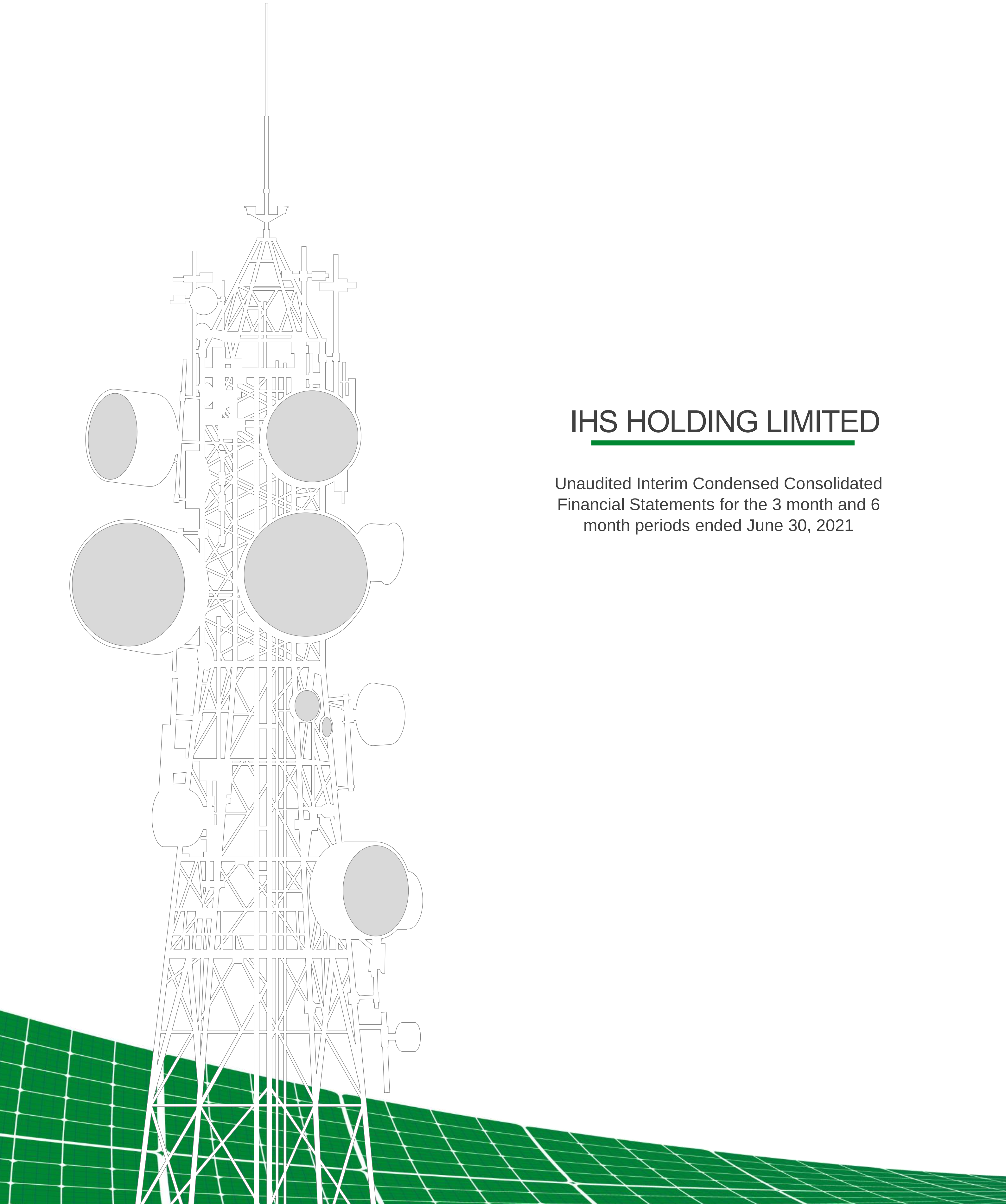

IHS HOLDING LIMITED

Unaudited Interim Condensed Consolidated Financial Statements for the 3 month and 6 month periods ended June 30, 2021

CORPORATE INFORMATION

Company Registration No.	111344 C1/GBL
Registered Office	1st Floor, Félix House 24 Dr Joseph Rivière Street, Port Louis, Republic of Mauritius
Board of Directors	**Directors** Mr. DARWISH Sam Mr. EL-RUFAI Bashir Ahmad Mr. FORT Bryce Louis Mr. LI KWET LIIT Christian Kien Ngok Mr. MAASDORP Paul Mrs. LAI Kathleen Mrs. SZIGETVARI Aniko Klara (resigned February 1, 2021) Mr. DENCH Andrew James Mr. BUSH John Ellis Mr. LAND Nicholas Charles Edward Ms. BURNS Ursula Maxine Mr. DANGEARD Franck Emmanuel Mrs. BESNIER Stephanie (resigned April 30, 2021) Mrs. BAHL Deepali (appointed February 1, 2021) Mr. MICHIELS Jérôme Edouard Malcom (appointed May 6, 2021) **Permanent alternate directors** Mr. SAAD William (Permanent alternate director to Mr. DARWISH Sam and Mr. EL-RUFAI Bashir Ahmad) Mr. DARWISH Mohamad (Permanent alternate director to Mr. DARWISH Sam and Mr. EL-RUFAI Bashir Ahmad)
Independent Auditors	PricewaterhouseCoopers Republic of Mauritius
Bankers	Standard Bank (Mauritius) Limited EBI SA Groupe Ecobank Citigroup Incorporated Standard Chartered Bank

Investor relations contacts

investorrelations@ihstowers.com

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INFORMATION ON THE COMPANY AND THE GROUP

Information on the Company and the Group

These unaudited, interim condensed consolidated financial statements ("financial statements") are the financial statements of IHS Holding Limited ('the Company') and its subsidiaries (together hereafter referred to as 'the Group'). IHS Holding Limited was incorporated in the Republic of Mauritius under the Mauritian Companies Act 2001 as a private limited liability company. The Company is domiciled in the Republic of Mauritius and the address of its registered office is: 1st Floor, Félix House, 24 Dr. Joseph Rivière Street, Port Louis, Republic of Mauritius.

The Group is principally involved in providing infrastructure for the telecommunications industry. The Group is one of the largest independent owners, operators and developers of shared telecommunications infrastructure in the world, providing our customers, most of whom are leading Mobile Network Operators ("MNOs"), with critical infrastructure that facilitates mobile communications coverage in emerging markets, across three regions and nine countries. IHS is the largest independent multinational emerging-market-only tower operator and one of the largest independent multinational tower operators globally, in each case by tower count.

The Company and its subsidiaries (other than unrestricted subsidiaries), form the "Restricted Group" for the purposes of the $510 million 7.125% Senior Notes due 2025 (the "2025 Notes") and the $940 million 8.0% Senior Notes due 2027 (the "2027 Notes"), together "the Notes", originally issued on September 18, 2019, and listed on The International Stock Exchange (TISE). Each of the Company's subsidiaries, other than unrestricted subsidiaries, is subject to the covenants and events of default under the indenture related to the notes, as amended on June 22, 2021.

Basis of preparation

These unaudited interim condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards ("IFRS"), specifically, they do not comply with IFRS 34 "*Interim Financial Reporting*". The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Company's audited financial statements for the year ended December 31, 2020.

The preparation of the unaudited interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported numbers. Actual results could vary 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 of the revision and future periods if the revision affects both current and future periods.

DISCLAIMER

The Information in this document may contain forward-looking statements. Forward-looking statements include, but are not limited to, all statements other than statements of historical fact included in the Information, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets in which it operates or intends to operate. Forward-looking statements can be identified, in some instances, by the use of words such as "target", "believe", "expect", "aim", "intend", "continue", "forecast", "seek", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof, or by the forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties, changes in circumstances that are difficult to predict and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate in the future, and our actual results of operations, including but not limited to our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this document. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. looking statements. We caution you, therefore, against relying on these forward-looking statements. The forward-looking statements made in this document speak only as of the date of this document, and the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise. For the avoidance of doubt, the Company does not accept any liability in respect of any such forward-looking statements.

This document includes certain financial measures not presented in accordance with International Financial Reporting Standards ("IFRS"), including, but not limited to, Adjusted EBITDA and Adjusted EBITDA margin. These non IFRS financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to profit/(loss) for the period, cash flows from operations or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Group's's presentation of these measures may not be comparable to similarly titled measures used by other companies.

For a reconciliation of our non-IFRS measures to the most closely comparable IFRS measures, see Note 10.

OPERATING AND FINANCIAL REVIEW

Overview

All financial information provided in this 'Operating and Financial Review' represents the consolidated position of the Group. A glossary of terms used is provided at the end of this document. The functional and presentation currency of the Company is the United States dollar ("USD", "US dollar" or "$").

The Group is principally involved in providing infrastructure for the telecommunications industry. The Group is one of the largest independent owners, operators and developers of shared telecommunications infrastructure in the world, providing our customers, most of whom are leading Mobile Network Operators ("MNOs"), with critical infrastructure that facilitates mobile communications coverage in emerging markets, across three regions and nine countries. IHS is the largest independent multinational emerging-market-only tower operator and one of the largest independent multinational tower operators globally, in each case by tower count.

The Group's core business is providing shared telecommunications infrastructure services to MNOs and other customers, who in turn provide wireless voice, data and fiber access services to their end users and subscribers. The Group provides its customers with opportunities to lease space on existing towers alongside current Tenants, known as colocation, to install additional equipment on a Tower or request certain ancillary services, known as Lease Amendments, or to commission the construction of new Towers to the customer's specifications, known as new sites. Additionally, we lease space to our customers in secure locations within large building complexes, such as shopping malls, stadiums and airports, which we refer to as in-building solutions, or IBS, or distributed antenna systems, or DAS, as well as provide fiber connectivity. In certain strategic instances, we may also provide managed services, such as maintenance, security and power supply for Towers owned by third parties.

Services are provided based on long-term contracts with annual contractual escalations. A significant proportion of contracted Tenant lease revenues are linked to US dollars.

As of June 30, 2021, the Group owned 30,207 towers, with a Colocation Rate of 1.51x, based on 45,487 Tenants.

Highlights for the quarter and year to date

- Q2 and H1 revenue increased year-on-year by 21.2% and 15.0% respectively.
- Q2 and H1 Adjusted EBITDA increased year-on-year by 45.7% and 30.7% respectively .
- Added 1,091 Lease Amendments and 1,254 Tenants in Q2 and added 3,495 Lease Amendments and 2,623 Tenants in H1.

	3 month period ended June 30			**6 month period ended June 30**		
	2021 $'000	2020 $'000	Change %	**2021 $'000**	2020 $'000	Change %
Revenue	**401,919**	331,508	21.2%	**763,569**	664,097	15.0%
Operating profit	**145,766**	78,592	85.5%	**253,958**	107,880	135.4%
Profit/(loss) for the period	**105,659**	(35,780)	n.a	**76,606**	(352,890)	n.a
*Alternative measures**						
Adjusted EBITDA	**275,006**	188,738	45.7%	**490,029**	374,925	30.7%
Adjusted EBITDA margin	**68.4%**	56.9%	11.5pt	**64.2%**	56.5%	7.7pt

*Alternative performance measures are non-IFRS measures that are presented to provide readers with additional information that is regularly reviewed by management. They should not be viewed in isolation or as an alternative to the equivalent IFRS measure. See reconciliations of Adjusted EBITDA in note 10 to the closest equivalent IFRS measure and Non-IFRS measures definitions on page 37 for further details.

Trading results

The net increase in Towers for the three month period ended June 30, 2021, was 936, of which 602, 67 and 162 were added through the Centennial Brazil acquisition, the third stage of the Kuwait acquisition and an acquisition of a tower portfolio in Rwanda. We added 1,254 net new Tenants in the three month period ended June 30, 2021, of which, 705 Tenants were added from the Centennial Brazil acquisition, 67 Tenants were added from the third stage of the Kuwait acquisition and 283 Tenants were added from the acquisition of a tower portfolio in Rwanda. In the three month period ended June 30, 2021, 1,091 Lease Amendments were added, resulting in total Lease Amendments of 21,478.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Trading results (continued)

The net increase in Towers of 2,400 for the six month period ended June 30, 2021, which includes the impact of 1,005 towers from the Skysites acquisition, 819 aggregate towers from the Centennial acquisitions in Columbia and Brazil, 162 Towers from the acquisition of a tower portfolio in Rwanda and 67 Towers from the third stage of the Kuwait acquisition, resulted in total Towers of 30,207 at June 30, 2021. We added 2,623 net new Tenants in the six month period ended June 30, 2021, resulting in total Tenants of 45,487 and a Colocation Rate of 1.51x at June 30, 2021. Of the Tenant additions for the six month period ended June 30, 2021, an aggregate of 2,006 Tenants were added from the Skysites and Centennial acquisitions, 67 Tenants were added from the third stage of the Kuwait acquisition and 283 Tenants were added from the acquisition of a tower portfolio in Rwanda. In the six month period ended June 30, 2021, we added 3,495 Lease Amendments, resulting in total Lease Amendments of 21,478 at June 30, 2021.

