VANTAGE TOWERS

Virtual Annual General Meeting

Vantage Towers AG

28 July 2022

CEO and CFO speech

The spoken word takes precedence.

VANTAGE TOWERS

Vivek Badrinath, CEO of Vantage Towers AG

Shareholders,
Shareholder Representatives,
Ladies and Gentlemen,

On behalf of the Management Board, I'm pleased to welcome you to the Annual General Meeting of Vantage Towers AG in 2022.

We wish it had been possible to host an in-person event in Düsseldorf. However, the **COVID-19 pandemic** is not over yet and infection rates are rising again, so we have decided for the sake of our safety and your safety to host this AGM in virtual format again.

COVID-19 continues to challenge societies and economies around the world. And just when we thought the situation was stabilising, the terrible **war in Ukraine** began. We are devastated by Russia's invasion and acts of aggression against this free, democratic country and its citizens and we are profoundly touched by their fate. We hope that our donations and our employees' strong commitment to the cause are at least making a small contribution to alleviating the Ukrainian people's suffering. Our markets in Hungary and Romania share a border with Ukraine, and the Czech Republic is not far away. In addition to our existing infrastructure we are providing MRT units and DAS systems to mobile network operators, government institutions and local authorities to ensure the necessary connectivity in the affected border regions. The vital need for an intact communications system becomes all the more evident when a crisis occurs.

Geopolitical risks and challenges to the global supply chains are multiplying as a result of the Ukraine war and impacting the global economy. Our operations are not directly affected, because we have no contracts with customers or suppliers in Ukraine or Russia. We are also not affected by sanctions. However, given the current situation, the continuous management of supply chains, resources, and processes is essential, and it will continue until well into the next financial year.

Now our CFO Thomas Reisten and I would like to talk in more detail about the development of our company's business. We'll be looking back at the past financial year and the first quarter of 2022. Finally, we look ahead with you to Vantage Towers' growth prospects.

Ladies and Gentlemen,

We continued our roadmap to success in the **2021/2022 financial year**. In hindsight, it was certainly **a strong first year as a listed company**.

We have consolidated our **position as one of Europe's leading tower companies** and we currently have around 83,000 macro sites.

In September 2021 we moved up from the **SDAX to the MDAX** and, at the same time, we were admitted to the **TecDAX**. This has further improved our capital market visibility and enhanced the attractiveness of our shares. On top of that, our admission to the FTSE Global Equities Mid-Cap Index and the STOXX Europe 600 underlines our role as an international player in a pan-European context.

Our **share price** has developed positively, overall, since the IPO – and it has outperformed major benchmark indices in the reporting period. In the last financial year the Vantage Towers share price rose by 33.7 percent. During that same period, the MDAX declined by 3.4 percent and the TecDAX by 4.1 percent. In other words, our share has gained around 19 percent relative to the issue price.

The positive share price development is a clear signal that you, our shareholders, trust us. And you have every reason to do that because we achieved our objectives again in financial year 2022.

Our success is founded on a **crisis-proof business model that reflects the spirit of the times**:

Europe's digital transformation is gaining momentum. Mobile data traffic is growing exponentially. 5G is becoming established as the standard. Vantage Towers plays a central role in this exciting growth market because with our infrastructure – our towers, our rooftop sites, our distributed antenna systems or DAS for short – and our small cells, we are making all these things possible. As a **neutral provider** we make these sites available to as many customers as possible on a co-location basis. Co-location is efficient, conserves resources and reduces carbon emissions. And it is accelerating the expansion and densification of mobile networks, especially the 5G network, as well as campus, public authority and IoT networks, indoor coverage and blackout and outage-safe networks for the energy and water sectors. Whether our customers need additional capacity, more coverage, or both — we help them to build their business. This is how we are creating sustainable and geographically comprehensive connectivity in Europe.

We have our own operating companies in **eight European markets**, and joint ventures in another two markets.

In Germany, our biggest market, we're the second-largest tower company based on number of sites. We have a well-balanced portfolio of ground-based and rooftop towers, as well as urban and rural sites. Most sites have sufficient capacity to co-locate other MNO tenants. And a significant proportion of them have no local competition from other towers. On 31 March 2022, Vantage Towers Germany had some 19,400 sites in its portfolio and an average of 1.2 tenants co-locating at each.

