

NON-BINDING ENGLISH TRANSLATION

CONTRACT REPORT

Joint Report

of the management of

Oak Holdings GmbH, Düsseldorf,

and

the management board of

Vantage Towers AG, Düsseldorf,

pursuant to Section 293a German Stock Corporation Act
concerning the Domination and Profit and Loss Transfer Agreement

between Oak Holdings GmbH

and Vantage Towers AG

23 March 2023

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The management board of Vantage Towers AG ("**Vantage Towers**" and together with its subsidiaries "**Vantage Towers Group**") and the management of Oak Holdings GmbH ("**Oak Holdings**") are jointly issuing the following report (the "**Contract Report**") pursuant to section 293a German Stock Corporation Act (*Aktiengesetz* – "**AktG**") concerning the domination and profit and loss transfer agreement (the "**Domination and Profit and Loss Transfer Agreement**" or the "**Agreement**") to be entered into between Vantage Towers as the controlled and profit transferring company and Oak Holdings as the controlling and profit receiving company (together also the "**Parties**").

A Introduction

Oak Holdings, which is part of a joint venture between Vodafone GmbH and Oak Consortium GmbH, a holding company controlled by funds managed or advised by Global Infrastructure Partners and investment funds, vehicles and/or accounts advised and managed by various subsidiaries of KKR & Co. Inc. ("**Oak Consortium**"), and which is indirectly co-controlled by Vodafone GmbH and Oak Consortium based on the principles on "common control by more than one parent company" (*Mehrmütterherrschaft*) pursuant to section 17 para. 1 AktG, on 13 December 2022 published a voluntary public takeover offer ("**Takeover Offer**") to the shareholders of Vantage Towers (the "**Vantage Towers Shareholders**") for the acquisition of their no-par value registered shares in Vantage Towers ("**Vantage Towers Shares**"). The Takeover Offer was accepted for 38,114,198 Vantage Towers Shares (corresponding to a participation of approx. 7.54% of the share capital and voting rights in Vantage Towers). On 1 February 2023, the overall participation in Vantage Towers Shares comprising those held by Oak Holdings and persons acting jointly with Oak Holdings within the meaning of section 2 para. 5 German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**") as well as those for which the Takeover Offer had been accepted was approx. 89.26%. Included therein were (i) 404,142,688 Vantage Towers Shares (corresponding to a participation of approx. 79.90% of the share capital and voting rights in Vantage Towers) which pursuant to the provisions of an investment agreement entered into between Vodafone GmbH and Oak Consortium on 9 November 2022 (as amended on 12 December 2022, the "**Investment Agreement**") have been contributed by Vodafone GmbH indirectly through Oak Holdings 1 GmbH ("**Oak Holdings 1**") and Oak Holdings 2 GmbH ("**Oak Holdings 2**") to Oak Holdings prior to the completion of the Takeover Offer (the "**Share Contribution**") and (ii) 9,205,020 Vantage Towers Shares (corresponding to a participation of approx. 1.82% of the share capital and voting rights in Vantage Towers) which pursuant to the provisions of the Investment Agreement were sold and transferred directly by Vodafone GmbH to Oak Holdings by way of a separate share purchase agreement prior to the completion of the Takeover Offer (the "**Share Sale**").

The Takeover Offer was settled on 22 March 2023. Consequently, at the time of signing of this Contract Report, Oak Holdings holds 451,461,906 Vantage Towers Shares. This corresponds to a participation of approx. 89.26% of the share capital and voting rights in Vantage Towers.

In addition, Oak Holdings on 20 March 2023 published its decision to launch a delisting tender offer (the "**Delisting Offer**") to the Vantage Towers Shareholders in accordance with section 10 para. 1 sentence 1 WpÜG in conjunction with section 39 para. 2 sentence 3 no. 1 of the German Stock Exchange Act (*Börsengesetz* – "**BörsG**").

Oak Holdings announced its intention to enter into a domination and profit and loss transfer agreement with Vantage Towers in its notification on its decision to launch the Takeover Offer in accordance with section 10 para. 1 sentence 1 WpÜG dated 9 November 2022. Vantage

Towers explicitly noted this intention in its ad hoc announcement dated 9 November 2022 and thus acknowledged it.

In response to a joint request of the management board of Vantage Towers and the management of Oak Holdings, the regional court (*Landgericht*) of Düsseldorf by decision dated 12 January 2023 selected and appointed I-ADVISE AG (Wirtschaftsprüfungsgesellschaft), Klaus-Bungert-Straße 5a, 40468 Düsseldorf, as the joint contract auditor (the “**Contract Auditor**”) for the audit of the Agreement.

On 23 March 2023, the Parties agreed on a final draft version of the Agreement (the “**Draft Agreement**”), which is attached to this Contract Report as **Annex 6**. Where reference is made in the Contract Report to parts and contents of the Agreement, the reference is always to the Draft Agreement and does not imply that the Agreement has already been concluded.

The supervisory board of Vantage Towers has approved the conclusion of the Agreement in its meeting on 23 March 2023. When adopting the resolution, the supervisory board of Vantage Towers had available to it:

- (i) the Draft Agreement,
- (ii) a final draft of this Contract Report,
- (iii) a signed copy of the expert opinion (the “**Expert Opinion**”) of Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, (the “**Valuation Expert**”) dated 22 March 2023, and
- (iv) a confirmation letter by the Contract Auditor dated 23 March 2023 that the determination of the recurring compensation payment (*Ausgleichszahlung*) and the compensation (*Abfindung*) in the Agreement will be confirmed as being appropriate in the report to be drawn up on the audit of the Agreement (the “**Audit Report**”).

Through the Agreement, Vantage Towers submits the management control (*Leitung*) of its company to Oak Holdings and undertakes to transfer all of its profits to Oak Holdings. Oak Holdings undertakes to assume any annual net loss of Vantage Towers and to pay an appropriate recurring compensation payment (*Ausgleich*) or appropriate compensation (*Abfindung*) to outside Vantage Towers Shareholders.

The Agreement requires the approval of the general meeting of Vantage Towers as well as the approval of the shareholders’ meeting of Oak Holdings. The approving resolution of the shareholders’ meeting of Oak Holdings shall be adopted on 4 May 2023. The approving resolution of the general meeting of Vantage Towers shall be adopted at the extraordinary general meeting of Vantage Towers on 5 May 2023. The Agreement will become effective upon registration in the commercial register (*Handelsregister*) at the registered seat of Vantage Towers.

B The Parties

1 Vantage Towers

1.1 Structure of Vantage Towers Group

1.1.1 Operative foundations

Vantage Towers is a leading European mobile telecommunications tower infrastructure operator as measured by scale and geographic diversification, with

approximately 83,000 macro sites and approximately 9,400 micro sites in 10 countries across Europe. Vantage Towers commenced trading in 2020 with business operations conducted by Vantage Towers as well as by its direct and indirect subsidiaries.

The principal business of Vantage Towers Group is building and operating telecommunications sites in order to provide space, energy management and related services to customers that in turn provide mobile, voice, data and other services to end-users. Its portfolio of assets includes towers, masts, rooftop sites, distributed antenna systems and small cells. In most of Vantage Towers' markets, the majority of its tower assets have been developed organically over three decades.

Vantage Towers operates its business across four segments: Germany, Spain, Greece and "Other European Markets".

Vantage Towers has a controlling interest in its operations in Germany, Spain, Greece, Portugal, the Czech Republic, Romania, Hungary and Ireland, and a co-controlling interest in tower infrastructure operators in Italy and the United Kingdom.

The website of Vantage Towers can be accessed at <https://www.vantagetowers.com>.

1.1.2 Consolidated financial statements of Vantage Towers

The consolidated financial statements of Vantage Towers for the financial year 2021/2022 that ended on 31 March 2022 were prepared as in the previous year in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) as well as with the relevant supplementary regulations of section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch – "HGB"*) and show revenue in the amount of EUR 1,023.3 million, an adjusted EBITDA in the amount of EUR 865.2 million and an operating profit of EUR 536.7 million.

1.1.3 Participations of Vantage Towers

As of the date of signing this Contract Report, the Vantage Towers Group comprises Vantage Towers as the parent company, along with 10 subsidiaries and two joint ventures.

A complete list of all subsidiaries and joint ventures of Vantage Towers as of the date of signing this Contract Report is attached as **Annex 1** to this Contract Report.

1.1.4 Tax situation of Vantage Towers

Vantage Towers generally has the policy of establishing a consolidated tax group (*Organschaft*) for income tax purposes with all of its domestic corporations in which it directly holds a participation of 100% with Vantage Towers as the parent company (*Organträgerin*). Currently, it only holds two shelf companies with which it has not established a consolidated tax group (*Organschaft*).

1.2 Corporate history and development

1.2.1 Formation, acquisition by Vodafone GmbH and change of business name

Vantage Towers was established as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) on 18 February 2019 under the business name Blitz D19-

410 GmbH with its registered seat in Düsseldorf and was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 28 February 2019 under HRB 85940. By share purchase agreement dated 2 December 2019, Vodafone GmbH acquired 100% of the shares in the company. Subsequently, the company changed its business name to Vodafone Towers Germany GmbH, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 5 December 2019.

1.2.2 Acquisition of Vodafone Group's towers business

On 26 July 2019, Vodafone Group Plc ("**Vodafone**" and together with its subsidiaries "**Vodafone Group**") announced the intention to legally separate and monetise a substantial portion of its European tower infrastructure assets. The European infrastructure assets in Germany, Spain, Portugal, the Czech Republic, Hungary, Romania, Greece, and Ireland, together with Vodafone's (indirect) 50% ownership interest in Cornerstone Telecommunications Infrastructure Limited ("**CTIL**"), its (indirect) 33.2% ownership in Infrastrutture Wireless Italiane S.p.A. ("**INWIT**") as well as its ownership interest in Central Tower Holding Company B.V. ("**CTHC**"), the intermediate holding company, have been separated from the Vodafone Group in several steps.

As initial step, in order to achieve separation of the European tower infrastructure assets, the tower infrastructure assets in each local market were grouped into a business unit within Vodafone Group's operating company in that market and then carved out of the operating company into a separate legal entity each (indirectly) controlled by Vodafone, either by way of a hive-down, a demerger or otherwise. Following this separation, ownership of the companies in Spain, Portugal, the Czech Republic, Hungary, Romania and Ireland, and the 33.2% interest in INWIT was transferred to CTHC under a series of steps, over a period of time.

On 17 December 2020, Vantage Towers acquired all shares in CTHC from Vodafone Europe BV, an indirect subsidiary of Vodafone.

On 25 May 2020, the tower infrastructure assets of Vodafone GmbH (the "**German Towers Business**") were hived down into Vantage Towers in exchange for new shares in Vantage Towers, at the time organised as a limited liability company (GmbH), being issued to Vodafone GmbH.

On 22 December 2020, the Vantage Towers Group acquired a 62% shareholding of Vantage Towers SA (Vantage Towers Greece), which contained the assets of both Vodafone Greece Towers S.A. (Vodafone Greek TowerCo) and Crystal Almond Towers Single Member S.A. (Wind Hellas Greek TowerCo), respectively. Subsequently, the remaining 38% interest in Vantage Towers Greece was acquired on 25 March 2021.

On 14 January 2021, the Vantage Towers Group then acquired Vodafone's (indirect) 50% shareholding in CTIL.

1.2.3 Change of legal form

On 18 January 2021, the shareholders' meeting of the company, meanwhile named Vantage Towers GmbH, resolved upon the change of legal form of the company into a German stock corporation (*Aktiengesellschaft*) with the business name Vantage Towers AG. Upon registration in the commercial register (*Handelsregister*) on 26 January 2021, such change of legal form became effective.

1.2.4 Initial public offering

On 18 March 2021, Vantage Towers launched an initial public offering (IPO) with a placement of 92,372,558 Vantage Towers Shares, representing 18.3% of the ownership of Vantage Towers. Since then, the Vantage Towers Shares are admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Prime Standard). In September 2021, the Vantage Towers Shares were admitted to the MDAX and TecDax.

1.3 Legal form, registered seat, corporate object and financial year

Vantage Towers is a German stock corporation (*Aktiengesellschaft*) having its registered seat in Düsseldorf and being registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 92244.

The corporate object of Vantage Towers is the acquisition, leasing, construction, holding, maintenance, management or marketing, leasing out and operation of passive network infrastructure for mobile communications, such as bearing structures of any kind which may be used for the installation of active radio and transmission technology (e.g. antennas, roofs, chimneys or other sites or areas) and any other components of passive network infrastructure, as well as the provision of any services associated therewith (such as building fibre-optic lines, small cells, special event cells and the fiberisation of backhaul). Vantage Towers is entitled to take any action and any business measures which seem to be directly or indirectly suitable, required or useful to achieve the objects of the company. Vantage Towers may establish branches and may establish, acquire or participate in other entities of the same or a similar type or manage such entities or limit itself, in whole or in part, to managing its participations, in Germany and abroad and may develop further areas of activity based on the aforementioned objectives. It may also give down its business, in whole or in part, to any of its affiliates (*verbundene Unternehmen*) (see section 2 of the articles of association of Vantage Towers (the "**Vantage Towers Articles of Association**")).