Our net increase in Towers and Tenants for the three month and six month periods ended June 30, 2021, includes the impact of the start of a rationalization programme agreed with a key customer, which resulted in the rationalization of 156 Towers and a total of 228 Tenants.

Revenue

Our revenue was $401.9 million for the three month period ended June 30, 2021 compared to $331.5 million for the three month period ended June 30, 2020. Revenue increased by $70.4 million, or 21.2%, which includes organic growth of $80.9 million, or 24.4%. Aggregate inorganic revenue from the Latam, Rwanda and MENA acquisitions was $6.6 million for the three month period ended June 30, 2021 compared to aggregate inorganic revenue in the three month period ended June 30, 2020 of $13.8 million, related to the Latam and MENA acquisitions in February 2020. Increased revenue from organic growth and inorganic revenue was partially offset by the non-core impact of negative movement in foreign exchange rates of $17.1 million, or 5.2%.

Our revenue was $763.6 million for the six month period ended June 30, 2021 compared to $664.1 million for the six month period ended June 30, 2020. Revenue increased by $99.5 million, or 15.0%, which includes organic growth of $129.4 million, or 19.5%. Inorganic revenue from acquisitions for the six month period ended June 30, 2021 was $15.3 million. Increased revenue from organic growth and the additional inorganic revenue was partially offset by the non-core impact of negative movement in foreign exchange rates of $45.2 million, or 6.8%.

Refer to the revenue component of the segment results section of this operating and financial review for further details.

Cost of sales

Our cost of sales was $210.8 million and $400.0 million for the three month period and six month period ended June 30, 2021, respectively, compared to $214.0 million and $435.8 million for the three month period and six month period ended June 30, 2020, respectively.

Cost of sales decreased by $3.2 million, or 1.5%, for the three month period ended June 30, 2021, where decreases in depreciation and amortization, impairment of fixed assets, tower repairs and maintenance and other cost of sales were partially offset by increases in power generation costs, cost related to site regulatory permits, security services and travel costs.

Depreciation and amortization decreased by $9.2 million for the three month period ended June 30, 2021, primarily as a result of lower depreciation in the three month period ended June 30, 2020 in our Nigeria segment resulting from the recognition of accelerated depreciation on capitalized advance payments in the prior year.

Impairment of fixed assets decreased by $9.6 million for the three month period ended June 30, 2021, primarily as a result of a year-on-year decrease in impairment of fixed assets for the three month period ended June 30, 2021, in our Nigeria and Sub-Saharan Africa segments of $5.1 million and $5.5 million respectively. This year-on-year decrease is primarily driven by higher impairment of fixed assets in the prior period, owing to the completion of a physical asset verification exercise which identified some assets in poor condition.

Tower repairs and maintenance costs and other cost of sales decreased by $3.4 million and $1.6 million respectively in the three month period ended June 30, 2021, compared to the three month period ended June 30, 2020, primarily due to decreased routine and non-routine maintenance and repairs costs of $3.5 million in our Nigeria segment and a decrease of $1.6 related to write-down of inventory in our Sub-Saharan Africa segment respectively.

Power generation increased by $14.5 million in the three month period ended June 30, 2021 compared to the three month period ended June 30, 2020, primarily due to a year-on-year increase in overall consumption in the quarter in our Nigeria segment, resulting from increased Tenant and Lease Amendments activity. The year-on-year decrease in the price of diesel in our Nigeria segment was more than offset by increased activity.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Trading results (continued)

Cost of sales (continued)

The decrease in cost of sales of $35.8 million, or 8.2%, in the six month period ended June 30, 2021 compared to the six month period ended June 30, 2020 is primarily due to decreased costs related to aggregate depreciation and amortization, impairment of property, plant and equipment and land rent, tower repairs and maintenance and other costs. This year-on-year decrease is partially offset by increases in power generation costs and aggregate costs related to site and other rental, regulatory permits, security services, staff costs and travel costs.

Aggregate depreciation and amortization costs and aggregate costs related to impairment of property, plant and equipment and land rent decreased by $38.8 million and $10.4 million respectively in the six month period ended June 30, 2021 compared to the six month period ended June 30, 2020. The aggregate decrease in depreciation and amortization is primarily as a result of lower depreciation in our Nigeria and Sub-Saharan Africa segments where in the prior year comparative period a prospective change in useful economic life of our standard batteries from 5 years to 3 years effective January 1, 2020 following a review of the battery life and replacement cycles in use across the business, increased the depreciation cost for the comparative period by $35.7 million.

The year-on year decrease in aggregate depreciation and amortization in our Nigeria and Sub-Saharan Africa segments is partially offset by the impact of a higher asset base, mainly due to acquisitions, with MENA and Latam reflecting year-on-year increases in depreciation and amortization of $2.6 million and $5.8 million respectively.

Tower repairs and maintenance costs and other cost of sales decreased by $2.0 million and $2.5 million respectively in the six month period ended June 30, 2021, compared to the six month period ended June 30, 2020, primarily due to decreased routine and non-routine maintenance and repairs costs of $3.1 million in our Nigeria segment and a decrease of $1.6 million related to write-down of inventory in our Sub-Saharan Africa segment respectively.

Power generation increased by $7.6 million in the six month period ended June 30, 2021 compared to the six month period ended June 30, 2020, primarily due to a year-on-year increases in Tenant and Lease Amendments activity in our Nigeria segment.

Site regulatory permits costs and security services costs increased by $3.7 million and $2.1 million respectively, during the six month period ended June 30, 2021. The majority of the increase in site regulatory permits costs is in our Nigeria segment, the expense for the six month period ended June 30, 2021 includes an assessment of the accrual for non-recurring and irregular permits. The increase in site regulatory permits costs and security services costs is also partially driven by the year-on-year increase in our tower count.

Administrative Expenses

Our administrative expenses were $85.2 million and $153.2 million for the three month period and six month period ended June 30, 2021, respectively, compared to $42.5 million and $122.4 million for the three month period and six month period ended June 30, 2020, respectively.

Administrative expenses for the three month period ended June 30, 2021 increased by $42.7 million, or 100.5%, which was primarily due to an increases in the impairment of withholding tax receivables, professional fees, rent and facilities expenses, staff costs and share-based payment expense, partially offset by a decrease in other administrative expenses.

Impairment of withholding tax receivables increased by $25.5 million to an expense of $17.6 million in the three month period ended June 30, 2021, from a credit of $7.9 million in the three month period ended June 30, 2020. The credit in the comparative period was related to a one-off increase in the current income tax expense in our Nigeria segment, thus resulting in a higher recoverable value of withholding tax receivables and a reversal of impairments in that period.

Rent and facilities costs increased by $3.0 million to $6.6 million in in the three month period ended June 30, 2021, from $3.6 million in the three month period ended June 30, 2020. Staff costs increased by $3.4 million in the three month period ended June 30, 2021 due to a combination of increased headcount in group functions including our shared service center, increased holiday pay provisions, and the impact of acquired operations.

Professional fees increased by $9.5 million to $17.8 million in the three month period ended June 30, 2021 compared to $8.3 million for the three month period June 30, 2020, primarily as a result of fees and other expenses related to the consent solicitation in respect of the 2025 Notes and 2027 Notes which was completed in June 2021.

Share-based payment expenses increased by $3.9 million to a $3.5 million charge in the three month period ended June 30, 2021 from a credit of $0.4 million in the three month period ended June 30, 2020. The increase largely reflects the vesting of the options and underlying input assumptions on the time remaining to the point of expected exercise.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Administrative Expenses(continued)

Administrative expenses for the six month period ended June 30, 2021 increased by $30.9 million, or 25.2%, which was primarily due to increases in the impairment of withholding tax receivables, rent and facilities expenses, staff costs and professional fees, partially offset by decreases in business combination transaction costs and share-based payment expenses.

Impairment of withholding tax receivables increased by $18.0 million to $32.7 million in the six month period ended June 30, 2021, from $14.7 million in the six month period ended June 30, 2020. The comparative period includes a reversal of impairment of withholding tax receivables, owing to a one-off increase in the current income tax expense in our Nigeria segment as a result of legislative changes, thus resulting in a higher recoverable value of withholding tax receivables and a reversal of impairments in that period; this one-off credit makes the current period expense comparatively higher. The impairment of withholding tax receivables also increased year-on-year as a result of increased revenues and debtor collections.

Professional fees increased by $9.4 million to $28.1 million in the six month period ended June 30, 2021 compared to $18.7 million for the six month period June 30, 2020.

Rent and facilities costs increased by $5.0 million to $12.3 million in in the six month period ended June 30.2021, from $7.3 million in the six month period ended June 30, 2020 and staff costs increased by $5.4 million year-on-year for the same period.

Share-based payment expenses decreased by $2.1 million to a $4.7 million charge in the six month period ended June 30, 2021 from a charge of $6.8 million in the six month period ended June 30, 2020 and business combination transaction costs decreased by $5.1 million to $6.0 million in the six month period ended June 30, 2021 from $11.0 million in the six month period ended June 30, 2020.

Loss Allowance on Trade Receivables

Our reversal of loss allowance on trade receivables increased by $36.3 million, resulting in a net reversal of the allowance for trade and other receivables of $36.6 million for the three month period ended June 30, 2021, from a net reversal of the allowance for trade and other receivables of $0.3 million for the three month period ended June 30, 2020. This was primarily attributable to a larger reversal of the impairment provision made for overdue trade accounts receivables compared to the same period in the prior year. During the period we collected a portion of an amount previously provisioned and experienced improved collections in respect of one key customer, resulting in a reversal of the allowance for doubtful debts in respect of that customer of totaling $36.5 million, the current period.

Our loss allowance on trade receivables decreased by $37.9 million, resulting in a net reversal of the allowance for trade and other receivables of $36.6 million for the six month period ended June 30, 2021, compared to a loss allowance on trade receivables of $1.3 million for the six month period ended June 30, 2020.

Other Income

Other income increased by $0.1 million year-on-year, to $3.3 million for the three month period ended June 30, 2021, compared to $3.2 million for the three month period ended June 30, 2020.

Other income increased by $3.7 million year-on-year, to $7.1 million for the six month period ended June 30, 2021 compared to $3.4 million for the six month period ended June 30, 2020. The year-on-year increase resulted from an increase in insurance claim income of $2.8 million and a year-on-year increase of $0.9 million in other income, mainly related to the derecognition of contingent consideration related to business combinations, which is no longer due.

Net Finance Income/Costs

Our net finance costs were $14.8 million and $137.3 million for the three month period and six month period ended June 30, 2021, respectively, compared to $28.9 million and $364.1 million for the three month period and six month period ended June 30, 2020, respectively.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net Finance/Costs (continued)

The table below shows our net finance costs for the three month and six month periods ended June 30, 2021 and 2020:

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	Jun 30, 2020 $'000
Interest income - bank deposits	**1,369**	1,243	**2,352**	3,174
Foreign exchange (losses)/gains from non-deliverable forward exchange contracts realized	**(14,357)**	128	**12,504**	9,969
Fair value gain on embedded derivative within revenue contract	**2,426**	-	**2,426**	-
	(10,562)	1,371	**17,282**	13,143
Interest expenses – third party loans	**38,887**	44,434	**78,857**	91,812
Unwinding of discount on decommissioning liability	**1,139**	1	**2,024**	435
Interest and finance charges paid/ payable for lease liabilities	**7,182**	6,502	**14,370**	11,881
Net Foreign exchange losses arising from financing – unrealized	**(13,140)**	(5,660)	**41,878**	243,580
Foreign exchange gains/(losses) from non-deliverable forward exchange contracts - unrealized	**(15,288)**	-	**6,200**	-
Fair value loss on embedded options	**(14,538)**	(17,251)	**7,148**	25,353
Fair value loss on embedded derivative within revenue contract	**(1,707)**	-	**-**	-
Bank and loan facility fees	**1,712**	2,254	**4,144**	4,156
	4,247	30,280	**154,621**	377,217
Net finance costs	**14,809**	**28,909**	**137,339**	**364,074**

Net finance costs decreased by $14.1 million, or 48.8%, in the three month period ended June 30, 2021 compared to the three month period ended June 30, 2020 primarily due to decreases of $7.4 million, $5.5 million and $4.1 million in net foreign exchange losses arising from financing, interest expense on third party loans and fair value movements on embedded derivatives within revenue contracts, respectively. These year-on-year decreases in net finance costs are partially offset by a year-on-year decrease in income related to the fair valuation on embedded options within the 2025 Notes and 2027 Notes of $2.7 million, and an increase of $1.8 million in aggregate finance charges on leases and decommissioning liability.