In our second-largest market, Spain, Vantage Towers is also the number-two player. At the end of March 2022 there were around 8,600 sites in our portfolio with a tenancy ratio of 1.8x.

We are the market leader in Greece. In our third-largest market we had approximately 4,800 sites with a tenancy ratio of 1.7x at the end of the first quarter of 2022. On the 1st February of this year, Vantage Towers Greece was established as a separate entity and a full subsidiary of the Vantage Towers Group after the merger of Crystal Almond Towers Single Member S.A. and Vodafone Greece Towers S.A. This is an important milestone marking the beginning of a new era for our Greek market. This offers new opportunities to further accelerate our business while reducing complexity and improving flexibility.

We are also one of the top players in the Czech Republic, Ireland, Portugal, Hungary, and Romania. On 31 March 2022 we operated a total of around 12,900 sites in those markets, with tenancy ratios of between 1.1x and 2.1x.

Vantage Towers also has two joint ventures with INWIT in Italy and Cornerstone in the UK. They both rank first in their respective markets. INWIT operates approximately 22,800 sites with a tenancy ratio of 2.0x. We have a 33 percent stake in the company. We also hold a 50 percent stake in Cornerstone, which operates around 14,500 sites with an average of 2 tenants.

Regarding the **operative business**, I'd like to emphasise the following:

The continued momentum across the entire organisation is reflected, first and foremost, in **tenancy growth**. We surpassed our guidance for the 2022 financial year by adding 1,680 new tenancies and increasing our tenancy ratio from 1.40x to 1.44x. 840 of those tenancies were not committed at the time of the forecast. That's a remarkable outcome, particularly when you consider that it has taken us a significant step closer to achieving our medium-term target of a tenancy ratio above 1.5x. We have commitments for approximately 13,400 tenancies, and 7,700 of them run until 31 March 2026.

We are also building new sites that are precisely tailored to customer needs on a **built-to-suit** or 'BTS' basis. Despite supply chain problems the BTS programme gained momentum in the second half of the financial year. We have received commitments for up 7,100 new BTS tenancies in our markets since November 2020. Up to 5,500 new sites have been commissioned by Vodafone Germany and, thanks to a contract adaptation, we are now able to procure and re-lease up to 1,200 sites from other MNOs in Germany instead of having to build them from scratch. When sites already exist, it makes practical sense to share them.

In the past financial year, we built and put around **510 new masts** into operation in our markets. This has bolstered our portfolio to around 83,000 sites in ten European markets.

We intend to reduce our lease costs at these sites with our **Ground Lease Buyout Programme**, or GLBO for short. GLBO initiatives and pilot projects to renegotiate rights of use and lease terms are already in progress in all of our markets. Until the end of FY22, we've already achieved some impressive results since the GLBO Programme was launched, with around 630 contracts signed and around 450 more commitments in the pipeline.

Over recent months we have been able to sign important new customers that will drive our organic growth. We are particularly proud of our landmark agreements with **1&1 in Germany and with Telefónica in Spain** and delighted to be supporting these two MNOs in the rapid roll-out of 5G. In 1&1's case, we are providing the passive infrastructure for the development of a fourth and completely 5G-based mobile network for Germany. We are leasing at least 3,800 and possibly up to 5,000 of our existing sites in Germany to 1&1 for the next 20 years. The first sites will be made available to 1&1 before the end of this year. An agreement has been signed with Telefónica in Spain for shared use and 5G equipment upgrades at more than 1,500 existing sites over the next three years. We're pleased to be making a contribution to the fast expansion of the 5G network in our two biggest markets.

In addition to that we have signed new **strategic partnerships** with businesses in the telecoms, retail, transport and IoT sectors. They will enable us to expand the commercialisation of our tower footprint across Europe. For example, in Hungary we have signed a contract with long-range wide area network operator LiteNet. In Germany we are supporting the digital transformation of the energy and water sectors with 450Connect. We have also signed a five-year agreement with infrastructure provider České Radiokomunikace in the Czech Republic. Also, at the end of last year, we signed an international cooperation

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agreement with Signify, world leader in smart lighting, on the creation of new communication and service platforms.