The financial year of Vantage Towers commences on 1 April of a calendar year and ends on 31 March of the following calendar year.

1.4 Capital, stock exchange trading and shareholders

1.4.1 Share Capital

At the time of signing this Contract Report, the share capital of Vantage Towers amounts to EUR 505,782,265.00 and is divided into 505,782,265 no-par value registered shares, each representing a pro rata amount of the share capital of EUR 1.00 per share.

1.4.2 Authorized capital

On 18 February 2021, the general meeting of Vantage Towers resolved to authorise the management board of Vantage Towers, with the consent of the supervisory

board, to increase the share capital of Vantage Towers on one or more occasions in the period until the expiry of 15 February 2026 up to a total of EUR 252,891,132.00 by issuing up to 252,891,132 new no-par value registered shares against contribution in cash and/or in kind (section 5.3 of the Vantage Towers Articles of Association, the “**Authorized Capital 2021**”).

The new shares must generally be offered to the shareholders for subscription. The subscription right may also be granted to the shareholders by way of an indirect subscription right (section 186 para 5 AktG. Subject to the consent of the supervisory board, the management board is authorised to exclude the shareholders' statutory subscription right in the following situations:

- to even out fractional amounts resulting from subscription ratios;
- to the extent necessary to grant holders or creditors of convertible bonds, warrant bonds or convertible profit participation rights issued by Vantage Towers and/or its direct or indirect majority-owned subsidiaries subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their option exercise or conversion obligations;
- to issue them to employees and/or retired employees of Vantage Towers, as well as to employees and/or retired employees of its affiliated companies within the meaning of sections 15 AktG et seq. They may also be used for the issue to selected employees in managerial and/or key positions in Vantage Towers, as well as to members of the management board of Vantage Towers and/or selected employees in managerial and/or key positions or the management at its affiliated companies within the meaning of sections 15 AktG et seq.;
- in the case of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock market price of Vantage Towers' shares already listed. The proportionate of the share capital attributable to the new shares issued under exclusion of subscription rights in accordance with section 186 para. 3 sentence 4 AktG must not exceed 10% of the share capital. The share capital at the time this authorisation takes effect or – if this value is lower – at the time this authorisation is exercised shall be decisive. Shares which during the term of this authorisation until its exercise are issued or sold in direct or analogous application of section 186 para. 3 sentence 4 AktG are to be taken into account when calculating the limit. Rights issued during the term of this authorisation until its utilisation in analogous application of section 186 para. 3 sentence 4 AktG and which enable or oblige to the subscription of shares of Vantage Towers shall also count towards this 10%-limit. Any crediting in accordance with the aforementioned sentences shall cease to apply with effect for the future if and to the extent that the respective authorisation, the exercise of which led to the crediting, is granted again by the general meeting;
- for the purposes of granting shares in return for contributions in kind, in particular, with the aim to undertake mergers, acquiring enterprises, parts of enterprises or interests in enterprises, or of other assets;

- to implement a so-called scrip dividend, whereby shareholders are offered the option of contributing their dividend claim (in whole or in part) to Vantage Towers as a contribution in kind in exchange for the granting of new shares from the Authorised Capital 2021.

The management board is further authorised, with the consent of the supervisory board, to determine the further details of the capital increase and its implementation, in particular the conditions of the share issue. The supervisory board shall be authorised to amend the wording of section 5.3 of the Vantage Towers Articles of Association after full or partial implementation of the capital increase from the Authorised Capital 2021 or after expiry of the authorisation period in accordance with the scope of the capital increase.

1.4.3 Contingent capital

On 18 February 2021 the general meeting of Vantage Towers resolved to conditionally increase the company's share capital by up to EUR 101,156,453.00 by issuing up to 101,156,453 new registered shares with no-par value (section 5.4 of the Vantage Towers Articles of Association, the "**Conditional Capital**").

The conditional capital increase shall only be implemented to the extent that the holders or creditors of option or conversion rights or those with an obligation to convert or exercise options arising from warrant bonds, convertible bonds, profit participation rights or participating bonds, in each case which are issued or guaranteed by Vantage Towers, or a company in which Vantage Towers holds a direct or indirect majority interest, on or before the expiry of 15 February 2026, based on the authorisation of the management board by resolution of the general meeting of Vantage Towers held on 18 February 2021 under agenda item 4.1 (Authorisation), use their option or conversion rights, or fulfil their obligation to exercise or convert options, or to the extent that Vantage Towers exercises an option right to grant shares in Vantage Towers in whole or in part instead of payment of the cash amount due, provided no cash compensation is granted or no treasury shares or shares of another listed company are used for servicing in each case.

New shares are issued at the option or conversion price to be determined in each case in accordance with the aforesaid authorisation resolution.

The new shares participate in profits from the start of the financial year in which they are issued. To the extent legally permissible, the management board, with the approval of the supervisory board, may determine a profit participation of the new shares that differs from the previous rule and section 60 para. 2 AktG.

The management board is authorised, with the approval of the supervisory board, to determine the further details of the conditional capital increase.

1.4.4 Treasury shares

On the basis of a resolution by the general meeting of 18 February 2021, the management board of Vantage Towers is authorised to repurchase, with the consent of the supervisory board, until 15 February 2026, treasury shares representing a total of up to 10% of the share capital existing at the time of the resolution or – if this value is lower – of the share capital existing at the time of exercising this authorisation. The shares acquired on the basis of this authorisation together with other treasury shares which Vantage Towers has already acquired and which are owned by the

company or are to be allocated to the company pursuant to sections 71a et seq. AktG may at no time account for more than 10% of the share capital of Vantage Towers.

Vantage Towers does not hold any treasury shares as of the date of signing this Contract Report.

1.4.5 Trading on the stock exchange

The Vantage Towers Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are also traded on the regulated unofficial market (*Freiverkehr*) of the stock exchanges in Berlin, Düsseldorf, Hamburg, Hannover, München and Stuttgart as well as via Tradegate Exchange. The Vantage Towers Shares are included in the MDAX and in the TecDAX.

1.4.6 Vantage Towers Shareholders

At the time of signing of this Contract Report, Oak Holdings directly holds 451,461,906 Vantage Towers Shares, corresponding to a participation of 89.26% of the share capital and voting rights in Vantage Towers.

According to a voting rights notification dated 9 March 2023, Elliott Investment Management L.P. directly holds 21,999,871 Vantage Towers Shares, corresponding to a participation of approx. 4.35% of the share capital and voting rights in Vantage Towers.¹

Apart from Oak Holdings and Elliott Investment Management L.P. as well as the entities and/or persons directly and indirectly controlling Oak Holdings and Elliott Investment Management L.P. at the time of signing of this Contract Report, there are no other shareholders that directly or indirectly hold 3% or more of the voting rights in Vantage Towers (voting rights pursuant to sections 33, 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*)).

1.5 Corporate Bodies of Vantage Towers

1.5.1 Management Board

Pursuant to section 7.1 sentence 1 of the Vantage Towers Articles of Association, the management board (*Vorstand*) of Vantage Towers is composed of two or more members. The supervisory board (*Aufsichtsrat*) appoints the members of the management board and determines their number according to section 7.1 sentence 2 of the Vantage Towers Articles of Association. At the time of signing of this Contract Report, the management board of Vantage Towers is composed of the following individuals:

- Vivek Badrinath (*Chief Executive Officer*);
- Thomas Reisten (*Chief Financial Officer*);
- Christian Sommer (*Chief Legal Officer*).

¹ As of 2 March 2023, Elliott Investment Management L.P. held a total of 37,080,486 voting rights and instruments in Vantage Towers. Based on Vantage Towers' share capital notified as at this time pursuant to section 41 WpHG of EUR 505,782,265.00, this corresponded to 7.33% of the voting rights, of which 4.35% was attributable to shares and 2.98% to instruments pursuant to section 38 para. 1 no. 2 WpHG.

Vantage Towers announced on 6 February 2023, that Vivek Badrinath will retire from the management board of Vantage Towers no later than end of 31 December 2023 or at an earlier date, should this be agreed. The supervisory board of Vantage Towers has started the search for a successor.

Pursuant to section 8.3 of the Vantage Towers Articles of Association, Vantage Towers is jointly represented by two management board members or is represented by one management board member together with a holder of a statutory power of attorney (*Prokurist*).

1.5.2 Supervisory board

Pursuant to section 9.1 of the Vantage Towers Articles of Association, the supervisory board (*Aufsichtsrat*) of Vantage Towers is composed of nine members. All members of the supervisory board are elected by the general meeting of Vantage Towers. At the time of signing this Contract Report, the supervisory board of Vantage Towers is composed of the following members:

- Prof. Dr. Rüdiger Grube (Chairperson of the Supervisory Board);
- Michael Bird;
- Katja van Doren;
- Charles C. Green III;
- Amanda Jane Nelson;
- Terence Rhodes;
- Pinar Yemez.

With effect as of 31 December 2022, Rosemary Martin and Johan Wibergh have resigned as members of the supervisory board of Vantage Towers. The supervisory board of Vantage Towers resolved to propose to the extraordinary general meeting to be held on 5 May 2023 to elect Pierre Klotz and Alberto Ripepi as new members of the supervisory board.

1.6 Employees of Vantage Towers Group

As of 31 March 2022, Vantage Towers Group had 535 employees. In comparison with the numbers as of 31 March 2021, this reflects an increase in personnel by a total of 208 employees. 204 of the average number of employees for the financial year 2021/2022 were based in Germany, 48 in Spain, 81 in Greece and 141 in other European Markets.

1.7 Development of the business, earnings situation and financial position of Vantage Towers Group

The revenues of Vantage Towers Group amounted to EUR 1,023.3 million in the financial year 2021/2022 and the operating profit was EUR 536.7 million.

The following table provides an overview of the main financial numbers for the financial years 2020/2021 and 2021/2022 of Vantage Towers Group. The financial information for the financial years 2020/2021 and 2021/2022 has been taken from the audited consolidated financial statements of Vantage Towers for the respective financial years ended on 31 March 2021 and 31 March 2022. These consolidated financial statements were prepared in accordance with IFRS pursuant to section 315e para. 1 HGB.

Unless stated otherwise, the values have been rounded in accordance with commercial principles.

1.7.1 Key numbers for the financial years 2020/2021 to 2021/2022

In EUR million	2021/2022	2020/2021 ¹
<u>Revenue (ex. pass through)</u>	<u>1,010.9</u>	<u>541.6</u>
Capex recharge revenue	12.4	3.4
<u>Revenue</u>	<u>1,023.3</u>	<u>545.0</u>
Maintenance costs	-46.4	-25.4
Staff costs	-45.3	-19.4
Other operating expenses	-67.8	-37.2
Depreciation on lease-related right-of-use assets	-258.2	-119.8
Depreciation on other property, plant and equipment	-84.9	-64.1
Amortisation of intangible assets	-13.2	-1.6
Loss on disposal of other property, plant and equipment	-0.9	-0.5
Share of results of equity accounted joint ventures	30.2	10.1
<u>Operating profit</u>	<u>536.7</u>	<u>287.1</u>
Interest on lease liabilities	-52.9	-27.6
Net finance costs	-13.5	-8.6
Other non-operating expenses	-4.5	-33.1
<u>Profit before tax</u>	<u>465.8</u>	<u>217.8</u>
Income tax expense	-108.9	-57.8
<u>Profit for the period</u>	<u>356.9</u>	<u>160.0</u>
<u>Earnings per share (€ct. basic)</u>	<u>70.6</u>	<u>51.2</u>

¹ Prior to the acquisition of the German Towers Business from Vodafone GmbH by way of the hive-down completed on 25 May 2020 (see Section B.1.2.2 of this Contract Report), Vantage Towers had no operating activities. The income statement is therefore not comprised of a full twelve-month period of trading. The balance sheet as of 31 March 2020 was comprised of an equity and cash position of EUR 25,000 only. Furthermore, prior to 17 December 2020, the financial results of the Vantage Towers Group only represent those relating to the tower business in Germany.

