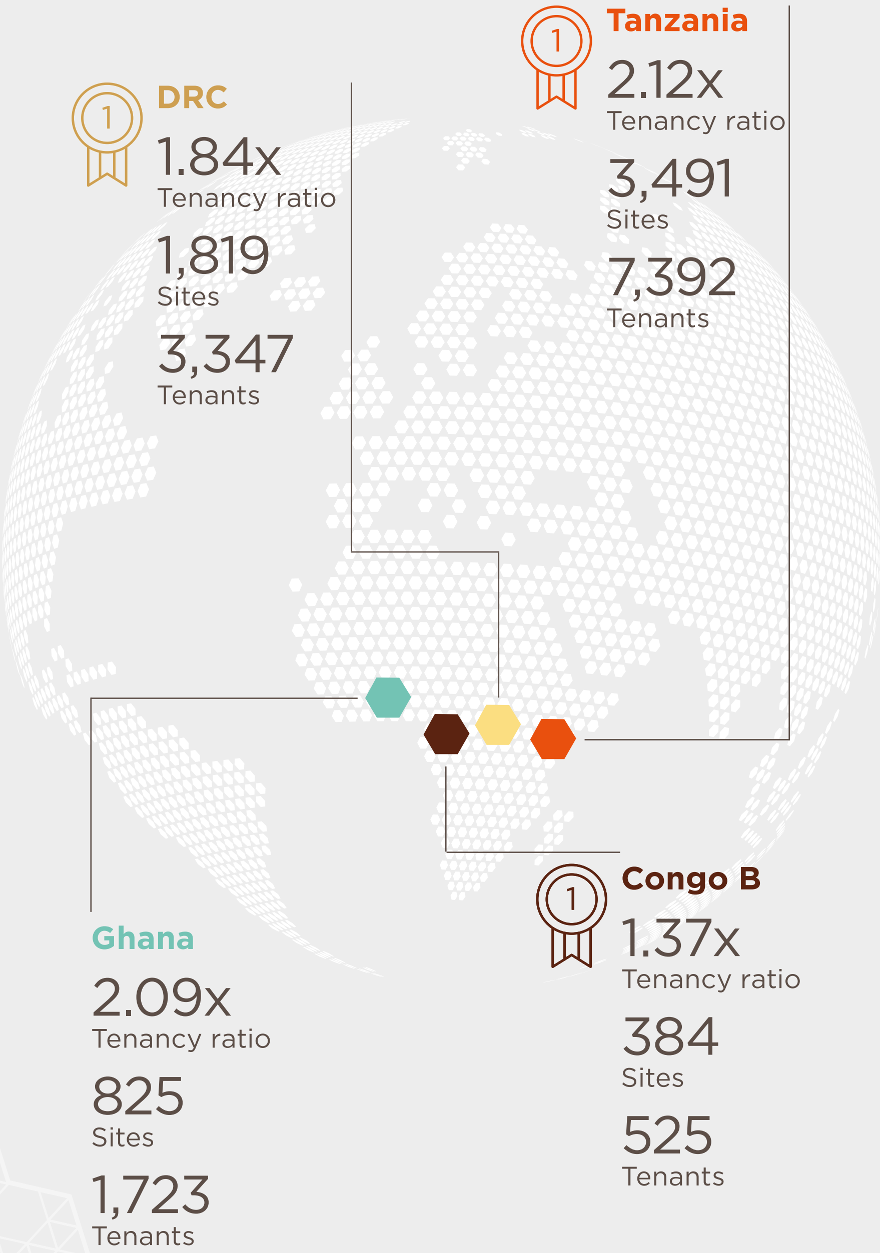
Sites
6,519

Tenants
12,987

Tenancy ratio
1.99x

(1) By number of marketable towers

Key assets today

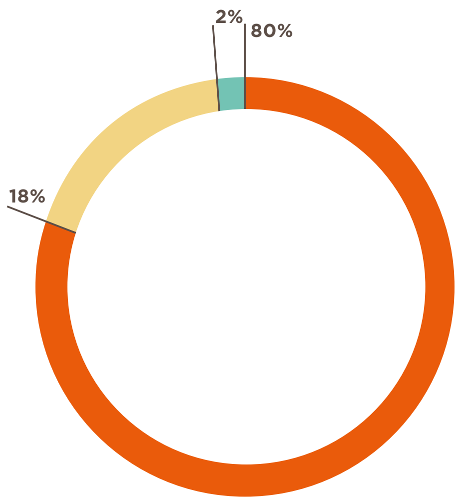


Our customers

Our core business is to provide mobile network operators (MNOs) with tower site space, power and related services for their active network equipment. As our markets have little or no fixed line voice or data infrastructure, the services we provide are essential for the development of communities.

We promote sharing of infrastructure through colocating multiple MNOs on each tower site. This consolidation of assets not only delivers maximum cost benefits to our customers but also reduces the environmental impact for the local populations we serve. In addition, we construct new assets including 'build-to-suit' (BTS) towers, and localised small cell and in-building solutions. These are located in high-potential areas where our customers are looking to expand, due to the continued growth of mobile voice and data communications across our markets.

Revenue by customers



- Africa's Big-Five MNOs
- Africa's high-growth challengers
- Other operators

Africa's Big-Five MNOs

Contracted revenues

80%

- Airtel
- Vodacom
- Tigo
- Orange
- MTN

Africa's high-growth challengers

Contracted revenues

18%

- Viettel
- Africell

Other operators

Contracted revenues

2%

- Smile
- Simbanet
- Orioncom
- TTCL
- Zantel
- and 24 others

At a glance

What we do

Our principal business lies in building, acquiring and operating telecommunications towers that are capable of accommodating and powering the needs of multiple tenants.

These tenants are typically large MNOs and other telecommunications providers who in turn provide wireless voice and data services, primarily to end-consumers and businesses.

We also offer comprehensive tower-related operational services, including site selection, site preparation, maintenance, security and power management. We provide space on our tower sites under a combination of master lease agreements (MLAs), which provide the commercial terms that govern the provision of tower space, and individual site agreements (ISAs), which act as an appendix to the relevant MLA and include site-specific information. We also enter into ground lease agreements with property owners to host our sites on their land.

Our tower site portfolio consists mainly of four-legged, heavy duty ground-based towers, typically ranging in height from 35 to 70 metres. Subject to environmental permits and impact assessments, we may also be able to build higher towers when circumstances require. These include towers in valley locations, or those that are required to deliver a greater range of transmission.

Active/passive equipment

In diagram 1 (top, next page), the equipment on the tower and the outdoor cabinet are owned and maintained by Tenant A, anchor tenant, while HT owns and maintains the passive infrastructure. This includes the tower's diesel generator, battery backup system, site monitoring system and, if applicable, hybrid and solar technology.

Colocation tenants

In diagram 2 (centre, next page), Tenant B is a 'colocation' tenant and shares the passive infrastructure (which we provide) with Tenant A, an existing tenant on the tower. Colocations sit at the heart of our business model as they allow us to grow revenue and improve operating margins without significant additional capital expenditure.

Existing tenants adding more equipment

In diagram 3 (bottom, next page), the additional equipment added by Tenant B attracts further charges, in line with contracted menu pricing. We call this additional income 'amendment revenue'.

Total sites

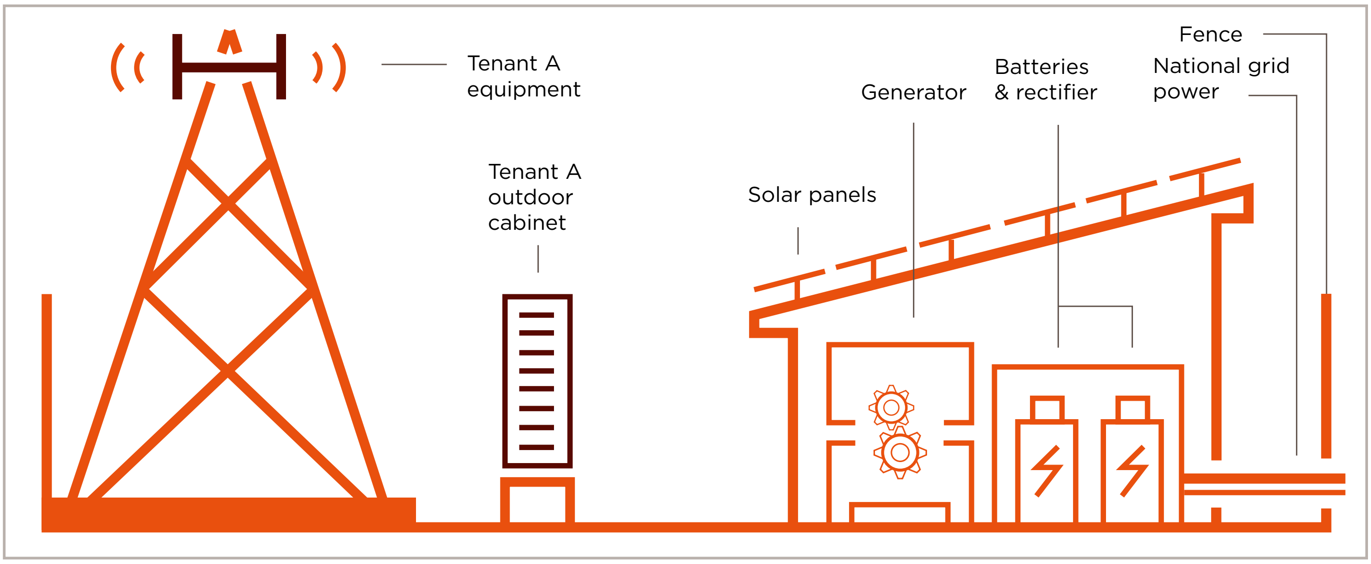
+1%

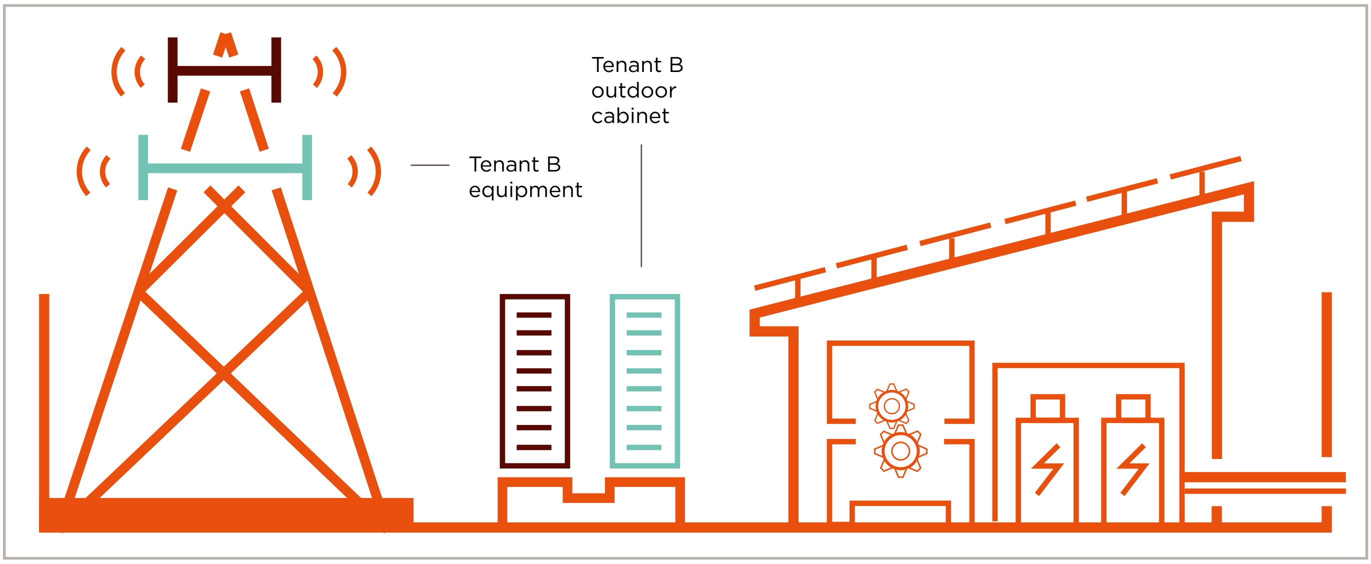
2017: 6,519
2016: 6,477

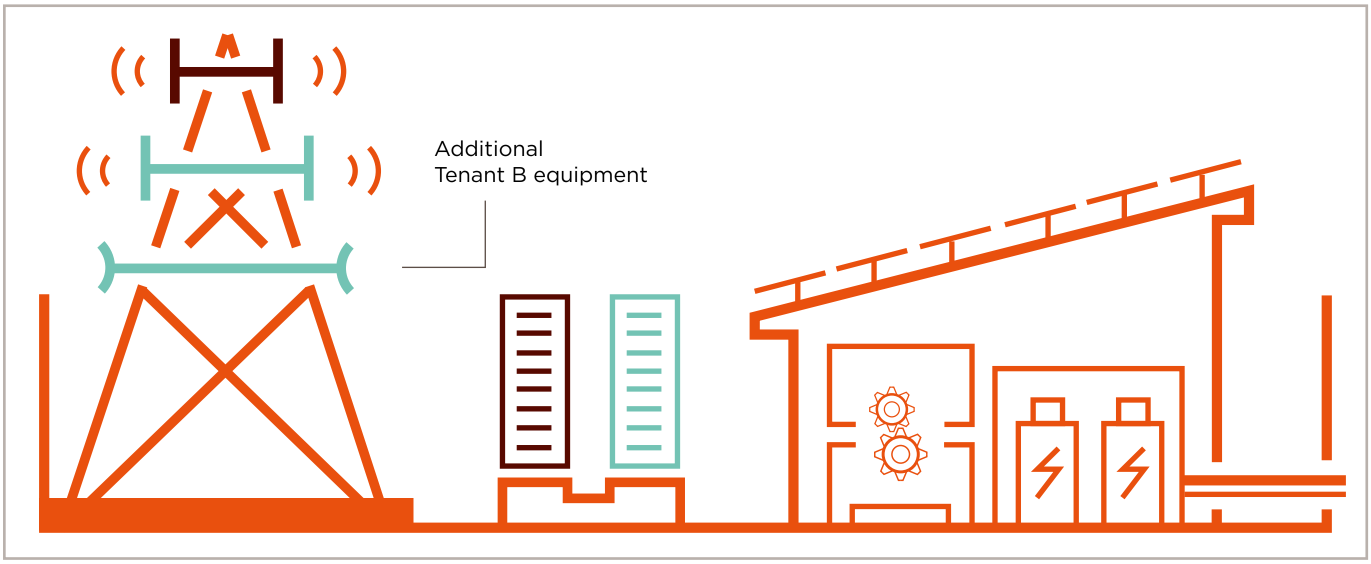
Total colocations

+7%

2017: 6,468
2016: 6,032


Tenant A
equipment
Tenant A
outdoor
cabinet
Solar panels
Generator
Batteries
& rectifier
Fence
National grid
power


Tenant B
outdoor
cabinet
Tenant B
equipment


Additional
Tenant B equipment

History of Helios Towers

Helios Towers was formed in December 2009

with the vision of becoming a major infrastructure player in the burgeoning mobile markets of Africa. We have grown through purchasing tower networks from MNOs and by building our own towers to serve the rapidly ascending growth curve of subscribers and technologies.

Our story began in Ghana in 2010, where we pioneered the acquisition of tower infrastructure in Africa, in a transaction with Millicom that gave us an opening fleet of 831 towers. These were rapidly followed in 2011 by a further 1,721 towers acquired in Tanzania and DRC. The next year, 2012, saw us construct our first build-to-suit towers (259 sites, in Tanzania). We entered our fourth country, Congo Brazzaville, in 2015 with the acquisition of 393 sites from Airtel.

Over seven years we have made seven acquisitions totalling more than 4,900 towers, constructed over 1,600 towers, and added almost 13,000 tenancies.

7 acquisitions

completed in

7 years

adding

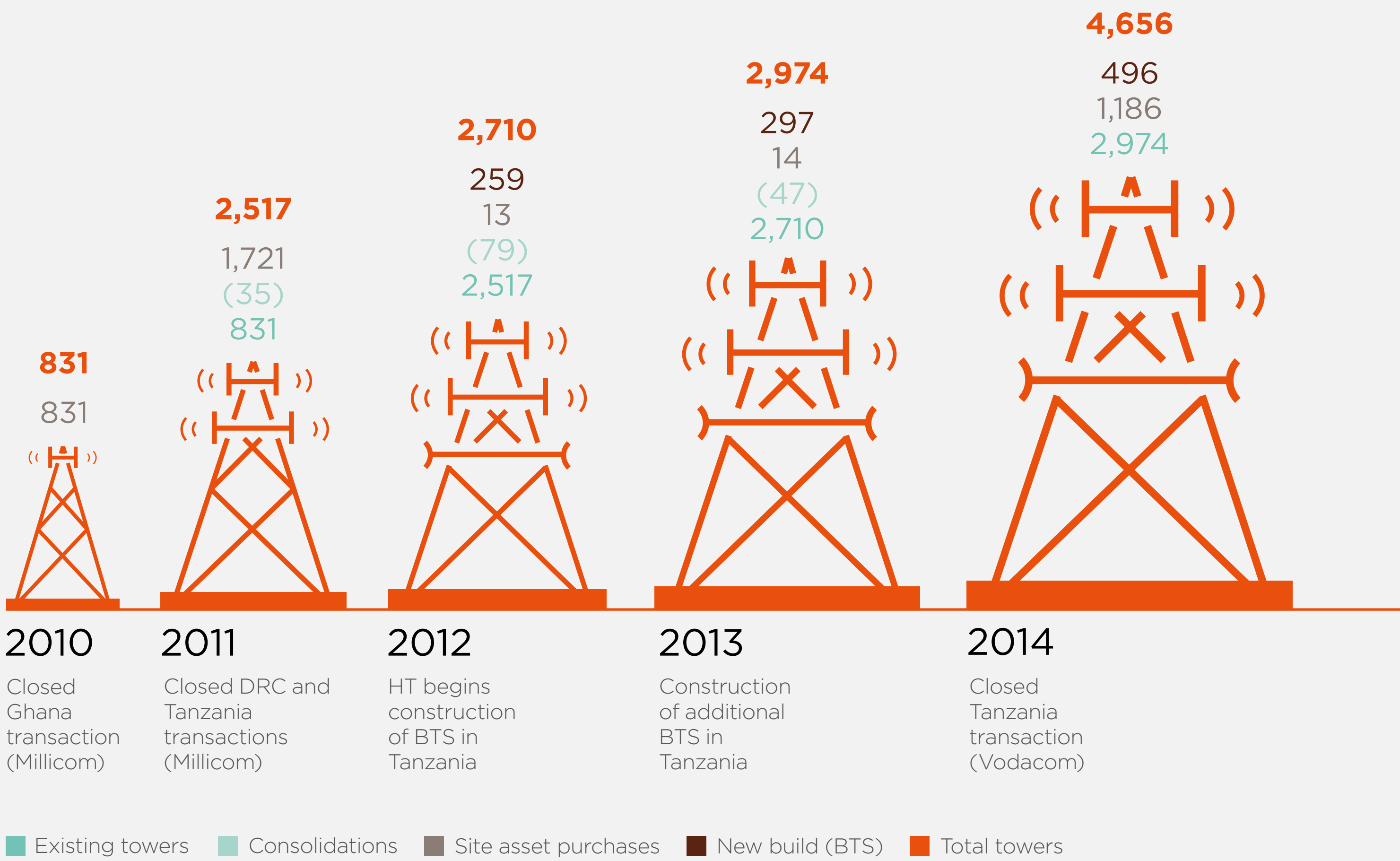
>4,900 towers

>1,600 BTS towers

delivered

and added almost

13,000 tenants



Quality joins quantity

At its inception, the Group's strategy was to build up a significant numerical presence of infrastructure assets.

With critical mass established, a fresh management team came into post in May 2015, led by our CEO Kash Pandya, with an executive team comprising internal promotions and external specialist hires. The focus now moved to business excellence and integrating assets; while continuing to expand our networks, the imperative of improving quality of service and implementing efficiencies became the strategic priority.

By bringing Lean Six Sigma methodologies to bear, the business has made considerable and rapid progress in both quality and efficiency. A 'One Team One Business' approach has also brought standardisation and business excellence across the Group.

Committed investors

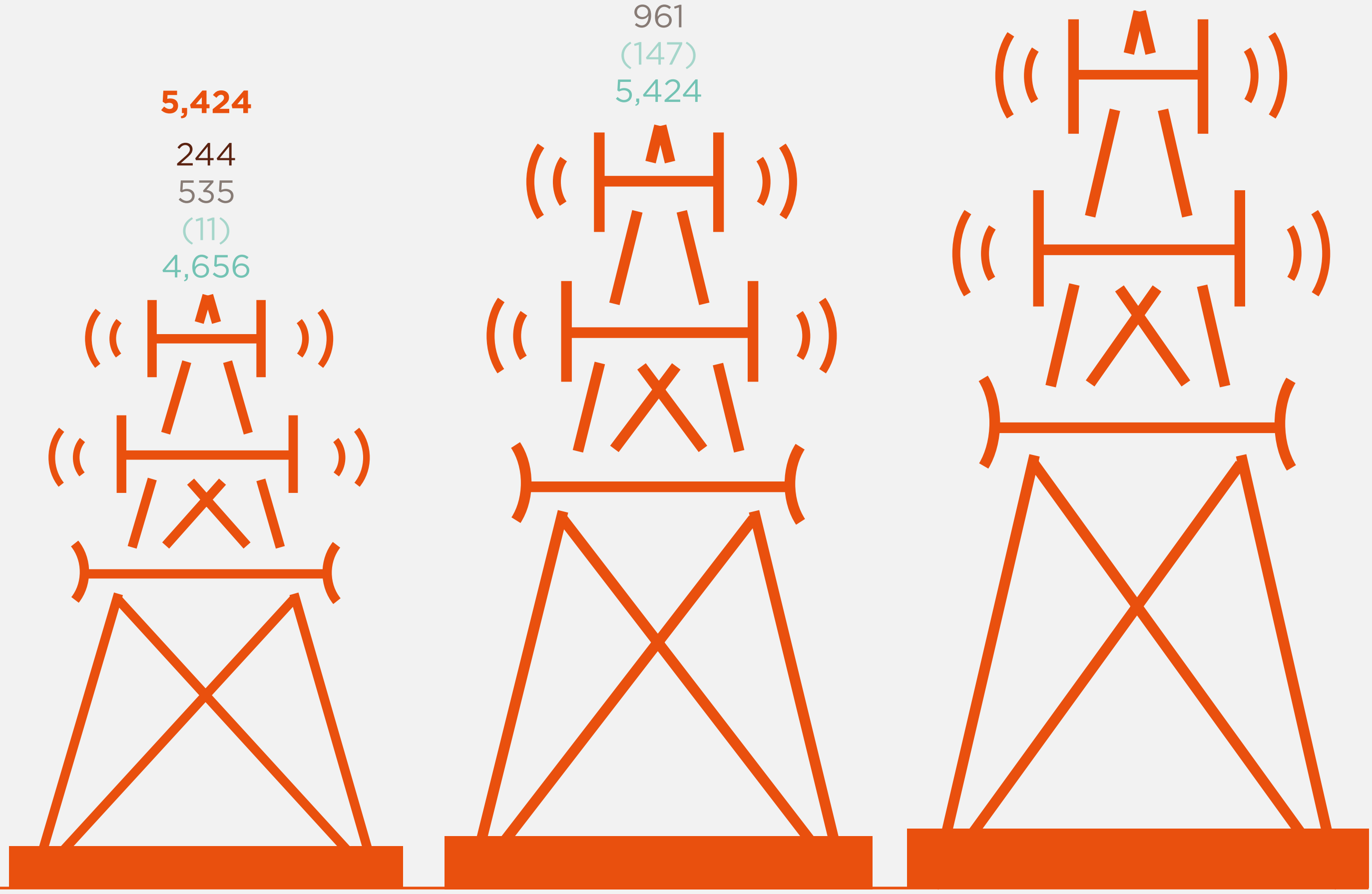
We are also proud that our cohort of founding investors – HIP, Soros, RIT, Albright and IFC – have not only been with us since day one, but have increased their commitments to the business. Together with resources, they bring deep knowledge and experience of Africa.