One of our focus projects in the past few months has been the development of an **ESG strategy.** We believe that our infrastructure is having a positive impact on the world because digitalisation is an important component of a functioning daily life. A recent Bitkom study confirms that digitalisation will enable us to address complex problems such as climate change. We want our infrastructure to pave the way for sustainable digitalisation that allows us and our partners to meet high standards of corporate and social responsibility. And we want to help those partners to achieve their ESG objectives, as well.

We are coming closer to meeting our key target for the 'E' in ESG: to reduce our global carbon emissions to **net zero** by 2040. How are we doing that?

Since summer 2021 we have been generating all the power necessary to operate the Vantage Towers infrastructure from **100 percent renewable energy sources** such as wind, solar, and hydro power. This has been a significant milestone for us on the road to building a connected and ecologically sustainable Europe. By switching over to green energy we are supporting both our core business and the communities in which we operate. Also, in the knowledge that using less electricity is even better than using green electricity, we are continuously cutting back on the resources that our companies use and improving their energy efficiency.

In January 2022 we embarked on a strategic partnership with Berlin-based wind energy startup **MOWEA**. Together we plan to generate green energy by installing around 750 wind energy systems on over 50 of our masts in Germany. Green energy is generated on-site for use by the masts where the energy systems are installed, covering 100 percent of energy requirements under average wind conditions. At the same time, we are exploring new concepts involving hydrogen and solar energy. Both technologies are used, for example, in our new EnergyContainer. It supplies power to mobile radio stations in regions that are not connected to the grid. Many of our crisis response experiences during the Ahr valley flood disaster went into the development of the EnergyContainer.

We are also strong when it comes to the 'S' in ESG – our corporate social responsibility. Our infrastructure connects people in urban and rural areas, thus providing the framework for the economic development of entire regions. In many places we go one step further by adding even more features to our infrastructure: from IoT applications and energy, weather and traffic measurement equipment to electric car chargers. In Hungary, for example, evehicle owners will soon be able to charge their batteries at more than sixty charging points installed on our masts.

We also meet our social responsibilities within our organisation and we currently have almost five 500 employees from over 30 different nations. Our original target for a workforce with 30 percent women has already been surpassed: we are now at 43 percent.

At the same time, we are a relatively young company that is proud of the progress we have made in the area of governance – the 'G' in ESG.

In spring we published our **Code of Conduct** and our **Global Human Rights Policy** containing the Vantage Towers guidelines for responsible business conduct. We have also introduced a **speak-up process** to ensure that the guiding principles set out in the Code of Conduct and Global Human Rights policy can be consistently applied. Misconduct and code or policy breaches can be quickly and anonymously reported and tracked on our new whistleblower platform. Every single person working for us must commit to our corporate principles. That's something we are unwilling to compromise on. We also insist that our people and our partners maintain the same high standards in the area of health and safety.

I am immensely proud of everything we have achieved. And those achievements are reflected in our financials.

But that's Thomas's area, so I'm now going to hand over to him.

Thomas Reisten, CFO of Vantage Towers AG:

"Thanks, Vivek!

Ladies and Gentlemen, I'm delighted to be here at our second annual general meeting reporting again on some very positive business developments. In the past financial year, we achieved all our financial targets and, in doing so, we have created strong foundations for our future growth.

First of all, I'd like to walk you through the most important KPIs for the financial year 2022. Then I'll move on to the impacts of inflation on our business and finish up with a performance update for the first quarter of the financial year 2023.

Our revenue – excluding pass through revenue – was 1.01 billion euros in the past financial year, which takes us over the 1 billion euro mark for the first time. This corresponds to revenue growth of 4.6 percent compared to the FY21 pro forma figure. The main growth drivers were chargeable services for MNOs, tenancy growth and inflation escalators. Our revenue is composed of macro site revenue of 923.1 million euros, energy and other revenue of 44.6 million euros and other rental revenue of 43.2 million euros. We generated around half of our revenue in Germany, our biggest market.

Our other main operational performance indicator is the adjusted EBITDA after leases, which rose by 3.6 percent to 543 million euros, and the EBITDA after leases margin remained stable at 54 percent.

To explain this key figure: In the "EBITDA after Leases" or also EBITDA after subtracting rental costs, rental costs make up the largest cost block for us. That's why the EBITDAaL is such an important indicator in our business.