The year-on-year increase of $1.8 million in the aggregate finance charges for lease liabilities and unwinding of discount on decommissioning liabilities results primarily from an increased in the number of towers, from acquisitions and from new sites, for which we have entered into ground leases and to which the decommissioning liabilities relate.

The net foreign exchange gain arising from financing (which is mainly unrealized) was $13.1 million for the three month period ended June 30, 2021, compared to a net foreign exchange gain of $5.7 million in the three month period ended June 30, 2020. The year-on-year increase of $7.4 million is primarily due to changes in exchange rates, predominantly between the Brazilian Real and the Euro against the U.S. dollar. This arises on commercial bank and related party loans denominated in U.S. dollars at the subsidiary level as a result of loan revaluations in local functional currency at period ends.

Third party loan interest expense decreased to $38.9 million in the three month period ended June 30, 2021, from $44.4 million in the three month period ended June 30, 2020, a decrease of $5.5 million. The year-on-year decrease largely reflects the impact of lower year-on-year LIBOR and NIBOR interest rates applicable to the senior facilities in our Nigeria segment and borrowings in our Sub-Saharan Africa segment, the impact of which is partially offset by an increase in the amount of borrowings within our Latam and MENA segments and the increased value of the 2025 Notes and 2027 Notes following the tap issuance in July 2020.

Other significant year-on-year decreases in net finance costs for the three months ended June 30, 2021 include a $4.1 million fair valuation income related to the embedded derivatives within our revenue contracts (no such fair valuation movements occurred in the prior year comparative period), a decrease in loan facility fees of $0.5 million, and an increase in aggregate realized and unrealized gains on non-deliverable currency forwards of $0.8 million, partially offset by a year-on-year decrease in income related to the fair valuation on embedded options within the 2025 Notes and 2027 Notes of $2.7 million.

Net finance costs decreased by $226.8 million, or 62.3%, in the six month period ended June 30, 2021 compared to the six month period ended June 30, 2020 primarily due to the substantial decrease of $201.7 million in net foreign exchange losses (realized and unrealized) arising from financing, a decrease of $18.2 million in fair valuation loss on embedded options within our 2025 Notes and 2027 Notes, and a decrease in third party loan interest of $13.0 million. The year-on-year decrease in finance costs was partially offset by an increase of $4.1 million in aggregate finance charges on leases and decommissioning liability, and a decrease in net foreign exchange gains on derivative instruments (realized and unrealized) of $3.7 million.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Net Finance Income/Costs (continued)

The decrease of $201.7 million in net foreign exchange loss arising from financing (which is mainly unrealized) is primarily due to changes in exchange rates, predominantly between the Naira, the Zambian Kwacha and the Brazilian Real against the U.S. dollar. This arises on commercial bank and related party loans denominated in U.S. dollars at the subsidiary level as a result of loan revaluations in local functional currency at period ends.

The decrease of $18.2 million in fair valuation losses on embedded options within our 2025 Notes and 2027 Notes mainly results from increases in the market value of the 2027 Notes which increases the value of the call options within the 2027 Notes, partially offset by an increase in risk free market rates of interest, which decrease the value of the call options within both the 2025 Notes and the 2027 Notes.

The $12.9 million decrease in third party loan interest expense from $91.8 million in the six month period ended June 30, 2020 to $78.9 million for the six month period ended June 30, 2021, largely reflects the impact of lower interest rates in our Nigeria segment resulting from lower LIBOR and NIBOR interest rates applicable to the senior facilities in our Nigeria segment, the impact of which is partially offset by an increase in the amount of borrowings within our Latam and MENA segments and the increased value of the 2025 Notes and 2027 Notes following the additional issue in July 2020.

The year-on-year increase of $4.1 million in the aggregate cost of financing related to leases and decommissioning liabilities results primarily from an increase in the number of towers, from acquisitions and from new sites, for which we have entered into ground leases and to which the decommissioning liabilities relate.

Other movements resulting in significant year-on-year decreases in net finance costs for the six months ended June 30, 2021 include a $2.4 million fair valuation income related to the embedded derivatives within our revenue contracts (no such fair valuation movements occurred in the prior year comparative period), a decrease in bank loan interest earned of $0.8 million, and an increase in aggregate realized and unrealized gains on non-deliverable currency forwards of $3.7 million.

Income Tax Expense/(Benefit)

Our current income tax expense was $24.7 million and $46.2 million for the three month period and six month period ended June 30, 2021, respectively, compared to a current income tax expense of $42.2 million and $48.1 million for the three month period and six month period ended June 30, 2020, respectively.

Our deferred income tax expense was $0.6 million for the three month period ended June 30, 2021, respectively, compared to a deferred tax expense of $43.3 million the three month period ended June 30, 2020. We had a deferred tax benefit of $6.2 million for the six month period ended June 30, 2021, compared to a $48.6 million deferred tax expense for the prior year comparative period.

The year-on-year decrease in current income tax expense and deferred income tax expense for the three month period ended June 30, 2021 of $17.5 million and $42.7 million, respectively, is primarily due to decreases in current income tax expense and deferred income tax expense in our Nigeria segment which decreased by $20.3 million and $38.6 million, respectively year-on-year. The larger income tax expense in our Nigeria segment in the prior year comparative period results from the retrospective impact of the application of amendments in the Nigeria Finance Act of 2019 which limits the deductibility of certain expenses for tax purposes, limits the number of tax periods for which certain losses and allowances may be carried forward to be applied against future taxable profits, and which is applicable from the tax period ended December 31, 2019.

The application of amendments in the Nigeria Finance Act of 2019 resulted in a cumulative catch-up of tax expense in the three month period ended June 30, 2020 related to the impacts of an under provision for income tax in respect of the year ended December 31, 2019 and increased tax expense for the three month period ended June 30, 2020 when compared to the three month period ended June 30, 2021.

Current income taxes increased year-on-year by $4.4 million in our Sub-Saharan Africa segment, and decreased by $1.3 million and $0.3 million respectively in our Other and Latam segments. The year-on-year increase in current income tax in our Sub-Saharan Africa segment results primarily from lower amounts of allowances and assessed losses available to be applied against taxable income.

Deferred income taxes also decreased year-on-year by $3.2 million and $1.0 million in our Sub-Saharan Africa and Latam segments respectively.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Income Tax Expense/(Benefit) (continued)

The year-on-year decrease in current income tax expense for the six month period ended June 30, 2021 of $1.9 million is primarily due to a decreases in current income tax expense of $9.0 million and $1.4 million in our Nigeria and Other segments respectively, partially offset by an increase in income tax expense of $8.8 million in our Sub-Saharan Africa Segment.

The year-on-year decrease in deferred income tax expense for the six month period ended June 30, 2021 of $54.8 million is primarily due to decreases in deferred tax expense of $45.7 million, $7.3 million and $1.8 million in our Nigeria, Sub-Saharan Africa and Latam segments respectively.

The larger income tax expense in our Nigeria segment in the prior year comparative period results from the retrospective impact of the application of amendments in the Nigeria Finance Act of 2019 which limits the deductibility of certain expenses for tax purposes, limits the number of tax periods for which certain losses and allowances may be carried forward to be applied against future taxable profits, and which is applicable from the tax period ended December 31, 2019. The application of amendments in the Nigeria Finance Act of 2019 resulted in a cumulative catch-up of tax expense in the six month period ended June 30, 2020 related to the impacts of an underprovision for income tax in respect of the year ended December 31, 2019 and increased tax expense for the six month period ended June 30, 2020.

The year-on-year increase in current income taxes of $8.8 million in our Sub-Saharan Africa segment results primarily from lower amounts of allowances and assessed losses available to be applied against taxable income. The year-on-year decrease in deferred income tax expense of $7.3 million in our Sub-Saharan Africa segment results primarily from reversals of deferred income tax balances related to unutilized capital allowances and assessed losses which were reversed to a greater extent in the prior year comparative period, owing to their utilization in that period.

Profit or loss for the period

Our profit for the three month period ended June 30, 2021 was $105.7 million compared to a loss of $35.8 million for the three month period ended June 30, 2020, an increase in profit of $141.5 million for the period. This increase in profit was primarily due to increased revenue, decreased cost of sales, a reversal of allowance for trade receivables, and a decrease in income tax expense, partially offset by an increase in administrative expenses and net finance costs.

Our profit for the six month period ended June 30, 2021 was $76.6 million compared to a loss of $352.9 million for the six month period ended June 30, 2020, an increase in profit of $429.5 million for the period of which $201.7 million is due to a year-on-year decrease in net foreign exchange losses on financing. The increase in profit was also due to increased revenue, decreased cost of sales, a reversal of allowance for trade receivables, an increase in other income, and a decrease in income tax expense, partially offset by and an increase in administrative expenses for the period.

Statements of cash flows

Net cash generated from operating activities

Net cash generated from operating activities increased by $17.0 million year-on year in the three month period ended June 30, 2021, to $174.0 million, from $157.0 million in the prior year comparative period. The year-on-year increase is primarily due to increased cash from operations of $30.4 million, partially offset by increased income tax paid of $13.5 million.

Net cash generated from operating activities increased by $68.0 million year-on year in the six month period ended June 30, 2021, to $369.4 million, from $301.4 million in the prior year comparative period. The year-on-year increase is primarily due to increased cash from operations of $85.3 million, partially offset by increased income tax paid of $15.5 million.

The year-on-year increase in cash from operations is primarily due to the increase in cash profits, represented by the increase in Adjusted EBITDA after excluding the impact of the reversal of the loss allowance on trade and other receivables.

Net cash used in investing activities

Net cash used in investing activities increased by $123.2 million, to $168.4 million in the three month period ended June 30, 2021, from $45.2 million in the prior year comparative period, primarily due to an increase in consideration paid for business acquisitions of $100.8 million and an increase in aggregate capital expenditures for property, plant and equipment (including advance payments) and intangible assets of $27.5 million. The year-on-year increase in consideration paid for business acquisitions is due to expenditures on the third phase of the Kuwait acquisition and the purchase price paid for the Centennial Brazil acquisition. The year-on-year increase in capital expenditures for property, plant and equipment (including advance payments) is described in more detail in the segmental portion below.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Statements of cash flows (continued)

Net cash used in investing activities (continued)

Net cash used in investing activities decreased by $295.0 million, to $331.6 million in the six month period ended June 30, 2021, from $626.6 million in the prior year comparative period, primarily due to a decrease in consideration paid for business acquisitions of $351.8 million, partially offset by an increase in capital expenditures for property, plant and equipment (including advance payments) of $68.2 million. The year-on-year decrease in cash paid for business acquisitions is due to larger expenditures in the prior year comparative period related to the CSS Brazil acquisition and the first phase of the Kuwait acquisition, compared to expenditures in the current year which include the Skysites acquisition, the Centennial Columbia and Centennial Brazil acquisitions and the third phase of the Kuwait acquisition. The year-on-year increase in capital expenditures for property, plant and equipment (including advance payments) is described in more detail in the segmental portion below.

Net cash used in/generated from financing activities

Net cash generated from financing activities increased by $67.1 million, to net cash generated from financing activities of $8.1 million in the three month period ended June 30, 2021, compared to net cash used in financing activities of $59.0 million in the prior year comparative period. The year-on-year increase is primarily due to a decrease in interest paid to third parties of $9.6 million, mainly due to decreased interest rates related to our senior facilities in our Nigeria segment, an increase in aggregate gains received and deposits refunded on non-deliverable forward derivative instruments of $13.3 million, and an increase of $53.7 million in loans received from third parties net of principal repayments. These year-on-year increases in cash generated from financing activities are partially offset by year-on-year increases in aggregate payments of lease liability principal and interest of $9.4 million.

Net cash used in financing activities decreased by $145.0 million, to $46.3 million in the six month period ended June 30, 2021, from $191.3 million in the prior year comparative period. The year-on-year decrease is primarily due to a decrease in interest paid to third parties of $15.0 million, mainly due to decreased interest rates related to our senior facilities in our Nigeria segment, an increase in gains received and deposits refunded on non-deliverable forward derivative instruments of $89.9 million, and an increase of $58.6 million in loans received from third parties net of principal repayments. These year-on-year decreases in cash used in financing activities are partially offset by year-on-year increases in aggregate payments of lease liability principal and interest of $15.4 million.

The year-on-year increase in cash generated from loans received from third parties, net of principal repayments, is primarily due to net cash flows $38.8 million generated in this manner in our Latam segment and a year-on-year decrease in principal repayments of $17.6 million in loan principal repayments in our Sub-Saharan Africa segment.