The shared purpose and vision of management and shareholders positions the business to thrive in Africa's exciting and under-penetrated mobile markets.

5,424
244
535
(11)
4,656

6,477
239
961
(147)
5,424

6,519
126
22
(106)
6,477



2015
Closed Congo B transaction (Airtel)

2016
Closed DRC transaction (Airtel)

2017
Closed Tanzania transaction (Zantel)

Chairman's statement

A Company of its time

Allan Cook, Chairman

I am delighted and excited to be appointed as Chairman of Helios Towers, and I look forward to working with the executive team in continuing to deliver the Group's growth strategy. The strength and vision of the management team positions Helios Towers well for further growth, and I welcome the opportunity to make a significant contribution to the business.

I had the great pleasure of being appointed Chairman of Helios Towers on 1 January 2018, just as the 2017 reporting year had come to a close.

So the fact I was not yet part of the story you will read in these pages means that I can share with you some objective impressions of the business. I think they illustrate why I feel privileged and excited to take on this important role.

Helios Towers is very much a company of its time. In a business climate where consolidation and efficient use of resources have never been so important, HT's core offering equips mobile network operators to achieve precisely those aims. In turn, our service delivers competitive advantages that feed through to end-consumers, and accelerates the rollout of wireless technology – an urgently needed resource in developing countries.

HT's proposition to network operators also delivers environmental benefits, enabling fewer towers to do more work. This reduces visual impact, lowers emissions and improves reliability of their networks.

It is an efficient and innovative business model, and our rate of growth, reputation and impressive market leadership are eloquent tributes to HT's strategy, technology and quality.

I am an engineer and my career has been focused on creating and developing products and services for diverse requirements, including iconic programmes such as Crossrail, HS2, the London Olympics, the ITER nuclear fusion project and the Eurofighter Typhoon.

I understand how well-executed infrastructure programmes can add significant economic and social value to nations and societies. This is what we're delivering at HT, and in territories where there is vast capacity for market growth. HT has the team, the resources and first-mover advantage, and I am looking forward to helping the business realise its full potential in 2018 and beyond.

Allan Cook CBE
Chairman, Helios Towers

Chief Executive Officer's statement

Powering the growth of African mobile

Kash Pandya, CEO

We can look back on 2017 with a great deal of satisfaction. It was a year when the results of the transformation programme we put in place in late 2015 started to flow through. By focusing on top line and, as importantly, bottom line growth, we saw tangible improvements across every key metric in 2017.

Revenue

+22%

2017: US$345.0m
2016: US$282.5m

Helios Towers is an expert enabler; our infrastructure is playing a key role in the rollout of mobile telecommunications in Africa. Mobile network operators and other telecoms services use our network of towers to carry voice and data services to their end-users of consumers and businesses.

We operate in under-penetrated markets that are not only profitable now, but have years of growth ahead of them.

In three of our four markets – Tanzania, the DRC and Congo Brazzaville – we are the market leader, owning and operating more towers and related passive infrastructure than any competitor. In the fourth, Ghana, we are a leading player with particular strength in the lucrative urban areas.

Performance overview

Helios Towers traded strongly in the year, delivering robust Revenue growth of 22% to US$345.0 million, Adjusted EBITDA growth of 39% to US$146.0 million, and improvement in our operating loss to US$24.0 million from US$34.9 million in 2016. The Group has delivered good organic growth, driven by new tenancies and improved operational efficiencies, as well as an encouraging contribution from acquisitions.

The business remains well positioned in all its key markets:

- Tanzania has recorded a solid performance with Revenue growth of 15% to US$141.2 million and Adjusted EBITDA growth of 30% to US$66.8 million
- DRC has delivered Revenue growth of 37% to US$140.2 million and Adjusted EBITDA growth of 43% to US$66.5 million
- Congo Brazzaville has recorded a Revenue decline of 1% to US$23.4 million and Adjusted EBITDA decline of 11% to US$9.8 million
- Ghana has delivered solid organic Revenue growth of 17% to US$40.1 million and Adjusted EBITDA growth of 61% to US$17.8 million

Creating confidence through performance

In March 2017, we successfully issued a US$600 million bond (please see the Operating Review, page 30). Among other things, this enabled us to invest in further growth opportunities including, in July, the purchase of all unique sites in the mainland tower portfolio of Zanzibar Telecom PLC (Zantel). The transaction marked our seventh purchase in as many years, and reinforced our leading position in Tanzania.

Adjusted EBITDA

+39%

2017: US$146.0m
2016: US$105.2m

Our core strategic pillars

Our six core strategic pillars focus on our goal of exceeding customer expectations.

Growing with our customers
Building partnerships

Business excellence
Continuous improvement across the business

Supply chain optimisation
Driving efficiencies across the supply chain

Business digitalisation
Providing advanced technological solutions

Our people
Recruitment and development of our employees

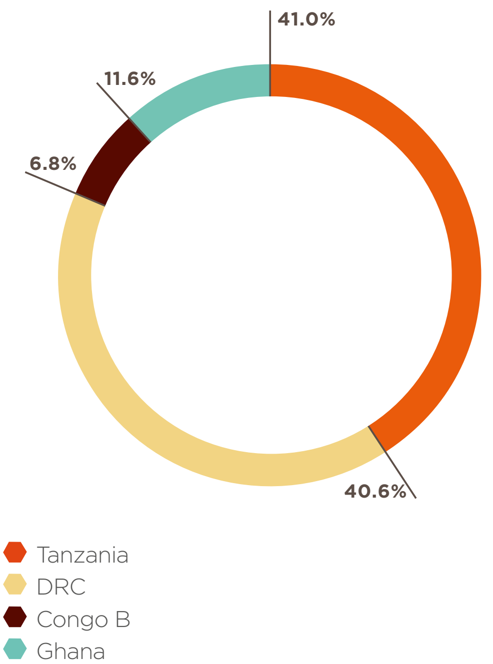
Our company values
Integrity, Partnership, Excellence

The Zantel deal followed our largest-ever tower network purchase, agreed with Airtel in the DRC in 2016, and both have brought volumes that enhance our ability to offer the compelling benefits of colocations.

We have also made a long-term investment in our platform, upgrading sites both for future growth and to reduce opex. By removing capital intensity in future years, this will free up resources for new growth projects.

This quality of infrastructure is matched by the calibre of our customers. Some 80% of our contracted revenues are derived from Africa's Big-Five MNOs; 18% are from high-growth challenger brands; and 2% comes from a pool of over 20 other operators. Our five largest customers have something in common: they are all investment or near-investment grade MNOs, and have committed to long-term contracts of 10-15 years. So when we talk about top line growth, it is growth built on firm foundations and with minimal counterparty risk.

Revenue by country



Chief Executive Officer's statement (continued)

Our Business Excellence Programme continues to enhance our product performance and positions us to deliver long-term growth and future value for both our shareholders and bondholders.

Improvement in downtime

+80%

against service levels of two years ago

2017: 4.1 minutes per tower per week

2015: 20.1 minutes per tower per week

Improving, measurably

I am a passionate believer in the value of Lean Six Sigma, the methodology of harnessing the power of teams to drive up performance by systematically removing waste and reducing variation. I encountered it first as a graduate trainee in a major automotive brand, and we have harnessed it to improve efficiency in every part of our business. Indeed, we are also extending it to our wider business ecosystem, actively investing in our maintenance partners to enhance their own ways of working.

The most critical component of our offering is the reliable uptime of our towers. Operators look to us to maximise their revenues with a reliable, uninterrupted traffic flow of voice and data, and to protect and enhance their brands.

Through integrating Lean Six Sigma processes into our business excellence programmes we have focused on the root causes of service interruption, and put in place pre-emptive processes and upgrades to manage down risks before they can become issues. As a result, in 2017 we achieved an average uptime of 99.96% across our towers, an improvement of 16 minutes per tower per week against service levels of two years ago.

With contracts linked to our performance, this delivers not only satisfied customers but significant improvements to our bottom line. Additionally, we have also realised valuable efficiencies in our purchasing, energy, office space, payroll and other cost centres. In turn, these are helping us to offer highly competitive propositions to network operators, and enabling low-cost access to our extensive national networks.

Long-term growth in vibrant economies

Our four territories are exciting places to be. In terms of the maturity of the mobile sector, these markets are akin to the development of mobile in the UK and US a decade ago. We see at least 10-15 years of solid growth to come. This sector also sits inside vibrant and burgeoning economies; the IMF projects GDP growth across our four markets of 4.9%[1] by 2022, compared with an average of 3.5% across Sub-Saharan Africa (SSA) and just 1.7% for the G7.

(1) Weighted average by HT Revenue

Real GDP Growth CAGR (2016-2022E)

HT markets	**4.9%**
SSA	3.5%
G7	1.7%

We are also serving a rapidly growing population, expected to rise by 19% to 206 million people by 2023. A significant majority (71%) are under 30 years old, tech-savvy, mobile-hungry, and who drive data usage with social media and streaming. Our customers will be looking to us to support this growth for years to come with expanded resources, locations and expertise.

It is also good to report that we operate in a supportive regulatory environment. Our model of colocation means that an MNO can share our towers at a saving of some 35% compared with building and operating their own. In turn, this means they can offer very competitive tariffs to their customers, and new competitors are being encouraged by low costs and rapid speed to market. Colocation also means more technology concentrated onto fewer masts, better environmental outcomes and lower emissions.

Powering forward

As we move into 2018, we take forward a business that is robust, lean and focused, and well positioned to continue delivering for our customers, employees, investors and communities. Our agenda remains clear and focused: to deliver more of the same. We will continue to mine the considerable potential for growth, in markets that are not only under-penetrated but that have a rich future of enhanced services and technologies to come.

We will deliver further efficiencies that play straight to the bottom line; consider fresh acquisitions, both in our respective countries and in wider emerging markets; and support our customers with a 'real estate of power' that is the backbone of their networks.

I thank those loyal customers, and our fantastic and resourceful teams out in the field, as we continue on this exciting journey.

Kash Pandya
Chief Executive Officer

Lean Six Sigma

Case story #1

Creating a partnership with our partners

The opportunity

In Tanzania, Helios Towers had worked with maintenance partner Pivotech for six years, but in a traditional instruct-and-execute, customer/supplier way.

Operational planning was disjointed and cumbersome, and often resulted in multiple visits to sites for straightforward tasks and deliveries. Also, there was no real platform for Pivotech to feed back ideas based on the wealth of experience they were gaining out in the field.

The Six Sigma solution

Together, we formed a 'One Team One Business' partnership, overhauling the current way of working and injecting lean thinking into every aspect of planning and site maintenance.

We moved our Zonal Operation Managers into Pivotech's offices on a permanent basis, removing barriers to joined-up working, and enabling fast quotations, approvals and same-day analysis of site issues.

We also introduced a target of 1SVM – one site visit per month – to reduce the waste, costs and time caused by multiple visits, aided by preventative maintenance and better planning.

Helios Towers also invested in selected Pivotech employees to undergo Lean Six Sigma Orange Belt training.

Results

- Preventative maintenance has led to a major reduction in special call-outs to sites, by around 81%
- A significant reduction in site visits, from c.3,500 to 1,000 per month across the network maintained by Pivotech
- By working together under the same roof, the joint operational team has been exceptionally effective in working through some 7,000 historic backlog issues, and continue to target further improvements
- Road mileage driven for site visits has been reduced by around 250,000 km over 12 months, with direct benefits in terms of time, cost, emissions and exposure to road risk.

Chief Financial Officer's statement

A significant year of top line growth and bottom line efficiencies

Tom Greenwood, CFO

Helios Towers grew in every quarter of 2017, improving our margin by delivering on the dual fronts of top line growth and operational efficiencies.

Following the success of our US$600 million bond in March 2017, we deployed our balance sheet efficiently through the year, both on capital projects and in the buy-out of our last remaining minority holding in Tanzania.

In summary, we closed 2017 with growth ahead of plan, and did this with lower-than-planned capital investment, delivering improved return on capital for shareholders.

Group performance

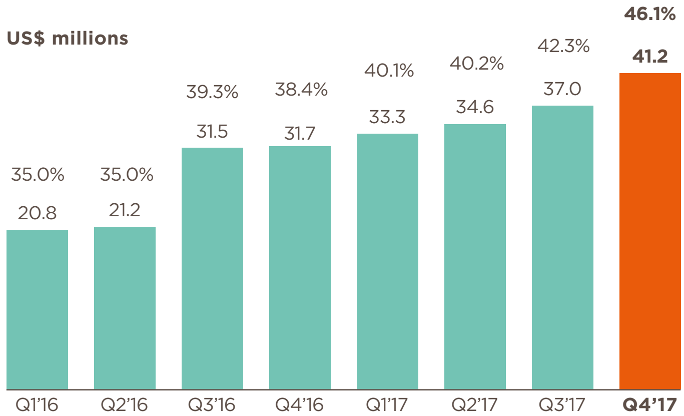
In 2017, Revenues grew by 22% from US$282.5 million to US$345.0 million. Adjusted EBITDA increased by 39% to US$146.0 million and Operating loss decreased by 31% to US$24.0 million. Loss before tax decreased by 9% to US$104.2 million.

Revenue growth

In 2017, we continued to support our customers' rapid coverage, capacity and technology expansion needs. We saw strong growth from our three primary organic products of colocation, amendment, and build-to-suit, which accounted for over half of our year-on-year revenue growth. The remainder of the growth was from a full year of revenue on the DRC Airtel tower network purchase, which we completed in July 2016 and had fully integrated into our portfolio by the start of 2017.

During the year we drove operational leverage on our established platform with the colocation and amendment offerings, benefiting from our previous capital upgrade programme on acquired sites. The investment programme has seen us invest around US$170 million since the Company's inception in sites we acquired from mobile operators.

Adjusted EBITDA margin growth



Looking back over the last two years, we have consistently delivered strong quarter-on-quarter growth in each quarter. Revenues increased by 1% quarter-on-quarter in Q4'17. Adjusted EBITDA grew by 5% in Q1'17, 4% in Q2'17, 7% in Q3'17 and 11% in Q4'17 with an improving Adjusted EBITDA margin profile. This demonstrates the strength of the organic and operational leverage of our business. We see this growth momentum continuing.

Adjusted EBITDA margin

+5 percentage points

2017: 42%
2016: 37%

To our customers, we are essentially a location and power company that enables MNOs to provide communications. As such, the biggest single expense we face is the fuel to power our towers.

During the year we made good progress in exploring efficiencies to drive down our fuel overhead, through deploying alternative sources of power. In 2017, we deployed 249 sites with new solar-powered technology, rolled out 375 grid connections where there is an available and reliable grid supply, and rolled out hybrid solutions to a further 331 sites. Most of these initiatives were coming online in the second half of the year and the rollouts will continue into 2018. This supports our exceptional customer service focus and differentiates us in the market, as the vast majority of our sites are ready to take additional tenancies immediately with minimal capital investment required.

Overall, our top line growth and opex savings have driven a steady increase in our Adjusted EBITDA margin. In Q4'17, this stood at 46% compared with 35% in Q1'16.

Liquidity and net debt position

Following the issuance of our maiden US$600 million corporate bond, the Group has sufficient liquidity to fund its usual business activities. The Group also has access to a US$60 million RCF facility, which is currently undrawn. At 31 December 2017, the Group's net debt position was US$595.2 million.

Dividend

Given the growth and investment opportunities, the Directors recommend that no dividends be paid for the year ended 31 December 2017.

Corporate bond issue well received

In March 2017, we achieved a milestone in our journey to date by issuing a maiden US$600 million corporate bond. We also received our first credit ratings – a B2 corporate family rating (CFR) by Moody's Investors Service and a preliminary B long-term corporate credit rating by S&P.

The bond's success was a significant endorsement of the business' strong fundamentals, track record and leading position in high-growth markets.

It allowed us to refinance the debt of all four operating companies into a single, simple capital structure, and provided resources to fund fresh opportunities.

The proceeds also enabled us to bring the HT Group into our full control, with the acquisition of Vodacom's minority shareholding in our Tanzanian business. This productive partnership came about when we acquired Vodacom's tower network in February 2014, with the transaction paid largely in Helios Towers Tanzania Limited (HTT) shares. Vodacom's intention was always to monetise their interest at a suitable juncture and this was completed in October 2017.

Strategic outlook

In September 2017, we announced that the Company and its shareholders were considering strategic options for the business in order to drive its long-term growth.

Following the successful bond issue in March 2017, one possibility may be to seek a listing on the London Stock Exchange. As we enter 2018, the position remains under review.

Chief Financial Officer's statement (continued)

Material recent developments

Vodacom Buy-out	• US$58.5 million option for Vodacom's shares in Tanzania • Buy-out completed in October 2017 following Fair Competition Commission (FCC) and Tanzanian Communications Regulatory Authority (TCRA) approval
Tanzania listing	• Recent Tanzanian law for network facilities licenses (incl. HTT) requires 25% listing of shares locally • 1 February 2017, HTT interim prospectus submitted • Undertaking capital reorganisation before submitting revised draft prospectus for approval
Business Excellence	• Operational improvement programme continues to be rolled out with rationalisation of maintenance partners, digitisation, office space reduction, improvement in towers per headcount
Updated colocation KPI	• Growing trend of operators increasing the amount of equipment on towers due to technological upgrades which is in excess of the standard space and power allowances • Amendment revenue has become a larger driver of growth for the business and we have updated our KPIs to reflect this

Outlook 2018

Our main financial focus remains the same in 2018: margin expansion through continuing to drive the organic growth of our business, adding more colocation, amendment and build-to-suit tenancies while also delivering even deeper levels of efficiencies through further power projects and operational improvements.

We will also consider further accretive bolt-on acquisitions, but only those that represent a strong complementary fit and a compelling business case.

All revenue streams made increasing contributions in 2017 and we are well positioned to benefit from the increasing needs of MNOs as they roll out further. And there is significant expansion to come in all our markets: only 39% of people across our four markets have a mobile phone today, and less than half of them have a smart phone. With a forecast 47 million new subscribers coming online in the next six years, and 12 times growth in 4G subscriptions expected over the same period, the need for reliable telecoms infrastructure has never been greater.

Tom Greenwood
Chief Financial Officer

Business model

We own and operate a fleet of 6,519 towers and other passive infrastructure in Africa, and offer a variety of models to suit our customers' requirements. Our main customers are the Big-Five African MNOs and high-growth challengers.

We leverage our expertise

Business excellence
Our Lean Six Sigma approach is driving operational efficiencies and improving customer service across our business and developing our employees as Orange/Black belts.

Relationships with customers and suppliers
We have strong relationships with our diversified and high quality customer base and our suppliers based on trust and aim to use our high value product offering to improve operational performance and develop partnerships.

Financial
Our financial model of long-term contracted revenues which are structurally hedged against adverse currency movements leads to stable and visible cash flows.

Management team
We have a solid track record of operating in Africa and an experienced management team with over 100 years' collective experience in emerging markets tower and power.

to create a platform for growth

We own and operate towers and other critical infrastructure

Colocation

Build-to-suit

Amendment revenue

High value operational offering

Long-term, high quality contracts

Stable and visible cash flows

Expand our offering

Underpinned by our values: Integrity, Partnership, Excellence

Colocation: We lease space and provide services on our towers to multiple tenants, allowing us to share maintenance and service costs and reduce our environmental impact. Our current tenancy ratio is 1.99x per tower and we expect this to grow further.

Build-to-suit: We also build towers specific to a customer's requirements. This includes strategic site selection, site acquisition and development, construction and equipment installation. We build sites in the right locations, which are designed to address needs of multiple operators using our in-house proprietary mapping tool.

Amendment revenue: As technology evolves, our existing tenants commonly need to buy more space to put additional equipment on our towers. The tenants are charged for additional space and power usage. This is a growing opportunity for the Group.

High value operational offering: We operate the towers for our customers, ensuring they have fast access to national networks and limited power downtime.

Long-term, high quality contracts: We negotiate long-term contracts with robust, sustainable lease rates. This provides our customers with security and us with long-term visibility on revenues.

Stable and visible cash flows: Our cash flows are protected from power and price inflation.

Expand our offering: Leveraging our existing platform to expand into new markets and complementary infrastructure.

and develop a sustainable, long-term business

For society
We contribute to building sustainable, local economies that enable businesses and individuals to connect and grow.

For employees
We provide employment and training opportunities for local people, with us and our partners.

For the environment
We reduce environmental impacts through our strategies of targeted site selection and colocation and our use of cleaner power sources (solar, hybrid, battery).

For shareholders
We offer financial returns and significant opportunities for future growth.

For further information pgs 24–29

Key strengths and investment case

Helios Towers has a strong platform for profitable growth, with leading positions in high-growth markets

We are supported by our extensive asset base, a pioneering excellence and innovation programme, deep and long-term client relationships, high barriers to entry and a favourable regulatory environment.

01

Market leader in three out of our four countries

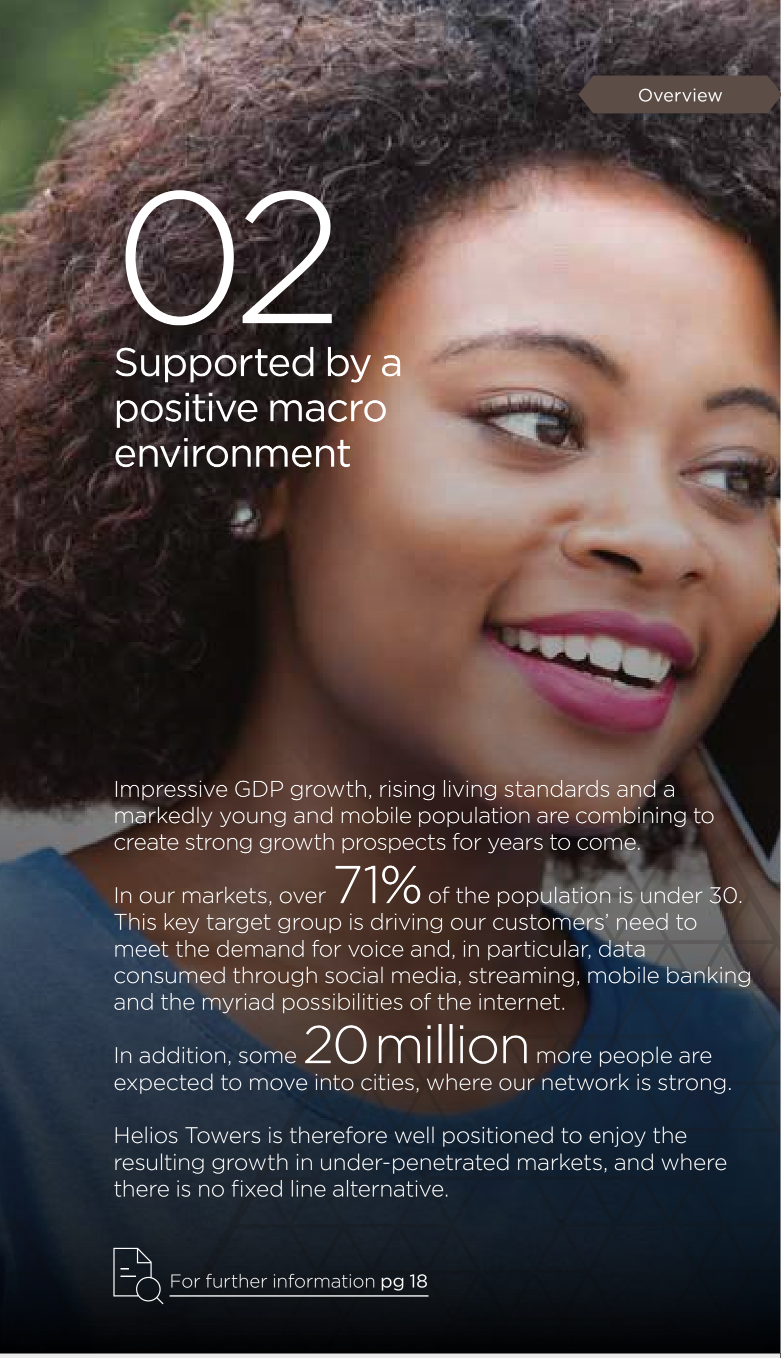
Helios Towers is the market leader in Tanzania (63% market share[1]), the Democratic Republic of the Congo (63%) and Congo Brazzaville (49%). We are also the sole independent owner/operator in those territories.