Recurring free cash flow increased by 8 percent to 415 million euros, which is at the top end of our guidance range for FY22.

In other words, **ALL** of our key performance indicators have developed in line with our guidance for the 2022 financial year.

In addition to that our net debt position has decreased from 2,001 million euros to 1,896 million euros, resulting in a leverage ratio of 3.5x net financial debt to EBITDA after leases. With this level of leverage, we maintain the ability to invest more than €1 billion when the right opportunity arises, e.g. for mergers and acquisitions, the expansion of our GLBO programme or the acceleration of other growth areas. At this point I'd like to remind you that we issued our first bond last year with a volume of 2.2 billion euros at very attractive conditions. We achieved a total weighted average yield of 0.414 percent.

Ladies and Gentlemen, we are very pleased to give our shareholders the opportunity to share in our success, which is why we propose total **dividends** of around 319 million euros for the past financial year. That corresponds to 63 euro cents per share and represents a 12.5 percent increase over the previous year.

Going forward, we intend to continue this attractive dividend policy. It's our intention to maintain a dividend payout ratio of 60 percent of recurring free cash flow, plus the dividends received from INWIT and Cornerstone.

In light of the annual **inflation** rate in the EU, which is currently in the region of 8 percent[1], I would like to explain the impacts of inflation on our business and our key financials. So much in advance: we are confident that we will be able to mitigate the effects well in the medium term.

Let's take a look at our revenues first. In our master services agreement with Vodafone we agreed an upper limit of 2 percent for inflationary adjustment in each market, except for Hungary, where the upper limit is 3 percent. In terms of total revenue, more than 95 percent of our income is inflation-linked.

And now let's take a look at the cost side. **Ground leases** represent our biggest cost item. In the framework of our Ground Lease Buyout Programme we are working to secure favourable long-term conditions – either by purchasing the land or acquiring long-term rights of use.

One of the biggest inflation drivers is the higher costs of the **energy** for our towers. However, these are passed on in full to our customers. At the same time we use smart monitoring to reduce our energy consumption to the minimum. And we are working on producing electricity from wind and solar energy directly on site through innovative solutions.

When it comes to managing our **maintenance costs** we take a proactive approach, for example by expanding our supplier base and renegotiating contracts.

Steel prices are just as relevant for us and they are currently undergoing a trend reversal. When the Ukraine war broke out, prices initially increased very sharply. Since April they have been plunging down again as a result of the weak demand. We are still monitoring the price development closely. But the important thing is that there is enough steel available to implement our construction projects.

Now I'd like to move on to the **developments in the current financial year**. On 21 July we published our results for the first quarter of the financial year 2023. They show that we remain firmly on course for growth.

With around 340 net additions, our tenancy ratio remained stable at 1.44 tenants per site. That, supported by the new leases we signed in the first quarter, keeps us on track to achieve our medium-term objective of more than 1.5 tenants per site.

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[1] May 2022 versus May 2021.

In Germany, we are deploying a **DAS system** for a multinational customer to improve the indoor coverage at their headquarters in Munich. In the Czech Republic, we signed a framework agreement with Penta, a real estate developer, to deliver multi-operator DAS solutions for different locations.

We are also continuously adding to our product portfolio. In addition to the existing partnerships with Vodafone in Portugal and Germany we have signed a **fibre sales agent agreement with Lyntia** in Spain. Reflecting our 5G super host strategy we will be further improving the attractiveness of our sites with the aim of delivering robust digital connectivity throughout Europe. In Greece we will be enabling secure services for citizens and tourists in the country as the result of a new agreement signed in the first quarter.

In addition to that we have delivered more than 140 new macro sites in the first quarter – despite the current difficult operating environment. The execution timing of our **built-to-suit (BTS) programme** continues to be impacted, as expected, by supply chain challenges. We expect these challenges to persist through FY23, which will require continued close management. For that reason, we are still taking direct measures to monitor our processes and operations, supplier and sourcing, steering and control, and organisation and governance.

Our **Ground Lease Buyout Programme ('GLBO')** continues to progress with over 720 signed contracts and another over 550 commitments in the pipeline across our European footprint since inception, bringing the total to 1,270. Group revenue (excluding pass through) of 262.1 million euros in Q1 FY23 represents 6.6 percent year-on-year growth driven mainly by other chargeable services to mobile network operators, tenancy growth, and inflation escalators.