1.7.2 Other key numbers of Vantage Towers Group

In EUR million	2021/2022	2020/2021 ¹
<u>Adj. EBITDA</u>	<u>865.2</u>	<u>463.0</u>
Margin	85%	85%
Capex recharge revenue	-12.4	-3.4
Ground lease expense	-310.2	-147.4
<u>Adj. EBITDAaL</u>	<u>542.6</u>	<u>312.2</u>
Margin	54%	57%

<u>In EUR million</u>	<u>2021/2022</u>	<u>2020/2021¹</u>
<u>Recurring operating free cash flow (OpFCF)</u>	<u>531.0</u>	<u>315.2</u>
<u>Recurring free cash flow (RFCF)</u>	<u>414.8</u>	<u>158.3</u>

¹ Prior to the acquisition of the German Towers Business from Vodafone GmbH by way of the hive-down completed on 25 May 2020 (see Section B.1.2.2 of this Contract Report), Vantage Towers had no operating activities. The income statement is therefore not comprised of a full twelve-month period of trading. The balance sheet as of 31 March 2020 was comprised of an equity and cash position of EUR 25,000 only. Furthermore, prior to 17 December 2020, the financial results of the Vantage Towers Group only represent those relating to the tower business in Germany.

1.7.3 Financial position

(i) Assets (main line items)

<u>In EUR million</u>	<u>31/3/2022</u>	<u>31/3/2021</u>
Noncurrent assets	10,061.3	9,786.4
Current assets	660.3	499.1
- of which cash and cash equivalents	21.7	22.1
Total assets	10,721.6	10,285.5

(ii) Equity and liabilities (main line items)

<u>In EUR million</u>	<u>31/3/2022</u>	<u>31/3/2021</u>
Total equity	5,363.7	5,294.3
Current liabilities	733.8	604.9
Non-current liabilities	4,624.1	4,386.3
Total equity and liabilities	10,721.6	10,285.5

1.7.4 Development of the business and earnings situation for the nine-month period ended on 31 December 2022

On 31 January 2023, Vantage Towers announced its results for the first nine months of the financial year 2022/2023 ended on 31 December 2022. In the first nine months of the financial year 2022/2023, the revenue of Vantage Towers Group (ex. pass through) increased by 5.6% year-on-year to EUR 787.2 million mainly driven by inflation escalators, tenancy growth and other chargeable services to mobile network operators (“MNOs”). In this context, it should be taken into account that over 95% of the revenue of Vantage Towers Group is linked to inflation.

In addition, non-Vodafone revenue grew 11,4% year-on-year to EUR 153.0 million in the first nine months of the financial year 2022/2023.

In the first nine months of the financial year 2022/2023, the Vantage Towers Group saw consistent revenue growth across all markets driven by contractual inflation escalators, tenancy growth and other chargeable services to MNOs. Germany generated revenue growth from ramp-up in new site build and non-MNO contracts. Spain realised additional revenues from the active sharing agreement and 5G upgrades.

1.7.5 Outlook

The Vantage Towers Group expects to continue to drive forward the commercialisation of its business in the financial year 2022/2023. Whilst leveraging on its strong infrastructure network, the Vantage Towers Group wants to focus on the execution of its macro site build programme (Built to suit, “**BTS**”) and attracting incremental third-party tenants. It expects the revenue (ex. pass-through) of Vantage Towers Group to increase in the range of 3.0% to 5.0% year-on-year.

In the financial year 2022/2023, Vantage Towers Group will further invest EUR 10-15 million in its business, incurring costs to facilitate 1&1’s access on its existing sites, accelerate the ramp up of its BTS programme and build out its supporting teams, all ahead of the corresponding revenue contribution from the financial year 2023/2024 onwards.

Therefore, the Vantage Towers Group expects adjusted EBITDAaL between EUR 550 million to EUR 570 million in the financial year 2022/2023. The expectation of Vantage Towers Group, which is to achieve an adjusted EBITDAaL margin in the medium-term in the high fifties per cent through operating leverage and optimisation initiatives, remains unchanged.

The Vantage Towers Group expects its recurring free cash flow (“**RFCF**”) to be in the range of EUR 405 million to EUR 425 million in the financial year 2022/2023. In the medium-term, it expects the RFCF growth rate to be mid-to-high-single-digit.

For Vantage Towers, the management board expects statutory revenue to grow moderately in the financial year 2022/2023 as a result of further commercialisation of the business. Statutory profitability is expected to increase as well, yet at a lower rate given further investments costs in the business of Vantage Towers, all ahead of the corresponding revenue contribution.

2 Vodafone Group

2.1 Overview

Vodafone is the ultimate holding company of a multinational telecommunications business. As of 31 December 2022, Vodafone had over 330 million mobile customers, more than 28 million fixed broadband customers and 21 million TV customers. Vodafone is a world leader in the Internet of Things (IoT), connecting around 155 million devices and platforms.

Vodafone Group revenues for the financial year ended on 31 March 2022 were EUR 45.580 billion and it had an operating profit of EUR 5.664 billion, with a profit of EUR 2.624 billion.

Vodafone’s website is <http://www.vodafone.com>.

2.2 Corporate history and development of Vodafone

Vodafone was incorporated under the laws of England and Wales under the business name Racal Strategic Radio Limited (register number 1833679). Following several changes of the business name, 20% of the share capital of the company, meanwhile named Racal Telecom Plc, was offered for sale to the public in October 1988. In September 1991, the spin-off from Racal Electronics Plc was completed and the business name was changed to Vodafone Group Plc. Since then, Vodafone has increased its international presence due to a large number of transactions. The following table sets out major milestones in corporate history:

Year	Milestone
1999	Merger with AirTouch Communications, Inc. and change of name into Vodafone AirTouch Plc with subsequent (re-)change of name into Vodafone Group Plc
2000	Acquisition of Mannesmann AG: Entry into the German and Italian telecommunications market as well as increase of the indirect participation in SFR (French telecommunication provider)
1999 – 2004	Successive acquisition of shares in Vodafone Japan with subsequent sale of all shares in 2006
2007	Acquisition of companies with controlling majority interests in Vodafone India Limited (formerly Vodafone Essar Limited)
2009	Additional acquisition of 15.0% interest in Vodacom
2010	Disposal of interest in China Mobile Limited amounting to 3.2%
2011	Disposal of shares in SFR amounting to 44%
2011	Disposal of shares in Polkomtel amounting to 24.4%
2012	Acquisition of Cable & Wireless Worldwide Plc
2014	Sale of Verizon Wireless for USD 130 billion
2016	Creation of Dutch joint venture VodafoneZiggo
2017	Transfer of 35% interest in Safaricom in Kenya to Vodacom
2018	Merger of Vodafone India and Idea
2019	EUR 18.4 billion acquisition of Liberty Global's assets in Germany, Czechia, Hungary and Romania
2021	Vantage Towers successfully lists on the Frankfurt Stock Exchange

2.3 Legal foundations of Vodafone

Vodafone is a public limited company incorporated under the laws of England and Wales with its registered office in Newbury, United Kingdom (Vodafone House, The Connection, RG14 2FN Newbury, Berkshire). Vodafone is registered in England and Wales under the name Vodafone Group Public Limited Company with company registration no. 1833679.

2.4 Capital, trading on the stock exchange, shareholders of Vodafone

2.4.1 Share capital

As of the date of signing of this Contract Report, the registered share capital of Vodafone amounts to USD 6,038,110,792.99 and is divided into 28,818,256,058 shares (the "**Vodafone Shares**").

2.4.2 Trading on the stock exchange

The Vodafone Shares are listed on the London Stock Exchange under ISIN GB00BH4HKS39. As of 22 March 2023, the market capitalization of Vodafone

was approx. GBP 25.014 billion. Apart from the London Stock Exchange, Vodafone Shares are traded on NASDAQ in the form of American Depositary Receipts (“ADR”).

2.4.3 Shareholders and treasury shares

As at 28 February 2023, Emirates Investment Authority held 14.02%, BlackRock Inc. held 8.20% and Liberty Global held 4.92% of the Vodafone Shares. On 14 March 2023, Vodafone held 1,819,616,964 treasury shares.

2.5 Structure of the Vodafone Group

2.5.1 Operative and legal structure

The Vodafone Group operates mobile and fixed networks in 20 countries and partners with mobile networks in 47 further countries. In the financial year that ended on 31 March 2021, Vodafone Group was divided into eight operating segments. Following the IPO of Vantage Towers, the Vodafone Group has updated its segmental reporting structure to reflect the way in which the group now manages its operations with Vantage Towers now reported as a new segment within Vodafone Group’s financial results. This change in reporting structure has taken effect for the financial year ended 31 March 2022 onwards. In the financial year 2021/2022, the operative business of the Vodafone Group was therefore divided into the following nine operating segments, with segment information primarily provided on the basis of geographic areas: Germany, Italy, UK, Spain, Other Europe, Vodacom, Other Markets, Vantage Towers and Common Functions.

For the financial year that ended on 31 March 2022, EUR 13.128 billion (28.8%) of the revenues of the Vodafone Group were assigned to Germany, EUR 5.022 billion (11.0%) to Italy, EUR 6.589 billion (14.5%) to the UK, EUR 4.180 billion (9.2%) to Spain, EUR 5.653 billion (12.4%) to Other Europe, EUR 5.993 billion (13.1%) to Vodacom, EUR 3.830 billion (8.4%) to Other Markets, EUR 1.252 billion (2.7%) to Vantage Towers and EUR 1.414 billion (3.1%) to Common Functions.

2.5.2 Participations

As of the date of signing of this Contract Report, Vodafone Group comprises Vodafone as the parent company, along with 343 subsidiaries and 162 associated undertakings and joint arrangements.

2.5.3 Shareholding of Vodafone in Vodafone GmbH

Vodafone controls Oak Holdings indirectly through Vodafone GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*), incorporated under the laws of Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 38062, having its registered office at Ferdinand-Braun-Platz 1, 40549 Düsseldorf (see Section B.4.4 of this Contract Report).

The entire share capital and voting rights in Vodafone GmbH is held by Vodafone Europe B.V., a private limited liability company (*besloten vennootschap*) incorporated under the laws of The Netherlands with its registered office in Capelle aan den IJssel, The Netherlands, registered with the chamber of commerce (*Kamer van Koophandel*) under no. 27166573.

The entire share capital and voting rights in Vodafone Europe B.V. is held by Vodafone Consolidated Holdings Limited, a private limited company incorporated under the laws of England and Wales with its registered office in Newbury, United Kingdom, registered with the Companies House under no. 05754561.

The entire share capital and voting rights in Vodafone Consolidated Holdings Limited is held by Vodafone International Operations Limited, a private limited company incorporated under the laws of England and Wales with its registered office in Newbury, United Kingdom, registered with the Companies House under no. 02797438.

The entire share capital and voting rights in Vodafone International Operations Limited is held by Vodafone European Investments a private unlimited company incorporated under the laws of England and Wales with its registered office in Newbury, United Kingdom, registered with the Companies House under no. 03961908.

The entire share capital and voting rights in Vodafone European Investments is held by Vodafone (Vodafone and the further companies listed in this Section 2.5.3, the “**Vodafone Controlling Parties**”).

An overview of the shareholding of Vodafone in Vodafone GmbH is shown in the chart contained in **Annex 2** to this Contract Report.

2.5.4 Tax situation of Vodafone

Vodafone is a UK tax resident company. In the UK there is no system of tax consolidation and as such, Vodafone is subject to tax in the UK on a standalone basis. However, UK companies can surrender current year losses to other profitable UK tax resident companies which are members of the same group due to a shareholding of at least 75% of the share capital. Furthermore, the Vodafone Group operates through separate legal entities in the countries where it provides telecommunication services and those entities are subject to tax in their own territory. In case there is more than one legal entity in one country, it is the Vodafone Group’s policy to form a tax group if local law allows it and any conditions are met.

Vodafone publishes a Tax and Economic Contribution Report which gives comprehensive details of the group’s tax costs, tax strategy and approach to governance. The latest report is found at:

<https://www.vodafone.com/tax>.

2.6 Corporate bodies of Vodafone

2.6.1 Board of directors

The board of directors of Vodafone consists of the following members:

- Jean-François van Boxmeer (Chairman) ;
- Margherita Della Valle (Interim Chief Executive Officer and Chief Financial Officer);
- Valerie Gooding CBE (Senior Independent Director);
- Sir Crispin Davis (Non-Executive Director);

- Michel Demaré (Non-Executive Director);
- Dame Clara Furse DBE (Non-Executive Director);
- Maria Amparo Moraleda Martinez (Non-Executive Director);
- David Nish (Non-Executive Director);
- Deborah Kerr (Non-Executive Director);
- Stephen A. Carter CBE (Non-Executive Director);
- Delphine Ernotte Cunci (Non-Executive Director);
- Simon Segars (Non-Executive Director);
- Christine Ramon (Non-Executive Director).

In accordance with Vodafone's announcement as of 5 December 2022, Nick Read stepped down as Chief Executive Officer and Executive Director on 31 December 2022 and Margherita Della Valle was appointed interim Group Chief Executive. The board of directors of Vodafone has initiated a process to find a new Group Chief Executive.