In our other market, Ghana, we enjoy a strong urban presence, and with it excellent growth prospects driven by higher voice and data usage.

By entering our markets early, we created a legacy advantage of owning the most attractive sites in the prime urban areas. We have built on that strength with our skills in reliable power management and tower planning/deployment, setting a high barrier to entry.

For further information **pg 02**

(1) By number of marketable towers



02
Supported by a positive macro environment

Impressive GDP growth, rising living standards and a markedly young and mobile population are combining to create strong growth prospects for years to come.

In our markets, over 71% of the population is under 30. This key target group is driving our customers' need to meet the demand for voice and, in particular, data consumed through social media, streaming, mobile banking and the myriad possibilities of the internet.

In addition, some 20 million more people are expected to move into cities, where our network is strong.

Helios Towers is therefore well positioned to enjoy the resulting growth in under-penetrated markets, and where there is no fixed line alternative.

For further information pg 18

03
Good earnings visibility

Helios Towers operates long-term contracts with typical durations of 10-15 years. In addition, these contracts are hard-currency pegged (around 60% of our revenues are USD/EUR-linked) with clear escalators to protect against inflation and power price spikes.

This visibility is further strengthened by a diverse, high quality customer base with no single customer reliance;

80%

of our revenues come from Africa's Big-Five MNOs and

18%

from high-growth challengers.

For further information pg 03

04
Market-leading excellence and innovation

Helios Towers has been a pioneer, bringing Lean Six Sigma practices to the African market and generating measurable and substantial benefits.

US$36 million

capex savings from

60 to 12

reduction in primary suppliers between 2015 and 2017

8.6 to 5.7

employees per 100 towers

85%

reduction in downtime

We have also generated significant savings through our innovative use of solar, hybrid and grid connections, with the future upside kept and a payback period of only **2-3 years**. In 2017, this also avoided emissions of **more than 8,250 tonnes of CO_2**.

05
Well positioned for future growth

Our four markets are projected to see growth of some 47 million new subscribers by 2023.

We stand ready to support that growth, building in the right locations to serve the operators' network expansion plans. But even where MNOs choose not to roll out coverage, we are well positioned to gain instead from amendment revenue as they alter and increase their tenancies.

Each market also offers the possibility of bolt-on purchases, both in neighbouring African markets and beyond, as well as the potential for us to leverage our expertise in areas such as small cells, fibre backhaul and data centres.

An overview of our markets and trends

Africa has clear and compelling drivers that are propelling its mobile market forward

The combination of its physical vastness, lack of fixed line infrastructure and a fast-developing economy means that mobile is much more than just a nice-to-have, it's a critical part of everyday life. This need will become ever more acute: in our markets of Tanzania, DRC, Congo Brazzaville and Ghana alone, the population is projected to grow by some 27 million people in the next five years. That's a greater increase than Western Europe, the USA, South America or Russia.

Equally, it's the quality of these markets – not just the numbers – that interests us:

Driven by youth: In our four operating countries, 71% of the population is under the age of 30. These are the users who adopt new technology, inspire operators to innovate, and drive data usage.

Urbanisation: Markets' populations are increasingly relocating, with over 20 million people projected to move to cities by 2022, driving demand for more connectivity and data.

The digital economy: from Twitter and WhatsApp to online banking and Uber, digital mobile increasingly drives and serves how people lead their lives and make economic choices.

Mobile-dominated internet access: For most end-users, access to the online world depends on having a mobile. The 'highest' penetration of fixed line telecoms in our markets is in Ghana, at 3.2%.

Additional mobile subscribers (2018-2023)

+47 million

Additional points of service (2018-2023)

+12,200

The continuing and growing opportunity for Helios Towers

Our four markets have reached a compelling stage in their evolution. Mobile telephony is mature, proven and desirable, and growth is accelerating. Yet these markets are still under-penetrated: DRC stands at just 26% unique subscriber penetration and even our highest market (Ghana, at 66%) has years of subscriber growth to come (G7 countries: 85%).

By 2023, it is projected that 47 million more people will become mobile subscribers in our four markets. And that in turn will require a major investment in network rollout, technologies and infrastructure to serve that demand.

Based on today's levels of network traffic and quality of service, telecoms consultancy Hardiman forecasts that our markets will collectively need 12,200 additional points of service by 2023.

The regulatory environment is playing to our strengths, encouraging increased tower and infrastructure sharing, as well as offering incentives for coverage rollout to rural and poorer communities.

Helios Towers is uniquely placed to serve the growing requirements of MNOs with tailored solutions, whether through colocations, build-to-suit towers, or both.

Further opportunities for our business

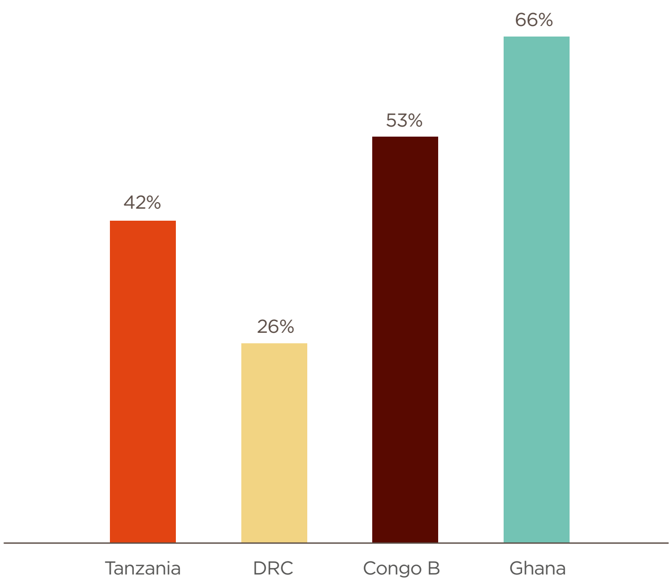
Against this backdrop, it is clear that expansion is firmly on our agenda. But how we approach this depends on market factors, local dynamics, and commercial decisions on newbuilds and/or acquisitions.

In our four markets, the MNOs still own around 3,500 towers that they originally built. If they take the view that tower ownership is not their core business, as many have before, there may be acquisition opportunities there.

With increasing urbanisation and the projected surge in data usage, we are also gearing up to support 4G and beyond. This includes a current trial of small cell network technology.

In the future, there may also be opportunities to apply our core competency of real estate and power to other applications that deliver long-term contracted revenue. For example, we could create and support data centres, providing customers with secure space, power and the climate-controlled conditions that servers require. Or more simply, we could provide power for remote villages and businesses. In short, we could help power Africa's growth in any number of ways.

Mobile penetration by country



Living our values

At HT we have three overarching values – **Integrity, Partnership** and **Excellence**.

From the clear imperatives of our legal responsibilities, to how we act towards people, inside and outside the business, our values guide and govern how we behave each day.

Integrity

We subscribe to the tenet that integrity is "doing the right thing when no one is looking".

Our business has been built on integrity, which is our default position in everything we do and say. We act with openness and transparency, always seeking to do the right thing and never compromising our standards for gain or advantage.

Integrity defines us as human beings and how we interact with colleagues, customers, our partner-suppliers and communities. The Group is an equal opportunities employer and we treat all of our people fairly and with respect, whether they are full time, part time or temporary. We recruit, develop and promote employees on merit, regardless of gender, marital status, race, ethnic origin, colour, nationality, disability, religion, sexual orientation or age.

Integrity also means complying with every applicable law, and creating an environment where everyone is encouraged to speak up if something isn't right.

We publish our Values, and Codes of Conduct for business and suppliers, for all to see on our website.

Living our values

Partnership

The most fruitful businesses tend to be built on partnerships: where each party respects and benefits from the other. At Helios Towers we therefore invest in partnerships with each of our key stakeholders.

Suppliers

In many cases, our suppliers become an extension of our own business; in certain cases we share offices and embed our own people, breaking down silos and working in true partnership. We have also streamlined the number of suppliers we use, enabling us to focus better on each, invest in them, and drive up standards to the benefit of us all.

Our own people

We have an entrepreneurial culture that thrives through our people who feel they are partners in a common purpose. We value talent and seek to create not only jobs, but careers. We invest in our people through training focusing on skill development, and by offering competitive rewards.

Occasionally, this includes mobilising suitable candidates within the Group's companies, helping to retain talent we have developed while offering interesting new assignments in contrasting markets. In 2017, we won two awards from TowerXchange, for our Lean Six Sigma and people development programmes.

Customers

Unlike many, we enter into contracts of typically 10-15 years' duration with our customers. So, unlike client/supplier models characterised by ad hoc transactions or projects, we form partnerships for the long haul. In turn, this means constantly anticipating our customers' needs, not only now but in years ahead, and never ceasing to drive up service levels and efficiencies. We regard customers as business partners; our futures are interdependent and we are proud of the emphatically positive feedback they communicate to us.

Living our values

Excellence

We never forget that we are in the service industry and our constant goal is to be the best that a customer could choose.

When our new management came on-board in 2015, excellence was enshrined as one of our values: it was time to match our ability to acquire and build towers with unrivalled service levels, price points and solution-led thinking for our customers.

To accomplish this, we adopted Lean Six Sigma practices, recruiting 'Black belts' to bring a fundamental change in our culture through a systematic approach to achieving excellence. We have trained 19 Black belts and 51 Orange belts, located mainly on the ground in our operating companies.

19
Black belts

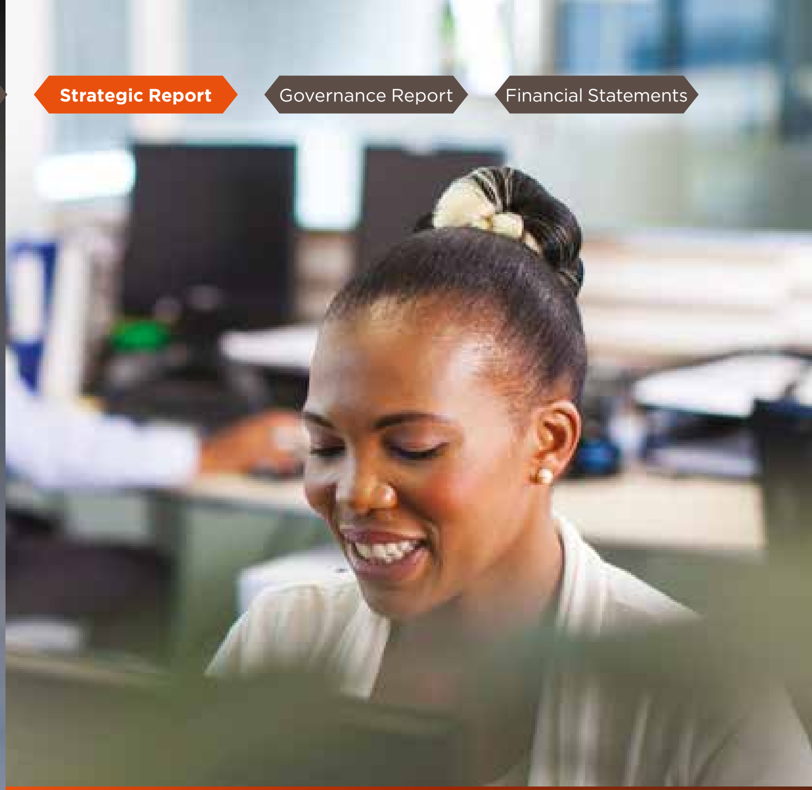
51
Orange belts

We have also provided Six Sigma training to 7 maintenance partners. We have actively partnered with them, sharing their offices, exchanging new concepts and ideas, and moving our own team members into their operations. By making them better businesses, we're improving our own.

The results have been rapid, exceeding even the highest expectations of our customers. In Tanzania, for example, we have reduced average downtime at our towers from

21.9 minutes per tower per week in Q4 2015 **to 1.5 minutes per tower per week in Q4 2017.**

This pursuit of excellence is also driving down both the costs and environmental impacts of the power we generate as well as reducing service visits.



Lean Six Sigma

Case story #2

Creating a partnership with our partners

The opportunity

NEWL provides maintenance support for 965 of our sites in Tanzania, and has worked with Helios towers for four years.

Site visits were high due to a lack of coordinated activity and to issues not being fully closed out. There were instances of over-resourcing in some areas, as well as a sense of 'police & culprit' rather than a joint effort, resulting in a lack of transparency.

The Six Sigma solution

Working closely with NEWL, we implemented our 'One Team One Business' approach, fundamentally shifting the culture to one of a joint enterprise. This was reinforced by moving four HT staff into NEWL's offices, immediately boosting interaction and decision-making. Our people also attend daily Visual (i.e. face to face) Management meetings, where decisions, commitments and results are given on the spot.

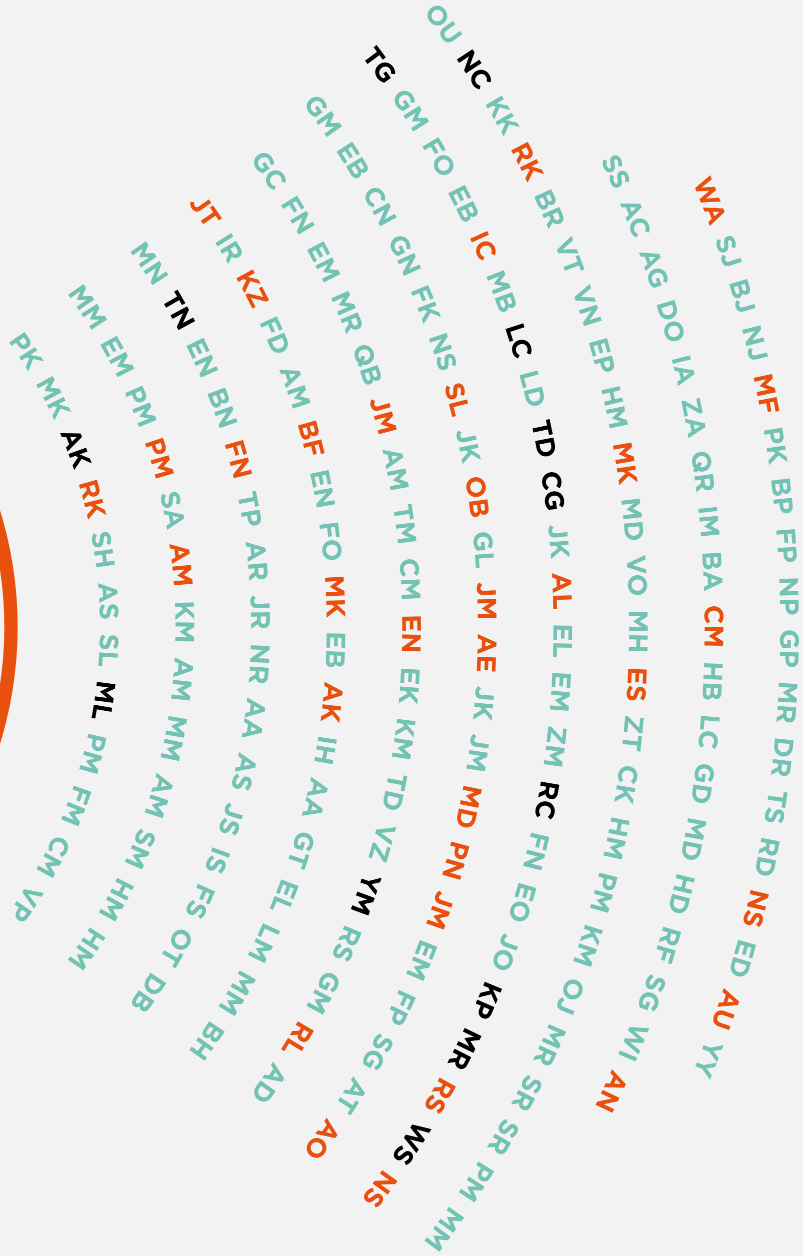
We also sponsored Six Sigma training for selected NEWL staff, and introduced 1SVM (one site visit per month), enabled by the close synchronisation of planning and resource from both partners.

Results

- A major reduction in required site visits from 3.0 per month to 1.2
- Significant attendant savings in time, mileage and opex, particularly in fuel (reduction of fuel used on site visits by 40%)
- A 90% reduction in downtime penalties payable to HT, and therefore a significant improvement in rebates due to our end customer
- The average downtime of sites maintained by NEWL reduced by 54%
- Greater effectiveness of preventative maintenance, audited jointly by HT and NEWL
- Safety: closer coordination between our respective SHEQ departments, leading to cleaner, more environmentally compliant sites, with safer working conditions.

Operating review

Implementing the Lean Six Sigma approach and building the platform for continuous improvement



Out of

370

employees, we have:

19

Black belts

51

Orange belts

We are driven by our customers' needs

In 2017, the main focus of the larger MNOs was to rationalise costs.

For some, this meant holding back on coverage rollout but, instead, investing in integrating new acquisitions; for example, Orange onboarding its Tigo assets in DRC, and Millicom integrating Zantel in Tanzania.

In addition, it was exciting to see operators beginning to invest in 4G, particularly in Tanzania. This led to us gaining increased amendment revenues as we accommodated more technology on our towers.

The year showed the robust nature of our model. Even when customers choose to invest in what they have, rather than new geographic expansion, we still benefit and grow.

Improvement in downtime

93%

Q4'17: 1.5 minutes per tower per week
Q4'15: 21.9 minutes per tower per week

Market reports

Tanzania

Key Highlights (US$ millions)	FY17	FY16
Revenue	141.3	122.3
Adjusted EBITDA	66.8	51.3
Operating Profit/(Loss)	5.4	(5.3)
Total Sites	3,491	3,465
Total Colocations	7,392	7,163
Tenancy Ratio	2.12x	2.07x

Market characteristics:

- The most competitive telecoms market in Africa
- Lowest cost per gigabyte of data
- Cost control is key, driving networks to share infrastructure
- A market slightly behind in data usage, but ahead in 4G: all MNOs have licences due to regulatory influences
- Penetration high in cities but low in rural areas
- Strong urbanisation trends
- Competition demands that networks need to roll out

From a coverage perspective, a key driver of growth in Tanzania has been the national rollout of Viettel, one of this market's ambitious challenger brands.

Among our established MNOs, 2017 was a year of rationalising their cost base and upgrading their networks, which has driven amendment revenue. This positions us well for densification requirements as 4G triggers the need for more sites.

By tower count, Tanzania is our largest network with 3,491 towers. It is therefore particularly pleasing that we have been delighting our customers with improvements in uptime. Our quest has been to deliver Lean Six Sigma, which is measured as downtime per tower of just two seconds per week. Our original goal was to deliver this ambitious target within five years, but in June 2017 we had already achieved it in one region. Our focus now is to make this standard business as usual.

With downtime standing at 21.9 minutes per tower per week in Q4'15, this demanded a fundamentally new approach to how we maintain our sites. In Q4'17 we achieved an average downtime of 1.5 minutes per tower per week across our portfolio. This leap in reliability is a testament to the culture and relationship we have created with our maintenance partners. We share offices with them, have brought in Six Sigma black belts, and we embed our own people into their operations as coaches.

In turn, the dramatic reduction in problem-solving means that we can focus on making every site more profitable, including adopting smarter power solutions.

DRC

Key Highlights (US$ millions)	FY17	FY16
Revenue	140.2	102.2
Adjusted EBITDA	66.5	46.7
Operating Profit	6.3	2.8
Total Sites	1,819	1,832
Total Colocations	3,347	3,179
Tenancy Ratio	1.84x	1.74x

Market characteristics:

- An under-developed market, but with very strong demand for telecoms
- Point of service subscribers at some of the highest levels, driven by data
- Usage is driving demand for more towers and densification

In 2016, we successfully negotiated a contract with the newly merged Orange and Tigo networks, and in 2017 we worked closely with Orange to consolidate the two networks in a very tight timeframe.

This resulted in Orange reducing their previous site network by 300, by finding the more sustainable solution of colocating their equipment on our towers. The task for us has been to deliver one of the largest integrations seen in Africa, and enable Orange to accelerate significant synergies while maintaining their existing revenues with us.

The market has also seen other networks step up to compete with Orange, resulting in more capacity growth on our existing sites as well as the requirement for build-to-suit sites.

At the close of the year we also completed a major project to add a communications backbone across the country, opening up new areas for mobile.

Separately, we drew on our experience in Tanzania to apply Six Sigma principles to achieving material service improvements. This ongoing programme includes using existing equipment more efficiently, and investing in solar and hybrid technologies to ease our dependence on diesel.

Solar sites deployed

+249

2017: 299
2016: 50

Lean Six Sigma

Case story #3

Reducing site visits, costs and issues

The opportunity

In Tanzania, our maintenance partners were averaging 24,017 site visits per month, with 10,893 due to corrective maintenance (CM). In total, they were driving 680,145 km each year at a cost of US$115,000. Indeed, their teams were spending more time driving than maintaining.

The Six Sigma solution

It was clear that our maintenance approach was itself in need of a complete overhaul. Working with our partners, we analysed data on the number of site visits and the cost applied; we assessed the process, identified waste areas and mitigated them; we scrutinised and streamlined the process; and derived the continuous improvement control.

In a rapid turnaround programme, we designed a new maintenance methodology (month 1), trialled it (month 2) and rolled it out to every site (month 3). The impact was felt immediately once the trial began, and translated into significant efficiencies once the rollout was complete.