Indebtedness

At 30 June 2021, the book value of total outstanding loans and borrowings were $2.2 billion (December 31, 2020: $2.2 billion).

As a Group we continuously review our funding and maturity profile. As part of this review, we are exploring opportunities in the US$ global bond markets so that we are well positioned to avail ourselves of any refinancing opportunities for our 2025 Notes and 2027 Notes in the medium term.

For more information on borrowings, see note 14.

At 30 June 2021, the book value of lease liabilities accounted for under IFRS 16 was $381.6 million (December 31, 2021: $314.7 million).

For more information on lease liabilities, see note 15.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Segment Results

Revenue:

Revenue for each of our reportable segments was as follows:

	3 month period ended			
	Jun 30, 2021	Jun 30, 2020	Change	Change
	$'000	$'000	$'000	%
Nigeria	**296,610**	241,591	55,019	22.8%
Sub-Saharan Africa	**83,940**	75,684	8,256	10.9%
MENA	**7,142**	5,885	1,257	21.4%
Latam	**14,227**	8,348	5,879	70.4%
Total revenue	**401,919**	**331,508**	**70,411**	**21.2%**

	6 month period ended			
	Jun 30, 2021	Jun 30, 2020	Change	Change
	$'000	$'000	$'000	%
Nigeria	**557,863**	490,383	67,480	13.8%
Sub-Saharan Africa	**167,110**	152,001	15,109	9.9%
MENA	**13,866**	9,116	4,750	52.1%
Latam	**24,730**	12,597	12,133	96.3%
Total revenue	**763,569**	**664,097**	**99,472**	**15.0%**

Nigeria

Revenue for our Nigeria segment increased by $55.0 million, or 22.8%, to $296.6 million for the three month period ended June 30, 2021, compared to $241.6 million for the three month ended June 30, 2020.

Year-on-year revenue for the three month period ended June 30, 2021 increased organically by $74.2 million, or 30.7%, driven by an increase in Tenants of 70, which includes Tenants from 41 net new sites, from 4,892 Lease Amendments added in the twelve month period to June 30, 2021, and from increases through contractual CPI escalations and foreign exchange reset mechanisms. Revenue for the three month period ended June 30, 2021 also includes an amount of $15.7 million resulting from reaching agreement with a customer on the application of certain contractual terms. Aggregate increases of $74.2 million in organic revenue is partially offset by the impact of negative movements in the Naira to US dollar foreign exchange rate of $19.2 million.

We assess the probability that defaulting customers will not settle amounts billed and accordingly treat any component which we deem may not be collected as variable consideration, contingent upon the receipt of funds from the customer, an event which is not wholly within our control.

Revenue for our Nigeria segment increased by $67.5 million, or 13.8%, to $557.9 million for the six month period ended June 30, 2021, compared to $490.4 million for six month period ended June 30, 2020.

Year-on-year revenue for the six month period ended June 30, 2021 increased organically by $112.8 million, or 23.0%, driven by an increase in Tenants of 70, which includes Tenants from 41 net new sites, and 4,892 Lease Amendments added in the twelve month period to June 30, 2021, and from increases through contractual CPI escalations and foreign exchange reset mechanisms. Revenue for the six month period ended June 30, 2021 also includes an amount of $15.7 million resulting from reaching agreement with a customer on the application of certain contractual terms. Aggregate increases of $112.8 million in organic revenue are partially offset by the impact of negative movements in the Naira to US dollar foreign exchange rate of $45.3 million.

Our revenue for the three month and six month periods ended June 30, 2021, also includes a favourable impact of $8.5 million resulting from the remeasurement of the provision for service level credits, following an agreement with a key customer that historic potential penalties will not be levied.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Segment Results (continued), Revenue (continued)

Sub-Saharan Africa

Revenue for our Sub-Saharan Africa segment increased by $8.2 million, or 10.9%, to $83.9 million for the three month period ended June 30, 2021, compared to $75.7 million for the three month period ended June 30, 2020. Revenue increased organically by $5.0 million, or 6.6%, driven by a net increase in Tenants of 124, which includes the impact of a net increase in new sites of 38 and from increases through contractual foreign exchange reset mechanisms. Revenue for our Sub-Saharan Africa segment also grew inorganically in the period by $1.4 million from the acquisition of a tower portfolio in Rwanda in April 2021 which resulted in 162 additional towers and 283 additional Tenants. Revenue in the period also grew year-on-year by $1.8 million, or 2.4%, as a result of the non-core net positive impact of movements in foreign exchange rates.

Revenue for our Sub-Saharan Africa segment increased by $15.1 million, or 9.9%, to $167.1 million for the six month period ended June 30, 2021, compared to $152.0 million for the six month period ended June 30, 2020. Revenue increased organically by $13.1 million, or 8.6%, driven by a net increase in Tenants of 124, which includes the impact of a net increase in new sites of 38 and from increases through contractual foreign exchange reset mechanisms. Revenue in the period also grew year-on-year inorganically by $1.4 million and by $0.6 million, or 0.4%, as a result of the non-core net positive impact of movements in foreign exchange rates.

MENA

Revenue for our MENA segment increased by $1.2 million, or 21.4%, to $7.1 million for the three month period ended June 30, 2021, compared to $5.9 million for the three month period ended June 30, 2020. The number of towers in our MENA segment increased by 207 related to second and third stage, of the Kuwait acquisition which occurred in October 2020 and April 2021 respectively. Revenue in our MENA segment for the three month period ended June 30, 2021 did not reflect significant organic growth and grew inorganically in the period by $1.1 million, or 18.6%. Revenue in the period also grew year-on-year by $0.2 million, or 2.8%, as a result of the non-core net positive impact of movements in foreign exchange rates.

Revenue for our MENA segment increased by $4.8 million, or 52.1%, to $13.9 million for the six month period ended June 30, 2021, compared to $9.1 million for the six month period ended June 30, 2020. Revenue in our MENA segment for the six month period ended June 30, 2021 did not reflect significant organic growth and grew inorganically in the period by $4.6 million, or 50.1% mainly due to the increase in the number of towers by 207 related to second and third stage of the Kuwait acquisition. Revenue in the period also grew year-on-year by $0.2 million, or 2.3%, as a result of the non-core net positive impact of movements in foreign exchange rates.

Latam

Revenue for our Latam segment increased by $5.9 million, or 70.4%, to $14.2 million for the three month period ended June 30, 2021, compared to $8.3 million for the three month period ended June 30, 2020. Revenue increased organically by $1.6 million, or 19.5%, driven by a net increase in Tenants of 544, which includes the impact of a net increase in new sites of 462 and from increases through contractual CPI reset mechanisms. Revenue for our Latam segment grew inorganically in the period by $4.1 million. Revenue in the period also grew year-on-year by $0.1 million, or 1.4%, as a result of the non-core net positive impact of movements in foreign exchange rates.

Revenue for our Latam segment increased by $12.1 million, or 96.3%, to $24.7 million for the six month period ended June 30, 2021, compared to $12.6 million for the six month period ended June 30, 2020. Revenue increased organically by $3.5 million, or 28.0%, driven by a net increase in Tenants of 544, which includes the impact of a net increase in new sites of 462 and from increases through contractual CPI reset mechanisms. Revenue for our Latam segment also grew inorganically in the period by $9.4 million which primarily includes the impact of the Skysites acquisition and the Centennial acquisitions in Columbia and Brazil. The aggregate increase in organic and inorganic revenue was partially offset by an amount of $0.8 million, or 6.0%, representing a non-core net negative impact of movements in foreign exchange rates.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Adjusted EBITDA

Adjusted EBITDA for each of our reportable segments was as follows:

	3 month period ended			
	Jun 30, 2021	Jun 30, 2020	Change	Change
	$'000	$'000	$'000	%
Nigeria	**240,267**	163,302	76,965	47.1%
Sub-Saharan Africa	**46,048**	39,530	6,518	16.5%
MENA	**3,095**	2,741	354	12.9%
Latam	**10,406**	6,613	3,793	57.4%
Other	**(24,810)**	(23,448)	(1,362)	5.8%
Total Adjusted EBITDA	**275,006**	**188,738**	**86,268**	**45.7%**

	6 month period ended			
	Jun 30, 2021	Jun 30, 2020	Change	Change
	$'000	$'000	$'000	%
Nigeria	**420,191**	327,854	92,337	28.2%
Sub-Saharan Africa	**94,667**	80,541	14,126	17.5%
MENA	**6,152**	4,009	2,143	53.5%
Latam	**17,875**	9,366	8,509	90.8%
Other	**(48,856)**	(46,845)	(2,011)	4.3%
Total Adjusted EBITDA	**490,029**	**374,925**	**115,104**	**30.7%**

Nigeria

Adjusted EBITDA for our Nigeria segment was $240.3 million for the three month period ended June 30, 2021 compared to $163.3 million for the three month period ended June 30, 2020, an increase of $77.0 million, or 47.1%. The year-on-year increase is primarily due to revenue growth as described above, a decrease in tower repairs and maintenance of $4.0 million, and from the credit impact of $36.5 million related to the loss allowance on trade receivables, partially offset by an increase in power cost of sales of $13.3 million.

Adjusted EBITDA for our Nigeria segment was $420.2 million for the six month period ended June 30, 2021 compared to $327.9 million for the six month period ended June 30, 2020, an increase of $92.3 million, or 28.2%. The year-on-year increase is primarily due to revenue growth as described above, a decrease in tower repairs and maintenance of $3.1 million, and from the credit impact of $38.3 million related to the loss allowance on trade receivables, partially offset by an increase in power generation costs of $5.7 million, an increase in regulatory permit costs of $4.1 million, and an increase in those administrative expenses included within Adjusted EBITDA of $1.8 million.

Sub-Saharan Africa

Adjusted EBITDA for our *Sub-Saharan Africa* segment was $46.0 million for the three month period ended June 30, 2021 compared to $39.5 million for the three month period ended June 30, 2020, an increase of $6.5 million, or 16.5%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in power cost of sales of $0.9 million and an increase in those administrative expenses included within Adjusted EBITDA of $1.8 million.

Adjusted EBITDA for our *Sub-Saharan Africa* segment was $94.7 million for the six month period ended June 30, 2021 compared to $80.5 million for the six month period ended June 30, 2020, an increase of $14.2 million, or 17.5%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in power cost of sales of $1.3 million and an increase in those administrative expenses included within Adjusted EBITDA of $1.6 million.

MENA

Adjusted EBITDA for our *MENA* segment was $3.1 million for the three month period ended June 30, 2021 compared to $2.7 million for the three month period ended June 30, 2020, an increase of $0.4 million, or 12.9%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in cost of sales of $0.6 million, and an increase in those administrative expenses included within Adjusted EBITDA of $0.3 million.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Segment Results (continued), Adjusted EBITDA, MENA (continued)

Adjusted EBITDA for our *MENA* segment was $6.2 million for the six month period ended June 30, 2021 compared to $4.0 million for the six month period ended June 30, 2020, an increase of $2.2 million, or 53.5%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in cost of sales of $2.1 million, and an increase in those administrative expenses included within Adjusted EBITDA of $0.5 million.

Latam

Adjusted EBITDA for our *Latam* segment was $10.4 million for the three month period ended June 30, 2021 compared to $6.6 million for the three month period ended June 30, 2020, an increase of $3.8 million, or 57.4%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in cost of sales included within Adjusted EBITDA of $0.4 million, and an increase in those administrative expenses included within Adjusted EBITDA of $1.7 million.

Adjusted EBITDA for our *Latam* segment was $17.9 million for the six month period ended June 30, 2021 compared to $9.4 million for the six month period ended June 30, 2020, an increase of $8.5 million, or 90.8%. The increase is primarily due to an increase in revenue as described above, partially offset by an increase in cost of sales included within Adjusted EBITDA of $0.7 million, and an increase in those administrative expenses included within Adjusted EBITDA of $2.9 million.

Capital expenditure:

Capital expenditure for each of our reportable segments was as follows:

	3 month period ended			
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	Change $'000	Change %
Nigeria	**54,698**	33,480	21,218	63.4%
Sub-Saharan Africa	**12,335**	12,327	8	0.1%
MENA	**570**	178	392	220.2%
Latam	**8,285**	2,214	6,071	274.2%
Other	**161**	643	(482)	(75)%
Total capital expenditure	**76,049**	**48,842**	**27,207**	**55.7%**

	6 month period ended			
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	Change $'000	Change %
Nigeria	**137,002**	79,599	57,403	72.1%
Sub-Saharan Africa	**16,148**	19,451	(3,303)	(17.0)%
MENA	**824**	186	638	343.0%
Latam	**15,741**	2,370	13,371	564.2%
Other	**555**	1,311	(756)	(57.7%)
Total capital expenditure	**170,270**	**102,917**	**67,353**	**65.4%**

Nigeria

Capital expenditure for our Nigeria segment was $54.7 million for the three month period ended June 30, 2021 compared to $33.5 million for the three month period ended June 30, 2020, an increase of $21.2 million, or 63.4%. The increase is primarily due to an increase in capital expenditure related to our fiber business of $10.0 million, an increase in augmentation capital expenditure of $12.0 million, and a net increase in other capital (including new sites) of $6.0 million, partially offset by a decrease in maintenance capital expenditure of $6.8 million year-on-year for the three month period ended June 30, 2021.