2.6.2 Executive Committee

The executive committee of Vodafone consists of the following members:

- Margherita Della Valle (Interim Chief Executive Officer and Chief Financial Officer);
- Scott Petty (Vodafone Group Chief Technology Officer (CTO));
- Alberto Ripepi (Group Chief Network Officer (CNO));
- Vinod Kumar (CEO Vodafone Business);
- Leanne Wood (Chief Human Resources Officer);
- Joakim Reiter (Chief External and Corporate Affairs Officer);
- Maaïke de Bie (Group General Counsel and Company Secretary);
- Serpil Timuray (CEO Europe Cluster);
- Philippe Rogge (CEO Vodafone Germany);
- Ahmed Essam (CEO Vodafone UK);
- Aldo Bisio (Chief Commercial Officer and CEO Vodafone Italy);
- Colman Deegan (CEO Vodafone Spain);
- Shameel Joosub (CEO Vodacom Group).

Vodafone announced on 12 January 2023, that Colman Deegan will step down as CEO Vodafone Spain and as member of the executive committee of Vodafone on 31 March 2023. His successor will be appointed in due course. In addition Vodafone announced on 16 March 2023, that Vinod Kumar will step down as CEO Vodafone Business and as member of the executive committee of Vodafone on 31 December 2023.

2.7 Employees

During the financial year 2021/2022, Vodafone Group employed an average number of 96,941 employees, 15,256 (15.7%) thereof in Germany, 5,765 (5.9%) in Italy, 4,194 (4.3%) in Spain, 9,198 (9.5%) in the UK, 15,106 (15.6%) in Other Europe, 7,973 (8.2%) at Vodacom, 9,336 (9.6%) in Other Markets, 502 (0.5%) at Vantage Towers and 29,611 (30.5%) in Common Functions.

2.8 Development of the business, earnings situation and financial position of Vodafone Group

Vodafone Group generated revenues amounting to EUR 45.580 billion, an operating profit of EUR 5.664 billion and an annual profit of EUR 2.624 billion during the financial year 2021/2022.

The following table provides an overview of the main financial numbers for the financial years 2019/2020, 2020/2021 and 2021/2022 of Vodafone. The financial information for the financial years 2019/2020, 2020/2021 and 2021/2022 has been taken from the audited consolidated financial statements of Vodafone for the respective financial years ended 31 March 2020, 31 March 2021 and 31 March 2022. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Companies Act 2006.

Unless stated otherwise, the values have been rounded in accordance with commercial principles.

2.8.1 Key numbers for the financial years 2019/2020 to 2021/2022

In EUR million	2021/2022	2020/2021	2019/2020
Revenue	45,580	43,809	44,974
Service revenue	38,203	37,141	37,871
Other revenue	7,377	6,668	7,103
Gross profit	15,006	13,723	14,292
Operating profit	5,664	5,097	4,099
Profit before tax	3,954	4,400	795
Profit/loss for the financial year	2,624	536	-455
Free cash flow	3,309	3,110	4,949
Adj. EBITDAaL	15,208	14,386	14,881
Dividends	2,474	2,427	2,296
Total dividend per share in Eurocents	9.00	9.00	9.00
Total assets	153,953	155,063	168,168
Total equity	56,977	57,816	62,625
Equity ratio	37.0%	37.3%	37.2%
Net debt	-41,578	-40,543	-42,047
Employees (average number)	96,941	96,506	95,219

2.8.2 Development of the business in the financial year 2021/2022

(i) Earnings

<u>In EUR million</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>Changes</u>
Revenue	45,580	43,809	+4.0%
Adj. EBITDAaL	15,208	14,386	+5.7%
Profit before tax	3,954	4,400	-10.1%
Profit for the financial year	2,624	536	+389.6%

(ii) Financial position

(a) Assets (main line items)

<u>In EUR million</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
Goodwill	31,884	31,731
Other intangible assets	21,360	21,818
Property, plant and equipment	40,804	41,243
Investments in associates and joint ventures	4,268	4,670
Total assets	153,953	155,063

(b) Equity and liabilities (main line items)

<u>In EUR million</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
Total equity	56,977	57,816
Current liabilities	33,647	28,711
Non-current liabilities	63,329	68,536
Total equity and liabilities	153,953	155,063

2.8.3 Key numbers by segments

The business segments of Vodafone Group are primarily managed on a geographical basis. On this basis, selected financial numbers are presented below. Vodafone Group has one single group of communications services and products. Revenues are attributed to a country based on the location of the group company that has reported the revenue.

(i) Germany

<u>In EUR million</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>Changes</u>
Revenue	13,128	12,984	+1.1%
Service Revenue	11,616	11,520	+0.8%
Other Revenue	1,512	1,464	+3.3%
Adj. EBITDAaL	5,669	5,634	+0.6%

(ii)	Italy			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	5,022	5,014	+0.2%
	Service Revenue	4,379	4,458	-1.8%
	Other Revenue	643	556	+15.6%
	Adj. EBITDAaL	1,699	1,597	+6.4%
(iii)	UK			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	6,589	6,151	+7.1%
	Service Revenue	5,154	4,848	+6.3%
	Other Revenue	1,435	1,303	+10.1%
	Adj. EBITDAaL	1,395	1,367	+2.0%
(iv)	Spain			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	4,180	4,166	+0.3%
	Service Revenue	3,714	3,788	-2.0%
	Other Revenue	466	378	+23.3%
	Adj. EBITDAaL	957	1,044	-8.3%
(v)	Other Europe			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	5,653	5,549	+1.9%
	Service Revenue	5,001	4,859	+2.9%
	Other Revenue	652	690	-5.5%
	Adj. EBITDAaL	1,606	1,760	-8.8%
(vi)	Vodacom			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	5,993	5,181	+15.7%
	Service Revenue	4,635	4,083	+13.5%
	Other Revenue	1,358	1,098	+23.7%
	Adj. EBITDAaL	2,125	1,873	+13.5%
(vii)	Other Markets			
	In EUR million	2021/2022	2020/2021	Changes
	Revenue	3,830	3,765	+1.7%
	Service Revenue	3,420	3,312	+3.3%
	Other Revenue	410	453	-9.5%

In EUR million	2021/2022	2020/2021	Changes
Adj. EBITDAaL	1,335	1,228	+8.7%

(viii) Vantage Towers

In EUR million	2021/2022	2020/2021 ¹	Changes
Revenue	1,252	–	–
Service Revenue	–	–	–
Other Revenue	1,252	–	–
Adj. EBITDAaL	619	–	–

¹ Vantage Towers is a new reporting segment for the financial year 2021/2022 and hence no comparative information is presented.

(ix) Common Functions

In EUR million	2021/2022	2020/2021	Changes
Revenue	1,414	1,368	+3.4%
Service Revenue	522	470	+11.1%
Other Revenue	892	898	-0.7%
Adj. EBITDAaL	-197	-117	+68.4%

2.8.4 Development of the business and earnings situation for the nine-month period ended on 31 December 2022

On 1 February 2022, Vodafone announced its results for the third quarter of the financial year 2022/2023 ended on 31 December 2022. In the first nine months of the financial year 2022/2023, Vodafone Group revenues increased by 1.2% to EUR 34.568 billion compared to EUR 34.173 billion for the nine-month period ended on 31 December 2021. In the first nine months of the financial year 2022/2023, service revenue grew 0.2% year-on-year to EUR 28.727 billion, while other revenues increased by 5.9% year-on-year to EUR 5.841 billion.

For the first nine months of the financial year 2022/2023, EUR 9.939 billion (28.8%) of the revenues of Vodafone Group were assigned to Germany, EUR 3.601 billion (10.4%) to Italy, EUR 5.142 billion (14.9%) to the UK, EUR 2.936 billion (8.5%) to Spain, EUR 4.383 billion (12.7%) to Other Europe, EUR 4.816 billion (13.9%) to Vodacom, EUR 2.891 billion (8.4%) to Other Markets, EUR 986 million (2.9%) to Vantage Towers and EUR 1.057 billion (3.0%) to Common Functions.

3 Oak Consortium

3.1 Overview

Oak Consortium is a holding company ultimately indirectly co-controlled by GIM Participation Fund Holding GP (as defined in Section B.3.5.2 of this Contract Report) as well as KKR Management LLP and KKR SP Limited (as defined in Section B.3.5.3 of this Contract Report) through the participation chains described in Section B.3.5 of this Contract Report and as shown in **Annex 3** to this Contract Report as well as **Annex 4** to this Contract Report.

3.2 Legal form, registered seat, share capital, corporate object and financial year

Oak Consortium is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany, having its registered seat in Munich, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under register number HRB 278102. The share capital of Oak Consortium amounts to EUR 25,000 and is divided into 25,000 shares.

The corporate object of Oak Consortium is the acquisition, the holding and management as well as the sale of shareholdings in enterprises and providing management services, administrative services as well as services relating to the debt and equity financing against payment, in its own name and for its own account. The company may take over other companies of the same or similar kind, acquire interest in them and assume their management (see § 2 para. 1 and 2 of the articles of association of Oak Consortium).

The financial year of Oak Consortium corresponds to the calendar year.

3.3 Corporate history and development

3.3.1 Formation

Oak Consortium was established by SCUR24 Holding GmbH as a shelf company on 29 July 2022 under the business name SCUR-Alpha 1539 GmbH with its registered seat in Munich and was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 278102 on 3 August 2022.

3.3.2 Acquisition by Oak Consortium MidCo and amendment to the articles of association

Pursuant to a share sale and transfer agreement dated 7 October 2022, Oak Consortium MidCo Limited, a limited company incorporated as a private company under the law of Jersey, registered with the registrar of companies of the Jersey Financial Services Commission under registration number 145542 and having its registered office at 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB (“**Oak Consortium MidCo**”) acquired all shares in the company from SCUR24 Holding GmbH. In connection therewith, it was resolved to change the business name of the company to Oak Consortium GmbH and to change the company’s corporate object to the corporate object described in Section B.3.2 above. The change of the business name and the corporate object of Oak Consortium were registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich on 15 November 2022 and have thereby become effective.

3.4 Corporate bodies of Oak Consortium

Pursuant to § 5 para. 1 of the articles of association of Oak Consortium, the company has one or several managing directors who are appointed and dismissed by the shareholders’ meeting.

As of the date of signing of this Contract Report, the management of Oak Consortium consists of the following members:

- Marco Fontana;
- Marco Pugliese; and
- Andreas Grundhöfer.

Pursuant to § 5 para. 2 of the articles of association of Oak Consortium, the company is represented, if it has several managing directors, by two managing directors acting jointly or by one managing director acting jointly with a holder of a statutory power of attorney (*Prokurist*) and, if only one managing director has been appointed, by such managing director alone. According to § 5 para. 2 of the articles of association of Oak Consortium, the shareholders' meeting may determine that all or certain managing directors are authorised to represent the company alone. The shareholders' meeting has made use of this authority with regard to the managing director Andreas Grundhöfer. In addition, each of the managing directors was appointed with the authority to enter into legal transactions as an agent of a third party.

Oak Consortium has neither a supervisory board nor any equivalent body.

3.5 Controlling entities of Oak Consortium

3.5.1 Co-controlled shareholders of Oak Consortium

The sole shareholder of Oak Consortium is Oak Consortium MidCo. The sole shareholder of Oak Consortium MidCo in turn is Oak Consortium TopCo Limited, a limited company incorporated as a private company under the law of Jersey, registered with the registrar of companies of the Jersey Financial Services Commission under registration number 145540 and having its registered office at 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB ("**Oak Consortium TopCo**", and together with Oak Consortium and Oak Consortium MidCo, the "**Jointly Controlled Consortium Parties**").

GIP Oak Aggregator, L.P., an exempted limited partnership under the laws of the Cayman Islands, having its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**GIP Aggregator**") currently holds 36.45%, KKR Oak BidCo Limited, a limited company incorporated under the laws of Jersey with its registered office in St Helier, Jersey, registered with the Jersey Financial Services Commission Registry under 145541 ("**KKR Investor**") currently holds 45.30%, and the co-investor Tower Bridge Infrastructure Partners, L.P. currently holds 18.25% of the shares and voting rights in Oak Consortium TopCo (in each case subject to dilution by the conversion of the PIF convertible loan note (as described below) and subject to contributions of further co-investors). The co-investor Public Investment Fund of the Kingdom of Saudi Arabia holds convertible loan notes which, if fully converted, would represent a participation of currently up to 12.56% of the share capital and voting rights in Oak Consortium TopCo (subject to dilution by contributions of further co-investors). Oak Consortium TopCo is co-controlled, based on the principles on "common control by more than one parent company" (*Mehrmütterherrschaft*) pursuant to section 17 para. 1 AktG by the KKR Investor and the GIP Aggregator.