Results

In the period from December 2016 to September 2017:

- Site visits per month per site reduced from an average of 6.8 to just 2.7
- A case study in our northern zone (965 sites) saw distance driven reduced from 150,291 km to 51,231 km, with major cost, environmental and safety risk benefits
- Fuel outages per month decreased from 94 outages to 1
- Total distance driven to sites has been reduced, from 647,065 km to 388,995 km
- Corrective maintenance tasks – a key indicator of the underlying condition of our sites – decreased from 10,893 to 3,005, with our technicians now spending more time on preventative maintenance and less time on the road

Operating review (continued)

Congo Brazzaville

Key Highlights (US$ millions)	FY17	FY16
Revenue	23.4	23.6
Adjusted EBITDA	9.8	10.9
Operating Loss	(3.8)	(0.4)
Total Sites	384	394
Total Colocations	525	529
Tenancy Ratio	1.37x	1.34x

Market characteristics:

- High mobile penetration
- Our smallest market, but data demand is increasing with 3G launches
- Our towers are well located to benefit from increasing densification demand

In 2017, our focus was on achieving efficiencies, focusing on both the level and sustainability of our cost base.

We also embarked on a programme to upgrade sites received from Airtel, and have seen the impact of new technologies driving increased revenue. Our customers have received quality of service improvements, partly driven by a change in our maintenance partners and a fruitful embedded partnership with new suppliers.

Although this is a quieter market, with two main operators and a smaller challenger, we continue to grow through site upgrades and network expansions.

Office space reduction

-38%

2017: 400m²
2016: 650m²

Lean Six Sigma

Case story #4

Reducing site grid disconnections

The opportunity

Diesel-fuelled power generation is much more expensive than drawing power from the grid. However, at Helios Towers Ghana, sites had been consuming unnecessary fuel because they were being disconnected from the grid. This was caused by maintenance partners failing to top up prepayment meters and ensuring the grid supply. In turn, this was impacting on the operational expenses for these sites.

The Six Sigma solution

We analysed the causes for the disconnections, and measured payment times to understand if the process was in control. We then mapped the current state of the process to identify and evaluate waste, and prioritised the actions needed.

The project took three months from defining the problem to implementing the improvement.

Results

In the period from December 2016 to September 2017:

- 85,000 generator hours saved annually for 12 sites
- US$70,000 saved in fuel costs annually for 12 sites

Ghana

Key Highlights (US$ millions)	FY17	FY16
Revenue	40.1	34.4
Adjusted EBITDA	17.8	11.1
Operating Profit	9.2	4.1
Total Sites	825	786
Total Colocations	1,723	1,638
Tenancy Ratio	2.09x	2.08x

Market characteristics:

- Our most developed market, with the highest GDP
- Good level of disposable income spent on mobile
- Higher smartphone penetration, driving demand for data
- Relatively high population
- Consumption putting pressure on networks – MNOs need to densify, especially in urban areas

Our business delivered a pleasing performance in Ghana in 2017, through a combination of our winning build-to-suit contracts, and by continuing to increase our share of colocation business.

Amendment revenues also performed well, driven mainly by the increasing momentum of 3G in the country. This positions us well in the near future for 4G. Currently, only one operator – MTN – has had the resources to gain a 4G licence, and the regulator is expecting consolidation of other players to be able to create a competitive 4G market. This augurs well for us, with the possibility of several players looking for infrastructure support as the mobile market matures.

4G also plays to our strength of having the best urban presence in Ghana, which is due in no small part to our process excellence in acquiring sites and gaining building permits. It is in the cities that the data rollout will first happen, and we are in pole position to serve it.

GDP growth CAGR (2016-2022E)

+6%

Lean Six Sigma

Case story #5

Improving the quality of solar installations

The opportunity

The importance of 'right first time' operation was highlighted by the solar upgrade programme of our sites in DRC. In the first tranche of 50 quality assurance (QA) checks on new installations, just over half failed their inspection. On average, this added four days to the delivery.

With a further roll out of 380 sites, of which 249 were deployed in 2017, this failure rate would incur an estimated US$184,000 to repeat the QA and remobilise resource to sites, as well as a further US$37,000 in lost opex savings.

The Six Sigma solution

We established the reasons for non-compliance, and identified the customers, suppliers, measures and performance of the current process.

We evaluated the process to determine the causes for underperformance, established the countermeasures to address our concerns, and measured performance once implementation was complete.

Time was critical here; in order to apply the improvements we identified the next phase of solar installations.

Results

In the period from December 2016 to September 2017:

- The QA pass rate improved from 46% to 93%
- For the 380 solar sites to be installed in 2017 and beyond, this equates to a saving of US$160,740 in costs that would have been incurred to remobilise, with an additional US$32,000 opex savings for delivering the sites on time
- The team is focused on driving up the 93% pass rate, through their lessons-learned review

Detailed financial review

Consolidated Statement of profit or loss

For the year ended 31 December 2017

	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Revenue	344,957	282,507
Cost of sales	(275,651)	(235,867)
Gross profit	69,306	46,640
Administrative expenses	(91,261)	(77,741)
Loss on disposal of property, plant and equipment	(2,018)	(3,761)
Operating loss	(23,973)	(34,862)
Investment income	706	216
Other gains and losses	21,797	(6,682)
Finance costs	(102,757)	(73,268)
Loss before tax	(104,227)	(114,596)
Tax expense	(3,207)	(1,514)
Loss for the year	(107,434)	(116,110)

Key metrics

	Group		Tanzania		DRC		Congo Brazzaville		Ghana	
(US$millions)	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	$345.0	$282.5	$141.3	$122.3	$140.2	$102.2	$23.4	$23.6	$40.1	$34.4
Gross margin[1]	55.8%	53.2%	55.5%	52.4%	55.2%	54.5%	61.2%	62.0%	55.8%	46.5%
Sites at beginning of year	6,477	5,424	3,465	3,428	1,832	814	394	393	786	789
Sites at year end	6,519	6,477	3,491	3,465	1,819	1,832	384	394	825	786
Tenancies at beginning of year	12,509	10,008	7,163	6,389	3,179	1,643	529	512	1,638	1,464
Tenancies at year end	12,987	12,509	7,392	7,163	3,347	3,179	525	529	1,723	1,638
Tenancy ratio at year end	1.99x	1.93x	2.12x	2.07x	1.84x	1.74x	1.37x	1.34x	2.09x	2.08x
Adjusted EBITDA	$146.0	$105.2	$66.8	$51.3	$66.5	$46.7	$9.8	$10.9	$17.8	$11.1
Adjusted EBITDA margin	42.3%	37.2%	47.3%	41.9%	47.4%	45.7%	41.9%	46.2%	44.4%	32.3%

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

Revenue

Revenue increased by 22% to US$345 million in the year ended 31 December, 2017 from US$283 million in the year ended 31 December, 2016. The increase in revenue was largely driven by colocation, amendment, and build-to-suit, which accounted for over half of our year-to-year revenue growth. The remainder of the growth was from a full year of revenue on the DRC Airtel tower network purchase, which we completed in July 2016 and had fully integrated into our portfolio by the start of 2017. Increased revenue in Tanzania was primarily attributable to the increase in overall tenancies from 7,163 to 7,392 as of 31 December, 2016 to 31 December, 2017, a slight increase in number of total sites from 3,465 to 3,491, and an increasing number of colocations. Increased revenue in DRC resulted primarily from additional rent and power charges for equipment from the additional sites acquired from subsidiaries of Airtel in DRC. Revenue improved in Ghana as a result of an increase in total tenancies from 1,638 as of 31 December, 2016 to 1,723 as of 31 December, 2017, and an increased tenancy ratio from 2.08x as of 31 December, 2016 to 2.09x as of 31 December, 2017. Revenue decreased in Congo Brazzaville in the current year, as a result of increased bonus SLA revenues in 2016.

Cost of sales

(US$'000s)	2017	% of Revenue 2017	Restated (IFRS 16) 2016	% of Revenue 2016
Power	93,756	27.2%	81,802	29.0%
Non-power	58,679	17.0%	50,289	17.8%
Site depreciation	123,216	35.7%	103,776	36.7%
Total cost of sales	275,651	79.9%	235,867	83.5%

Year Ended 31 December,

The table below shows an analysis of the cost of sales on a country-by-country basis for the years ended 31 December, 2016 and 2017.

	Tanzania		DRC		Congo Brazzaville		Ghana	
	Year Ended 31 December,		Year Ended 31 December,		Year Ended 31 December,		Year Ended 31 December,	
(US$'000s)	2017	2016	2017	2016	2017	2016	2017	2016
Power	35,413	33,551	42,330	30,818	2,722	3,229	13,291	14,204
Non-power	27,415	24,628	20,459	15,702	6,365	5,755	4,440	4,204
Site depreciation	55,681	48,933	48,634	38,593	11,301	9,936	7,600	6,314
Total cost of sales	118,509	107,112	111,423	85,113	20,388	18,920	25,331	24,722

Cost of sales increased by 17% to US$275.7 million in the year ended 31 December, 2017 from US$235.9 million in the year ended 31 December, 2016. The overall increase in cost of sales was primarily due to the increased costs associated with a larger portfolio of towers, most prominently an increase in power usage and increased cost related to depreciation of our sites, mainly in DRC. Site depreciation increased by 19% as a result of a higher asset base, principally due to the purchase of approximately 967 towers from a subsidiary of Airtel in DRC in July 2016.

Power costs comprise diesel and electricity costs. The Group's costs increased in line with additional site numbers across the Group. The increase in diesel costs primarily consisted of a US$10.6 million increase of consumption in DRC. The increased diesel costs in DRC were attributable to increased consumption largely as a result of the expansion of the site portfolio after the Airtel acquisition in July 2016 and decreased reliance on the electric grid. The decreased diesel costs in Ghana is attributable to better grid availability and greater deployment of power management solutions. Electricity costs remained relatively flat between the years, despite an increase in the number of sites across the Group with a significant portion of the increase in cost attributable to local electricity price increases, mitigated through our power contract escalation provisions.

Non-power costs relate to maintenance and security costs, insurance and other costs. Non-power costs increased by 16.7% for the year ended 31 December, 2017 compared to the year ended 31 December, 2016. The increase in non-power costs were primarily a result of increase in the number of sites in DRC, while costs in Ghana remain relatively flat.

Administrative expenses

(US$'000s)	2017	% of Revenue 2017	Restated (IFRS 16) 2016	% of Revenue 2016
Other administrative costs	47,859	13.9%	46,330	16.4%
Depreciation and amortisation	25,621	7.4%	25,679	9.1%
Exceptional items	17,781	5.2%	5,732	2.0%
Total administrative expense	91,261	26.5%	77,741	27.5%

Year Ended 31 December,

Detailed financial review (continued)

Administrative expenses (continued)

Administrative expenses increased by 17.4% to US$91.3 million in the year ended 31 December, 2017 from US$77.7 million in the year ended 31 December, 2016.

The primary driver of the increase in administrative expense between the years was in relation to exceptional items, which are discussed further in note 4.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment was US$2.0 million in the year ended 31 December, 2017, compared to US$3.8 million during the year ended 31 December, 2016. Loss on disposal was primarily a result of site upgrades that necessitated the replacement of older parts and equipment in Tanzania.

Other gains and losses

Other gains and losses recognised in the year ended 31 December, 2017 were US$21.8 million, compared to US$6.7 million in the year ended 31 December, 2016. The primary reason is the gain on embedded derivative valuation of the bond. The other loss during the year ended 31 December, 2016 represented a charge to our income statement as a result of Vodacom Tanzania's put option to exchange its shares in Helios Towers Tanzania for shares in the Company, which expired in October 2017.

Finance costs

Finance costs increased to US$102.8 million in the year ended 31 December, 2017 from US$73.3 million in the year ended 31 December, 2016. The table below shows an analysis of finance costs for the year ended 31 December, 2016 and 2017.

	Year Ended 31 December,	
(US$'000s)	2017	Restated (IFRS 16) 2016
Foreign exchange difference	3,229	9,796
Interest costs	71,608	44,645
Interest costs on lease liabilities	14,991	13,812
Deferred loan cost amortisation	12,929	5,015
Finance costs	102,757	73,268

As reflected in the table above, the increase in finance costs between the years was primarily the result of interest for the US$600 million 9.125% bond, accruing from March 2017. This is partially offset with a decrease in foreign exchange difference from US$9.8 million during the year ended 31 December, 2016 to US$3.2 million during the year ended 31 December, 2017. This primarily relates to the Tanzanian shilling, which depreciated against the US dollar by 5% during the year ended 31 December, 2016 while the Tanzanian shilling in 2017 was broadly stable depreciating by 2% during the year ended 31 December, 2017. The decrease in 2017 was also due to the appreciation of the Central African Franc, which is pegged to the Euro.

Tax expense

Our tax expense was US$3.2 million in the year ended 31 December, 2017 as compared to US$1.5 million in the year ended 31 December, 2016. Our tax expense during each year is primarily due to an additional tax levied against certain entities in Tanzania and DRC as stipulated by law in these jurisdictions and minimal corporation tax payments required where companies are in a tax loss position.

Adjusted EBITDA

Adjusted EBITDA was US$146 million in the year ended 31 December, 2017 compared to US$105 million in the year ended 31 December, 2016. The increase in Adjusted EBITDA between years is primarily attributable to the changes in revenue, cost of sales, and gross margin between years.

Contracted Revenue

The following tables provide our total contracted revenue by country and by key customer under agreements with our customers as of 31 December, 2017 for each of the years from 2018 to 2023, with local currency amounts converted at the applicable spot rate for US dollars on 31 December, 2017 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.

The following tables provide the Group's contracted revenue from 2018 through 2023 on a country-by-country basis and an illustration of our total contracted revenue attributable to our key customers:

	Year Ended 31 December,					
(US$'000s)	2018	2019	2020	2021	2022	2023
Tanzania	147,044	149,099	151,387	150,648	149,440	143,673
DRC	140,355	141,546	152,294	151,859	150,004	149,085
Congo Brazzaville	24,373	24,373	23,194	16,954	16,949	16,941
Ghana	38,821	39,429	38,966	36,721	27,293	12,784
Total	350,593	354,447	365,841	356,182	343,686	322,483

(US$'000s)	Total Committed Revenues	Percentage of Total Committed Revenues
Africa's Big-Five MNOs	2,489,628	80%
Other	611,801	
Total	3,101,429	

Liquidity and Capital Resources

We manage our financing structure and cash flow requirements based on our overall strategy and objectives, deploying financial and other resources related to those objectives. We manage liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Funding decisions are made based upon a number of internal and external factors, including required amounts and the timing of outflows, the internal and external availability of funds, the costs of financing and other strategic objectives.

Our primary sources of liquidity have historically been cash from operations, borrowings under our debt facilities and equity issuances. We have previously sought to finance the costs of developing and expanding our business mainly at the operating level on a country-by-country basis.

Detailed financial review (continued)

Consolidated Statements of Cash Flow Data

(US$'000s)	Year Ended 31 December, 2017	Restated (IFRS 16) 2016
Cash Flows from Operating Activities		
Loss for the year before taxation	(104,227)	(114,596)
Net cash generated from operating activities	57,572	25,304
Net cash used in investing activities	(169,615)	(295,847)
Net cash generated from financing activities	97,870	316,739
Net (decrease)/increase in cash and cash equivalents	(14,173)	46,196
Cash and cash equivalents, beginning of year	133,737	88,290
Foreign exchange on translation	136	(749)
Cash and cash equivalents, end of year	119,700	133,737

As at 31 December, 2017 we had US$119.7 million of cash and cash equivalents.

Net cash generated from operating activities increased from US$25.3 million during the year ended 31 December, 2016 to US$57.6 million during the year ended 31 December, 2016. The increase in net cash generated from operating activities was primarily driven by an improvement in operating loss, and lower cash outflows as a result of working capital changes, offset by an increase in interest paid between the years.

Net cash used in investing activities decreased from US$295.8 million during the year ended 31 December, 2016 to US$169.6 million during the year ended 31 December, 2017. The decrease in net cash used in investing activities between the years was mainly the result of a lower volume of tower portfolio purchase activity as compared to 2016, which are primarily relating to the Group's portfolio acquisition from Airtel in DRC.

Net cash generated by financing activities decreased from US$316.7 million during the year ended 31 December, 2016 to US$97.9 million during the year ended 31 December, 2017. The decrease in net cash generated by financing activities between the years was primarily due to the US$184 million equity raise and increased borrowings under our secured term loan facilities in 2016, subsequently cleared in 2017 in line with the issue of the bond in March 2017.

Capital expenditure

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

	Year Ended 31 December,			
(US$millions)	2017	% of Total Capex	2016	% of Total Capex
Acquisition	18.7	11.0%	164.5	58.6%
Growth	77.8	45.6%	56.7	20.2%
Upgrade	52.0	30.4%	26.8	9.5%
Maintenance	19.8	11.6%	29.6	10.6%
Corporate	2.4	1.4%	3.2	1.1%
Total	170.7	100.0%	280.8	100.0%

Following the announcement of the Zantel acquisition in July 2017, we have completed the acquisition of 101 sites which has driven acquisition capital expenditure during 2017. Prior year acquisition capital expenditure was principally due to the DRC Airtel acquisition. Upgrade capital expenditure has increased in 2017 due to continued investment, tower strengthening and upgrade programme and the continued roll out of colocation tenants. Maintenance capital expenditure has decreased in 2017 however we continue to carry out periodic refurbishments and replace parts and equipments to keep our site in service.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Indebtedness

As of 31 December, 2016 and 31 December, 2017, the Group's outstanding loans and borrowings, excluding lease liabilities, were US$401.1 million and US$598.4 million, respectively. For more details, see Note 20 in our consolidated financial statements for the year ended 31 December, 2017. Third party loans were refinanced in March 2017, when the bond was issued.

Transition to new accounting standards

During the year, the Group transitioned to IFRS 15: Revenue from contracts with customers, and IFRS 16: Leases, on a fully retrospective basis. There is no impact in relation to IFRS 15, largely due to service contracts which are already well aligned with the performance obligation separation requirements of IFRS 15. IFRS 16 adoption has led to the restatement of comparative figures previously reported. Further detail is provided in the Accounting Policies and in note 29.

Risk management

Risk appetite

The Group defines risk appetite as the amount of risk that the business is prepared to take in order to deliver safe, effective working practices as well as maintaining and growing its business. The Group dedicates resources and focus to understanding and ensuring risk is identified, assessed, managed and monitored. Controls and mitigating actions are designed as appropriate to reflect the risk appetite in each instance.

Risk Governance

Risk management is integral to the Group's strategy and to the achievement of its long-term goals. The Group's continued success as an organisation depends on its ability to identify and pursue the opportunities generated by its business and the markets in which it operates.

The Board has overall responsibility for risk management, compliance and internal controls, and is supported by the Audit and Ethics Committee (the "Committee").

The Committee, under delegation from the Board, monitors the nature and extent of risk exposure against the Group's risk appetite. The Committee is responsible for identifying, mitigating and managing risk, as well as setting the risk appetite for the business with advice from the Executive Team.

Governance framework

Board/Audit and Ethics Committee

Executive Team

1st line of defence
Owns and manages risks and implements/operates business controls

Who is responsible
- Operational staff/management

Activity/controls
- Policies and procedures
- Internal controls
- Planning, budgeting/forcasting processes
- Delegation of authority matrix
- Business workflows/IT sytems controls
- Personal objectives and incentives

2nd line of defence
Oversight of risk and control compliance

Who is responsible
- Compliance/functional teams

Activity/controls
- SHEQ
- Regulatory compliance
- Management/Board reporting and review of KPIs and financial performance
- Corporate policies and Group functions oversight

3rd line of defence
Independent assurance

Who is responsible
- Internal Audit

Activity/controls
- Internal Audit Risk Assessment
- Approved Internal Audit plan
- Internal Audit reporting line to Audit and Ethics Committee

Risks related to the Group and our business

Principal business risks

Summarised below are the key risks, not in order of significance, identified which could have a material impact on the Group. The principal risk summaries are therefore supported by a more detailed risk management process.

Risk Description	Impacts	Risk Mitigation
1. Major quality failure or breach of contract The Group's reputation and profitability could be damaged if the Group fails to meet its customers' quality standards, specifications or delivery schedules. A substantial portion of our revenues are generated from large customers, and the loss of any of these customers would adversely affect the Group. Many of the Group's customer tower contracts contain liquidated damage provisions, which may require the Group to make unanticipated payments to its customers.	Reputational Financial	• Strong project and operational delivery team • Project scope is clearly defined at the outset and all project plans are baselined to deliver the agreed scope of work • Contract & dispute management processes in place • Customer retention plans in place • Good customer relationships • Long-term contracts with minimal termination rights
2. Non-compliance risk related to: **i) Health and safety** **ii) Environmental laws** **iii) Corruption** i) Health & Safety – there are health and safely risks related to operating in the relevant jurisdictions that could adversely affect the Group. ii) Environmental laws – the Group could have liability under environmental laws. iii) The Group is exposed to the risk of corruption, sanction law and other similar regulatory breaches. Changes in these laws may require the Group to modify its existing business practices, incur increased costs and subject it to potential liabilities. The Group may face legal penalties, financial loss, loss of materials, and reputation loss if it fails to act in accordance with laws, regulations, business and industry practices.	Compliance Financial Reputational	• Enhanced Compliance Programme launched; training has been provided on the new programme requirements • Creation of policies and procedures which incorporate regular monitoring, incident reporting and report of breaches • Code of Business Conduct • Third Party Code of Conduct • Bribery and anti corruption policy and procedures are in place
3. Economic and political instability A slowdown in the growth of, or a reduction in demand for, wireless communication services could adversely affect the demand for communication sites and tower space and could have a material adverse effect on the Group's financial condition and results of operations. There are risks related to political instability, religious ethnicity and regional tensions in each of the relevant jurisdictions.	Operational Financial	• Market analysis and business intelligence • Market share growth strategy • Close monitoring of any potential risks that may affect operations • Contingency plans in place in the event of any emergencies
4. Significant exchange rate movements Fluctuations or devaluations in local currencies in the markets in which the Group operates could materially and adversely affect the Group's business, financial condition and results of operations and that of the financial position of its customers.	Financial	• USD and EUR pegged contracts • "Natural" hedge of local currencies (revenue vs opex) • Monthly review of exchange rate differences

Risk Description	Impacts	Risk Mitigation
5. Non-compliance with license requirements The Group may not always operate with the required approvals and licenses for some of its tower sites, particularly where it is unclear whether a certain license or permit is required or where there is a significant lead time required for processing the application, and therefore may be subject to reprimands, warnings and fines, for non-compliance with the relevant licensing and approval requirements.	Operational	• Compliance registers maintained with any potential non-conformities identified by relevant government authority with a timetable for rectification • Active participation in industry groups in place • Active and ongoing engagement with relevant regulatory authorities to ensure awareness of and potential changes to requirements in advance
6. Loss of key personnel The Group's business depends on key senior management and highly skilled and technical employees, and the departure of any such personnel, or the failure to recruit and retain additional personnel, could adversely affect the Group's business, financial condition, results of operation and prospects.	People	• Competitive and performance related remuneration plans • Talent and succession planning processes exist for key roles • Staff development/support plans
7. Technology risk New technologies designed to enhance the efficiency of wireless networks and potential active sharing of the wireless spectrum could reduce the need for tower based wireless services and could make the Group's tower leasing business less desirable to or necessary for tenants and result in decreasing revenue. Examples of such new technologies that may reduce the demand for tower-based antenna space might include spectrally efficient technologies which could potentially relieve some 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, which would reduce the need for telecommunications operators to add more tower-based antenna equipment at certain tower sites.	Strategic	• 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 licenses to provision active infrastructure services in certain markets
8. Failure to remain competitive Competition in the telecommunications tower industry may create pricing pressures that materially and adversely affect the Group.	Financial	• Close KPI monitoring and benchmarking against competitors and total cost of ownership (TCO) for MNOs to run towers • Fair pricing structure • Constant review of competitors' activities • Strong tendering team to ensure high win/retention rate • Continuous capex investment ensures that the Group has sufficient capacity

Sustainability

At the heart of Helios Towers' strategy is a determination to build a genuinely sustainable business across all its facets.