Now I'm going to hand you back to Vivek for an outlook on Vantage Towers' future development."

Vivek Badrinath, CEO of Vantage Towers AG

"Thanks, Thomas.

Ladies and Gentlemen, as you have heard we remain firmly on track to deliver our guidance.

Our mission to power Europe's digital transformation – in a sustainable and innovative way – reflects EU policy and we explicitly welcome the **EU's initiatives** for better networks and nationwide coverage. There is much to be done and much that can be done – from the allocation of funding to the elimination of legal and administrative obstacles to the 5G roll-out – so that Europe can keep up with other regions around the world with its digital transformation.

There is evidently a gap to be closed considering that only 64 percent of people in Europe currently have access to 5G compared to up to 95 percent in the USA and South Korea. This has prompted the European Commission to set the ambitious target of 5G coverage in all populated areas by 2030. The EU Member State governments are making substantial funding available to accelerate the 5G roll-out – in some cases via the EU Recovery and Resilience Facility.

We welcome the European Commission's targets and planned initiatives to improve the framework for the 5G upgrade in Europe. The fact that the highest European body is dealing with the issue of how the network upgrade can be expedited sends out an important signal to our sector.

In our view there are **two decisive action areas**: Firstly, the **licensing procedure** has to be drastically accelerated. At the present time it can take several years to complete. In Germany alone more than a thousand applications are pending.[2] Secondly, the policymakers have to facilitate **access** to land on which new masts can be built. This is still one of the biggest obstacles to the 5G roll-out. One possible solution would be to give tower companies access to public buildings and land.

We are delighted that the German government's new **gigabit strategy** paves the way for a nationwide high-performance infrastructure in Germany. We welcome the objectives stated in that strategy and the government's plans to simplify and expedite licensing procedures, as well as to optimise its funding policy. We also support all the other planned measures to eliminate all areas without mobile network coverage. In Germany we are actively involved in the 'white spot' programme to provide coverage in underserved rural areas. The German government has set up an interesting 1.1-billion-euro subsidy programme to help make that happen. The programme will particularly focus on providing transport routes and rural areas with infrastructure. As a neutral host we play an important role by offering multiple MNOs the chance to co-locate on our infrastructure. Active equipment sharing is another feasible option, and the first pilot projects are already underway.

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[2] Source: [Bitkom]

We want to be in all the places where good connectivity is needed: in cities, in rural areas, in open spaces, and in soundproofed rooms. We will be focusing on new technologies such as fibre. And our infrastructure is creating the basis for smart cities with sensors, drones and smart urban street furniture. With our products and multifunctional sites we are laying the foundations for the future and contributing to preventing climate change.

What are our expectations for the **current financial year**?

We will continue to work hard to cushion the impacts of the current global political landscape on our business as best we can. And we will continue to focus on further investing and accelerating our business to facilitate 1&1's access on our existing sites, ramp up our new site build programme and build out our supporting teams, all ahead of the corresponding revenue contribution.

For those reasons, our **guidance** for the current financial year ending 31 March 2023 is as follows:

We expect revenue to increase in the range of 3 to 5 percent year over year. Adjusted EBITDAaL will increase to between 550 and 570 million euros.

We also want to generate strong cash flows in the future. In the current financial year we are aiming at a recurring free cash flow in the region of 405 to 425 million euros.

We also reaffirm our medium-term targets and the current positive trend is expected to lead to mid-single digit medium-term revenue growth. We're anticipating an adjusted EBITDAaL margin in the high 50 percent range. Our guidance for the medium-term recurring free cash flow growth rate is in the mid-to-high single digit range.

Ladies and Gentlemen, as you can see, we have already come a long way together. But we still have great plans for the future. Our company has abundant potential. I'm impressed by the drive, motivation and enthusiasm that the Vantage Towers team has shown thus far. We've had another eventful and successful year and I can't wait to discover what the future holds in store for us.

On behalf of my other management colleagues, I'd like to thank everyone here at Vantage Towers for doing such an excellent job.

And I'd also like to thank you, our shareholders, for your support and confidence in us