Tower Bridge Infrastructure Partners, L.P.'s minority stake does not enable it to exercise controlling influence on Oak Consortium TopCo. Neither the convertible loan notes nor – upon conversion – the participation in Oak Consortium TopCo would allow the Public Investment Fund of the Kingdom of Saudi Arabia to exercise controlling influence over Oak Consortium TopCo.

In future, further potential co-investors could acquire shares or instruments relating to shares in Oak Consortium TopCo without, however, being in a position to exercise controlling influence on Oak Consortium TopCo. Therefore, KKR Investor and GIP

Aggregator will also in future jointly control Oak Consortium TopCo based on the principles on “common control by more than one parent company” (*Mehrmütterherrschaft*) pursuant to section 17 para. 1 AktG.

3.5.2 Controlling entities of GIP Aggregator

GIP Aggregator is controlled by Global Infrastructure Core GP, L.P., an exempted limited partnership organized under the laws of the Cayman Islands, having its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (“**GIP Aggregator GP**”). GIP Aggregator GP is itself in turn controlled by Global Infrastructure Investors Core, LLC, a company organized under the laws of the State of Delaware, United States (“**GIP Core LLC**”). GIP Core LLC is a wholly-owned subsidiary of and controlled by GIM Participation Fund Holding, L.P., a limited partnership organized under the laws of Guernsey, having its registered office at St Peter Port, Guernsey (“**GIM Participation Fund Holding**”). GIM Participation Fund Holding is controlled by its general partner, GIM Participation Fund Holding GP, Limited, a company organized under the laws of Guernsey, having its registered office at St Peter Port, Guernsey (“**GIM Participation Fund Holding GP**” and, together with GIP Aggregator and the further entities in this Section 3.5.2, the “**GIP Controlling Parties**”). None of the current shareholders in GIM Participation Fund Holding GP has controlling influence over GIM Participation Fund Holding GP. None of the limited partners of the limited partnerships listed in this Section B.3.5.2 is able to exercise controlling influence over the respective company.

3.5.3 Controlling entities of KKR Investor

The sole shareholder of KKR Investor is KKR Oak MidCo 2 Limited, a limited company incorporated under the laws of Jersey with its registered office in St Helier, Jersey, registered with the Jersey Financial Services Commission Registry under 145544.

The sole shareholder of KKR Oak MidCo 2 Limited is KKR Oak MidCo 1 Limited, a limited company incorporated under the laws of Jersey with its registered office in St Helier, Jersey, registered with the Jersey Financial Services Commission Registry under 145543.

The sole shareholder of KKR Oak MidCo 1 Limited is KKR Oak HoldCo Limited, a limited company incorporated under the laws of Jersey with its registered office in St Helier, Jersey, registered with the Jersey Financial Services Commission Registry under 145545.

The sole shareholder of KKR Oak HoldCo Limited is KKR Oak Aggregator LP, a limited partnership incorporated under the laws of the Province of Ontario, Canada, with its registered office in Toronto, Canada.

The sole general partner of KKR Oak Aggregator LP is KKR Oak Aggregator GP LLC, a limited liability company incorporated under the laws of the State of Delaware, United States, with its registered office in Wilmington, Delaware, United States.¹

¹ As part of a group-internal restructuring, a further general partner may potentially accede to KKR Oak Aggregator LP which would then also control KKR Oak Aggregator LP in addition to KKR Oak Aggregator GP LLC. Such potential further general partner would directly or indirectly through intermediary holding entities be solely controlled by KKR Group Partnership L.P. which is further described below.

The sole shareholder of KKR Oak Aggregator GP LLC is KKR DCIF Lower Entity III SCSp, a special limited partnership (*société en commandite speciale*) incorporated under the laws of Luxembourg with its registered office in Luxembourg, Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under B247919.

The sole general partner of KKR DCIF Lower Entity III SCSp is KKR Associates Diversified Core Infrastructure SCSp, a special limited partnership (*société en commandite speciale*) incorporated under the laws of Luxembourg with its registered office in Luxembourg, Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under B245431.

The sole general partner of KKR Associates Diversified Core Infrastructure SCSp is KKR Diversified Core Infrastructure S.à r.l., a limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, Luxembourg, with its registered office in Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under B245383. In addition, KKR Associates Diversified Core Infrastructure SCSp has a voting partner, KKR SP Limited, a limited liability company incorporated under the laws of the Cayman Islands with its registered office in Georgetown, Cayman Islands. KKR SP Limited, as voting partner of KKR Associates Diversified Core Infrastructure SCSp, has the sole power to determine how KKR Associates Diversified Core Infrastructure SCSp exercises its voting rights as the general partner of KKR DCIF Lower Entity III SCSp with respect to interests held, directly or indirectly, in any portfolio companies formed in a jurisdiction outside of the United States. KKR Associates Diversified Core Infrastructure SCSp is therefore jointly controlled by KKR Diversified Core Infrastructure S.à r.l. and KKR SP Limited. The shareholders of KKR SP Limited are a number of natural persons, none of whom controls KKR SP Limited.

The sole shareholder of KKR Diversified Core Infrastructure S.à r.l. is KKR Diversified Core Infrastructure Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with its registered office in Georgetown, Cayman Islands. KKR Diversified Core Infrastructure Limited is controlled by KKR Group Partnership L.P., an exempted limited partnership incorporated under the laws of the Cayman Islands with its registered office in Georgetown, Cayman Islands. KKR Group Partnership L.P. is controlled by KKR Group Holdings Corp., a corporation incorporated under the laws of the State of Delaware, United States, with its registered office in Wilmington, Delaware, United States. KKR Group Holdings Corp., in turn, is controlled by KKR Group Co. Inc., a corporation incorporated under the laws of the State of Delaware, United States, with its registered office in Wilmington, Delaware, United States, which, in turn, is controlled by KKR & Co. Inc., a corporation incorporated under the laws of the State of Delaware, United States, with its registered office in Wilmington, Delaware, United States. KKR Management LLP, a limited liability partnership incorporated under the laws of the State of Delaware, United States, is the holder of the sole share of the Series I Preferred Stock of KKR & Co. Inc., which is entitled to vote on practically all matters (including election of the board of directors of KKR & Co. Inc.) submitted to a vote of the stockholders of KKR & Co. Inc. and therefore controls KKR & Co. Inc. None of its members controls KKR Management LLP (KKR Investor and the further entities listed in this Section 3.5.3, the “**KKR Controlling Parties**”, and together with the Jointly Controlled Consortium Parties and the GIP Controlling Parties, the

“**Consortium Controlling Parties**”). None of the limited partners of the limited partnerships and limited liability partnerships listed in this Section B.3.5.3 is able to exercise controlling influence over the respective company.

3.6 Information on GIP and KKR

3.6.1 GIP

Global Infrastructure Partners (together with its affiliates, “**GIP**”) was established in 2006 and is an independent infrastructure fund manager headquartered in New York, with currently approximately USD 84 billion of assets under management through its various investment funds and is focused on transport, energy, water, waste, digital and other sectors. GIP’s clients are a diverse range of pension funds, sovereign wealth funds and other institutional investors. Its global equity funds continue GIP’s successful approach to investing in core and core-plus infrastructure opportunities, predominantly in the Organization for Economic Co-operation and Development countries.

3.6.2 KKR

KKR & Co. Inc. (together with its subsidiaries, “**KKR**”) was established by Henry Kravis and George Roberts in 1976 and is a leading global investor today, with assets under management of approx. USD 504 billion (as of 31 December 2022). KKR invests across various alternative asset classes in companies of different industries, pursuing the objective of promoting their growth and increasing their value. KKR supports and advises its portfolio companies in strategic and operational terms. The companies benefit from KKR’s comprehensive expertise, macro- and geopolitical insights as well as regional and sector-specific know-how. KKR & Co. Inc. is listed on the New York Stock Exchange (NYSE: KKR).

3.7 Business activities and participations

At the time of signing of this Contract Report, Oak Consortium has no business activities other than entering into the Investment Agreement and a shareholders’ agreement between Vodafone GmbH, Oak Consortium and Oak Holdings 1 dated 22 March 2023 (the “**Shareholders’ Agreement**”) as well as related agreements.

Oak Consortium does not hold any shares in other undertakings and has been acquired solely for the purpose of the Transaction.

3.8 Employees and employee representation

Oak Consortium does not have any employees. No employee representation exists.

3.9 Earnings situation and financial position of Oak Consortium

Oak Consortium was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich on 3 August 2022 as a shelf company. Since Oak Consortium has not yet engaged in any business activity other than entering into the Investment Agreement, the Shareholders’ Agreement and related agreements, Oak Consortium has not generated any revenues.

The following tables provide an overview of the financial situation of Oak Consortium as of 29 July 2022. The information has been taken from the opening balance sheet.

3.9.1 Assets

In EUR	29.07.2022
Financial assets	-
Liquid Funds	12,500
Receivables	-
Total assets	12,500

3.9.2 Equity and liabilities

In EUR	29.07.2022
Total equity	12,500
- o/w subscribed capital	25,000
- o/w capital reserves	-12,500
- o/w Profit / (Loss)	-
Liabilities	-
Total equity and liabilities	12,500

At the time of signing of this Contract Report, the share capital has been fully paid in.

4 Oak Holdings

4.1 Overview

Oak Holdings currently is a wholly owned subsidiary of Oak Holdings 2 and is indirectly co-controlled by Vodafone GmbH and Oak Consortium based on the principles on “common control by more than one parent company” (*Mehrmütterherrschaft*) pursuant to section 17 para. 1 AktG. The registered share capital of Oak Holdings is EUR 25,000.00 and is divided into 25,000 shares (see Section B.4.3.3 of this Contract report regarding the in-kind capital increases resolved on 22 March 2023).

4.2 Legal form, registered seat, corporate object and financial year

Oak Holdings is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany, having its seat in Düsseldorf, and being registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 98923.

The corporate object of Oak Holdings is the acquisition and disposal as well as the holding and administration of participations in other companies as well as the administration of its own assets. Oak Holdings may carry out all business activities directly or indirectly in accordance with such object and may, in particular, acquire or establish other enterprises with the same or a similar object, and the Bidder may participate in such companies, especially as a personal liable shareholder (*persönlich haftende Gesellschafterin*). Oak Holdings is entitled to set up branch offices in Germany or abroad under the same or a similar name (see § 4 of the articles of association of Oak Holdings).

The financial year of Oak Holdings starts on 1 April and ends on the following 31 March. The current financial year is a short financial year which ends on 31 March 2023.

4.3 Corporate history and development

4.3.1 Formation

Oak Holdings was established by Blitz Erste Gründungs GmbH on 19 October 2022 under the business name Blitz D22-277 GmbH with its registered seat in Düsseldorf and was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 98923 on 26 October 2022.

4.3.2 Acquisition by Vodafone GmbH and subsequently by Oak Holdings 2 as well as amendment to the articles of association

Pursuant to a share purchase agreement dated 3 November 2022 and a subsequent confirmation of the share purchase agreement dated 7 November 2022, Vodafone GmbH acquired all shares in the company from Blitz Erste Gründungs GmbH. The change in the company's corporate object to the corporate object described in Section B.4.2 above, which was resolved on 3 November 2022, was filed for registration in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 7 November 2022. The change of the corporate object of the company became effective upon registration in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 10 November 2022.

Pursuant to a share purchase agreement dated 8 November 2022, Oak Holdings 2 has then acquired all shares in the company from Vodafone GmbH. Also on 8 November 2022, it was resolved to change the business name of the company to Oak Holdings GmbH. The change of the business name of Oak Holdings became effective upon registration in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 17 November 2022.

4.3.3 Acquisition of the Vantage Towers Shares

On 22 March 2023, the shareholders' meeting of Oak Holdings resolved on the increase of the share capital of Oak Holdings by way of two in-kind capital increases from EUR 25,000 by a total of EUR 404,142,688.00 to EUR 404,167,688.00 against the issuance of a total of 404,142,688 new shares in Oak Holdings. All new shares were subscribed by Oak Holdings 2. The contribution of Oak Holdings 2 was not to be rendered in cash, but by Oak Holdings 2 contributing 404,142,688 Vantage Towers Shares. The in-kind capital increases have been filed for registration with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf on 22 March 2023. As of the date of signing of this Contract Report, the in-kind capital increases have, however, not yet been registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf.

In addition, Oak Holdings on 22 March 2023 acquired 9,025,020 Vantage Towers Shares (corresponding to a participation of 1.82% of the share capital and voting rights in Vantage Towers) from Vodafone GmbH by way of the Share Sale.

Furthermore, Oak Holdings on 22 March 2023 acquired further 38,114,198 Vantage Towers Shares (corresponding to a participation of 7.54% of the share capital and voting rights in Vantage Towers) upon the settlement of the Takeover Offer.