This means a business with a model sufficiently robust to grow with the needs of its customers; that treads as lightly as possible in its environments; and that meets its commitments to people, whether through being an excellent employer or acting as a sensitive neighbour in its various communities.

Our proposition

Our proposition to customers is itself rooted in sustainability, through the efficient use of resources. By enabling tenants to share our towers, we are concentrating multiple technologies and operations onto a single piece of infrastructure.

In turn, this will typically require only one power supply (and therefore lower emissions), and single rather than duplicated maintenance journeys to our tower locations, saving thousands of road miles a year.

For some tenants, consolidating their infrastructure in this way often means that their own towers can be taken down and recycled. For our host landscapes, a single tower also means a lesser visual impact.

Our people

Our business employs 370 people directly, but also supports over 10,000 contractor employees who are engaged in the maintenance and security of our tower network.

In the belief that operational decisions are better taken on the ground, 2017 saw a deliberate move to give our local teams greater autonomy and the tools, through training, to problem-solve and make decisions.

Our rollout of the Lean Six Sigma programme; leadership development training; project management upskilling; and extending our training to maintenance partners, are all designed to equip our local operating companies to perform as never before. In the process, this is creating sustainable local businesses with a fulfilling career environment that inspires constant improvement.

Modern Slavery Act 2015

With regards to the Modern Slavery Act 2015, our policy and statement of compliance is published on our website.

The year also saw an embedding programme of the HR initiatives launched in 2016, including expanded role grading, salary banding and performance management. This is building a firm foundation on which to take the current and future workforce forward.

Safety

No practical or commercial consideration is ever allowed to override the imperative that every employee and contractor should be safe. We aim to be a zero-harm company, and regard every incident as avoidable.

Our principal safety risks are road traffic accidents, working with electricity, working at height, and the manual handling of heavy equipment. None of our employees are permitted to work in any of these areas without dedicated training, and refresher training is regularly held.

As well as measuring, and learning from, lagging indicators such as lost time incidents (LTIs) and injuries needing treatment, we place a heavy emphasis on leading indicators.

We encourage everyone to be our eyes and ears wherever they're working for us, and to report any near-miss incidents, without blame or criticism, so that we can learn from them and prevent them in the future.

We include both our employees and contractors in safety reporting, to give a true reflection of safety in our business.

The environment

Helios Towers is essentially a power/real estate company and, like any industrial power provider, our business causes emissions that contribute to climate change. Principally, these come from diesel consumption to power our generators. We have made it a priority to find technical solutions and innovations that will minimise our impact in this area. In 2017 we continued to roll out a programme to see where technologies can improve on diesel-only power.

In 2017, we have installed solar powered technology in 249 sites; made 375 connections to power grids where available; and created more than 331 hybrid (off-grid) solutions.

In 2017, these major environmental investments saved more than 8,250 tonnes of CO_2 emissions as well as delivering more than US$3.3 million in fuel cost savings.

In addition, bringing Lean Six Sigma practices to maintenance partners will reduce the frequency of service visits to our sites and, in tandem, cut road miles driven. This delivers both environmental and safety gains.

Board of Directors

The Company's Board of Directors (the 'Board of Directors') consists of 13 members. Each Director is elected for the term, if any, fixed by the shareholder who appointed such Director or until his earlier death, resignation, disqualification or removal.

The shareholders shall have the right to remove any of their respective Directors appointed pursuant to our shareholders' agreement, with or without cause, by written notice to the Company. The duties and authority of each member of the Board of Directors are regulated by our Articles of Association and shareholders' agreement.

The Board of Directors is currently comprised of the following directors:

Name	Age	Position
Allan Cook	68	Non-Executive Director and Chairman
Kash Pandya	55	Director & Chief Executive Officer
David Karol Wassong	47	Non-Executive Director
Waldemar Rafal Szlezak	40	Non-Executive Director
Temitope Olugbeminiyi Lawani	47	Non-Executive Director
Richard Byrne	60	Non-Executive Director
Simon Hilliard Poole	51	Non-Executive Director
Vishma Dharshini Boyjonauth	38	Non-Executive Director
Simon David Pitcher	45	Non-Executive Director
Anja Blumert	40	Non-Executive Director
Xavier Charles Rocoplan	43	Non-Executive Director
Colin Curvey	46	Non-Executive Director
Nelson Oliveira	55	Non-Executive Director

The business address of each of the members of the Board of Directors is Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius.

The Board of Directors has strategic control and decision-making authority over the business of the HT Group.

Allan Cook has been a director and chairman of the Company since January 2018. Allan was a Non-Executive Director and chairman of WS Atkins from September 2009 until 3 July 2017 when Atkins was acquired by SNC-Lavalin. He is a chartered engineer with more than 40 years international experience in the automotive, aerospace and defence industries. He was Chief Executive of Cobham PLC until the end of December 2009. Prior to this he held senior roles at GEC-Marconi, BAE Systems and Hughes Aircraft. He was Deputy Chairman Of Marshall of Cambridge (Holdings) Limited until 31 December 2015 and is a member of the operating executive board of J F Lehman & Company.

Allan is Industry co-chair of the Defence Growth Partnership (DGP). Until August 2016 he was the lead Non-Executive Member of the Department for Business, Innovation and Skills (BIS.) He was Chairman of the UK Trade & Investment's Advanced Engineering Sector Advisory Board until October 2013, and chairman of FINMECCANICA UK Ltd and chairman of Selex ES until the end of December 2014. Until 31 March 2017 he was also chairman of SEMTA – the Sector Skills Council for Science, Engineering and Manufacturing Technologies. He is past President of the Aerospace and Defence Industries Association of Europe (ASD) and past president of the Society of British Aerospace and Defence Companies (SBAC). He is a Fellow of the Royal Academy of Engineering where he was Vice President and served as a trustee for the Academy until September 2017. He also chairs the Academy's employer-focused Diversity Leadership Group. Allan became a Fellow of the China 48 Group Club in December 2015. He was awarded a CBE in the Queen's New Year's Honours list in 2008, and received an honorary Doctorate in Science from Cranfield University in 2016.

Kash Pandya has been a Director of the Company since August 2015. Kash arrived as Chief Executive Officer of Helios Towers following eight years with Aggreko plc, where he sat on the Board, running the European Business for three years. He was also Managing Director of Aggreko International for five years, overseeing a doubling of their international business.

He began his career with an engineering apprenticeship, and went on to complete a Bachelor's degree in Technology Engineering and a Master's in Manufacturing. In 1989, he started at Jaguar before moving to roles within General Electric, Caradon and then APW, where he led all operations outside the United States. In 2004, he became the CEO of Johnston Group, leaving the business on its sale to Ennstone plc.

David Karol Wassong has been a Director of the Company since January 2010. Mr. Wassong is a Managing Director and Co-Head of Strategic Investments Group at Soros Fund Management LLC. Mr. Wassong joined Soros Fund in 1998. He has been a Partner at TowerBrook Capital Partners LP since June 1998, focusing on the media, entertainment and telecommunications industries. From July 1997 to June 1998, Mr. Wassong served as Vice President of Lauder Gaspar Ventures. He was also an Associate of Lauder Gaspar Ventures, LLC. and Wertheim Schroder & Co. Inc., where he participated on teams that invested in the telecommunications industry. From 1992 to 1995, Mr. Wassong worked in investment banking with Wertheim Schroder in the Media and Entertainment Group. Mr. Wassong earned his BA from the University of Pennsylvania and an MBA from the Wharton School of Business at the University of Pennsylvania.

Waldemar Rafal Szlezak has been a Director of the Company since January 2010. Mr. Szlezak has been a Principal at Soros Fund Management LLC since August 2006 and also serves as Senior Managing Director in the Strategic Investments Group. He served at Soros Private Equity Investors and prior to that, he served in the Mergers & Acquisition Investment Banking group at Credit Suisse. Mr. Szlezak also served as an Associate at TowerBrook Capital Partners L.P. Mr. Szlezak earned his BS Industrial Engineering and Operations Research from Columbia University and his BA in Mathematics from Knox College in Galesburg, Illinois.

Temitope Olugbeminiyi Lawani has been a Director of the Company since February 2010. Mr. Lawani, a Nigerian national, is a co-founder and Managing Partner of Helios Investment Partners and has more than 20 years of principal investment experience. Prior to forming Helios, Mr. Lawani was a Principal in the San Francisco and London offices of TPG Capital, a global private equity firm. At TPG, Mr. Lawani had a lead role in the execution of over $10 billion in closed venture capital and leveraged buy-out investments, including the acquisitions of Burger King Corp., Debenhams plc, J. Crew Group and Scottish & Newcastle Retail. Mr. Lawani began his career as a Mergers & Acquisitions and Corporate Development Analyst at the Walt Disney Company. Mr. Lawani received a BS in Chemical Engineering from the Massachusetts Institute of Technology, a Juris Doctorate (cum laude) from Harvard Law School and an MBA from Harvard Business School. He is fluent in Yoruba, a West African language.

Richard Byrne has been a Director of the Company since December 2010. Mr. Byrne co-founded TowerCo in 2004. He has served as President and Chief Executive Officer and has been a member of the Board of Directors from its beginning. Prior to that, he served as President of the Tower Division of SpectraSite Communications, which grew from 125 towers to more than 8,000 during his tenure. Mr. Byrne served as National Director of Business Development at Nextel Communications Inc. and was responsible for bringing the industry's first major portfolio of wireless carrier towers to market. Mr. Byrne started his wireless career performing site acquisitions for AT&T Wireless (then McCaw Cellular) in the New York Mass Transit Authority system.

Simon Hilliard Poole has been a Director of the Company since February 2012. From 2009 to 2011, Mr. Poole acted as Group CFO for Intela Global Ltd where his responsibilities included managing investor relations and the development of group strategy. Prior to this, Mr. Poole held various roles at Celtel including as Interim Group Financial Controller of Celtel International, Chief Financial Officer of Celtel DRC and Finance Director of Celtel Burkina Faso. Mr. Poole holds a BSc in Geography from Exeter University and is a qualified Chartered Accountant.

Vishma Dharshini Boyjonauth has been a Director of the Company since August 2013. Ms. Boyjonauth joined Intercontinental Trust Limited in 2004 and she is currently a Manager in the Corporate Services Department. She leads a team in the Corporate Services Department and oversees operations including the incorporation of companies, advising on company structures, regulatory matters and the corporate administration of companies for both domestic and global business companies in Mauritius. Ms. Boyjonauth graduated from the University of Mauritius with a BSc (Hons) in Economics.

Simon David Pitcher has been a Director of the Company since December 2013. Mr. Pitcher is responsible for Private Investments at J. Rothschild Capital Management Limited ("JRCM"). JRCM is the principal subsidiary of RIT Capital Partners plc. Previously, Mr. Pitcher was a Director at Standard Bank Private Equity, a Director at Blackwood Capital Partners in Sydney and an Investment Director at Hermes Private Equity. He qualified as a Chartered Accountant with PricewaterhouseCoopers.

Anja Blumert has been a Director of the Company since October 2015. Ms. Blumert has been head of M&A at Millicom International Cellular SA ('Millicom') since 2013. From 2009 to 2013, Ms. Blumert was an Independent Strategy and M&A Consultant at Montagu Partners. Prior to this, she was an Investment Professional at Warburg Pincus International covering the Central and Eastern Europe region across all sectors and Western Europe for the TMT sector where she was responsible for the assessment of investment opportunities in private and public companies. Ms. Blumert holds a degree in Finance and Marketing and a master's degree in Business Studies from Humboldt University of Berlin.

Board of Directors (continued)

Xavier Charles Rocoplan has been a Director of the Company since October 2015. Mr. Rocoplan has been the Chief Technology and Information Officer ('CTO') at Millicom since December 2012 and has been its Executive Vice President of Technical since April 2012. In 2002, Mr. Rocoplan was CTO for Vietnam and then became CTO for the South East Asian cluster (Cambodia, Laos and Vietnam). In 2004 he was appointed the CEO of Paktel in Pakistan, a position he held until 2007. During this time, he launched Paktel's GSM operations and led the process that concluded with the disposal of the business in 2007. After Millicom's exit from Asia, Mr. Rocoplan was appointed to head the New Corporate Business development unit where he managed the Tower Assets Monetisation programme which led to the creation of tower companies in Ghana, Tanzania, DRC and Colombia. In 2012, he was made Chief Global Networks Officer before being appointed Millicom's CTO. Mr. Rocoplan holds master's degrees from Ecole Nationale Supérieure des Télécommunications de Paris and from Université Paris IX Dauphine.

Colin Curvey has been a Director of the Company since May 2016. Mr. Curvey has been Co-Head of the IFC African, Latin American and Caribbean Fund since 2015 and served as its Principal since March 2011. Mr. Curvey is employed at IFC Asset Management Company, LLC. ('AMC'). Mr. Curvey joined AMC in March 2011. He served as an Equity Research Analyst at BTG Pactual Chile S.A. Corredores de Bolsa. He was a Partner at Duke Street, having initially joined in August 1999 and focused on investments in the consumer, food, insurance and financial services sectors. Prior to this, Mr. Curvey served as an Equity Research Analyst at Celfin Capital (now part of BTG Pactual), where he was ranked as one of Chile's leading electric utility analysts. Prior to that, Mr. Curvey worked at Morgan Stanley as a Financial Analyst and an Investment Banker in their Investment Banking Division. Mr. Curvey speaks English and Spanish and holds an MBA from Harvard Business School and a BA in Economics from Duke University.

Nelson Oliveira has been a Director of the Company since May 2016. Mr. Oliveira has been Managing Director, General Counsel and Chief Compliance Officer at Albright Capital Management LLC ('Albright') since March 2007. During this time, he has been responsible for legal and regulatory aspects of Albright's operations as a registered investment adviser with broad emerging markets mandates, including legal structuring and risk management of all private investment transactions and all regulatory aspects of fundraising. Prior to this, Mr. Oliveira was Deputy General Counsel at Darby Overseas, Ltd. (a subsidiary of Franklin Resources, Inc.) from March 2002 until March 2007 where he was responsible for overseeing and advising on legal aspects of mezzanine debt and quasi-equity investment transactions in Latin America, Asia and Eastern Europe. Mr. Oliveira holds a Juris Doctorate (cum laude) from Boston College Law School.

Executive team

+100 years' experience in emerging markets towers and power

We have assembled a world-class management team to ensure that Helios Towers is, and remains, a formidable and customer-centric organisation.

The team combines market-leading, Six Sigma-accredited operational expertise with African telecom network rollout capabilities and global tower management experience. Indeed, collectively, we offer more than 100 years' experience of towers and power in emerging markets.

The team also retains unrivalled relationships with key local constituencies and major wireless operators across the continent.

Kash Pandya
Chief Executive Officer
Joined 2015

Kash arrived as Chief Executive Officer of Helios Towers following eight years with Aggreko plc, where he sat on the Board, running the European Business for three years. He was also Managing Director of Aggreko International for five years, overseeing a doubling of their international business.

He began his career with an engineering apprenticeship, and went on to complete a Bachelor's degree in Technology Engineering and a Master's in Manufacturing.

In 1989, he started at Jaguar before moving to roles within General Electric, Caradon and then APW, where he led all operations outside the United States.

In 2004, he became the CEO of Johnston Group, leaving the business on its sale to Ennstone plc.

Tom Greenwood
Chief Financial Officer
Joined 2010

Tom was appointed Chief Financial Officer in September 2015, having previously been Helios Towers' Group Finance Director. Throughout his time with HT he has been instrumental in managing and raising debt and equity for the Group, as well as being a key member of the team for all acquisitions and country set-ups.

He is responsible for all finance and IT activities across the Group, and has led the set-up of all financial systems, operations and HT's shared service centre.

He joined Helios Towers from PwC, where he was part of the TMT Transaction Services team, focusing on M&A and re-financings, mainly in the telecoms sector.

Tom is a Chartered Accountant of the ICAEW (ACA).

Alex Leigh
Chief Commercial Officer
Joined 2012

Alex was appointed to the executive team of Helios Towers in October 2015, and is responsible for commercial, business development and sales activity.

Prior to joining the executive team, he served as Business Development Director covering M&A, equity raises and business development. Alex has negotiated many of HT's major customer agreements and has been a key team member in the capital raising activities of the Group.

Before joining HT, Alex worked at both UBS and Rothschild, primarily advising TMT companies in an M&A capacity. He has been involved in over 20 M&A transactions and eight leveraged finance deals, and has provided strategic advice to large TMT companies across Europe.

Colin Gaston
Director of Operations & Technology
Joined 2015

Colin joined HT as Director of Operations and Technology.

Previously, he held several senior positions at Aggreko from 2000 to 2013, including Operations Director for the International Business, Regional Director for West and Central Africa, and Head of Logistics. He then worked as an independent consultant in Dubai for two years before joining Helios Towers.

Colin also has 20 years of international experience in senior management roles with Schlumberger, and is an accredited Lean Six Sigma Black Belt.

Roy Cursley
Director of Operational PMO
Joined 2015

Roy joined HT as Director of Operational Programme Management Office and is responsible for the Group's Project Delivery and Supply Chain activity.

Prior to HT, Roy was Head of Projects, Planning & Continuous Improvement at Aggreko International. He was responsible for the execution of temporary power projects internationally, primarily in emerging markets.

He has a wealth of experience in both South Africa and the East Africa region, and is an accredited Lean Six Sigma Black Belt.

Nick Summers
Director of Corporate Services
Joined 2010

Nick has been HT's Director of Corporate Services since October 2015. He joined Helios Towers following nine years with Vodafone, both in the United Kingdom and internationally.

His final role at Vodafone was National Head of RAN Deployment for Vodafone Ghana (previously the state-owned Ghana Telecom).

Within HT, Nick is responsible for the Group's human resources; Group health, safety, environmental and quality management; and Group ethics and compliance. He also provides oversight on corporate social responsibility activities.

Philippe Loridon
CEO Helios Towers Tanzania
Joined 2010

Philippe Loridon has been a Director of HTT since January 2015 and joined HTT from Helios Towers DRC, where he had been Chief Executive Officer since December 2011. He previously served as Chief Executive Officer at Equateur Telecom Congo, where he re-launched ETC in the Republic of Congo. Prior to this, Philippe accumulated 20 years' experience in the telecoms industry with MNOs based in San Marino, Israel and Papua New Guinea. This included 13 years at Hutchison Whampoa, fulfilling senior roles in sales, marketing and business development before first becoming CEO of Hutchison Sri Lanka in 1998, and then Head of Hutchison Telecommunications' Latin American operations between 2000 and 2002.

Helen Ebert
Chief Legal Officer
Joined 2018

Helen brings a wealth of experience to the role of Chief Legal Officer at Helios Towers. She was previously General Counsel at Exterion Media (formerly CBS outdoor) and held senior roles at World Fuel Services; and the Vista Group.

She also has extensive experience of working for international law firms in London and Singapore, including Freshfields Bruckhaus Deringer, Slaughter and May, and Linklaters.

Helen has significant international M&A, general commercial and compliance experience in EMEA, Asia-Pacific, USA, Russia and Egypt.

She is qualified as a solicitor in England and Wales and has a law degree from Cambridge University.

Léon-Paul Manya Okitanyenda
CEO, Helios Towers DRC
Joined 2011

Léon-Paul Manya Okitanyenda has been Chief Executive Officer of Helios Towers DRC since January 2015, having previously been Network Operations Director since February 2011.

He has over 15 years of experience in the telecommunications industry. Prior to joining the Company, Léon-Paul worked as a Contract Execution Manager at Ericsson; Country Field Manager for MER Telecom; Operations Manager for Venture; and as Logistics Manager at Plessey. He is from DRC and holds a Master's degree in Economics and Mathematics.

Jeffrey Schumacher
CEO Helios Towers Ghana & Helios Towers Congo Brazzaville
Joined 2011

Jeffrey Schumacher has been CEO of Helios Towers Ghana since September 2015, and Helios Towers Congo Brazzaville since October 2016.

He has held various senior positions during the set-up, launch and growth phases at subsidiaries in Tanzania, DRC and Chad, where he was Managing Director. Prior to HT, Jeffrey was an investment professional at Soros Fund Management LLC where he had been actively involved with the Company since its formation in 2009.

He holds a BS in Mechanical Engineering (magna cum laude) from Northwestern University in the United States.

Board committees

Corporate governance

Our corporate governance framework provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business. The Directors have implemented a corporate governance framework that they consider appropriate for the size and current ownership structure of the Group.

Audit and Ethics Committee

The Audit and Ethics Committee is appointed by the Board of Directors and consists of a minimum of three members. The current members of the Audit and Ethics Committee are Simon Poole, Nelson Oliveira, Simon David Pitcher and Mohsin Sohani. The chairman of the Audit and Ethics Committee is appointed by the Board of Directors for a period of one year. The Audit and Ethics Committee meets on a quarterly basis and holds a meeting with the external auditors at least once a year without the presence of any executive member.

The role of the Audit and Ethics Committee is to: (i) be responsible to the Board of Directors for the oversight of financial accounting and reporting, internal controls, risk assessment and management, and ethics and compliance, including the integrity of the Group's procurement process; (ii) be directly responsible for the appointment, compensation and oversight of the independent auditor, including the resolution of any disagreements with management; and (iii) endeavour to work with management and the independent auditor in a spirit of mutual respect and cooperation. Some of the specific duties of the Audit and Ethics Committee include the following:

- to oversee systems, processes, internal controls and procedures, and compliance with the ethical standards adopted by the Group;
- to oversee the independent auditor's qualifications, independence and performance; and
- to assess compliance with the Group's procurement policy.

Compensation Committee

The members of the Compensation Committee are appointed by, and act at the discretion of, the Board of Directors. The Compensation Committee consists of a minimum of three members. The current members of the Compensation Committee are Waldemar Rafal Szlezak, Nelson Oliveira and Richard Byrne.

The Compensation Committee meets on a quarterly basis. The Compensation Committee is responsible for approving key performance indicators for our business and evaluating senior executives' compensation plans, policies and programmes. Some of the specific duties of the Compensation Committee include the following:

- to annually review and approve annual base salaries for employees of each member of the Group;
- to make recommendations with respect to incentive compensation plans; and
- to make regular reports to the Board of Directors on the status of outstanding compensation issues.

Budget Committee

The members of the Budget Committee are appointed by, and act at the discretion of, the Board of Directors. The Budget Committee consists of a minimum of three members. The current members of the Budget Committee are Simon Poole, Waldemar Rafal Szlezak and Kash Pandya. The Budget Committee meets on a quarterly basis. Some of the specific duties of the Budget Committee include the following:

- to work with the Group management teams on the annual Internal Budget Review and stress test detailed assumptions, projections and expectations to ensure that management's expectations are reasonable and achievable; and
- to report to the Board of Directors on the process and recommend approval of the annual Budget, highlighting key risks and opportunities considered.

Strategy and Investment Committee

The members of the Strategy and Investment Committee are appointed by, and act at the discretion of, the Board of Directors. The Strategy and Investment Committee consists of a minimum of three members. The current members of the Strategy and Investment Committee are Simon Poole, Waldemar Rafal Szlezak, Colin Curvey, Xavier Charles Rocoplan, Richard Byrne and Kash Pandya. The Strategy and Investment Committee meets on a quarterly basis.