Capital expenditure for our Nigeria segment was $137.0 million for the six month period ended June 30, 2021 compared to $79.6 million for the six month period ended June 30, 2020, an increase of $57.4 million, or 72.1%. The increase is primarily due to an increase in capital expenditure related to our fiber business of $36.8 million, an increase in augmentation capital expenditure of $19.1 million, and an increase in capital expenditure related to new sites of $11.5 million, partially offset by a decrease in maintenance capital expenditure and other capital expenditures which decreased by $4.9 million and $5.1 million, respectively, year-on-year for the six month period ended June 30, 2021.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Segment Results (continued), Capital expenditure (continued)

Sub-Saharan Africa

Capital expenditure for our Sub-Saharan Africa segment remained flat year-on-year for the three month period ended June 30, 2021, amounting to $12.3 million for the current period and comparative prior year period. Included within the year-on-year movement for the three month period ended June 30, 2021, is a decrease of $0.9 million in maintenance capital expenditure and an aggregate decrease in other capital expenditures of $2.1 million, offset by an increase in capital expenditure related to augmentation, and new sites.

Capital expenditure for our Sub-Saharan Africa segment was $16.1 million for the six month period ended June 30, 2021 compared to $19.5 million for the six month period ended June 30, 2020, a decrease of $3.4 million, or 17.0%. The decrease in primarily due to a decrease in maintenance capital expenditure of $3.8 million and a decrease on other capital expenditures of $1.2 million, partially offset by increases in augmentation capital expenditure and new site capital expenditure of $1.1 million and $0.6 million respectively.

MENA

Capital expenditure for our MENA segment was $0.6 million for the three month period ended June 30, 2021 compared to $0.2 million for the three month period ended June 30, 2020, an increase of $0.4 million, or 220.2%. The increase is primarily due to an increase in refurbishment capital expenditure and other capital expenditure both of which increased by $0.2 million year-on-year for the three month period ended June 30, 2021.

Capital expenditure for our MENA segment was $0.8 million for the six month period ended June 30, 2021 compared to $0.2 million for the six month period ended June 30, 2020, a increase of $0.6 million, or 343.0%. The year-on-year increase is primarily due to an increase of $0.2 million in refurbishment capital expenditure and an aggregate increase in other capital expenditures, including new site capital expenditure, of $0.4 million.

Latam

Capital expenditure for our Latam segment was $8.3 million for the three month period ended June 30, 2021 compared to $2.2 million for the three month period ended June 30, 2020, an increase of $6.1 million, or 274.2%. The increase is primarily due to an increase in new site capital expenditure of $7.6 million, offset by a net decrease in other capital expenditure of $1.5 million.

Capital expenditure for our Latam segment was $15.7 million for the six month period ended June 30, 2021 compared to $2.4 million for the six month period ended June 30, 2020, an increase of $13.3 million, or 564.2%. The year-on-year increase is primarily due to a net increase of $13.4 million related to other classes of capital expenditure, which is comprised of an increase of $14.7 million in new site capital expenditure and a net decrease in other capital expenditures of $1.3 million.

Events after the reporting period

IHS Holding Limited revolving credit facility

On July 23, 2021 the IHS Holding Limited revolving credit facility increased by $20 million from $225 million to $245 million. The $245 million borrowing facility remains undrawn.

IHS Rwanda Limited

On July 20, 2021 IHS Rwanda Limited fully repaid the US$ loan facility. No new loan facilities were obtained and no amounts remain outstanding under any third party loan facilities in Rwanda.

IHS Holding Limited Bridge Facility ("Bridge Facility")

On August 10, 2021 IHS Holding Limited entered into a $500 million Bridge Facility agreement, between, amongst others, IHS Holding Limited, Goldman Sachs Lending Partners LLC, JPMorgan Chase Bank, N.A., London Branch and Standard Chartered Bank, as mandated lead arrangers and Standard Chartered Bank, as facility agent. The initial term of the Bridge Facility is 12 months with the option for a further 6-month extension. The interest rate per annum applicable to loans made under the Bridge Facility is equal to LIBOR plus a margin of 3.50% per annum increasing by 0.50% every three months for a period of 18 months. The Bridge Facility is currently unsecured and unguaranteed. The credit agreement governing the Bridge Facility contains information and negative covenants and requires IHS to observe certain customary affirmative covenants, subject to certain agreed exceptions and materiality carve-outs. No drawdowns have been made to date.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME/(LOSS)

For the three month and six month periods ended June 30, 2021

	Note	3 month period ended		6 month period ended	
		Jun 30, 2021 $'000	Jun 30, 2020 $'000	Jun 30, 2021 $'000	Jun 30, 2020 $'000
Revenue	3	**401,919**	**331,508**	**763,569**	**664,097**
Cost of sales	4	(210,847)	(213,987)	(400,040)	(435,849)
Gross profit		**191,072**	**117,521**	**363,529**	**228,248**
Administrative expenses	5	(85,206)	(42,507)	(153,247)	(122,385)
Loss allowance/(reversal of loss allowance) on trade receivables		36,632	340	36,620	(1,341)
Other income	6	3,268	3,238	7,056	3,358
Operating profit		**145,766**	**78,592**	**253,958**	**107,880**
Finance income	7	(10,562)	1,371	17,282	13,143
Finance costs	8	(4,247)	(30,280)	(154,621)	(377,217)
Profit/(loss) before taxation		**130,957**	**49,683**	**116,619**	**(256,194)**
Income tax expense	9	(25,298)	(85,463)	(40,013)	(96,696)
Profit/(loss) for the period		**105,659**	**(35,780)**	**76,606**	**(352,890)**
Profit/(loss) attributable to:					
Owners of the Company		106,027	(35,804)	77,323	(352,497)
Non-controlling interests		(368)	24	(717)	(393)
Profit/(loss) for the period		**105,659**	**(35,780)**	**76,606**	**(352,890)**
Other comprehensive (loss)/income:					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		41,611	(87,327)	16,056	11,556
Other comprehensive income/(loss) for the period, net of taxes		**41,611**	**(87,327)**	**16,056**	**11,556**
Total comprehensive income/(loss) for the period		**147,270**	**(123,107)**	**92,662**	**(341,334)**
Total comprehensive income/(loss) for the period attributable to:					
Owners of the Company		147,594	(123,184)	93,209	(340,802)
Non-controlling interests		(324)	77	(547)	(532)
Total comprehensive income/(loss) for the period		**147,270**	**(123,107)**	**92,662**	**(341,334)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2021

	Note	**At Jun 30, 2021 $'000**	At Dec 31, 2020 $'000
Non-current assets			
Property, plant and equipment	11	1,493,509	1,438,040
Right of use assets	11	528,553	468,130
Goodwill	12	750,499	656,256
Other intangible assets	12	763,646	690,841
Fair value through other comprehensive income financial assets		8	8
Deferred income tax assets		17,203	13,443
Derivative financial instruments assets	13	148,048	155,196
Trade and other receivables		83,287	36,409
		3,784,753	**3,458,323**
Current assets			
Inventories		36,033	49,222
Income tax receivable		377	-
Derivative financial instruments assets	13	-	27,495
Trade and other receivables		320,804	327,187
Cash and cash equivalents		541,644	585,416
		898,858	**989,320**
TOTAL ASSETS		**4,683,611**	**4,447,643**
Current liabilities			
Trade and other payables		423,942	409,493
Provisions for other liabilities and charges	16	3,765	3,797
Derivative financial instrument liabilities	13	11,029	7,285
Income tax payable		54,422	48,703
Borrowings	14	244,163	186,119
Lease liabilities	15	28,379	28,246
		765,700	**683,643**
Non-current liabilities			
Trade and other payables		107	9,565
Borrowings	14	1,976,840	2,017,090
Lease liabilities	15	353,190	286,501
Provisions for other liabilities and charges	16	63,863	49,469
Deferred income tax liabilities		201,870	177,184
		2,595,870	**2,539,809**
TOTAL LIABILITIES		**3,361,570**	**3,223,452**
EQUITY			
Stated capital		4,530,870	4,530,870
Accumulated losses		(2,758,067)	(2,835,390)
Other reserves		(465,042)	(485,505)
Equity attributable to owners of the Company		1,307,761	1,209,975
Non-controlling interest		14,280	14,216
Total equity		**1,322,041**	**1,224,191**
TOTAL EQUITY AND LIABLITIES		**4,683,611**	**4,447,643**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended June 30, 2021

	Attributable to the owners of the Company					
	Stated capital $'000	Accumulated losses $'000	Other reserves $'000	Total $'000	Non-controlling interest $'000	Total Equity $'000
Balance at Jan 1, 2020	**4,530,870**	**(2,513,396)**	**(587,155)**	**1,430,319**	**-**	**1,430,319**
NCI arising on business combination	-	-	-	**-**	14,195	14,195
Share-based payment expense	-	-	6,791	**6,791**	-	6,791
Total transactions with owners of the company	**-**	**-**	**6,791**	**6,791**	**14,195**	**20,986**
Loss for the period	-	(352,497)	-	**(352,497)**	(393)	(352,890)
Other comprehensive income/(loss)	-	-	11,556	**11,556**	(139)	11,417
Total comprehensive (loss)/income	-	(352,497)	11,556	**(340,941)**	(532)	(341,473)
Balance at June 30, 2020	**4,530,870**	**(2,865,893)**	**(568,808)**	**1,096,169**	**13,663**	**1,109,832**
Balance at Jan 1, 2021	4,530,870	(2,835,390)	(485,505)	**1,209,975**	14,216	1,224,191
NCI arising on business combination	-	-	-	**-**	611	611
Share-based payment expense	-	-	4,577	**4,577**	-	4,577
Total transactions with owners of the company	**-**	**-**	**4,577**	**4,577**	**611**	**5,188**
Profit/(loss) for the period	-	77,323	-	**77,323**	(717)	76,606
Other comprehensive income	-	-	15,886	**15,886**	170	16,056
Total comprehensive income/(loss)	-	77,323	15,886	**93,209**	(547)	92,662
Balance at June 30, 2021	**4,530,870**	**(2,758,067)**	**(465,042)**	**1,307,761**	**14,280**	**1,322,041**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the three and six month periods ended June 30, 2021

		3 month period ended		6 month period ended	
	Note	**Jun 30, 2021 $'000**	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	Jun 30, 2020 $'000
Cash flows from operating activities					
Cash from operations	17	190,632	160,230	392,218	306,931
Income taxes paid		(15,049)	(1,556)	(19,386)	(3,876)
Payment for rent		(1,343)	(1,659)	(3,188)	(1,659)
Payment for tower and tower equipment decommissioning		(240)	-	(249)	(5)
Net cash generated from operating activities		**174,000**	**157,015**	**369,395**	**301,391**
Cash flows from investing activities					
Purchase of property, plant and equipment – capital work in progress		(49,975)	(23,310)	(77,245)	(39,205)
Purchase of property, plant and equipment – others		(4,674)	(274)	(8,176)	(3,403)
Payments in advance for property, plant and equipment		(21,093)	(24,650)	(84,292)	(58,905)
Purchase of software and licences		(307)	(608)	(557)	(1,404)
Consideration paid on business combinations, net of cash acquired		(101,654)	(892)	(178,873)	(530,710)
Proceeds from disposal of property, plant and equipment		2,708	876	3,375	1,241
Insurance claims received		5,269	2,463	11,782	2,584
Interest income received		1,369	1,243	2,352	3,174
Net cash used in investing activities		**(168,357)**	**(45,152)**	**(331,634)**	**(626,628)**
Cash flows from financing activities					
Bank loans and bonds proceeds received		78,734	32,832	78,734	32,832
Bank loans and bonds repaid		(48,585)	(56,389)	(60,538)	(73,194)
Fees on loans and derivatives instruments		(3,643)	(3,544)	(8,095)	(5,053)
Interest paid		(8,388)	(17,980)	(73,348)	(88,305)
Payment for the principal of lease liabilities		(13,694)	(9,779)	(27,270)	(19,480)
Interest paid for lease liabilities		(9,773)	(4,279)	(14,717)	(7,148)
Initial margin received/(deposited) on non-deliverable forwards		57	2	18,762	(31,251)
Profits received on non-deliverable forwards		13,343	101	40,204	337
Net cash generated from/(used in) financing activities		**8,051**	**(59,036)**	**(46,268)**	**(191,262)**
Net increase/(decrease) in cash and cash equivalents		**13,694**	**52,827**	**(8,507)**	**(516,499)**
Cash and cash equivalents at beginning of the period		545,396	342,192	585,416	898,802
Effect of movements in exchange rates on cash		(17,446)	(35,939)	(35,265)	(23,223)
Cash and cash equivalents at period end		**541,644**	**359,080**	**541,644**	**359,080**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The financial statements are the unaudited condensed consolidated interim financial statements (hereafter “financial statements”) of IHS Holding Limited (IHS) and its subsidiaries (together hereafter referred to as the “Group”). IHS Holding Limited is a limited company incorporated and domiciled in the Republic of Mauritius. The address of its registered office is Félix House, 24 Dr Joseph Rivière Street, Port Louis, Republic of Mauritius.