4.4 Shareholders of Oak Holdings

The sole direct shareholder of Oak Holdings is Oak Holdings 2, a limited liability company (*Gesellschaft mit beschränkter Haftung*), incorporated under the laws of Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 98927, having its registered office at Ferdinand-Braun-Platz 1, 40549 Düsseldorf. The sole direct shareholder of Oak Holdings 2 is Oak Holdings 1, a limited liability company (*Gesellschaft mit beschränkter Haftung*), incorporated under the laws of Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 98913, having its registered office at Ferdinand-Braun-Platz 1, 40549 Düsseldorf. The sole shareholders of Oak Holdings 1 are Vodafone GmbH and Oak Consortium, which jointly co-control Oak Holdings 1 based on the principles on “common control by more than one parent company” (*Mehrmütterherrschaft*) pursuant to section 17 para. 1 AktG.

Vodafone GmbH is controlled by the Vodafone Controlling Parties (see Section B.2.5.3 of this Contract Report). Oak Consortium is controlled by the Consortium Controlling Parties (see Section B.3.5 of this Contract Report)

An overview of the controlling shareholder structure of Oak Holdings is shown in the chart contained in **Annex 5** to this Contract Report.

4.5 Corporate bodies of Oak Holdings

Pursuant to § 6 para. 1 of the articles of association of Oak Holdings, the company has one or more managing directors who are appointed and dismissed by the shareholders’ meeting.

As of the date of signing of this Contract Report, the management of Oak Holdings consists of the following members:

- Tanja Richter; and
- Carmen Maria Velthuis.

Pursuant to § 7 para. 1 of the articles of association of Oak Holdings, the company is represented, if only one managing director is appointed, by such managing director alone, and, if several managing directors are appointed, by either two managing directors or one managing director jointly with a holder of a statutory power of attorney (*Prokurist*). According to § 7 para. 2 of the articles of association of Oak Holdings, the shareholders’ meeting may release all or certain managing directors generally or for an individual case from the restrictions of sec. 181 German Civil Code (*Bürgerliches Gesetzbuch – “BGB”*), in order to authorise them to act on behalf of the company with themselves in person or with themselves as representatives of a third party and may also determine that all or certain managing directors are authorised to represent the company alone. The shareholders’ meeting has made use of these authorities with regard to the managing directors Tanja Richter and Carmen Maria Velthuis.

Oak Holdings has neither a supervisory board nor any equivalent body.

4.6 Business activities and participations

Prior to 9 November 2022, Oak Holdings had not taken up any business activity which went beyond the management of the company’s own assets. On 9 November 2022, Oak Holdings announced its decision to make the Takeover Offer and has taken all necessary and useful measures in relation thereto. By publication of the offer document on 13 December 2022,

Oak Holdings made the Takeover Offer. In addition, Oak Holdings on 20 March 2023 announced its decision to launch the Delisting Offer.

As of the date of this Contract Report, Oak Holdings does with the exception of its shareholding in Vantage Towers of 451,461,906 Vantage Towers Shares (corresponding to a participation in Vantage Towers of approx. 89.26% of the share capital and voting rights in Vantage Towers) not hold any participations in other undertakings.

4.7 Employees and employee representation

Oak Holdings does not have any employees. No employee representation exists.

4.8 Earnings situation and financial position of Oak Holdings

Oak Holdings was registered in the commercial register on 26 October 2022 as a shelf company. Until 9 November 2022, Oak Holdings did not engage in any business activity. Since then, the economic activity of Oak Holdings has been limited to making the Takeover Offer to the Vantage Towers Shareholders, the announcement of its decision to launch the Delisting Offer and entering into related documents as well as taking the preparations to enter into the Agreement. Therefore, Oak Holdings has not generated any revenues.

After the Domination and Profit and Loss Transfer Agreement becomes effective, Oak Holdings will primarily generate revenues and earnings from the transfer of profits of Vantage Towers.

The following tables provide an overview of the financial situation of Oak Holdings as of 26 October 2022. The information has been taken from the opening balance sheet.

4.8.1 Assets

In EUR	26.10.2022
Financial assets	-
Liquid Funds	12,500
Receivables	-
Total assets	12,500

4.8.2 Equity and liabilities

In EUR	26.10.2022
Total equity	12,500
- o/w subscribed capital	25,000
- o/w capital reserves	-12,500
- o/w Profit / (Loss)	-
Liabilities	-
Total equity and liabilities	12,500

At the time of signing of this Contract Report, the share capital has been fully paid in. Oak Holdings holds an interest in Vantage Towers of 451,461,906 Vantage Towers Shares (corresponding to a participation in Vantage Towers of approx. 89.26% of the share capital and voting rights in Vantage Towers), which Oak Holdings has indirectly and directly acquired

(i) from Vodafone GmbH by way of the Share Contribution and the Share Sale as well as (ii) by way of the Takeover Offer.

4.9 Financial funding of Oak Holdings

Prior to the conclusion of the Domination and Profit and Loss Transfer Agreement, the management board of Vantage Towers and the management of Oak Holdings examined whether Oak Holdings would be able to fulfil its payment obligations under the Domination and Profit and Loss Transfer Agreement. Based on the current economic, financial and contractual situation of Oak Holdings, the management board of Vantage Towers and the management of Oak Holdings have concluded that Oak Holdings will be able to fulfil its obligations resulting under the Domination and Profit and Loss Transfer Agreement.

The management board of Vantage Towers and the management of Oak Holdings have based this conclusion on the following aspects:

At the time of signing of this contract report, Oak Holdings holds a stake in Vantage Towers of 451,461,906 Vantage Towers Shares (corresponding to a participation of 89.26% of the share capital and voting rights in Vantage Towers). This shareholding was acquired by Oak Holdings directly and indirectly from Vodafone GmbH by way of the Share Contribution and the Share Sale as well as upon completion of the Takeover Offer of 13 December 2022 against payment of EUR 32,00 per Vantage Towers Share. The 404,142,688 Vantage Towers Shares which have been acquired by way of the Share Contribution were contributed from Oak Holdings 2 to Oak Holdings against the increase of the share capital and the capital reserves of Oak Holdings. The payment obligations of Oak Holdings that existed due to (i) the acquisition of the 9,205,020 Vantage Towers shares by way of the Share Sale and (ii) the acquisition of the 38,114,198 Vantage Towers Shares by way of the completion of the Takeover Offer were satisfied by Oak Holdings 2 on behalf and on the mandate of Oak Holdings. Oak Holdings 2 will contribute the resulting repayment claim against Oak Holdings to the free capital reserves (section 272 para. 2 no. 4 HGB) of Oak Holdings upon the registration of the in-kind capital increases resolved upon by the shareholders' meeting of Oak Holdings on 22 March 2023 (see Section 4.3.3 of this Contract Report) in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf.

With regard to the future payment obligations of Oak Holdings from or in connection with the Agreement, the profit of Vantage Towers will be available after the Domination and Profit and Loss Transfer Agreement becomes effective (see Section D.1.2 of this Contract Report), with Oak Holdings being obliged, pursuant to section 302 AktG, to assume any annual loss of Vantage Towers that may arise during the term of the Agreement. There are no indications for any threatening loss situation at Vantage Towers. Vantage Towers generated an annual profit of EUR 356.9 million in the financial year ended on 31 March 2022 and a profit before tax of EUR 219.4 million for the first half year of the financial year 2022/2023 ended on 30 September 2022 and expects significant profits also for the future financial years (see Section 327 of the Expert Opinion), which are to be transferred to Oak Holdings as from the entry into force of the Agreement. These profit transfers significantly exceed the annual recurring compensation payments.

Apart from this, funds provided under a revolving credit facility in the amount of up to EUR 1.75 billion existing at the level of Oak Holdings 2 may be used for the settlement of the future payment obligations of Oak Holdings from or in connection with the Agreement.

5 Takeover Offer, Delisting Offer and potential share acquisitions by Oak Holdings

5.1 Takeover Offer and additional purchases of shares

On 9 November 2022, Oak Holdings published its decision to launch the Takeover Offer in accordance with section 10 para. 1 sentence 1 WpÜG. On the same day, Oak Holdings and ANISE ASSET HOLDING PTE. LTD. entered into an agreement on the acceptance of the Takeover Offer pursuant to which ANISE ASSET HOLDING PTE. LTD. had irrevocably committed to accept the Takeover Offer for its 12,286,625 Vantage Towers Shares (i.e. approx. 2.43% of the share capital and voting rights in Vantage Towers) (the “**Irrevocable Undertaking**”). After the announcement of the Takeover Offer, Vodafone on 16 November 2022 acquired a total of 20,833,333 Vantage Towers Shares (corresponding to a participation of approx. 4.12% of the share capital and voting rights in Vantage Towers) at a purchase price of EUR 32.00 per Vantage Towers Share.

On 13 December 2022, Oak Holdings published the offer document for the Takeover Offer to the Vantage Towers Shareholders for the acquisition of their Vantage Towers Shares at an offer price of EUR 32.00 per Vantage Towers Share.

In their reasoned statement as of 20 December 2022, the management board and the supervisory board of Vantage Towers have recommended to the Vantage Towers Shareholders to accept the Takeover Offer.

The acceptance period (section 16 para. 1 sentence 1 WpÜG) for the Takeover Offer ended on 10 January 2023 at 24:00 hrs (local time Frankfurt am Main). By the end of the acceptance period, the Takeover Offer had been accepted for a total of 36,265,969 Vantage Towers Shares, corresponding to a participation of approx. 7.17% of the share capital and voting rights in Vantage Towers. Included therein were (i) the 12,286,625 Vantage Towers Shares (corresponding to a participation of approx. 2.43% of the share capital and voting rights in Vantage Towers) for which ANISE ASSET HOLDING PTE. LTD. has accepted the Takeover Offer under the Irrevocable Undertaking and (ii) the 20,833,333 Vantage Towers Shares (corresponding to a participation of approx. 4.12% of the share capital and voting rights in Vantage Towers) that were held by Vodafone and for which Vodafone has also accepted the Takeover Offer.

The additional acceptance period (section 16 para. 2 sentence 1 WpÜG) for the Takeover Offer ended on 27 January 2023 at 24:00 hrs (local time Frankfurt am Main). By the end of the additional acceptance period, the Takeover Offer had been accepted for a total of 38,114,198 Vantage Towers Shares, which corresponds to a participation of approx. 7.54% of the share capital and voting rights in Vantage Towers.

Prior to the completion of the Takeover Offer, Oak Holdings on 22 March 2023 acquired 404,142,688 Vantage Towers Shares (corresponding to a participation of 79.90% of the share capital and voting rights in Vantage Towers) from Oak Holdings 2 pursuant to the provisions of the Investment Agreement as part of two in-kind capital increases (see Section B.4.3.3 of this Contract Report).

Also prior to the completion of the Takeover Offer, Oak Holdings on 22 March 2023 acquired 9,025,020 Vantage Towers Shares (corresponding to a participation of 1.82% of the share capital and voting rights in Vantage Towers) from Vodafone GmbH pursuant to the provisions of the Investment Agreement by way of the Share Sale (see Section B.4.3.3 of this Contract Report).

5.2 Delisting Offer

On 20 March 2023, Oak Holdings and Vantage Towers entered into a delisting agreement. Oak Holdings then on the same day announced its decision to make the Delisting Offer to the Vantage Towers Shareholder to acquire their Vantage Towers Shares at an intended offer price of EUR 32.00 per Vantage Towers Share in accordance with section 10 para. 1 sentence 1 WpÜG in conjunction with section 39 para. 2 sentence 3 no. 1 BörsG.

5.3 Potential acquisitions outside of the compensation offer

Oak Holdings and its concert parties reserve the right to purchase at any time additional Vantage Towers Shares directly or indirectly on or off the stock exchange outside of the offer for Compensation provided for in Section 5 of the Domination and Profit and Loss Transfer Agreement (see Section D.1.5 of this Contract Report) to the extent legally permitted.

C Reasons for the conclusion of the Domination and Profit and Loss Transfer Agreement

1 Economic and legal reasons

1.1 Goal of accelerating growth and creating further value at Vantage Towers

By concluding this Agreement, Vantage Towers and Oak Holdings, together with Vodafone and Oak Consortium, are taking a further step in the pursuit of the joint ambition to accelerate growth and create further value at Vantage Towers. The sponsors backing Oak Consortium both have extensive experience investing in and operating digital infrastructure companies. As long-term partners with an industrial mindset, Vodafone, Oak Consortium and the sponsors backing Oak Consortium intend to enhance the business' growth profile and profitability by supporting it in:

- Delivering an ambitious build-to-suit (BTS) programme which enables mobile network operators to meet their coverage obligations and densification requirements;
- Capturing additional co-location opportunities from new and existing third-party customers;
- Realising meaningful growth opportunities in adjacent areas such as small cells and distributed antenna systems for 5G capacity expansion, as well as edge computing;
- Pursuing other growth-accretive investments, including actively participating in the consolidation of the European tower landscape; and
- Enhancing profitability through continuous operational improvements

This Agreement is essential in establishing the close integration between Oak Holdings and Vantage Towers required to effectively pursue this joint ambition.