Some of the specific duties of the Strategy and Investment Committee include the following:

- to provide guidance, input and suggestions to the Board of Directors and to management with respect to the Group's strategy for the medium and long term;
- to advise and make recommendations to the Board of Directors and management about the development, adoption and modification of the Group's business plan;
- to advise and make recommendations to the Board of Directors and management about acquisitions, joint ventures, mergers and strategic alliances; and
- to review the Group's progress with respect to the implementation of its strategy, discuss and, where appropriate, make recommendations to management on the Group's vision as well as share with management the Board of Directors' expectations for the strategic planning process.

Conflicts of Interest

Except as disclosed in these financial statements, there are no potential conflicts of interest between any duties of the members of the Group's administrative, management or supervisory bodies to the Group and their private interests and/or other duties.

Principal shareholders

The following table sets forth certain information, as of 31 December, 2017, with respect to the ownership of the Company's shares by each person who, according to the Company's Shareholders Register, owned more than 5% of the Company's shares:

Shareholders	Percentage directly held
Millicom Holding, B.V.	22.83%
Quantum Strategic Partners, Ltd.	21.80%
Lath Holdings, Ltd	16.40%
ACM Africa Holdings, LP	11.60%
RIT Capital Partners Plc	7.18%
IFC African Latin American Caribbean Fund, LP	6.11%

The remaining 14.08% of the Company is owned by minority shareholders, none of which owns more than 5% of the Company's shares.

Our leading shareholders are financial investors which invested in the Company in 2009, except for Millicom, which invested in the HT Group in 2010 (through a direct investment into Ghana, Tanzania, and DRC subsidiaries of the HT Group).

In 2015, Millicom flipped up its investment in the HT Group, so that its investment was through a direct shareholding in the Company (with no direct shareholding in a subsidiary of the Company).

Directors' report

The Directors present their report and audited financial statements for the year ended 31 December 2017.

Principal activity and review

The principal activity of the Group during the year was the building and maintaining of telecommunications towers to provide space on those towers to wireless telecommunications service and associated service providers in Africa.

The Company was incorporated in the Republic of Mauritius on 9 December 2009 as a Category 2 – Global Business Licence Company.

Director appointments and resignations

During the year, there were appointments and resignations of Directors as follows: Allan E Cook (Appointed 16 October 2017); Charles Campbell Green III (Resigned 22 September 2017).

Results and future prospects

A detailed review of the results, and future prospects is included in the Operating and Financial Review.

Going concern

The Directors have considered whether there are any material uncertainties that cast significant doubt on the Group's ability to continue as a going concern. In order to mitigate the operating, commercial, legal, economic and financial risks to which the Group is exposed, the Directors have put in place a number of controls, reviews and procedures designed to address these risks. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to generate positive cash flows from its operations and meet its liabilities as they fall due. Additionally in March 2017 the Group successfully completed its initial public bond offering raising US$600 million which matures in 2022 to refinance the Group's loan facilities and fund further development of its operations. Therefore, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparing the annual financial statements.

Dividends

During the financial year ended 31 December 2017, the Directors did not recommend the payment of a dividend (2016: US$ nil). The Directors, who are members of the Board at the time of approving the Directors' report and Operating and Financial Review are listed on page 46.

Auditor

So far as each Director is aware, there is no relevant information of which the Group's external auditors is unaware. Each Director has taken all steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that Deloitte are aware of that information.

Deloitte has indicated its willingness to continue in office and will be reappointed at the next Annual Meeting.

Approved by the Board on 11 February 2018.

Kashyap Pushpkant Pandya

Directors' responsibilities statement

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs). International Accounting Standard ("IAS") 1 requires that financial statements present fairly for each financial period the Group and Company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. The Directors are also responsible for maintaining an effective system of internal control and risk management. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the Directors are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business. The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with IFRS. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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”, our “Group” and the “Group” are references to Helios Towers Africa, Ltd (the “Company”) and its subsidiaries taken as a whole.

“**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**” or “**4G LTE**” 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).

“**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, share-based payment charges, 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.

“**Airtel**” means Bharti Airtel International.

“**anchor tenant**” means the primary customer occupying each tower.

“**average remaining life**” of certain agreements means the average of the periods through the expiration of the term under all such agreements.

“**build-to-suit**” means sites constructed by our Group on order by an MNO.

“**CAGR**” means compound annual growth rate.

“**capital expenditures**” the additions of property, plant and equipment.

“**CODM**” Chief Operating Decision Maker.

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

“**Company**” means Helios Towers Africa, 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.

“**DRC**” means Democratic Republic of Congo.

“**EUR**” or “**€**” means the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to Article 123 of the treaty establishing the European Community, as amended.

“**G7 countries**” means each of the United States, Canada, France, Germany, Italy, Japan and the United Kingdom.

“**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, add back site and warehouse depreciation, divided by revenue.

“**GSM**” means Global System for Mobile Communication, a standard for digital mobile communications.

“**Guarantors**” means the Company, HT Holdings, Ltd., HT Congo Brazzaville Holdco Limited, Helios Towers DRC S.A.R.L., Helios Towers Tanzania Limited, Helios Towers Congo Brazzaville SASU, HT DRC Infraco S.A.R.L., HTT Infraco Limited, Towers NL Coöperatief U.A., McTam International 1 B.V., Helios Towers Ghana Limited, HTG Managed Services Limited and McRory Investment B.V. “Helios Towers DRC” means Helios Towers DRC S.A.R.L.

“**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.

"**LTE**" means Long-Term Evolution, designed to increase the capacity and speed of mobile telephone networks according to the standard developed by the 3GPP consortium, frequently referred to as "4G" or "4th generation". Some of the key assumptions of the system are: (i) data transmission at speeds faster than 3G; (ii) ready for new service types; (iii) architecture simplified in comparison to 3G; and (iv) provisions for open interfaces.

"**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.

"**mobile penetration**" means the measure of the amount of active mobile phone subscriptions compared to the total market for active mobile phones.

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

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

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

"**near investment grade**" means one notch below investment grade.

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

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

"**SHEQ**" means Safety, Health, Environment and Quality.

"**site acquisition**" means a combination of MLAs, which provide the commercial terms governing the provision of tower space, and individual ISA, which act as an appendix to the relevant MLA, 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.

"**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 antennas.

"**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.

"**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 live towers, IBS sites 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.

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

"**United States**" or "**U.S.**" means the United States of America.

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

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

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

Independent auditor's report to the shareholders of Helios Towers Africa, Ltd

Report on the audit of the consolidated and separate financial statements

Opinion
We have audited the consolidated and separate financial statements of Helios Towers Africa, Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 100, which comprise the consolidated and separate statement of financial position as at 31 December 2017, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2017, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The directors are responsible for the other information. The other information comprises of the Overview, Strategic Report and Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte
Chartered Accountants

L. Yeung Sik Yuen, ACA
Licensed by FRC

11 February 2018

Consolidated Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Notes	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Revenue	3	344,957	282,507
Cost of sales		(275,651)	(235,867)
Gross profit		69,306	46,640
Administrative expenses		(91,261)	(77,741)
Loss on disposal of property, plant and equipment		(2,018)	(3,761)
Operating loss	5	(23,973)	(34,862)
Investment income	8	706	216
Other gains and losses	24	21,797	(6,682)
Finance costs	9	(102,757)	(73,268)
Loss before tax		(104,227)	(114,596)
Tax expenses	10	(3,207)	(1,514)
Loss after tax for the year		(107,434)	(116,110)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		(1,384)	(3,603)
Total comprehensive loss for the year		(108,818)	(119,713)
Loss attributable to:			
Owners of the Company		(92,817)	(97,740)
Non-controlling interest		(14,617)	(18,370)
Loss for the year		(107,434)	(116,110)
Total comprehensive loss attributable to:			
Owners of the Company		(94,984)	(101,457)
Non-controlling interest		(13,834)	(18,256)
Total comprehensive loss for the year		(108,818)	(119,713)

The notes on pages 68 to 100 form part of these financial statements.

Company Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Notes	2017 US$'000	2016 US$'000
Continuing operations			
Revenue		–	683
Cost of sales		–	–
Gross profit		–	683
Administrative expenses		(40,131)	(35,293)
Operating loss	5	(40,131)	(34,610)
Investment income	8	132	–
Finance costs	9	(677)	(1,485)
Loss before tax		(40,676)	(36,095)
Tax expenses	10	–	–
Loss after tax and total comprehensive loss for the year		(40,676)	(36,095)

The notes on pages 68 to 100 form part of these financial statements.

Consolidated Statement of financial position

As at 31 December 2017

	Notes	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Non-current assets			
Intangible assets	11	17,961	35,556
Property, plant and equipment	12a	705,700	655,140
Right-of-use assets	12b	115,302	112,725
Investments	13	132	132
Derivative financial assets	25	23,917	1,393
		863,012	804,946
Current assets			
Inventories	14	9,538	19,503
Trade and other receivables	15	108,491	126,929
Prepayments	16	23,403	20,466
Cash and cash equivalents	17	119,700	133,737
		261,132	300,635
Total assets		1,124,144	1,105,581
Equity			
Issued capital and reserves			
Share capital	18	909,154	909,134
Share premium		186,951	186,795
Stated capital		1,096,105	1,095,929
Other reserves		(12,778)	(11,693)
Minority interest buy-out reserve		–	(54,429)
Translation reserve		(79,653)	(77,486)
Accumulated losses		(741,757)	(544,355)
Equity attributable to owners		261,917	407,966
Non-controlling interest		–	(36,322)
Total equity		261,917	371,644
Current liabilities			
Trade and other payables	19	147,324	163,857
Loans	20	17,254	60,516
Short-term lease liabilities	21	20,452	20,934
Minority interest buy-out liability	24	–	57,886
		185,030	303,193
Non-current liabilities			
Long-term lease liabilities	21	96,097	90,111
Loans	20	581,100	340,633
		677,197	430,744
Total liabilities		862,227	733,937
Total equity and liabilities		1,124,144	1,105,581

Approved and authorised for issue by the Board on 11 February 2018 and signed on its behalf by

Kashyap Pushpkant Pandya

Simon David Pitcher

The notes on pages 68 to 100 form part of these financial statements.

Company Statement of financial position

As at 31 December 2017

	Notes	2017 US$'000	2016 US$'000
Non-current assets			
Intangible assets	11	176	13,244
Investments	13	430,677	430,677
		430,853	443,921
Current assets			
Trade and other receivables	15	482,802	434,540
Prepayments	16	221	5,690
Cash and cash equivalents	17	18,314	87,553
		501,337	527,783
Total assets		932,190	971,704
Equity			
Issued capital and reserves			
Share capital	18	909,154	909,134
Share premium		186,951	186,795
Stated capital		1,096,105	1,095,929
Other reserves		(9,835)	(9,835)
Accumulated losses		(164,889)	(124,213)
Total equity		921,381	961,881
Current liabilities			
Trade and other payables	19	10,809	9,823
Total liabilities		10,809	9,823
Total equity and liabilities		932,190	971,704

Approved and authorised for issue by the Board on 11 February 2018 and signed on its behalf by

Kashyap Pushpkant Pandya

Simon David Pitcher

The notes on pages 68 to 100 form part of these financial statements.

Consolidated Statement of changes in equity

For the year ended 31 December 2017

	Share capital US$'000	Share premium US$'000	Stated capital US$'000	Other reserves US$'000	Minority interest buy-out reserves US$'000	Translation reserve US$'000	Accumulated losses US$'000	Attributable to the owners of the parent US$'000	Non-controlling interest (NCI) US$'000	Total equity US$'000
Balance at 1 January 2016 (as previously reported)	750,394	131,239	881,633	(11,283)	(54,063)	(77,102)	(437,283)	301,902	(18,906)	282,996
Effect of transition to IFRS16: Leases	–	–	–	–	–	3,333	(9,332)	(5,999)	500	(5,499)
Balance at 1 January 2016 restated (IFRS16)	750,394	131,239	881,633	(11,283)	(54,063)	(73,769)	(446,615)	295,903	(18,406)	277,497
Issue of share capital	158,740	55,556	214,296	–	–	–	–	214,296	–	214,296
Capital from NCI	–	–	–	–	–	–	–	–	340	340
Share issue costs	–	–	–	(410)	–	–	–	(410)	–	(410)
Minority buy-out reserves	–	–	–	–	(366)	–	–	(366)	–	(366)
Loss for the year	–	–	–	–	–	–	(97,740)	(97,740)	(18,370)	(116,110)
Other comprehensive loss	–	–	–	–	–	(3,717)	–	(3,717)	114	(3,603)
Total comprehensive loss for the year	–	–	–	–	–	(3,717)	(97,740)	(101,457)	(18,256)	(119,713)
Balance at 31 December 2016	909,134	186,795	1,095,929	(11,693)	(54,429)	(77,486)	(544,355)	407,966	(36,322)	371,644
Issue of share capital	20	156	176	–	–	–	–	176	–	176
Share issue costs	–	–	–	(1,085)	–	–	–	(1,085)	–	(1,085)
Loss for the year	–	–	–	–	–	–	(92,817)	(92,817)	(14,617)	(107,434)
Other comprehensive loss	–	–	–	–	–	(2,167)	–	(2,167)	783	(1,384)
Total comprehensive loss for the year	–	–	–	–	–	(2,167)	(92,817)	(94,984)	(13,834)	(108,818)
Acquisition of NCI	–	–	–	–	–	–	(36,658)	(36,658)	50,156	13,498
Premium on acquisition of NCI	–	–	–	–	–	–	(13,498)	(13,498)	–	(13,498)
Minority buy-out reserves	–	–	–	–	54,429	–	(54,429)	–	–	–
Balance at 31 December 2017	909,154	186,951	1,096,105	(12,778)	–	(79,653)	(741,757)	261,917	–	261,917

Other reserves relate to the costs incurred in issuing equity. These costs include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisors.

Minority interest buy-out reserves are fair value adjustments which arise when options are granted to Vodacom to exchange shares in Helios Towers Tanzania Limited for shares in Helios Towers Africa, Ltd. The option expired in October 2017 when the Vodacom shares were acquired by Helios Towers Holding Limited. See note 24.

Translation reserve relates to the translation of the financial statements of overseas subsidiaries in to the consolidated financial statements.

The notes on pages 68 to 100 form part of these financial statements.

Company Statement of changes in equity

For the year ended 31 December 2017

	Share capital US$'000	Share premium US$'000	Stated capital US$'000	Other reserves US$'000	Accumulated losses US$'000	Total equity US$'000
Balance at 1 January 2016	750,394	131,239	881,633	(9,770)	(88,118)	783,745
Issue of share capital	158,740	55,556	214,296	–	–	214,296
Other reserves issued	–	–	–	(65)	–	(65)
Loss and total comprehensive loss for the year	–	–	–	–	(36,095)	(36,095)
Balance at 31 December 2016	909,134	186,795	1,095,929	(9,835)	(124,213)	961,881
Issue of share capital	20	156	176	–	–	176
Loss and total comprehensive loss for the year	–	–	–	–	(40,676)	(40,676)
Balance at 31 December 2017	909,154	186,951	1,096,105	(9,835)	(164,889)	921,381

Other reserves relates to the costs incurred in issuing equity. These costs include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisors.

The notes on pages 68 to 100 form part of these financial statements.

Consolidated Statement of cash flows

For the year ended 31 December 2017

	Notes	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Cash flows from operating activities			
Loss for the year before taxation		(104,227)	(114,596)
Adjustments for:			
Other gains and losses	24	(21,797)	6,682
Finance costs	9	102,757	73,268
Investment income	8	(706)	(216)
Depreciation and amortisation	11, 12	148,926	129,455
Loss on disposal of property, plant and equipment		2,018	3,761
Movement in working capital:			
(Increase)/decrease in inventories		(2,548)	387
Decrease/(increase) in trade and other receivables		7,632	(46,534)
Decrease/(increase) in prepayments		5,968	(5,422)
(Decrease)/increase in trade and other payables		(27,567)	20,780
Cash generated from operations		110,456	67,565
Interest paid		(51,633)	(41,626)
Tax paid		(1,251)	(635)
Net cash generated from operating activities		57,572	25,304
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(166,711)	(273,766)
Payments to acquire intangible assets		(3,857)	(22,411)
Proceeds on disposal on assets		249	114
Interest received		704	216
Net cash used in investing activities		(169,615)	(295,847)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		163	184,297
Equity issuance costs		–	(410)
Payments for buy-back of shares		(58,556)	–
Borrowing drawdowns		600,000	173,612
Loan financing costs		(24,079)	(8,922)
Borrowing repayments		(407,983)	(23,485)
Repayment of lease liabilities		(11,675)	(8,353)
Net cash generated from financing activities		97,870	316,739
Net (decrease)/increase in cash and cash equivalents		(14,173)	46,196
Foreign exchange on translation movement		136	(749)
Cash and cash equivalents at 1 January		133,737	88,290
Cash and cash equivalents at 31 December		119,700	133,737

The notes on pages 68 to 100 form part of these financial statements.

Company Statement of cash flows

For the year ended 31 December 2017

	Notes	2017 US$'000	2016 US$'000
Cash flows from operating activities			
Loss for the year before taxation		(40,676)	(36,095)
Adjustments for:			
Finance costs	9	677	1,485
Investment income	8	(132)	–
Amortisation	11	13,210	16,982
Movement in working capital:			
Decrease/(increase) in trade and other receivables		1,552	(129,301)
Decrease/(increase) in prepayments		3,490	(5,451)
(Increase)/decrease in trade and other payables		(47,345)	5,480
Net cash used in operating activities		(69,224)	(146,900)
Cash flows from investing activities			
Payment to acquire intangible asset		(178)	(12)
Net cash used in investing activities		(178)	(12)
Cash flows from financing activities			
Gross proceeds from issue of equity share capital		163	184,297
Equity issuance costs		–	(65)
Net cash generated from financing activities		163	184,232
Net (decrease)/increase in cash and cash equivalents		(69,239)	37,320
Cash and cash equivalents at 1 January		87,553	50,233
Cash and cash equivalents at 31 December		18,314	87,553

The notes on pages 68 to 100 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of compliance and presentation of financial statements

Helios Towers Africa, Ltd (the "Company") is a limited company incorporated and domiciled in the Republic of Mauritius. The Company and entities controlled by the Company (its subsidiaries, together the "Group") are disclosed in note 13. The Group and the Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). The Company holds a Category 2 Global Business Licence issued by the Financial Services Commission ("FSC"). The principal accounting policies adopted by the Group and the Company are set out in note 2.

2. Accounting Policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. The financial statements are presented in United States Dollars (US$). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The principal accounting policies adopted are set out below.

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 into line with the Group's accounting policies.

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

2. Accounting Policies (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are 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 Group's business activities, together with factors likely to affect its future development, performance and position are considered by the Directors on an annual basis. In addition, notes 20 and 25 include details of the Group's treasury activities, long-term funding arrangements, financial instruments and financial risk management activities.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments as set out in note 20. The Directors assess forecast and make financing and liquidity reviews on a regular basis.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Changes in accounting policies

The Group has early adopted IFRS 15: Revenue from Contracts with Customers and IFRS 16: Leases under the fully retrospective approach which has resulted in changes in accounting policies. The adoption of IFRS 15 has had no impact on the consolidated and separate financial statements other than with respect to disclosures. This is principally because the service contracts were already well aligned with the performance obligation separation requirements of IFRS 15. As such no restatement of balances previously presented are required in respect of this standard. The adoption of IFRS 16 has resulted in restatement of balances previously presented, the impact of which is explained below.

Revenue recognition

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) in advance of its effective date. IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below.

The Group has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c) or using the expedient in IFRS 15.C3(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Accounting Policies (continued)

Revenue recognition (continued)
IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued income' and 'deferred income', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has not adopted the terminology used in IFRS 15 to describe such balances.

The Group's accounting policies for its revenue stream are disclosed in detail below. Apart from providing more extensive disclosures on the Group's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and financial performance of the Group.

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. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, VAT and other sales-related taxes. Revenue is reduced for estimated and agreed liquidated damages resulting from failure to meet the agreed service performance levels set out in the contract.

The Group provides tower and related services for the utilisation of its tower infrastructure to mobile and other telecommunication operators. Revenue includes fees for the provision of tower infrastructure, power escalations and tower service contracts. These services are recognised as the performance obligation is satisfied over time.

Customers are usually billed in advance creating a contract liability which is then recognised as the performance obligation is met over a straight-line basis. Revenue related to power escalations is recognised when the escalation is calculated in accordance with the contractual terms.

Though multiple performance obligations arises as a result of the provision of these services, the Group considers it reasonable to combine the provision of these tower services into a single performance obligation as this does not impact the ultimate pattern of revenue recognition as they are all recognised over time.

Lessee accounting
Under previous accounting standard IAS 17: Leases, the Group was required to classify its leases as either finance leases or operating leases and account for those two types of leases differently.

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 recognizes 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 re-measurement 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; and
- variable lease payments that depend on a fixed rate, as at the commencement date.

Variable lease payments not included in the initial measurement of the lease liability are recognised in the consolidated statement of profit or loss as they arise.

2. Accounting Policies (continued)

Lessee accounting (continued)
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
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

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.

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.

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 for taxable temporary differences arising on investments in subsidiaries, 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Accounting Policies (continued)

Deferred tax (continued)

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.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currency exchange

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

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

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

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

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

2. Accounting Policies (continued)

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. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Right-of-use assets	Up to 60 years
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 Improvement	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.

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 are amortised on a straight-line basis over the life of the contract. Other intangible assets are amortised on a straight-line basis over their estimated lives of 3–10 years.

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

Impairment of tangible and intangible assets

At each reporting date, the Directors review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit 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 cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Accounting Policies (continued)

Investments

Investments are included in the financial statements initially at cost. Cost comprises all the costs associated with the acquisition of the investment including the fair value of the consideration for the investment instruments, any local taxes and costs associated with investigation and negotiating the acquisition. At the end of each financial reporting year, the Directors review the investment instruments to determine the recoverable amount. If the recoverable amount is considered to be less than cost, an impairment provision is recognised.

Costs incurred in the investigation of prospective investments are expensed in the year in which they are incurred. Should prospective investments become subsidiaries, the directly attributable costs of investment are capitalised as part of the cost of the investment.

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.

Trade and other receivables

Trade receivables are recognised by the Group and the Company carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are deemed to be non-collectable.

Other receivables are recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method, less any impairment.

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.

Derivative financial instruments

Short-term debtors and creditors are treated as financial assets or liabilities. The Group does not trade in financial instruments. The Group enters into derivative financial instruments to manage its exposure to interest rate risk, using interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Embedded derivatives are disclosed separately in the statement of financial position.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

2. Accounting Policies (continued)

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

Non-controlling interest

Non-controlling interest (NCI) is the portion of equity ownership in subsidiaries not attributable to Helios Towers Africa, Ltd. Up to October 2017, Helios Towers Africa, Ltd held a 75.9% controlling interest in Helios Towers Tanzania Ltd, a company incorporated in the Republic of Tanzania, and consolidated the subsidiaries' financial results. In October 2017, the option to acquire the NCI expired. See note 24.

Deferred income

Deferred income is recognised when payments are received from customers in advance of services being provided. The Group policy is to bill customer's in advance, thus creating deferred income. The deferred income is included as a current liability within trade and other payables.