These financial statements as at and for the 3 month and 6 month periods ended June 30, 2021 comprise the Company and its subsidiaries (together referred to as the “Group”). They include the condensed consolidated statements of income and other comprehensive income/(loss), the condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, the condensed consolidated statements of cash flows, and the accompanying selected notes.

The Group is principally involved in providing infrastructure for the telecommunications industry. The Group is one of the largest independent owners, operators and developers of shared telecommunications infrastructure in the world, providing our customers, most of whom are leading Mobile Network Operators (“MNOs”), with critical infrastructure that facilitates mobile communications coverage in emerging markets, across three regions and nine countries. IHS is the largest independent multinational emerging-market-only tower operator and one of the largest independent multinational tower operators globally, in each case by tower count.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements do not constitute statutory accounts, and thus do not fully comply with International Financial Reporting Standards (“IFRS”), specifically, they do not comply with IFRS 34 “Interim Financial Reporting”. The principal accounting policies applied in the preparation of these financial statements are consistent with those of the Company’s audited financial statements for the year ended December 31, 2020.

The preparation of the unaudited interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported numbers. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

2.1 FUNCTIONAL AND PRESENTATION CURRENCY

The functional and presentation currency of the Company is the US dollar. Unless otherwise indicated, financial information presented in US dollar has been rounded to the nearest thousand.

2.2 APPROVAL

These interim condensed consolidated financial statements were authorized and approved for issue by the board of directors on August 16, 2021.

3. REVENUE

The Group’s revenue accrues from providing telecommunications support services. The Group provides infrastructure sharing and leasing known as colocation (which includes colocation rental revenue and colocation services) and, to a limited extent, managed services. For the sale of colocation and managed services, revenue is recognised in the accounting period in which the services are rendered.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. COST OF SALES

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Tower repairs and maintenance	**16,451**	19,840	**36,653**	38,604
Power generation	**66,705**	52,174	**114,681**	107,098
Site rental	**2,003**	2,037	**3,960**	4,011
Other rent	**1,085**	480	**2,250**	1,056
Vehicle maintenance and repairs	**426**	363	**1,127**	765
Site regulatory permits	**7,574**	5,759	**15,650**	11,929
Security services	**9,143**	7,959	**18,419**	16,295
Insurance	**1,043**	1,175	**2,084**	2,397
Staff costs	**6,277**	5,621	**13,452**	11,460
Travel costs	**2,931**	1,138	**3,936**	2,823
Professional fees	**635**	632	**1,365**	1,281
Depreciation	**83,636**	91,371	**161,590**	201,050
Amortisation	**8,307**	9,725	**16,559**	15,872
Impairment of property, plant and equipment and prepaid land rent	**2,093**	11,595	**2,813**	13,207
Other	**2,538**	4,118	**5,501**	8,001
	210,847	**213,987**	**400,040**	**435,849**

Foreign exchange gains and losses on cost of sales are included in Other.

5. ADMINISTRATIVE EXPENSES

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Facilities, short term rental and upkeep	**6,622**	3,567	**12,261**	7,342
Depreciation	**2,011**	1,383	**4,191**	2,664
Amortization	**786**	745	**1,585**	1,438
Travel costs	**1,662**	1,507	**3,497**	4,457
Staff costs	**25,037**	21,677	**48,345**	42,935
Key management compensation	**1,751**	2,017	**3,689**	3,172
Share-based payments expense/(credit)	**3,491**	(371)	**4,682**	6,791
Professional fees	**17,753**	8,346	**28,091**	18,720
Business combination transaction costs	**4,713**	4,719	**5,948**	11,010
Impairment/(reversal of impairment) of withholding tax receivables*	**17,593**	(7,887)	**32,684**	14,657
Net gain on disposal of property, plant and equipment	**(1,574)**	(609)	**(1,538)**	(538)
Operating taxes	**1,122**	88	**1,221**	122
Other	**4,239**	7,325	**8,591**	9,615
	85,206	**42,507**	**153,247**	**122,385**

Included in 'Other expenses' for the three month and six month periods ended June 30, 2021 are charitable contributions of $3.1 million and $4.0 million respectively (Q2 2020: $5.1 million and H1 2020: $5.2 million). Foreign exchange gains and losses on administrative expenses are also included in Other.

* Withholding tax was impaired following the Group’s assessment of the recoverability of withholding tax assets based on a five year cash flow projection and an analysis of the utilization of withholding tax balances against future income tax liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. OTHER INCOME

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Insurance claims	**1,614**	2,463	**5,402**	2,584
Other income	**1,654**	775	**1,654**	774
	3,268	**3,238**	**7,056**	**3,358**

7. FINANCE INCOME

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Interest income - bank deposits	**1,369**	1,243	**2,352**	3,174
Net foreign exchange gain on derivative instruments - unrealized	**-**	26	**-**	9,631
Net foreign exchange (loss)/gain from derivative instruments - realized	**(14,357)**	102	**12,504**	338
Fair value gain on embedded derivative in revenue contract	**2,426**	-	**2,426**	-
	(10,562)	**1,371**	**17,282**	**13,143**

8. FINANCE COSTS

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Interest expenses – third party loans	**38,887**	44,434	**78,857**	91,812
Unwinding of discount on decommissioning liability	**1,139**	1	**2,024**	435
Interest and finance charges paid/ payable for lease liabilities	**7,182**	6,502	**14,370**	11,881
Net Foreign exchange loss arising from financing - unrealized	**(32,452)**	(33,295)	**6,004**	173,814
Net foreign exchange loss arising from financing -realized	**19,312**	27,635	**35,874**	69,766
Net foreign exchange loss on derivative instruments- unrealized	**(15,288)**	-	**6,200**	-
Fair value loss on embedded options	**(14,538)**	(17,251)	**7,148**	25,353
Fair value loss on embedded derivative in revenue contract	**(1,707)**	-	**-**	-
Fees on loans and financial derivatives	**1,712**	2,254	**4,144**	4,156
	4,247	**30,280**	**154,621**	**377,217**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TAXATION

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate for the period by jurisdiction.

	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Company income tax expense	**24,731**	42,157	**46,200**	48,051
Deferred income taxes expense/(benefit)	**567**	43,306	**(6,187)**	48,645
	25,298	**85,463**	**40,013**	**96,696**

10. NON-IFRS PERFORMANCE MEASURES RECONCILIATIONS

Reconciliation of profit/(loss) for the period to Adjusted EBITDA	3 month period ended		6 month period ended	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	30 Jun, 2020 $'000
Profit/(loss) for the period	**105,659**	(35,780)	**76,606**	(352,890)
Add back:				
Income tax expense	**25,298**	85,463	**40,013**	96,696
Finance costs	**4,247**	30,280	**154,621**	377,217
Finance income	**10,562**	(1,371)	**(17,282)**	(13,143)
Depreciation and amortization	**94,740**	103,224	**183,925**	221,024
Impairment/(reversal of impairment) of withholding tax receivables	**17,593**	(7,887)	**32,684**	14,657
Business combination transaction costs	**4,713**	5,026	**5,948**	11,010
Impairment of property, plant and equipment and related prepaid land rent	**2,093**	11,595	**2,813**	13,207
Net gain on disposal of property, plant and equipment	**(1,574)**	(609)	**(1,538)**	(538)
Share-based payment expense/(credit)	**3,491**	(371)	**4,682**	6,791
Insurance claims	**(1,614)**	(2,463)	**(5,402)**	(2,584)
Listing costs	**2,914**	1,937	**4,035**	3,171
Other costs /(income)	**6,884**	(306)	**8,924**	307
Adjusted EBITDA	**275,006**	**188,738**	**490,029**	**374,925**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

	Towers and tower equipment	Land and buildings	Furniture and office equipment	Motor Vehicles	Capital work-in-progress	Total (excluding right-of-use asset)	Right-of-use assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
At January 1, 2020	2,527,637	51,734	15,877	19,824	85,060	2,700,132	406,897
Additions during the period	10,287	768	2,470	2,576	87,014	103,115	72,888
Additions through business combination	144,388	566	305	-	4,970	150,229	129,711
Reclassifications	91,165	887	808	658	(93,518)	-	-
Transfers from/(to) advanced payments	124,272	620	91	-	(2,997)	121,986	-
Disposals*	(23,591)	(1,203)	(95)	(1,310)	-	(26,199)	(15,721)
Effect of movement in exchange rates	(214,038)	(5,936)	(1,287)	(1,600)	(5,883)	(228,744)	(44,181)
At December 31, 2020	2,660,120	47,436	18,169	20,148	74,646	2,820,519	549,594
At January 1, 2021	**2,660,120**	**47,436**	**18,169**	**20,148**	**74,646**	**2,820,519**	**549,594**
Additions during the period	**15,824**	**790**	**2,877**	**3,676**	**77,245**	**100,412**	**53,210**
Additions through business combination	**59,217**	**968**	**93**	**-**	**1,663**	**61,941**	**41,709**
Reclassifications	**46,152**	**1,363**	**-**	**-**	**(47,515)**	**-**	**-**
Transfers from advanced payments	**30,480**	**1,134**	**-**	**-**	**6,772**	**38,386**	**-**
Disposals*	**(12,138)**	**-**	**(46)**	**(1,361)**	**-**	**(13,545)**	**(12,129)**
Effect of movement in exchange rates	**(19,934)**	**(141)**	**(170)**	**(369)**	**(451)**	**(21,065)**	**3,766**
At June 30, 2021	**2,779,721**	**51,550**	**20,923**	**22,094**	**112,360**	**2,986,648**	**636,150**
Accumulated depreciation and impairment							
At January 1, 2020	1,134,484	1,163	12,678	14,652	-	1,162,977	37,035
Charge for the period	315,131	331	2,547	1,959	-	319,968	54,089
Impairment	26,824	421	-	-	-	27,245	-
Disposals*	(21,435)	-	(41)	(1,294)	-	(22,770)	(5,594)
Effect of movement in exchange rates	(102,812)	(187)	(893)	(1,049)	-	(104,941)	(4,066)
At December 31, 2020	1,352,192	1,728	14,291	14,268	-	1,382,479	81,464
At January 1, 2021	**1,352,192**	**1,728**	**14,291**	**14,268**	**-**	**1,382,479**	**81,464**
Charge for the period**	**132,859**	**148**	**2,008**	**1,235**	**-**	**136,250**	**29,805**
Impairment	**1,316**	**(318)**	**-**	**-**	**-**	**998**	**1,632**
Disposals*	**(8,809)**	**-**	**(42)**	**(1,352)**	**-**	**(10,203)**	**(5,124)**
Effect of movement in exchange rates	**(15,996)**	**(9)**	**(160)**	**(220)**	**-**	**(16,385)**	**(180)**
At June 30, 2021	**1,461,562**	**1,549**	**16,097**	**13,931**	**-**	**1,493,139**	**107,597**
Net book value							
At December 31, 2020	1,307,928	45,708	3,878	5,880	74,646	1,438,040	468,130
At June 30, 2021	**1,318,159**	**50,001**	**4,826**	**8,163**	**112,360**	**1,493,509**	**528,553**

* The disposals value of right-of-use assets represents disposals due to terminated leases and the impact of remeasurement of lease assets as a result of changes in lease terms.

** The charge for the period does not agree to the charge in the interim condensed consolidated statement of income and other comprehensive income due to the indirect taxes benefit ($0.3 million) in IHS Brasil - Cessão de Infraestruturas Limitada claimed through depreciation over the useful life of the asset.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Capital work-in-progress comprises mainly of tower and tower equipment still under construction and not yet available for use. The Group transfers such assets to the appropriate class once they are available for use. There were no qualifying borrowing costs capitalized during the year.

The impairment in the year ended December 31, 2020 and the period ended June 30, 2021 relates to towers on certain sites made dormant following the consolidation of customer equipment between sites, such towers being no longer in use and with no installed customer equipment, and to a $5.7 million impairment for the period ended December 31, 2020 in Cameroon following a fire at a warehouse site.