1.2 Limits and restrictions on cooperation in the current de facto corporate group

Due to the current existing majority holding by Oak Holdings in Vantage Towers, a so-called de facto corporate group exists between Vantage Towers and Oak Holdings at the present time. Steering and coordination of activities are limited due to the principles applicable to a de facto corporate group:

The management board of Vantage Towers continues to be under an obligation to manage the company on its own responsibility in accordance with section 76 para. 1 AktG. The

management board must examine in each individual case all measures or transactions taken or omitted on the initiative or in the interest of Oak Holdings or one of its affiliated companies with regard to whether it has adverse effects for Vantage Towers. If such transactions or measures are adverse, they may only be implemented if the adverse effect linked to the relevant transaction or measure is compensated. The compensation for the adverse effect must either actually occur by the end of the financial year in which the adverse effect is incurred, i.e. in a short period of time, or the compensation must occur by granting a corresponding legal claim (section 311 para. 2 AktG). Vantage Towers' management board must not execute the relevant measure or transaction if the adverse effect cannot be quantified and hence not be compensated. Therefore, all measures and transactions of Vantage Towers taken or omitted on the initiative or in the interest of Oak Holdings or one of its affiliated companies must be examined in each individual case with regard to their exact effects on Vantage Towers and potential harm to be incurred and with regard to a duty to compensate. Such a case-by-case examination may require extensive analyses and tie up significant resources of the management board without resulting in legal certainty in each case. In many cases, in particular measures with a long-term objective, it is very difficult to determine whether the relevant measure has adverse effects. Adverse effects in the short term may be offset by positive effects in the long term. However, it is often uncertain whether and to what extent such positive effects will materialise. In addition, Vantage Towers' management board must always take the interests of minority shareholders into consideration when performing its assessment.

Furthermore, in a de facto corporate group, all measures and transactions which are taken with the controlling company or one of its affiliates or on initiative or in the interest of the controlling company or one of its affiliates must be documented in detail individually. Such measures and transactions must especially be reported on annually in a so-called control report (*Abhängigkeitsbericht*) by the management board of the controlled company and the adverse effects must be quantified (section 312 AktG). The control report must be examined both by the supervisory board as well as by the auditor of the controlled company (sections 313, 314 AktG).

These principles applicable to the de facto corporate group lead to a substantial expenditure of time and resources, especially on the side of Vantage Towers as factually controlled company. Both the management board as well as other departments in Vantage Towers (e.g. the legal, accounting and tax or finance departments) must be involved in every measure and every transaction of Vantage Towers taken or omitted on the initiative or in the interest of Oak Holdings or one of its affiliated companies, regardless of whether the respective transaction is with Oak Holdings or with a third party, in order to assure compliance with the rules applicable to a de facto corporate group. In addition to tying up resources and the impossibility of achieving complete legal certainty, the necessity of an audit also leads to substantial delays in the intended provision of support by Vodafone, Oak Consortium and the sponsors backing Oak Consortium in enhancing Vantage Towers' business growth profile and profitability. As a result, the fast and efficient implementation of management decisions that are in both parties' mutual interest is impeded.

In addition, setting the compensation for adverse effects, in particular quantifying and determining the nature and scope of adverse effects' eligibility for compensation, generally causes practical difficulties. Such difficulties arise regularly in the context of transactions and measures which go beyond the mere exchange of performance and consideration (e.g. purchasing goods or rendering services) or for which a market price cannot be determined (with sufficient certainty). Such measures can, for example, involve the exchange of

knowledge and commercial information. In practice it is difficult in these situations, if not often impossible, to quantify and compensate any adverse effects or corresponding benefits of the controlled company. As a result, such measures are not possible with sufficient legal certainty in a de facto corporate group and can only be carried out with substantial effort for the examination and documentation or may have to be avoided completely.

1.3 Creation of a contractual corporate group by concluding the Domination and Profit and Loss Transfer Agreement

These difficulties existing in a de facto corporate group are avoided if a domination and profit and loss transfer agreement exists, because this creates a contractual basis for the intended support and close cooperation. In a contractual corporate group, the provisions regarding specific compensation for adverse transactions and measures initiated by the controlling company or one of its affiliates or taken or omitted in their interest do not apply. In particular, the controlling party to the agreement has the right under the domination agreement to directly issue instructions to the management board of the controlled company to take measures or engage in transactions in the interest of the controlling party or one of its affiliated companies even if they might be adverse for the controlled company when viewed on a stand-alone basis (section 308 AktG) and if the adverse effect cannot be compensated within the same financial year or if an exact quantification of the adverse effect is not possible. This allows for a more efficient use of resources and for the implementation of such support and cooperation measures for which the quantification of potential adverse effects and possible corresponding benefits is not possible with legal certainty. Measures by the management can accordingly be focused towards the common interest of the affiliated enterprises without great effort being required to review every measure and its effects on the controlled company. In addition, the expenses for preparing and examining the control report are avoided because such a report does not have to be prepared in a contractual corporate group.

The Agreement enables Oak Holdings, Vodafone and Oak Consortium to better control the intended support of Vantage Towers in the common interest of all parties. A domination agreement will also facilitate the unhindered exchange of information including technical and other knowhow.

Concluding the Agreement is the suitable legal means to implement the intended comprehensive support and the cooperation of the involved companies and is also used by other companies in comparable cases and is specifically intended by law to be used for this purpose.

Due to the combination of the domination agreement with a profit and loss transfer agreement, Oak Holdings is entitled to the transfer of Vantage Towers' distributable profit. The profit transfer obligation exists for the first time for the entire financial year of Vantage Towers beginning on 1 April 2023, if the Agreement is registered in the commercial register in the registered seat of Vantage Towers prior to 31 March 2024. If the Agreement is registered in the commercial register after 31 March 2024, the obligation to transfer profit applies from the start of the financial year of Vantage Towers in which the Agreement takes effect through its registration in the commercial register at the registered seat of Vantage Towers. In exchange, Vantage Towers receives a claim for the assumption of losses under the Agreement in the event that an annual loss of Vantage Towers arises during the term of the Agreement. Contrary to the situation in a merely de facto corporate group, after the conclusion of the Agreement, Vantage Towers is no longer forced to rely on individual compensation for potentially adverse impact suffered as a result of the exercise of influence

but rather receives by virtue of law a claim for full compensation of losses against Oak Holdings regardless of questions on the exercise of influence or other factors (see section 302 AktG).

After the conclusion of the Agreement, the interests of Vantage Towers are also protected by the fact that the right to issue instructions does not exist without any limitation (see Section D.1.1 of this Contract Report). Vantage Towers especially may not be deprived of the ability to continue to exist as a result of adverse instructions because the statutory provisions are based on the assumption of a continuing existence of the controlled company, also for the time after termination of a domination agreement. Adverse instructions are also impermissible and do not trigger any duty to comply if they obviously do not serve the interests of the controlling company or any companies affiliated with the controlling company or the controlled company.

The Agreement establishes special protective mechanisms for outside Vantage Towers Shareholders which are not available in a de facto corporate group: They receive a claim against Oak Holdings for an appropriate annual recurring compensation payment (*Ausgleich*), see Section D.1.4 of this Contract Report) or they can transfer their Vantage Towers Shares to Oak Holdings and cease to be shareholders in Vantage Towers in exchange for payment of an appropriate compensation (*Abfindung*) if they want to dispose of their Vantage Towers Shares in light of the Agreement (see Section D.1.5 of this Contract Report).

1.4 Conclusion

The establishment of a contractual corporate group between Vantage Towers and Oak Holdings strengthens and expands the opportunities for accelerating growth and create further value at Vantage Towers through support by Oak Holdings, Vodafone and Oak Consortium and its sponsors.

Compared to the de facto corporate group currently existing, the contractual corporate group will result in saving costs and avoiding expenditure as, for example, no audit and documentation obligations have to be fulfilled in respect of adverse effects of influence exerted. The contractual corporate group also establishes legal certainty in the envisaged support and the cooperation between Oak Holdings and Vantage Towers and in implementing organisational and structural measures. It offers more flexibility to issue instructions and makes decision processes and their implementation faster and more efficient. Finally, the contractual corporate group grants Vantage Towers as the controlled entity a claim for compensation of any annual net loss, irrespective of influence exerted or of the amount of any adverse effects, and offers outside shareholders a safeguard in the form of an appropriate recurring compensation payment (*Ausgleich*) or appropriate compensation (*Abfindung*).

2 Tax reasons

The conclusion of a profit and loss transfer agreement within the meaning of section 291 AktG is a prerequisite for establishing a consolidated tax group for purposes of corporate income tax and trade tax (*ertrags- und gewerbsteuerliche Organschaft*) between Oak Holdings (as the parent company) and Vantage Towers (as the subordinate company).

The consolidated tax group for purposes of income tax *inter alia* also requires that the parent company holds a participation in the subordinate company from the beginning of the subordinate company's financial year without interruption to such an extent that it has the

majority of the voting rights arising out of the shares in the subordinate company (section 14 para. 1 sentence 1 no. 1 sentence 1 German Corporate Income Tax Act (*Körperschaftsteuergesetz –"KStG"*)) and that the participation is attributable to a domestic permanent establishment of the parent company in the group without interruption for the entire existence of the consolidated tax group (section 14 para. 1 sentence 1 no. 2 sentence 4 KStG). The validity of the consolidated tax group for purposes of income tax also requires that the profit and loss transfer agreement is concluded for a period of at least five years (60 months) (section 14 para. 1 sentence 1 no. 3 sentence 1 KStG) and is actually implemented during the entire term of its validity.

It is currently expected that the conditions for the establishment of the consolidated tax group for purposes of income tax will be fulfilled, and the consolidated tax group for income tax purposes will thus exist, in the financial year of Vantage Towers starting on 1 April 2023. If the Agreement is not registered in the commercial register of Vantage Towers prior to the end of the financial year beginning on 1 April 2023, or if another condition is not satisfied, the consolidated tax group for income tax purposes will only be established as of the beginning of that financial year of Vantage Towers in which all conditions are satisfied.

The existence of a consolidated tax group for income tax purposes will not make Vantage Towers' general tax law obligations inapplicable. Vantage Towers must in principle determine its taxable profit and related other tax bases (*Besteuerungsgrundlagen*) under the general provisions separately from Oak Holdings as in the past. For purposes of corporate income tax, the income of Vantage Towers will be separately and uniformly determined with binding effect for Oak Holdings and Vantage Towers. As a consequence of the existence of the consolidated tax group for purposes of income tax, however, the entire taxable income of Vantage Towers – taking into account certain statutory restrictions – will be attributed to Oak Holdings starting from the financial year as from which the conditions for the existence of the consolidated tax group are met for the first time. Vantage Towers will, nonetheless, be obliged to pay taxes starting in the financial year in which the conditions for the existence of the consolidated tax group are met for the first time in the amount of 20/17 of the payments rendered to the outside Vantage Towers Shareholders as its own income for corporate income tax purposes (section 16 KStG). For trade tax purposes, the trade income is also to be separately determined for Oak Holdings and Vantage Towers irrespective of the consolidated tax group established for income tax purposes. The trade income figures achieved during the same tax period are then added, with any necessary corrections, and taxed at the level of the parent company as from the tax period in which the conditions for the existence of the consolidated tax group are met for the first time.

The establishment of a consolidated tax group for income tax purposes has a positive liquidity effect for Oak Holdings as contrary to distributions of profit, transfers of profit of Vantage Towers to Oak Holdings (with the exception of potential excess transfers which have their basis in the time prior to the consolidated tax group, see below) under commercial law are not subject to withholding tax on investment income plus the solidarity surcharge. If the Agreement was not concluded and Vantage Towers' profit was distributed as a dividend, withholding tax plus solidarity surcharge would be credited or refunded, since the dividend should generally be excluded when determining Oak Holdings' income (section 8b para. 1 KStG). However, this credit or refund would generally only occur in the context of the assessment of corporate income tax after filing the tax declaration for the tax period in which the dividend was received. Furthermore, a transfer of profit under commercial law in a consolidated tax group for income tax purposes (with the exception of potential excess transfers which have their basis in the time prior to the consolidated tax group, see below),

contrary to the distribution of a dividend, does not result in a prohibition on deducting operating expenses under section 8b para. 5 KStG in the amount of notional 5% of the dividend distribution.

In addition, as a result of the establishment of a consolidated tax group for income tax purposes, Oak Holdings will be able to offset its tax result against the tax result of Vantage Towers, meaning that expenditure (in particular financing expenditure) of Oak Holdings will be offset against operative earnings of Vantage Towers, which due to the lower tax payments on balance results in a corresponding liquidity benefit. Due to the resulting 95% tax exemption, such offset would in the event of dividend distributions by Vantage Towers to Oak Holdings only be available to a very limited extent.