New accounting pronouncement

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods covered by the financial statements. IFRS 15; Revenue from contracts with customers, and IFRS 16: Leases have been adopted early on a fully retrospective basis covering the whole of the historical financial information period. The adoption of IFRS 16 has had a material effect on the amounts reported. The impact is analysed in note 29. IFRS 15 has not had an impact on the consolidated and separate financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of the historical financial information, the Group have not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments (effective 1 January 2018)

The Group plans to adopt IFRS 9: Financial Instruments on the required effective date. So far the Group has performed a high-level assessment of the impact of all three aspects of IFRS 9; classification and measurement, impairment, hedge accounting. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analysis or additional reasonable and supportable information which might be available to the Group in the future. Overall, the Group expects no material impact on its statement of financial position or equity.

Critical accounting judgements and key sources of estimation uncertainty

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 period.

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 financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Accounting Policies (continued)

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 because its contracts permit it, subject to certain conditions, to relocate customer's equipment on its towers in order to accommodate other tenants and therefore the contract does not provide the customer with the right to a specific location on the tower.

Business combinations

From time to time, the Group acquires a portfolio of towers, comprising the tower infrastructure and other associated assets. The Directors assess each acquisition on the basis of its purchase agreement and the substance of the transaction to determine if it is considered to be a business combination in accordance with IFRS 3. To date, such portfolio acquisitions do not meet the definition of a business under IFRS 3 since they do not represent integrated sets of activities and assets that are capable of being conducted and managed independently, and consequently have been accounted for as an asset acquisition under IAS 16. Accordingly, no goodwill is recognised and the costs incurred are capitalised as part of the costs of acquisition of the towers.

Key sources of estimation uncertainty

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

Fair value of derivative financial instruments

Derivative financial instruments are held at fair value through profit and loss. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the 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. Information about the valuation techniques and inputs used in determining the fair value of the derivative financial instrument is disclosed in note 25.

Providing for doubtful debts

The Group provides services to business customers on credit terms. Certain debts may not be recovered due to default of our customers. Estimates, based upon historical experience are used in determining the level of debt that we do not expect to be collected.

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.

31 December 2017	Ghana US$'000	Tanzania US$'000	DRC US$'000	Congo Brazaville US$'000	Total operating companies US$'000	Corporate US$'000	Group total US$'000
Revenue	40,144	141,230	140,156	23,427	344,957	–	344,957
Gross margin	56%	56%	55%	61%	56%	–	56%
Adjusted EBITDA	17,821	66,839	66,530	9,783	160,973	(15,011)	145,962
Adjusted EBITDA margin	44%	47%	47%	42%	47%	–	42%
Financing costs							
Interest costs	(4,528)	(65,324)	(51,053)	(10,760)	(131,665)	32,137	(99,528)
Foreign exchange differences	(4,470)	(7,732)	9	6,117	(6,076)	2,847	(3,229)
	(8,998)	(73,056)	(51,044)	(4,643)	(137,741)	34,984	(102,757)

31 December 2016	Ghana US$'000	Tanzania US$'000	DRC US$'000	Congo Brazaville US$'000	Total operating companies US$'000	Corporate US$'000	Group total US$'000
Revenue	34,393	122,301	102,171	23,642	282,507	–	282,507
Gross margin	46%	52%	54%	62%	53%	–	53%
Adjusted EBITDA	11,072	51,308	46,671	10,944	119,995	(14,834)	105,161
Adjusted EBITDA margin	32%	42%	46%	46%	42%	–	37%
Financing costs							
Interest costs	(2,374)	(69,052)	(21,534)	(5,305)	(98,265)	34,793	(63,472)
Foreign exchange differences	(3,029)	(2,676)	(1,177)	(1,522)	(8,404)	(1,392)	(9,796)
	(5,403)	(71,728)	(22,711)	(6,827)	(106,669)	33,401	(73,268)

Capital Additions, Depreciation and Amortisation

	Year ended 31 December 2017		Year ended 31 December 2016	
	Capital Additions US$'000	Depreciation and Amortisation US$'000	Capital Additions US$'000	Depreciation and Amortisation US$'000
Ghana	13,228	7,955	6,905	6,503
Tanzania	66,273	51,592	63,043	44,947
Congo Brazzaville	10,209	11,651	8,343	10,238
Democratic Republic of Congo	80,887	53,294	224,942	40,109
Total Operating Company	170,597	124,492	303,233	101,797
Corporate	142	13,210	30,000	16,997
Total	170,739	137,702	333,233	118,794

Right-of-use assets

	Year ended 31 December 2017		Year ended 31 December 2016	
	Capital Additions US$'000	Depreciation US$'000	Capital Additions US$'000	Depreciation US$'000
Ghana	532	712	2,373	723
Tanzania	7,611	6,466	7,980	6,450
Congo Brazzaville	466	792	853	904
Democratic Republic of Congo	5,212	3,254	15,284	2,584
Total	13,821	11,224	26,490	10,661

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

4. Adjusted EBITDA

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

Management define Adjusted EBITDA as loss for the year, adjusted for loss for the year from discontinued operations, additional tax, income tax, finance costs, other gains and losses, investment income, share-based payment charges, 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:

The Group

	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Adjusted EBITDA	145,962	105,161
Adjustments applied to give Adjusted EBITDA		
Exceptional items:		
Restructuring costs[(i)]	(3,215)	(4,318)
Tanzanian IPO[(ii)]	(1,481)	–
Exceptional project costs[(iii)]	(9,780)	–
Deal costs for aborted acquisitions[(iv)]	(3,306)	(1,414)
Loss on disposal of assets	(2,018)	(3,761)
Other gains and losses (note 24)	21,797	(6,682)
Recharged depreciation[(v)]	(1,209)	(1,075)
Depreciation of property, plant and equipment	(127,148)	(107,390)
Amortisation of intangibles	(21,778)	(22,065)
Investment income	706	216
Finance cost	(102,757)	(73,268)
Loss before tax	(104,227)	(114,596)

(i) Restructuring costs reflect specific actions taken by management to improve the Group's future profitability and mainly comprise the costs of an operational excellence programme where management worked to optimise operational headcount to gain efficiencies and adopt robust internal compliance best practices, and have therefore incurred certain severance and office closure costs in 2017. Management consider such costs to be exceptional as they are not representative of the trading performance of the Group's operations.

(ii) Advisory and other costs relating to the Group's preparation for the IPO of HTT Infraco, the Group's primary operating subsidiary in Tanzania.

(iii) Exceptional project costs are in relation to the exploration of strategic options for the Group including, but not limited to, a potential London Stock Exchange (LSE) listing.

(iv) Deal costs relate to unsuccessful tower acquisition transactions or successful tower acquisition transactions that cannot be capitalised. These mainly comprise professional fees and travel costs incurred while investigating potential tower acquisitions. Such costs are expensed when the potential tower acquisition does not proceed. Management have excluded such costs from Adjusted EBITDA on the basis that they are not representative of the trading performance of the Group's operations.

(v) The Group incurs cost charged to it through a service contract from Helios Towers Africa LLP. Management consider that the depreciation element of the charge should be removed from adjusted EBITDA as it is depreciation in nature.

5. Operating loss

Operating loss is stated after charging the following:

	Group		Company	
	2017 US$'000	Restated (IFRS 16) 2016 US$'000	2017 US$'000	2016 US$'000
Cost of inventory expensed	62,634	52,556	–	–
Auditor's remuneration:				
– Audit and audit related services	1,783	735	90	35
– Non-audit fees	1,847	540	–	–
Depreciation and amortisation	148,926	129,455	13,210	16,982
Cost associated with aborted investments	3,306	1,414	–	2,181
Staff costs	13,852	14,576	900	1,048

Amortisation of intangible assets is presented in administrative expenses in the statement of profit or loss. 2016 has been restated with respect to the fully retrospective transition to IFRS 16 during the year ended 31 December 2017, meaning that operating leases are no longer recognised.

Audit and audit related services include non-recurring fees of US$1.2 million in respect of exceptional project costs (see note 4).

6. Staff costs

Staff costs consist of the following components:

	Group		Company	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Wages and salaries	13,586	14,327	900	1,016
Social security costs	266	249	–	32
	13,852	14,576	900	1,048

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

	Group		Company	
	2017	2016	2017	2016
Operations	146	219	1	2
Legal and regulatory	32	34	–	–
Administration	26	26	2	1
Finance	76	91	2	1
Sales and marketing	66	63	–	–
	346	433	5	4

7. Directors' remuneration

	Group		Company	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Remuneration	2,950	2,072	2,950	2,072

The above remuneration information relates to Directors in Helios Towers Africa, Ltd who were recharged to the Group and the Company by Helios Towers Africa LLP, a related company. None of the Directors received a contribution to a pension scheme in the current or prior year.

The Group has set up a share-based payment plan in the current year. The plan has been set up to incentivise key management personnel to achieve the long-term growth and performance objectives of the Group. Payments are dependent on a successful transaction of the share capital of Helios Towers Africa, Ltd in the future. At the current time, management do not consider this probable and therefore no share-based payment charge has been recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

8. Investment income

	Group 2017 US$'000	Group 2016 US$'000	Company 2017 US$'000	Company 2016 US$'000
Other interest receivable	706	216	132	–

9. Finance costs

	Group 2017 US$'000	Group Restated (IFRS 16) 2016 US$'000	Company 2017 US$'000	Company 2016 US$'000
Foreign exchange differences	3,229	9,796	(62)	1,387
Interest costs	71,608	44,645	739	98
Interest costs on lease liabilities	14,991	13,812	–	–
Deferred loan cost amortisation	12,929	5,015	–	–
	102,757	73,268	677	1,485

10. Tax expense

	Group 2017 US$'000	Group 2016 US$'000	Company 2017 US$'000	Company 2016 US$'000
Additional taxes	3,207	1,514	–	–

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

The Company was a Category 2 – Global Business License 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%.

11. Intangible assets

The Group

	Right of first refusal US$'000	Non-compete agreement US$'000	Computer software and licence US$'000	Total US$'000
Cost				
At 1 January 2016	15,000	–	9,214	24,214
Additions during the year	20,000	30,000	2,411	52,411
Effects of foreign currency exchange differences	–	–	(222)	(222)
At 31 December 2016	35,000	30,000	11,403	76,403
Additions during the year	–	–	3,857	3,857
Effects of foreign currency exchange differences	–	–	(95)	(95)
At 31 December 2017	35,000	30,000	15,165	80,165
Amortisation				
At 1 January 2016	(15,000)	–	(4,016)	(19,016)
Charge for year	(2,500)	(16,894)	(2,671)	(22,065)
Effects of foreign currency exchange differences	–	–	234	234
At 31 December 2016	(17,500)	(16,894)	(6,453)	(40,847)
Charge for year	(5,000)	(13,106)	(3,672)	(21,778)
Effects of foreign currency exchange differences	–	–	421	421
At 31 December 2017	(22,500)	(30,000)	(9,704)	(62,204)
Net book value				
At 31 December 2017	12,500	–	5,461	17,961
At 31 December 2016	17,500	13,106	4,950	35,556
At 1 January 2016	–	–	5,198	5,198

In 2016, alongside the purchase of 967 towers from Airtel group (see note 12), a right of first refusal "ROFR" agreement was signed with Airtel Group in the DRC giving the Group the right of first refusal over build-to-suit towers that Airtel group wish to commission. A payment of US$20 million was made for this right and is amortised on a straight line basis over its exercisable period ending on 1 May 2020.

As part of the same transaction, the Group and the Company entered into a non-compete Agreement with Airtel group under which the Group and the Company was granted the right that Airtel will not compete with the Group in DRC and/or Congo Brazzaville. The Group and the Company issued shares with a fair value of US$30 million to Airtel group for this right commencing on the date of the agreement (5 May 2016) and terminating 12 consecutive months after first closing (7 July 2016). The issuance of these share was a non-cash transaction.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

11. Intangible assets (continued)

The Company

	Non-compete agreement US$'000	Computer software and license US$'000	Total US$'000
Cost			
At 1 January 2016	–	1,098	1,098
Additions during the year	30,000	33	30,033
At 31 December 2016	30,000	1,131	31,131
Additions during the year	–	142	142
At 31 December 2017	30,000	1,273	31,273
Amortisation			
At 1 January 2016	–	(905)	(905)
Charge for year	(16,894)	(88)	(16,982)
At 31 December 2016	(16,894)	(993)	(17,887)
Charge for year	(13,106)	(104)	(13,210)
At 31 December 2017	(30,000)	(1,097)	(31,097)
Net book value			
At 31 December 2017	–	176	176
At 31 December 2016	13,106	138	13,244
At 1 January 2016	–	193	193

12a. Property, plant and equipment

The Group

	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 2016	2,027	719	3,451	655,919	1,399	895	664,410
Additions	1,888	272	1,410	272,175	4,409	668	280,822
Disposals	(9)	(156)	–	(5,368)	–	(665)	(6,198)
Effects of foreign currency exchange differences	(24)	(18)	(120)	(11,178)	–	(7)	(11,347)
At 31 December 2016	3,882	817	4,741	911,548	5,808	891	927,687
Additions	2,102	120	683	163,751	–	226	166,882
Disposals	(13)	–	(654)	(1,754)	–	–	(2,421)
Reclassifications	–	–	–	754	(754)	–	–
Effects of foreign currency exchange differences	37	15	(68)	(3,616)	211	(2)	(3,423)
At 31 December 2017	6,008	952	4,702	1,070,683	5,265	1,115	1,088,725
Depreciation							
At 1 January 2016	(1,117)	(431)	(2,103)	(177,778)	–	(333)	(181,762)
Charge for the year	(699)	(176)	(714)	(94,947)	–	(193)	(96,729)
Disposals	2	111	–	2,690	–	282	3,085
Effects of foreign currency exchange differences	(98)	16	92	2,846	–	3	2,859
At 31 December 2016	(1,912)	(480)	(2,725)	(267,189)	–	(241)	(272,547)
Charge for the year	(1,168)	(206)	(719)	(113,663)	–	(168)	(115,924)
Disposals	13	–	561	816	–	–	1,390
Effects of foreign currency exchange differences	(147)	(11)	80	4,133	–	1	4,056
At 31 December 2017	(3,214)	(697)	(2,803)	(375,903)	–	(408)	(383,025)
Net book value							
At 31 December 2017	2,794	255	1,899	694,780	5,265	707	705,700
At 31 December 2016	1,970	337	2,016	644,359	5,808	650	655,140
At 1 January 2016	910	288	1,348	478,141	1,399	562	482,648

At 31 December 2017, the Group had US$111.3 million (2016: US$36.1 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 form part of the additions of site assets in the year.

In July 2016, the Group acquired 967 towers and associated assets from Airtel group for US$165 million. This has been accounted for as an assets acquisition in accordance with IAS 16.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

12b. Right-of-use assets

	Land US$'000	Buildings US$'000	Motor vehicles US$'000	Total US$'000
Cost				
At 1 January 2016	104,528	7,897	1,243	113,668
Additions	22,886	3,604	–	26,490
Effects of foreign currency exchange differences	(468)	(69)	–	(537)
At 31 December 2016	126,946	11,432	1,243	139,621
Additions	12,408	1,413	–	13,821
Effects of foreign currency exchange differences	(218)	27	–	(191)
At 31 December 2017	139,136	12,872	1,243	153,251
Depreciation				
At 1 January 2016	(12,915)	(3,189)	(230)	(16,334)
Charge for the year	(7,466)	(2,749)	(446)	(10,661)
Effects of foreign currency exchange differences	80	19	–	99
At 31 December 2016	(20,301)	(5,919)	(676)	(26,896)
Charge for the year	(8,080)	(2,698)	(446)	(11,224)
Effects of foreign currency exchange differences	149	22	–	171
At 31 December 2017	(28,232)	(8,595)	(1,122)	(37,949)
Net book value				
At 31 December 2017	110,904	4,277	121	115,302
At 31 December 2016	106,645	5,513	567	112,725
At 1 January 2016	91,613	4,708	1,013	97,334

13. Investments

The Group

The Group's investment of US$132,000 (2016: US$132,000) relates to an interest in Helios Towers Africa LLP. The Group holds 91% of the voting rights of Helios Towers Africa LLP. The Directors do not consider that the Group has control over the operation of Helios Towers Africa LLP as it is a limited liability partnership and has no access to returns from the investment. Therefore the investment has been accounted for as investment at cost.

The Company

	2017 US$'000	2016 US$'000
Cost		
At 1 January and 31 December	430,677	430,677

13. Investments (continued)

The subsidiary companies are as follows:

Name of subsidiaries	Country of incorporation	Effective shareholding 2017 Direct %	Effective shareholding 2017 Indirect %	Effective shareholding 2016 Direct %	Effective shareholding 2016 Indirect %
Helios Towers Ghana Limited	Ghana	60%	40%	60%	40%
HTG Managed Services Limited	Ghana	–	100%	–	100%
HTA Group, Ltd	Mauritius	–	100%	–	100%
HTA Holdings Ltd	Mauritius	100%	–	100%	–
Helios Towers DRC S.A.R.L.	Democratic Republic of Congo	–	100%	–	100%
HT DRC Infraco S.A.R.L.	Democratic Republic of Congo	–	100%	–	100%
Helios Towers Tanzania Limited	Tanzania	–	100%	–	76.3%
HTT Infraco Limited	Tanzania	–	100%	–	76.3%
HT Congo Brazzaville Holdco Limited	Mauritius	–	100%	–	100%
HT Congo SARLU	Congo Brazaville	–	100%	–	100%
HT Gabon Holdco Limited (Dormant)	Mauritius	–	100%	–	100%
HT Chad Mauritius Holdco Limited	Mauritius	–	100%	–	100%
HT Chad SARLU (Dormant)	Chad	–	100%	–	100%
Towers NL Coöperatief U.A.	The Netherlands	–	100%	–	100%
HTA (UK) Partner Ltd	England & Wales	100%	–	100%	–
HTA Equity GP Ltd	Cayman Islands	100%	–	100%	–
McRory Investment B.V.	The Netherlands	–	100%	–	100%
McTam International 1 B.V.	The Netherlands	–	100%	–	100%

All subsidiaries were incorporated in prior years. Helios Towers Africa, Ltd or its subsidiaries have subscribed to the majority of the shares as shown above. The consideration paid for these shares on incorporation was minimal. The Directors are of the opinion that the investments in subsidiaries are fairly stated and no impairment is required. The registered office address of all subsidiaries is included in Appendix 1.

During the current and prior years, further contributions were made to Helios Towers Tanzania Limited (HTT) for the acquisition of tower assets. In October 2017, the remaining 24.1% in HTT was acquired. See note 24.

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

HTA Equity GP, Ltd acts as a general partner. The principal activities of HTG Managed Services Limited, HT DRC Infraco S.A.R.L., HTT Infraco Limited, and HT Congo SARLU are the building and maintenance of telecommunications towers to provide space on those towers to wireless telecommunication service providers in Africa. HT Chad SARLU and HT Gabon Holdco Limited have ceased trading during the prior years.

14. Inventories

	Group 2017 US$'000	Group 2016 US$'000
Inventories	9,538	19,503

Inventories are primarily made up of fuel stocks and raw materials. The decrease in the inventory balance is due to the timing of transfer from site equipment to site assets as a result of ongoing projects in the latter part of the year.

The impact of inventories recognised as an expense during the year in respect of continuing operations was US$62.6 million (2016: US$52.6 million).

There is no material difference between the carrying value of inventories and their net realisable value.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

15. Trade and other receivables

	Group		Company	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Trade receivables	72,996	57,586	–	–
Allowance for doubtful debts	(4,725)	(1,289)	–	–
	68,271	56,297	–	–
Trade receivable from related parties	9,436	17,769	–	–
Trade receivable from non-controlling interest	–	26,015	–	–
	77,707	100,081	–	–
Other receivables from related parties	–	–	482,783	433,594
Other receivables	23,027	15,404	19	946
VAT & Withholding tax receivable	7,757	11,444	–	–
	108,491	126,929	482,802	434,540

Trade receivables (as per the ageing analysis) represents the amounts which the Group does not consider as impaired as at reporting date as there has not been a significant change in credit quality and the amounts are still considered as recoverable. Allowance for impairment losses are recognised on a case-by-case basis for each trade receivable. As at reporting date, the allowance for impairment losses are not significant to the Group and will not affect the recoverability of the trade receivables amounts (as per the ageing analysis). Interest can be charged on past due debtors. The normal credit period of services is 30 days.

Other receivables mainly comprise of accrued income, and sundry receivables.

Of the trade receivables balance at 31 December 2017, 67% (31 December 2016: 66%) 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 44 days (31 December 2016: 47 days).

Debtor days are calculated as trade receivables and receivables from related parties and the non-controlling interest, less allowance for doubtful debts, less amounts invoiced but not yet due (2017: US$42.5 million, 2016: US$42.1 million), relative to average monthly revenue for the last quarter (2017: US$88.4 million, 2016: US$82.5 million).

Ageing analysis of trade receivables not impaired:

	Group	
	2017 US$'000	2016 US$'000
Not yet due	35,248	58,027
1–30 days	10,940	11,426
30–60 days	14,230	7,654
60–90 days	7,680	8,982
90+ days	9,609	13,992
	77,707	100,081

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.

Terms and conditions attached to receivable balances due by related parties and by the non-controlling interest are disclosed in note 23.

16. Prepayments

	Group		Company	
	2017 US$'000	Restated (IFRS 16) 2016 US$'000	2017 US$'000	2016 US$'000
Prepayments	23,403	20,466	221	5,690

Prepayments are primarily comprised of advance payments to suppliers.

17. Cash and cash equivalents

	Group		Company	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Bank balances	49,519	133,737	18,314	87,553
Short-term deposits	70,181	–	–	–
	119,700	133,737	18,314	87,553

18. Share capital

	Group and Company			
	2017		2016	
	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	–	–
Ordinary share capital class Z of US$100	100	10	–	–
	909,124,714	909,154	909,124,514	909,134

The Class A Shares and Class G Shares rank equally with each other and senior to the Class C, Class D, Class H, and Class Z shares as to redemption proceeds and any other form of distribution or return of capital. Class A and G Shares have voting rights whilst the others have no voting rights. Class H and Class Z also have dividend rights.

19. Trade and other payables

	Group		Company	
	2017 US$'000	Restated (IFRS 16) 2016 US$'000	2017 US$'000	2016 US$'000
Trade payables	11,612	15,691	–	–
Amounts payable to related parties	1,617	922	2,082	702
Payable to non-controlling interest	–	1,349	–	–
Deferred income	40,482	60,386	–	–
Deferred consideration	12,946	13,453	–	–
Other payables and accruals	69,214	72,056	8,727	9,121
VAT & Witholding tax payable	11,453	–	–	–
	147,324	163,857	10,809	9,823

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 24 days (2016: 39 days). Payable days are calculated as trade payables and payables to related parties and the non-controlling interest, divided by cost of sales plus administration expenses less staff costs and depreciation. 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

19. Trade and other payables (continued)

Deferred consideration relates to consideration that is payable in the future for the purchase of certain tower assets in DRC and Congo B following the Airtel deal if certain conditions are met to enable transfer of ownership of the assets to Helios Towers Africa, Ltd.

Other payables and 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.