It was determined that the recoverable amounts were nil and therefore their carrying amounts were written down to the recoverable amount. The impairment losses have been recognized in cost of sales in the consolidated statement of income and other comprehensive income/(loss).

12. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill $'000	Customer-related intangible assets $'000	Network-related intangible assets $'000	Licenses $'000	Software $'000	Total $'000
Cost						
At January 1, 2020	518,392	496,990	43,556	14,592	20,902	1,094,432
Additions during the period	-	-	-	4	2,460	2,464
Additions through business combination	232,030	324,290	36,831	-	33	593,184
Disposals	-	-	-	(1)	(475)	(476)
Effect of movement in exchange rates	(93,915)	(88,846)	(6,835)	1,201	(829)	(189,224)
At December 31, 2020	656,507	732,434	73,552	15,796	22,091	1,500,380
At January 1, 2021	**656,507**	**732,434**	**73,552**	**15,796**	**22,091**	**1,500,380**
Additions during the period	**-**	**-**	**-**	**11**	**2,378**	**2,389**
Additions through business combination	**84,001**	**70,335**	**4,760**	**-**	**496**	**159,592**
Effect of movement in exchange rates	**10,242**	**11,288**	**1,034**	**(457)**	**73**	**22,180**
At June 30, 2021	**750,750**	**814,057**	**79,346**	**15,350**	**25,038**	**1,684,541**
Accumulated amortisation						
At January 1, 2020	251	89,885	15,955	5,067	15,501	126,659
Charge for the period	-	26,921	4,070	871	3,553	35,415
Disposals	-	-	-	-	(475)	(475)
Effect of movement in exchange rates	-	(7,091)	(1,003)	518	(740)	(8,316)
At December 31, 2020	251	109,715	19,022	6,456	17,839	153,283
At January 1, 2021	**251**	**109,715**	**19,022**	**6,456**	**17,839**	**153,283**
Charge for the period	**-**	**13,779**	**2,103**	**470**	**1,792**	**18,144**
Effect of movement in exchange rates	**-**	**(442)**	**(106)**	**(199)**	**(284)**	**(1,031)**
At June 30, 2021	**251**	**123,052**	**21,019**	**6,727**	**19,347**	**170,396**
Net book value						
At December 31, 2020	656,256	622,719	54,530	9,340	4,252	1,347,097
At June 30, 2021	**750,499**	**691,005**	**58,327**	**8,623**	**5,691**	**1,514,145**

Network-related intangible assets represent future income from leasing excess tower capacity to new Tenants. Customer-related intangible assets represent customer contracts and relationships.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative instruments have been classified as fair value through profit or loss. The instruments are measured at fair value with the resultant gains or losses recognized in the statement of income and comprehensive income. The related net foreign exchange gain/(loss) or fair valuation gain/(loss) is included in finance income (note 7) and finance costs (note 8).

The underlying contractual notional amounts for the derivative instruments are as follows, at December 31, 2020 and at June 30, 2021:

	Jun 30, 2021	Dec 31, 2020
	$'000	$'000
Derivative instruments		
Non-deliverable forwards	124,298	652,088
Embedded options within listed bonds	1,450,000	1,450,000
Embeded derivatives within revenue contracts	-*	-*
	1,574,298	**2,102,088**

*This is nil as it is a non-financial contract

The fair value balances are as follows:

	Jun 30, 2021	Dec 31, 2020
	$'000	$'000
Current		
Non-deliverable forward	(6,188)	27,495
Embedded derivatives within revenue contracts	(4,841)	(7,285)
	(11,029)	**20,210**
Non-current		
Embedded options within listed bonds	148,048	155,196
	148,048	**155,196**

The change in fair value of the derivative instruments has been recorded in the statement of income and other comprehensive income as follows:

	6 month period ended Jun 30, 2021	6 month period ended Jun 30, 2020
	$'000	$'000
Derivative instruments		
Non-deliverable forwards	(6,200)	9,631
Embedded options within listed bonds	(7,148)	(25,353)
Embedded derivatives within revenue contracts	2,426	-
	(10,922)	**(15,722)**

The embedded options within listed bonds represent the fair value of the call options embedded within the terms of the 2025 Notes and 2027 Notes. The call options give the Group the right to redeem the bond instruments at a date prior to the maturity date (18 March 2025 and 18 September 2027 respectively), in certain circumstances and at a premium over the initial notional amount.

The non-deliverable forward exchange contracts (NDFs) give IHS the right to receive a margin gain or loss equal to the Naira to US dollar exchange rate at a future date compared to the agreed fixed exchange rate in the contract; these are measured at fair value. As at the reporting date, the Group had NDF liabilities carried at $6.2 million (December 31, 2020: NDF assets of $27.5 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. BORROWINGS

	Jun 30, 2021 $'000	Dec 31, 2020 $'000
Non-Current		
Senior Notes	1,430,058	1,428,398
Bank borrowings	546,782	588,692
External debt	**1,976,840**	**2,017,090**
Current		
Senior Notes	31,825	32,352
Bank borrowings	212,338	153,767
External debt	**244,163**	**186,119**
Total borrowings	**2,221,003**	**2,203,209**

External debt

External debt at June 30, 2021 is made up of the following:

	Currency	Maturity date	Interest rate	2021 $'000
Senior notes				
IHS Netherlands Holdco B.V.	US Dollar	2027	8.00%	947,190
IHS Netherlands Holdco B.V.	US Dollar	2025	7.13%	514,693
Bank borrowings				
INT Towers Limited	Nigerian Naira	2024	2.50% + NIBOR	343,787
INT Towers Limited	US Dollar	2024	3.75% + LIBOR	105,478
IHS Zambia Limited	US Dollar	2027	5.00% + LIBOR	93,660
IHS Brasil Participações Ltda	Brazilian Real	2029	3.65%+CDI	78,324
IHS Kuwait Limited	Kuwait Dinari	2029	2.00% + KIBOR	52,884
IHS Côte d'Ivoire S.A.	CFA Franc	2022	6.00%	43,014
IHS Côte d'Ivoire S.A.	Euro	2022	3.75% + EURIBOR	32,751
IHS Rwanda Limited	US Dollar	2022	6.50% + LIBOR	9,222
				2,221,003

IHS Zambia Limited

On March 4, 2021 IHS Zambia Limited made a one-off payment of $0.6 million and extended the term of the remaining fully drawn down loan facility of $95.0 million. The lenders were replaced with the development finance institution ("IFC") and commercial bank ("SCB"). The maturity was extended to December 2027 for both lenders and the principal payments were also deferred by 24 months.

IHS Rwanda Limited

On March 30, 2021 IHS Rwanda Limited fully repaid the Rwandan Franc (RWF) loan facility. No new loan facilities were obtained.

Subsequent to the reporting period, on July 20, 2021 IHS Rwanda Limited fully repaid the US$ loan facility. No new loan facilities were obtained and no amounts remain outstanding under any third party loan facilities in Rwanda.

IHS Brasil - Cessão De Infraestruturas S.A.

IHS Brasil - Cessão De Infraestruturas S.A. had fully drawn down R$30 million (approximately $5.5 million) and R$170 million (approximately $31.2 million) of the loan facilities with Banco Safra and Itau BBA respectively, at December 31, 2020. Both loan facilities were fully repaid in May 2021. No new loan facilities were obtained directly by this entity.

IHS Brasil Participações Ltda.

On May 21, 2021 and June 28, 2021 for IHS Brasil Participações Ltda. obtained loan failities for R$300 million (approximately $56.7 million) with Itaú bank and R$100 million (approximately $20 million) from Banco do Brasil respectively. The loan facilities have an annual interest rate of CDI + 3.65% and are repayable in May 2029. Interest payments are due monthly and principal payments have a grace period of 1 year from inception of the loan facilities. IHS Brasil – Cessão de Infraestruturas S.A. is a guarantor to the loan facilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. BORROWINGS (CONTINUED)

Undiscounted contractual cash flows

As at June 30, 2021 the undiscounted contractual cash flows of the Group's borrowings were as follows:

	Carrying value $'000	Total contractual cash flows $'000	Less than 1 year $'000	Between 2 and 3 years $'000	Between 4 and 5 years $'000	Over 5 years $'000
Senior Notes	1,461,883	2,084,150	111,537	223,075	696,738	1,052,800
Bank borrowings	759,120	944,878	249,258	347,735	212,726	135,159
	2,221,003	**3,029,028**	**360,795**	**570,810**	**909,464**	**1,187,959**

15. LEASE LIABILITIES

	Jun 30, 2021 $'000	Dec 31, 2020 $'000
Current	28,379	28,246
Non-current	353,190	286,501
Total lease liabilities	**381,569**	**314,747**

Lease liabilities represent the net present value of future payments due under long term land leases for leasehold land on which our towers are located and for other leasehold assets such as warehouses and offices. During the six month period ended June 30, 2021, payments to the value of $42.0 million were made in respect of recognized lease liabilities. These lease liabilities are unwound using incremental borrowing rates which represent the credit risk of the lessee entity and the length of the lease agreement.

At the period end, the contractual maturities of the lease liabilities were as follows:

	Carrying value $'000	Total contractual cash flows $'000	Within 1 year $'000	2 - 3 years $'000	4 - 5 years $'000	Over 5 years $'000
June 30, 2021						
Lease liabilities	381,569	713,110	57,529	104,073	97,306	454,202
Dec 31, 2020						
Lease liabilities	314,747	453,590	39,677	152,386	44,294	217,233

Lease obligations contractual cash flows are disclosed with the same renewal expectation assumption assessed for lease accounting under IFRS 16. The average remaining lease term remaining at June 30, 2021, is 14.2 years (December 31, 2020: 14.5 years).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Jun 30, 2021 $'000	Dec 31, 2020 $'000
At January 1	53,266	33,568
Additions through business combinations (note 18)	8,347	15,437
Increase in provisions	3,836	8,315
Payments for tower and tower equipment decommissioning	(249)	(65)
Unwinding of discount	2,024	2,644
Effects of movement in exchange rates	404	(6,633)
At end of period	**67,628**	**53,266**
Analysis of total decommissioning and site restoration provisions**:**		
Non-current	63,863	49,469
Current	3,765	3,797
	67,628	**53,266**

This provision relates to the probable obligation that the Group may incur to dismantle and remove assets from tower sites. The amount recognized initially is the present value of the estimated amount that will be required to decommission and restore the leased sites to their original states, discounted using the current borrowing rates of individual operations within the Group. The amount provided for each site has been discounted based on the respective lease terms attached to each site.

17. CASH GENERATED FROM OPERATIONS

Reconciliation:	**3 month period ended**		**6 month period ended**	
	Jun 30, 2021 $'000	Jun 30, 2020 $'000	**Jun 30, 2021 $'000**	Jun 30, 2020 $'000
Profit/(loss) before taxation	**130,957**	**49,683**	**116,619**	**(256,194)**
Adjustments:				
Depreciation of property, plant and equipment	**85,647**	92,754	**165,781**	203,714
Amortization of intangible assets	**9,093**	10,470	**18,144**	17,310
Impairment of property, plant and equipment and prepaid land rent	**2,093**	11,595	**2,813**	13,207
(Reversal of loss allowance)/loss allowance on trade receivables	**(36,632)**	(340)	**(36,620)**	1,341
Impairment.(reversal of impairment) of withholding tax receivables	**17,593**	(7,887)	**32,684**	14,657
Amortization of prepaid land rent	**2,484**	(336)	**4,346**	238
Net gain on sale of property, plant and equipment	**(1,574)**	(609)	**(1,538)**	(538)
Insurance income	**(1,614)**	(2,463)	**(5,402)**	(2,584)
Finance costs	**4,247**	30,280	**154,621**	377,217
Finance income	**10,562**	(1,371)	**(17,282)**	(13,143)
Share-based payment expense/(credit)	**3,491**	(371)	**4,682**	6,791
Reversal of impairment of inventory	**(176)**	-	**(176)**	-
Operating profit before working capital changes	**226,171**	**181,405**	**438,672**	**362,016**
Decrease/(Increase) in inventories	7,839	(10,384)	12,136	(1,083)
Increase in trade and other receivables	(25,152)	(4,693)	(32,786)	(66,952)
(Decrease)/increaes in trade and other payables	(18,226)	(6,098)	(25,804)	12,950
Net movement in working capital	**(35,539)**	**(21,175)**	**(46,454)**	**(55,085)**
Cash from operations	**190,632**	**160,230**	**392,218**	**306,931**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. BUSINESS COMBINATIONS

For acquisitions that meet the definition of a business combination, the Group applies the acquisition method of accounting where assets acquired and liabilities assumed are recorded at fair value at the date of each acquisition, and the results of operations are included with those of the Group from the dates of the respective acquisitions. There were two acquisitions in the period occurring in January 2021 and March 2021. Had these businesses been acquired on January 1, 2021, the amount of revenue and profit for the period ended June 30, 2021 for the Group would have been approximately $767 million and $75 million, respectively.