20. Loans

	31 December 2017 US$'000	31 December 2016 US$'000
US$ 600 million 9.125% senior notes 2022	598,354	–
US$ 77 million (LIBOR + 6.00%)	–	74,977
TZS 57.363 billion (TIBOR + 5.00%)	–	25,582
US$ 60 million (LIBOR + 6.00%)	–	58,423
TZS 9.625 billion (TIBOR + 5.00%)	–	4,292
TZS 22.727 billion (TIBOR + 5.00%)	–	10,136
US$ 23.8 million (LIBOR + 5.00%)	–	23,038
US$ 15.0 million (LIBOR + 5.00%)	–	14,520
US$ 40.0 million (LIBOR + 5.00%)	–	38,720
US$ 15.0 million (LIBOR + 5.00%)	–	14,520
US$ 70.0 million (LIBOR + 5.00%)	–	67,760
US$ 5.0 million (LIBOR + 5.00%)	–	4,840
US$ 8.146 million (LIBOR + 5.00%)	–	7,189
US$ 10.0 million (LIBOR + 5.00%)	–	8,825
XAF 5.222 billion (LIBOR + 5.00%)	–	7,423
	598,354	360,245
Shareholder loans		
HTT Infraco Limited	–	32,850
HTG Managed Services Limited	–	2,414
HT DRC Infraco S.A.R.L	–	5,640
	–	40,904
Total borrowings	598,354	401,149
Current	17,254	60,516
Non-current	581,100	340,633
	598,354	401,149

On 8 March 2017, HTA Group Limited, a wholly-owned subsidiary of HTA 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 HTA Ltd subsidiaries. The proceeds of the issuance were used, among other things, to refinance existing indebtedness of the Company's subsidiaries (HTT Infraco Limited, HT DRC Infraco S.A.R.L and HT Congo Brazzaville Holding Limited).

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

The shareholder loans in 2016 carried an interest rate ranging from 5% to 15%.

The current portion of borrrowings relates to accrued interest which is payable in March 2018.

21. Lease liabilities

	2017 US$'000	2016 US$'000
Short-term lease liabilities		
Land	18,828	18,244
Buildings	1,524	2,189
Motor vehicles	100	501
	20,452	20,934

	2017 US$'000	2016 US$'000
Long-term lease liabilities		
Land	94,088	87,644
Buildings	2,009	2,403
Motor vehicles	–	64
	96,097	90,111

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 year was US$25.8 million (2016: US$21.1 million).

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

The Group

	Within 1 year US$'000	2–5 years US$'000	5+ years US$'000	Total US$'000
31 December 2017	20,452	72,120	443,261	535,833
31 December 2016	20,934	69,042	405,993	495,969

See note 29 for analysis of the impact of IFRS 16: Leases transition during the year.

22. Uncompleted performance obligations

The table below represent 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.

	2017 US$'000	2016 US$'000
Total contracted revenue	3,101,429	2,897,598

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

22. Uncompleted performance obligations (continued)

Contracted Revenue

The following table provides our total contracted revenue by country under agreements with our customers as of 31 December, 2017 for each of the six years from 2018 to 2023, with local currency amounts converted at the applicable spot rate for U.S. dollars on 31 December, 2017 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.

The following tables provide the Company's contracted revenue from 2018 through 2023 on a country-by-country basis and an illustration of our total contracted revenue:

	Year Ended 31 December,					
(US$'000s)	2018	2019	2020	2021	2022	2023
Tanzania	147,044	149,099	151,387	150,648	149,440	143,673
DRC	140,355	141,546	152,294	151,859	150,004	149,085
Congo Brazzaville	24,373	24,373	23,194	16,954	16,949	16,941
Ghana	38,821	39,429	38,966	36,721	27,293	12,784
Total	350,593	354,447	365,841	356,182	343,686	322,483

23. Related party transactions

The Group

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

During the year, the Group companies entered into the following commercial transactions with related parties:

	2017		2016	
	Income from towers US$'000	Purchase of goods US$'000	Income from towers US$'000	Purchase of goods US$'000
Millicom Holding B.V. and subsidiaries	60,182	5,194	60,243	516
Vodacom Group Limited and subsidiaries*	72,167	2,588	71,919	9,701

	2017		2016	
	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	7,366	228	14,145	3,334
Vodacom Group Limited and subsidiaries*	2,070	–	26,015	34,201
Helios Towers Africa LLP	–	1,389	3,604	–

* Until October 2017, Vodacom Tanzania Ltd was the non-controlling interest holder in Helios Towers Tanzania Ltd. Millicom Holding B.V is a shareholder of Helios Towers Africa, Ltd.

During the year, the Group received advisory services from Helios Towers Africa LLP, an entity in which the Group has no economic benefits for which fees of US$17.0 million (2016: US$16.7 million) were incurred.

At the year end, there was a payable of US$1.4 million (2016: receivable of US$3.6 million) from Helios Towers Africa LLP. Amounts outstanding to related parties carry an interest charge ranging from 0% to 15%. Total compensation of key management for 2017 amounted to US$3.0 million (2016: US$2.1 million) which was recharged by Helios Tower Africa LLP.

23. Related party transactions (continued)

The Company

	2017 US$'000	2016 US$'000
Amounts receivable from related parties	482,783	433,594
Amounts payable to related parties	2,082	702

Other transactions with related parties in the year includes technical and management fee charges for services provided to the subsidiary companies. Compensation of key management personnel are disclosed in note 7.

Intercontinental Trust Limited is considered as a related party to the Company as it provided company secretary services.

Name of related party	Relationship	Type of transaction	2017 Transactions during the year US$'000	2016 Transactions during the year US$'000	2017 Balance due at year end US$'000	2016 Balance due at year end US$'000
Intercontinental Trust Limited	Company secretary	Fees	40	46	–	–

24. Other gains and losses

The Group

Other gains and losses	2017 US$'000	2016 US$'000
Fair value movement of derivative financial instruments	(21,797)	–
Fair value movement of minority interest	–	6,682
	(21,797)	6,682

The movement in the minority interest buy-out liability is set out below:

Minority interest buy-out liability	2017 US$'000	2016 US$'000
Balance at start of the year	57,886	50,839
Options granted in the year	574	365
	58,460	51,204
Fair value movement in the year	–	6,682
	58,460	57,886
Options exercised in the year	(58,460)	–
	–	57,886

Vodacom Tanzania Ltd, previously a minority interest holder in Helios Towers Tanzania Ltd ('HTT'), had a right to exchange its shares in HTT from 19 February 2014 to 31 December 2017 for shares in the Group. The exercise price is based on the fair market value of HTT shares at the time the option is exercised, either by independent valuation, or if the Group is being sold through an Initial Public Offering at the value agreed with the buyer, and then exchanged for shares accordingly in Helios Towers Africa, Ltd. The option expired in October 2017 after acquisition of minority shares by HTA Holding, Ltd.

The put option granted to Vodacom Tanzania Ltd results in an obligation for the Group to purchase through a share exchange the minority interest in the future and therefore represents a contract that contains an obligation for the Group to purchase its own equity instruments. The Group is required to recognise a financial liability for the present value of the redemption amount. At 31 December 2017, the Group recognised an aggregate financial liability of US$nil (2016: US$57.9 million) being the present value of the contractual obligation which is deemed to be the market value of the minority interest at that date. The movement in 2016 of US$6.7 million represents the fair value increase in this liability.

In February 2017, Vodacom Tanzania Ltd, HTA Holdings, Ltd and Helios Towers Tanzania Ltd entered into an agreement pursuant to which HTA Holdings, Ltd acquired a portion of the shareholder loans advanced by Vodacom Tanzania Ltd for US$30 million in cash. Under the same agreement, HTA Holdings, Ltd received an option up to and including March 31, 2018 to acquire Vodacom Tanzania Ltd shares in Helios Towers Tanzania Ltd for approximately US$58.5 million in cash and the remaining outstanding shareholder loans and accrued interest thereon advanced by Vodacom Tanzania Ltd for US$2.7 million in cash. The acquisition of such shares and the outstanding loan amounts was completed in October 2017 after customary closing conditions, including, among other things, relevant government approvals.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

25. Financial instruments

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

	2017 US$'000	2016 US$'000
Derivative financial assets		
Change in fair value of derivative financials instruments	(21,797)	(1,293)
Minority interest buy-out liability		
Other gains and losses	–	6,682

Fair value measurements

The information set out below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. For all other assets and liabilities the carrying value is approximately equal to the fair value. The information set out below provides information 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 held at valuation, 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. The fair values of the Group's outstanding interest rate swaps have been estimated by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 13. Minority interest buy-out liability was grouped as Level 3 fair value measurement until its acquisition in October 2017. 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 note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising of 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:

	2017 US$'000	Restated (IFRS 16) 2016 US$'000
Debt (net of issue costs)	714,903	512,194
Cash and cash equivalents	(119,700)	(133,737)
Net debt	595,203	378,457
Equity attributable to the owners	261,917	407,966
	227.2%	92.8%

Debt is defined as long and short-term borrowings, as detailed in note 20.

25. Financial instruments (continued)

Equity includes all capital and reserves of the Group attributable to equity holders of the parent.

Externally imposed capital requirements

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of financial instruments

	Group		Company	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Financial assets				
Loans and receivables:				
Cash and cash equivalents	119,700	133,737	18,314	87,553
Trade and other receivables	100,734	115,485	482,802	434,540
Fair value through profit or loss:				
Derivative financial assets	23,917	1,393	–	–
	244,351	250,615	501,116	522,093
Financial liabilities				
Amortised cost:				
Trade and other payables	95.389	103,471	10,809	9,823
Finance lease liabilities	116,549	111,045	-	-
Loans	598,354	401,149	–	–
At fair value:				
Minority interest buy-out liability	–	57,866	–	–
	810,292	673,531	10,809	9,823

At 31 December 2017, the Group had US$Nil (2016: US$5.3 million) of cash pledged as collateral for financial liabilities.

Financial risk management objectives and policies

The Group's finance function provides services to the business, coordinates access to domestic and international financial markets, 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 seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed by the Board of Directors regularly. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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. The Group and the Company have exposure to sterling (GBP) fluctuations, however this is not considered material.

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. The Group enters into interest rate swaps to manage its exposure to the interest rate risk.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

25. Financial instruments (continued)

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 Ghanaian Cedi (GHS), Tanzanian Shilling (TZS) and Central African Franc (XAF) through its main operating subsidiaries.

During the year ended 31 December 2017, the Group did not enter into any foreign currency hedging contracts, as management considered foreign exchange risk to be at an acceptable level due to the natural hedge existing in the Group as a result of having both USD, TZS, GHS and XAF denominated revenues and costs, and minimal foreign denominated third party debt levels within the business.

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

	Liabilities		Assets	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
New Ghana Cedi	16,204	13,915	22,540	18,565
Tanzanian Shilling	176,874	55,220	71,887	41,464
Central African Franc	14,314	11,867	20,598	7,693
	207,392	81,002	115,025	67,722

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in US Dollar against GHS, XAF and TZS. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where US Dollar weakens 10% against the GHS, XAF or TZS. For a 10% strengthening of US Dollar against the GHS, XAF or TZS, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Central African Franc impact		New Ghana Cedi impact		Tanzania Shillings impact	
	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
Impact on profit or loss	(628)	417	(634)	(465)	10,499	1,376

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

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk for the Group or the Company as the year end exposure does not reflect the exposure during the year.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract, and is disclosed below.

There were no interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed rate		Amortising notional value		Fair value	
Outstanding contracts	2017 %	2016 %	2017 US$'000	2016 US$'000	2017 US$'000	2016 US$'000
USD IRS						
Two to five years	–	1.61	–	195,500	–	(1,393)

25. Financial instruments (continued)

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. 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 rate its major customers. As of 31 December 2017, the Group has a concentration risk with regards to four of its largest customers and its related parties and the Company has a concentration risk with regards to the receivable balances with related parties. 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 and the Company's exposure to credit risk.

Liquidity risk management

The Group has long-term debt financing through Senior Loan notes of US$600 million due for repayment in March 2022. The Group has a revolving credit facility of US$60 million for funding working capital requirements. As at December 2017 the facility was undrawn and is available until March 2021. The Group has remained compliant during the year to 31 December 2017 with all the covenants contained in the Senior Credit facility.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves 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 and the Company'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 includes principal cash flows.

The Group

	Within 1 year US$'000	1–2 years US$'000	2–5 years US$'000	5+ years US$'000	Total US$'000
31 December 2017					
Non-interest bearing	147,324	–	–	–	147,324
Fixed interest rate instruments	–	–	–	598,354	598,354
	147,324	–	–	598,354	745,678
31 December 2016					
Non-interest bearing	163,857	–	–	–	163,857
Variable interest rate instruments	32,962	60,324	235,526	44,600	373,412
Fixed interest rate instruments	32,852	–	–	8,052	40,904
	229,671	60,324	235,526	52,652	578,173

The Company

	Within 1 year US$'000	Total US$'000
31 December 2017		
Non-interest bearing	10,797	10,797
31 December 2016		
Non-interest bearing	9,823	9,823

The interest profile of the Group's variable interest bearing financial liabilities has been disclosed under note 20.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

25. Financial instruments (continued)

Non-derivative financial liabilities (continued)

The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Non-derivative financial assets

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

The Group

	Within 1 year US$'000	1–2 years US$'000	2–5 years US$'000	5+ years US$'000	Total US$'000
31 December 2017					
Non-interest bearing	220,434	–	–	–	220,434
Variable interest rate instruments	-	–	–	–	–
Fixed interest rate instruments	-	–	–	–	–
	220,434	–	–	–	220,434
31 December 2016					
Non-interest bearing	250,667	–	–	–	250,667
Variable interest rate instruments	–	–	–	–	–
Fixed interest rate instruments	–	–	–	–	–
	250,667	–	–	–	250,667

The Company

	Within 1 year US$'000	Total US$'000
31 December 2017		
Non-interest bearing	499,034	499,034
31 December 2016		
Non-interest bearing	522,093	522,093

Derivative financial instruments (assets)/liabilities:

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

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 2 financial instrument in the fair value hierarchy of IFRS 13.

25. Financial instruments (continued)

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 occuring that would be held by a market participant.

The Group

	Within 1 year US$'000	1–2 years US$'000	2–5 years US$'000	5+ years US$'000	Total US$'000
31 December 2017					
Net settled:					
Embedded derivatives	–	–	(23,917)	–	(23,917)
	–	–	(23,917)	–	(23,917)
31 December 2016					
Net settled:					
Interest rate swaps	–	–	(1,393)	–	(1,393)
Gross settled:					
Minority interest buy-out	57,886	–	–	–	57,886
	57,886	–	(1,393)	–	56,493

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 by the use of interest rate swap contracts, Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section.

The Company is not significantly exposed to foreign currency fluctuations as most of its financial assets and financial liabilities are denominated in its functional currency.

The Company is not exposed to interest rate variations as its financial assets and financial liabilities are non-interest bearing.

26. Contingencies

In the year ended 31 December 2015, the Democratic Republic of Congo's National Tax Services issued an assessment against the Group for the financial years ended 31 December 2014 and 31 December 2015 of approximately US$3.4 million including interest and penalties. 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$4.9 million for unpaid 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 matters to conclusions 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.

The Group did not make a provision in respect of these matters for the year ended 31 December 2017 or 31 December 2016.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

27. Net debt

	2017 US$'000	2016 US$'000
External debt	(596,418)	(401,149)
Lease liabilities	(116,549)	(111,045)
Derivative financial instruments	(1,936)	–
Net cash and cash equivalents	119,700	133,737
Net debt	(595,203)	(378,457)

The movement in net debt is as follows:

2017	At 1 January 2017 US$'000	Cash flows US$'000	Other[1] US$'000	At 31 December 2017 US$'000
Net cash and cash equivalents	133,737	(14,173)	136	119,700
External debt	(401,149)	(167,938)	(27,331)	(596,418)
Lease liabilities	(111,045)	11,675	(17,179)	(116,549)
Derivative financial instruments	–	–	(1,936)	(1,936)
	(512,194)	(156,263)	(46,446)	(714,903)
Net debt	(378,457)	(170,436)	(46,310)	(595,203)

2016	At 1 January 2016 US$'000	Cash flows US$'000	Other US$'000	At 31 December 2016 US$'000
Net cash and cash equivalents	88,290	46,196	(749)	133,737
External debt	(253,716)	(141,205)	(6,228)	(401,149)
Lease liabilities	(93,947)	8,353	(25,451)	(111,045)
	(347,663)	(132,852)	(31,679)	(512,194)
Net debt	(259,373)	(86,656)	(32,428)	(378,457)

(1) Other includes foreign exchange, interest and other non-cash movements.

External debt is the total debt owed to commercial banks and institutional investors.

28. Subsequent events

There are no material subsequent events to note.

29. Transition summary – IFRS 16

The tables below show the amount of adjustments for each financial statement line item affected by the application of IFRS 16 for the current and prior year. There is no impact on the Company's financial statements.

Statement of profit or loss

US$'000s	As reported 31 December 2016	Change 2016	Restated 31 December 2016
Revenue	282,507	–	282,507
Cost of sales[1]	(245,434)	9,567	(235,867)
Gross profit	37,073	9,567	46,640
Administrative expenses[2]	(78,257)	516	(77,741)
Loss on disposal of property, plant and equipment	(3,761)	–	(3,761)
Operating loss	(44,945)	10,083	(34,862)
Investment income	216	–	216
Other gains and losses	(6,682)	–	(6,682)
Finance costs[3]	(60,027)	(13,241)	(73,268)
Loss before tax	(111,438)	(3,158)	(114,596)
Tax expenses	(1,514)	–	(1,514)
Loss after tax	(112,952)	(3,158)	(116,110)
Loss for the year	(112,952)	(3,158)	(116,110)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations	(2,496)	(1,107)	(3,603)
Total comprehensive loss for the year	(115,448)	(4,265)	(119,713)
Loss attributable to:			
Owners of the Company	(95,082)	(2,658)	(97,740)
Non-controlling interest	(17,870)	(500)	(18,370)
Loss for the year	(112,952)	(3,158)	(116,110)
Total comprehensive loss attributable to:			
Owners of the Company	(97,692)	(3,765)	(101,457)
Non-controlling interest	(17,756)	(500)	(18,256)
Total comprehensive loss for the year	(115,448)	(4,265)	(119,713)

(1) Net effect of the reversal of leases previously expensed as operating leases, offset by a right-of-use asset depreciation charge for land.
(2) Net effect of the reversal of leases previously expensed as operating leases, offset by a right-of-use asset depreciation charge for buildings and motor vehicles.
(3) Interest charges and FX impact in relation to long-term lease liabilities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

29. Transition summary – IFRS 16 (continued)

Statement of Financial Position

US$'000s	1 January 2016	Change at 1 January 2016	Restated 1 January 2016	As reported 31 December 2016	Change 2016	Restated 31 December 2016
Intangible assets	5,198	–	5,198	35,556	–	35,556
Property, plant and equipment	482,648	–	482,648	655,140	–	655,140
Right-of-use assets(1)	–	97,334	97,334	-	112,725	112,725
Investments in subsidiaries	96	-	96	132	-	132
Derivatives financial assets	–	–	–	1,393	–	1,393
	487,942	97,334	585,276	692,221	112,725	804,946
Inventories	14,974	–	14,974	19,503	–	19,503
Trade and other receivables	84,344	–	84,344	126,929	–	126,929
Prepayments(2)	16,198	(12,544)	3,654	34,752	(14,286)	20,466
Cash and bank balances	88,290	–	88,290	133,737	–	133,737
Total assets	691,748	84,790	776,538	1,007,142	98,439	1,105,581
Share capital	750,394	–	750,394	909,134	–	909,134
Share premium	131,239	–	131,239	186,795	–	186,795
Stated capital	881,633	–	881,633	1,095,929	–	1,095,929
Other reserves	(11,283)	–	(11,283)	(11,693)	–	(11,693)
Minority interest buy-out reserve	(54,063)	–	(54,063)	(54,429)	–	(54,429)
Translation reserve(3)	(77,102)	3,333	(73,769)	(79,712)	2,226	(77,486)
Accumulated losses	(437,283)	(9,332)	(446,615)	(532,366)	(11,989)	(544,355)
Equity attributable to owners	301,902	(5,999)	297,903	417,729	(9,763)	407,966
Non-controlling interest	(18,906)	500	(18,406)	(36,322)	–	(36,322)
Total equity	282,996	(5,499)	277,497	381,407	(9,763)	371,644
Trade and other payables(4)	102,864	(3,658)	99,206	166,700	(2,843)	163,857
Loans – short-term	34,359	–	34,359	60,516	–	60,516
Loans – long-term	219,357	–	219,357	340,633	–	340,633
Minority interest buy-out liability	50,839	–	50,839	57,886	–	57,886
Short-term lease liabilities(5)	–	18,642	18,642	–	20,934	20,934
Long-term lease liabilities(5)	–	75,305	75,305	–	90,111	90,111
Derivatives financial liabilities	1,333	–	1,333	–	–	–
Total liabilities	408,752	90,289	499,041	625,735	108,202	733,937
Total equity and liabilities	691,748	84,790	776,538	1,007,142	98,439	1,105,581

(1) Right-of-use assets for the lease of land, buildings, and motor vehicles.
(2) Reversal of prepayment of land and building leases, previously accounted for as operating leases.
(3) Cumulative FX impact of non US$ denominated leases.
(4) Reversal of accruals for lease liabilities previously accounted for as operating leases.
(5) Long-term lease liabilities for land, buildings, and motor vehicles at the end of each reporting period.

Appendix 1

Name of subsidiaries	Registered office address
Helios Towers Africa, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA Holdings, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA Group, Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA (UK) Partner Ltd	5 Merchant Square, 10th Floor, London, W2 1AS
HT Congo Brazzaville Holdco Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
Helios Towers Congo Brazzaville SASU	100 ter Avenue Maréchal Lyautey Centre - Ville Brazzaville République du Congo
Helios Towers DRC SARL	1st Floor, Tower LE 130, 130B, Avenue Kwango, Kinshasa, Gombe, DRC
HT DRC Infraco SARL	1st Floor, Tower LE 130, 130B, Avenue Kwango, Kinshasa, Gombe, DRC
Helios Towers Tanzania Limited	Ground Floor, Peninsula House, Plot No. 251 Toure Drive, P.O. Box 105297, Oysterbay, Dar Es Salaam, Tanzania
HTT Infraco Limited	Ground Floor, Peninsula House, Plot No. 251 Toure Drive, P.O. Box 105297, Oysterbay, Dar Es Salaam, Tanzania
HT Chad SARLU	Quartier Chagoua, Avenue du 10 Octobre, BP 6572, N'djamena- CHAD
Helios Chad Holdoco Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HTA Equity GP Ltd	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
HT Gabon Holdco Limited	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
Helios Towers Ghana Limited	No.31, Akosombo Road, Airport Residential Area, Private Mail Bag CT 409, Cantonments, Accra-Ghana
HTG Managed Services Limited	No.31, Akosombo Road, Airport Residential Area, Private Mail Bag CT 409, Cantonments, Accra-Ghana
Towers NL Cooperatief U.A.	Prins Bernhardplein 200, 1097JB Amsterdam
McTam International 1 B.V.	Oslo 1, 2993LD Barendrecht
McRory Investment B.V.	Oslo 1, 2993LD Barendrecht

Officers and professional advisors

Directors

Allan E Cook (appointed 1 January 2018)
Anja Blumert
Charles Campbell Green III (resigned 22 September 2017)
Colin Curvey
David Karol Wassong
Kashyap Pushpkant Pandya
Nelson Oliveira
Richard Byrne
Simon David Pitcher
Simon Hillard Poole
Temitope Olugbeminiyi Lawani
Vishma Dharshini Boyjonauth
Waldemar Rafal Szlezak
Xavier Charles Rocoplan

Registered office

Level 3
Alexander House
35 Cybercity
Ebene
Mauritius

Company secretary

Intercontinental Trust Limited Level 3
Alexander House
35 Cybercity
Ebene
Mauritius

Banker

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Ebene
Mauritius

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helios towers

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