Skysites Holdings S.A.

IHS Holding Limited acquired 100% of the share capital of Skysites Holdings S.A. ("Skysites"), a telecommunications services provider, with related passive infrastructure and ground leases on January 6, 2021. The acquisition is consistent with the Group's strategy to expand in selected geographic areas.

The accounting for the business combination is incomplete for valuation of all assets and liabilities. The amounts recognized in the financial statements for the business combination thus have been determined only provisionally.

The provisional goodwill of $26.1 million arising from the acquisition is attributable to the entry into a new geographical market for IHS, and value in customer related intangible assets beyond their contractual life. None of the goodwill recognized is currently expected to be deductible for income tax purposes.

The following table summarizes the consideration paid and the fair value of assets and liabilities acquired at the acquisition date, and the amounts of revenue and profit of the acquiree since the acquisition date included in the condensed consolidated statement of income and other comprehensive income.

	June 30, 2021
	$'000
Gross consideration	40,611
Less: non-cash consideration	(4,169)
Less: cash in business at the date of acquisition	(2,775)
Foreign exchange loss incurred	1,560
Net cash consideration	**35,227**
Identifiable assets acquired and liabilities assumed:	
Towers and tower equipment	11,417
Land	15
Furniture and office equipment	11
Capital work in progress	535
Customer related intangible assets	4,703
Right of use asset	9,675
Trade and other receivables	713
Trade and other payables	(1,132)
Provisions for other liabilities and charges	(2,548)
Lease liabilities	(10,071)
Deferred tax	(1,600)
Total identifiable net assets acquired	**11,718**
Goodwill	**26,118**
Revenue — post-acquisition	1,911
Loss — post-acquisition	(301)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. BUSINESS COMBINATIONS (CONTINUED)

Centennial Towers Colombia, S.A.S. and Centennial Towers Brasil Cooperatief U.A.

IHS Holding Limited acquired 100% of the share capital of Centennial Towers Colombia, S.A.S. and Centennial Towers Brasil Cooperatief U.A. (together "Centennial"), a telecommunications services provider, with related passive infrastructure and ground leases in two parts, on March 19, 2021 and on April 8, 2021, respectively. The acquisition is consistent with the Group's strategy to expand in selected geographic areas.

The accounting for the business combination is incomplete for valuation of all assets and liabilities. The amounts recognized in the financial statements for the business combination thus have been determined only provisionally.

The provisional goodwill of $14.5 million and $42.6 million arising from the Centennial Towers Colombia, S.A.S. and Centennial Towers Brasil Cooperatief U.A. acquisitions respectively, is attributable to the entry into a new geographical market for IHS, and value in customer related intangible assets beyond their contractual life. None of the goodwill recognized is currently expected to be deductible for income tax purposes.

The following table summarizes the consideration paid and the fair value of assets and liabilities acquired at the acquisition date, and the amounts of revenue and profit of the acquiree since the acquisition date included in the condensed consolidated statement of income and other comprehensive income.

	Brazil 2021 $'000	Columbia 2021 $'000	Total 2021 $'000
Gross consideration	93,900	47,051	140,951
Less: cash in business at the date of acquisition	(260)	(659)	(919)
Net cash consideration	**93,640**	**46,392**	**140,032**
Identifitable assets acquired and liabilities assumed:			
Tower and tower equipment	34,702	11,811	46,513
Land	407	546	953
Furntiure and office equipment	65	17	82
Capital work in progress	628	500	1,128
Right of use asset	22,273	9,761	32,034
Customer related intangible asset	33,605	29,613	63,218
Network related intangible asset	2,355	1,573	3,928
Software	495	1	496
Trade and other receivables	2,363	3,023	5,386
Trade and other payables	(1,471)	(3,646)	(5,117)
Provisions for other liabilities and charges	(5,272)	(527)	(5,799)
Lease liabilities	(24,028)	(10,458)	(34,486)
Tax payable	(2,809)	(625)	(3,434)
Deferred tax	(12,231)	(9,668)	(21,899)
Total identifiable net assets acquired	**51,082**	**31,921**	**83,003**
Goodwill	**42,558**	**14,471**	**57,029**
Revenue – post acquisition			3,147
Profit – post acquisition			414

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. BUSINESS COMBINATIONS (CONTINUED)

IHS Kuwait

In the 2020 financial year IHS GCC KW Holding Limited ('IHS GCC KW'), a subsidiary of IHS Holding Limited completed the first two stages of the acquisition of 1,620 towers from Mobile Telecommunications Company K.S.C.P. ('Zain') comprising 1,162 towers.

On April 29, 2021 IHS GCC KW completed the third stage of the acquisition of 1,620 towers from Zain comprising 67 towers.

The remaining towers are managed and operated under a Managed Services agreement until such time as these towers can legally be transferred. IHS GCC KW transferred the purchase right to IHS Kuwait Limited for the Construction, Erection and Maintenance of Wired and Wireless Communication and Radar Towers and Stations / With Limited Liability ('IHS Kuwait') who operates the towers as a standalone business. As part of the agreement, IHS Kuwait also assumed existing supplier contracts and land leases, allowing it to apply the Group business processes and deliver services immediately after the assignment of the towers. As part of the agreement, Zain subscribed for shares in IHS GCC KW representing 30 per cent of the share capital of IHS GCC KW by issuing a loan note to IHS GCC KW. The acquisition is consistent with the Group's strategy to expand in selected geographic areas.

The additional goodwill of $0.9 million arising from the acquisition is attributable to the entry into a new geographical market for IHS, the application of the Group's expertise and processes which is anticipated to deliver additional value from the acquired assets through high service levels, and value in customer related intangible assets beyond their contractual life.

The following table summarizes the consideration paid and the fair value of assets and liabilities acquired at the acquisition date, and the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of income and other comprehensive income/(loss).

	June 30, 2021
	$'000
Gross consideration	4,252
Less: consideration received in exchange for a retained 30% interest (by Zain) in IHS GCC KW	(638)
Net cash consideration	**3,614**
Identifiable assets acquired and liabilities assumed:	
Tower and tower equipment	1,288
Customer related intangible assets	2,415
Network related intangible assets	832
Trade and other receivables	436
Trade and other payables	(1,573)
Total identifiable net assets acquired	**3,398**
Goodwill	**854**
Revenue – post acquisition	267
Profit – post acquisition	57

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group was committed to the supply of property, plant and equipment of approximately $202.9 million at June 30, 2021 (December 31, 2020: $109.9 million).

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. The Group reviews these matters in consultation with internal and external legal counsel to determine on a case by case basis whether a loss from each of these matters is probable, possible or remote.

The Group’s contingent liabilities in respect of litigations and claims amounted to $2.6 million at the end of the reporting period (December 31, 2020: $2.6 million). Based on legal advice received, the Group’s liability is not likely to crystallize, thus no provisions have been made in these financial statements.

NON-IFRS MEASURES AND GLOSSARY

Adjusted EBITDA, Adjusted EBITDA margin and other non-IFRS financial measures are used by Group management to monitor the underlying performance of the business and the operations. Adjusted EBITDA, Adjusted EBITDA margin and other non-IFRS financial measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA, Adjusted EBITDA margin and other non-IFRS financial measures as reported by us to Adjusted EBITDA, Adjusted EBITDA margin and other non-IFRS financial measures as reported by other companies. Adjusted EBITDA, Adjusted EBITDA margin and the other non-IFRS financial measures described in this document are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of any regulatory authority and will not be subject to review by a regulatory authority; compliance with such requirements may require us to make changes to the presentation of this information.

Adjusted EBITDA: Profit/(loss) for the period, before income tax expense/(benefit), finance costs and income, depreciation and amortization, impairment of withholding tax receivables, business combination transaction costs, impairment of property, plant and equipment and related prepaid land rent on the decommissioning of sites, net (profit)/loss on sale of assets, share-based payment (credit)/expense, insurance claims, costs relating to this offering and certain other items that management believes are not indicative of the core performance of our business. The most directly comparable IFRS measure to Adjusted EBITDA is our profit/(loss) for the period. Adjusted EBITDA is not intended to be an alternative measure of operating income or gross profit margin as determined in accordance with IFRS.

The amounts calculated in respect of Adjusted EBITDA are aligned with amounts calculated under Consolidated EBITDA (as defined in the indenture), the latter of which is used to determine compliance with certain covenants under our 2025 Notes and 2027 Notes.

Adjusted EBITDA margin: Adjusted EBITDA divided by revenue, expressed as a percentage.

Capital expenditure (“Capex”): the additions of property, plant and equipment (including advance payments for such additions) and the purchase of software, as presented in the statement of cash flows.

Colocation Rate: Refers to the average number of Tenants per tower that is owned or operated across a tower portfolio at a given point in time.

Consolidated Net Leverage: The sum, expressed in U.S. dollars, of the aggregate outstanding indebtedness of the Parent Guarantor and its restricted subsidiaries on a consolidated basis.

Consolidated Net Leverage Ratio: Ratio of consolidated net leverage to Consolidated EBITDA for the most recently ended four consecutive fiscal quarters.

The amounts calculated in respect of Consolidated EBITDA (as defined in the indenture) are aligned with amounts calculated under Adjusted EBITDA, as defined above.

Gross Debt: Borrowings as stated on the statement of financial position plus lease liabilities as stated on the statement of financial position.

Group: IHS Holding Limited and each of its direct and indirect subsidiaries.

Guarantors: The Parent Guarantor and the Subsidiary Guarantors, collectively, unless otherwise indicated herein.

Inorganic Revenue: Inorganic revenue captures the impact on revenue from existing Tenants of new tower portfolios or businesses that we have acquired since the beginning of the prior period (except as described in the organic revenue). Where tower portfolios or businesses were acquired during the current period under review, inorganic revenue is calculated as the revenue contribution from those acquisitions in their “at acquisition” state (measured as the local currency revenue generated during the first full month following the acquisition) in the current period. This treatment continues for 12 months following acquisition.

Latam: Our Latin America segment which comprises our operations in Brazil, Colombia and Peru.

Lease Amendments: Refers to the installation of additional equipment on a site or the provision of certain ancillary services for an existing Tenant, for which we charge our customers a recurring lease fee.

LTM Adjusted EBITDA: Adjusted EBITDA for the last twelve months

MENA: Our Middle East and North Africa segment which comprises our operations in Kuwait.

Net Debt: Gross debt less cash and cash equivalents at a stated statement of financial position date.

Non-core Revenue: Non-core captures the impact of movements in foreign exchange rates on the translation of the results of our local operations from their local functional currency into U.S. dollars, which is measured by the difference in U.S. dollars between (i) revenue in local currency converted at the average foreign exchange rate for that period and (ii) revenue in local currency converted at the average foreign exchange rate for the prior period. This foreign currency impact is then partially compensated for in subsequent periods by foreign exchange reset mechanisms, which are captured in organic revenue.

NON-IFRS MEASURES AND GLOSSARY (continued)

Organic Revenue: Organic revenue captures the performance of our existing business without the impact of new tower portfolios or businesses acquired since the beginning of the prior year period (except as described in the inorganic revenue). Specifically, organic revenue captures the impact of (i) new colocation and Lease Amendments; (ii) changes in pricing including from contractual lease fee escalation and foreign exchange resets; (iii) new site construction; and (iv) any impact of churn and decommissioning. In the case of an acquisition of new tower portfolios or businesses, the impact of any incremental revenue after the date of acquisition from new colocation and Lease Amendments or changes in pricing on the Towers acquired, including from contractual lease fee escalation and foreign exchange resets, is also captured within organic revenue.

Parent Guarantor: IHS Holding Limited and its successors and assigns.

Subsidiary Guarantors: IHS Netherlands NG1 B.V., IHS Netherlands NG2 B.V., IHS Nigeria Limited, IHS Towers NG Limited, Nigeria Tower Interco B.V. and INT Towers Limited and any other person that executes a supplemental indenture in accordance with the provisions of this senior notes indenture, and their respective successors and assigns, in each case, until the note guarantee of such person has been released in accordance with the provisions of the senior notes indenture.

Tenants: Refers to the number of distinct customers that have leased space on each tower that we own across our portfolio.

Towers: Refers to ground-based towers, in-building solutions, rooftop and wall-mounted towers and cells-on-wheels, each of which are constructed to support wireless transmission equipment. We measure the number of Towers in our portfolio at a given time by counting the number of Towers that we own or operate with at least one Tenant. The number of Towers in our portfolio excludes any towers for which we provide managed services.