The above mentioned tax effects do not apply for excess transfers which have their basis in the time prior to the consolidated tax group (section 14 para. 3 KStG).

3 Alternatives

The management board of Vantage Towers and the management of Oak Holdings have thoroughly examined alternatives to concluding the Agreement. They have concluded that none of the examined alternatives is suitable to achieve the described objectives in a similar or even more beneficial manner. In particular, the following other options have been examined:

3.1 Conclusion of an isolated domination agreement or an isolated profit and loss transfer agreement

The conclusion of an isolated domination agreement between Vantage Towers and Oak Holdings would be legally permissible. However, an isolated domination agreement does not permit profits to be transferred, but would nevertheless create an obligation to assume losses. Furthermore, a consolidated tax group for corporate income tax and trade tax purposes (*steuerliche Organschaft*) cannot be established on the basis of an isolated domination agreement and the intended tax benefits would accordingly not be achievable with just a domination agreement.

The conclusion of an isolated profit and loss transfer agreement between Vantage Towers and Oak Holdings would also be legally permissible. However, this would not be a sufficient legal basis for the intended comprehensive support and cooperation between Vantage Towers and Oak Holdings, Vodafone and Oak Consortium. The intended support and close cooperation can only be achieved with legal certainty if a contractual basis is established for the current de facto corporate group by means of a domination agreement in addition to a profit and loss transfer agreement (see Sections C. 1.2 and C.1.3 of this Contract Report). An optimized structure of the corporate group in terms of the tax situation and the control structures can only be achieved where both elements are combined.

Therefore, the Parties have decided to conclude a domination and profit and loss transfer agreement. This contractual form, by providing for a recurring compensation payment (*Ausgleich*) and compensation (*Abfindung*), pays due consideration to the interests of Vantage Towers' minority shareholders and has been tried and tested in practice in stock corporation law.

3.2 Exclusion of the minority shareholders (squeeze-out)

Excluding the minority shareholders of Vantage Towers pursuant to sections 327a et seq. AktG (squeeze-out under stock corporation law, *aktienrechtlicher Squeeze-out*) would not

be possible because it is not expected that the participation of Oak Holdings in Vantage Tower will reach the required statutory level of at least 95% of the share capital.

This applies correspondingly to an exclusion of Vantage Towers' minority shareholders pursuant to section 62 para. 5 German Transformation Act (*Umwandlungsgesetz* – "**UmwG**") in conjunction with sections 327a et seq. AktG after a merger (so-called squeeze-out under transformation law, *umwandlungsrechtlicher Squeeze-out*) which would require a participation of 90% of the share capital. Apart from that, Oak Holdings as a limited liability company (*Gesellschaft mit beschränkter Haftung*) does not have the legal structure of a stock corporation (*Aktiengesellschaft*) or European company (*Societas Europaea*) with registered seat in Germany as would be required for such squeeze-out under transformation law, and would first have to be transformed into a company with either of the two legal structures.

A squeeze-out under takeover law (*übernahmerechtlicher Squeeze-out*) pursuant to sections 39a et seq. WpÜG would also require a participation of Oak Holdings in the amount of 95% of the share capital in Vantage Towers.

Furthermore, even if a squeeze-out was possible and implemented, the legal restrictions described in Section C. 1.2 of this Contract Report resulting from the de facto corporate group would also exist in the case of a 100% shareholding of Oak Holdings in Vantage Towers without the Agreement as long as Vantage Towers has the legal form of a stock corporation (*Aktiengesellschaft*) or a European company (*Societas Europaea*) with its registered seat in Germany. Furthermore, a consolidated tax group for purposes of corporate income tax and trade tax purposes could also not be established without concluding a profit and loss transfer agreement.

To the extent that Vantage Towers owns real property in Germany or holds a participation, directly or indirectly, in the capital or assets of corporations or partnerships owning real property in Germany, a squeeze-out could further trigger real estate transfer tax (*Grunderwerbsteuer*).

3.3 Integration or merger

Integration into a corporate group by way of integration (sections 319 et seq. AktG) (*Eingliederung*) is not possible. As Oak Holdings is neither the sole shareholder (section 319 para. 1 sentence 1 AktG) nor holds a participation of at least 95% in Vantage Towers' share capital (section 320 para. 1 sentence 1 AktG), it does not fulfil the requirements for integration. Apart from that, Oak Holdings as a limited liability company (*Gesellschaft mit beschränkter Haftung*) does not have the legal structure of a stock corporation (*Aktiengesellschaft*) or European company (*Societas Europaea*) with registered seat in Germany as would be required for such integration, and would first have to be transformed into a company with either of the two legal structures.

A merger of Oak Holdings into Vantage Towers (downstream merger) is also not a suitable alternative structure, just as a merger of Vantage Towers into Oak Holdings (upstream merger).

The downstream merger of Oak Holdings into Vantage Towers is not a suitable alternative because Oak Holdings would cease to exist as a separate legal entity and a de facto corporate group would then exist between Oak Holdings 2 and Vantage Towers. Such a measure would also not change the requirement for a domination and profit and loss transfer

agreement in order to achieve the described objectives. Vantage Towers would thus have to conclude a domination and profit and loss transfer agreement with Oak Holdings 2.

An upstream merger is also not a suitable alternative. In this case, the outside Vantage Towers Shareholders would obtain the same participation in value in Oak Holdings as their previous participation in Vantage Towers. In addition, Vantage Towers Shares would cease to be tradable because the Vantage Towers Shares would be cancelled and Oak Holdings is organised as a limited liability company (*Gesellschaft mit beschränkter Haftung*).

An upstream merger could also trigger real estate transfer tax (*Gründerwerbsteuer*).

3.4 Change of legal form

A transformation of Vantage Towers into a different corporate form or a partnership is also not a suitable alternative to achieve the objectives pursued with the Agreement. Furthermore, Vantage Towers corporate structure as a stock corporation (*Aktiengesellschaft*) is to be maintained for the time being.

A change in corporate form would not help to establish the desired consolidated tax group (see Section C.2 of this Contract Report), which would still have to be established, in particular, by means of a profit and loss transfer agreement. Furthermore, even a transformation into a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) would not affect the applicability of the rules on the de facto corporate group and accordingly, would not change the disadvantages existing compared to a situation with a domination and profit and loss transfer agreement (see Sections C. 1.2 and C.1.3 of this Contract Report). After a transformation into a limited liability company (*Gesellschaft mit beschränkter Haftung*) or a partnership (*Personengesellschaft*), instructions in the interest of the corporate group would still have to be examined in the individual case with regard to whether they have an adverse impact on Vantage Towers as described in Section C. 1.2 of this Contract Report. The fiduciary duty of the controlling company existing as a result of membership would also have to be observed in the relationship to a limited liability company or a partnership so that the implementation of adverse measures would be problematic.

Furthermore, a change of the legal form would involve additional expenses and delay and, in the case of a change of legal form to a limited liability company (*Gesellschaft mit beschränkter Haftung*) or a partnership, the loss of the Vantage Towers Shares' admission to exchange trading. This would affect the tradability of Vantage Towers Shares. There is no legal obligation to change the legal form when concluding a domination and profit and loss transfer agreement.

3.5 Relationship agreement

The conclusion of a relationship agreement (*Konzernkoordinierungsvertrag*) between Vantage Towers and Oak Holdings is not suitable either to achieve the objectives pursued with the Agreement.

A relationship agreement describes an agreement between a controlling shareholder (Oak Holdings) and a controlled company (Vantage Towers), which agree on specific aspects of the de facto corporate group equally and with mutual binding effects, without establishing a contractual corporate group. A relationship agreement, which can provide for common coordination in operational and strategic matters and the consolidation of specific business functions, allows to obtain legally certain and factual controlling influence on the business activities of the controlled company and hence the intra-group exemption under cartel law. The contractual definition of the de facto corporate group further enables the controlling

company to assume group-wide compliance responsibility and to minimise liability risks arising from the “single economic entity” concept under Union law. A corresponding contractual design also enables agile management with only few hierarchical levels while maintaining positive economies of scope.

However, the *de facto* corporate group that would continue to exist between Vantage Towers and Oak Holdings despite the conclusion of a relationship agreement would continue to restrict the management and coordination of activities (see Section C. 1.2 of this Contract Report). Any relationship agreement must still comply with the central provisions of Sections 76, 111, 291 et seqq. AktG. This means that the management board of Vantage Towers would still be required under section 76 para. 1 AktG to manage Vantage Towers in its own responsibility, even though the management board’s managerial independence could be restricted in the well-understood interest of the company.

A relationship agreement between Vantage Towers and Oak Holdings would not be permitted to exclude or impede the companies’ independent performance of their statutory responsibilities, as would be the case, for example, where the controlling shareholder’s management would be granted substantial reservations of consent. This is why relationship agreements in practice provide neither for rights to give instructions nor for reservations of consent for the controlling company, as this would counteract an agile group structure and may exceed the threshold for such relationship agreements to be considered covert domination agreements.

3.6 Conclusion

The management board of Vantage Towers and the management of Oak Holdings, after thorough and careful consideration, have arrived at the conclusion that the described objectives can only be achieved by concluding a domination and profit and loss transfer agreement. The restrictions of a *de facto* corporate group can only be overcome (see Section C.1.3 of this Contract Report) and the status of a consolidated tax group for purposes of corporate income tax and trade tax can only be established (see Section C.2 of this Contract Report) by concluding a domination and profit and loss transfer agreement.

4 Costs of the Domination and Profit and Loss Transfer Agreement

The conclusion of the Agreement caused one-time costs. These costs were in particular caused by mandating the Valuation Expert (see Section E.1 of this Contract Report), the issuance of the Audit Report by the court appointed Contract Auditor (see Section D.3.2.2 of this Contract Report), as well as by obtaining legal advice. Oak Holdings and Vantage Towers each bear one half of the costs for the preparation of the expert opinion on the enterprise value prepared by the Valuation Expert as well as the costs for the preparation of the report by the Contract Auditor. All other costs incurred by the parties, including costs of external advisers, are borne by the respective party alone. External costs to be borne by Vantage Towers in a range of approx. EUR 1.0 million are expected overall. The external costs to be borne by Oak Holdings are expected to amount to approx. EUR 1.25 million.

D The Domination and Profit and Loss Transfer Agreement

1 Explanation of the Agreements' content

The individual provisions of the Agreement are explained below.

1.1 Management control and instructions (clause 1 of the Agreement)

Clause 1 of the Agreement contains the constitutive provision for a domination agreement under which Vantage Towers, as the controlled company, submits the management of its company to Oak Holdings as the controlling company. Oak Holdings is accordingly entitled to issue instructions to the management board of Vantage Towers with regard to the management of the company (clause 1.1 sentence 2 of the Agreement). Notwithstanding this right of management control and right to issue instructions, Vantage Towers will continue to be a legally independent company with its own corporate bodies. The management board of Vantage Towers accordingly continues to be responsible for the management and the representation of the company (clause 1.3 of the Agreement). To the extent no instructions have been issued, the management board of Vantage Towers is entitled to and must manage the company on its own responsibility.

The scope of the right of management control and the right to issue instructions is governed primarily by section 308 AktG. The management board of Vantage Towers is required to comply with the permissible instructions of Oak Holdings (clause 1.1 sentence 3 of the Agreement). Pursuant to section 308 para. 1 sentence 2 AktG, instructions which are disadvantageous for Vantage Towers can also be issued if they serve the interests of Oak Holdings or the companies affiliated with Oak Holdings and Vantage Towers in the corporate group. The management board of Vantage Towers is not entitled to refuse to comply with an instruction unless the instruction obviously does not serve these interests. The management board does not have to follow any impermissible instructions, e.g. instructions which would violate statutory provisions or provisions in Vantage Towers Articles of Association. Instructions which endanger the existence of Vantage Towers are impermissible, in any event. A controlled company is also not required to comply with instructions if and as long as the controlling company does not fulfil its obligations under the domination and profit and loss transfer agreement, in particular the obligations to assume losses and to pay the recurring compensation (*Ausgleich*) as well as the compensation (*Abfindung*) to the outside shareholders (sections 304, 305 AktG) or to the extent that the controlling company will most likely not be able to comply with these obligations (with regard to the right of the controlled company to terminate see Section D.1.6.4 of this Contract Report). Furthermore, instructions to amend, maintain or terminate the Agreement can also not be issued pursuant to section 299 AktG (clause 1.2 of the Agreement).

The right of management control and the right to issue instructions exist only towards the management board but not towards the supervisory board, the general meeting or employees of Vantage Towers and also not towards corporate bodies and employees of any subsidiary of Vantage Towers. If the management board of Vantage Towers is instructed to engage in a transaction which requires the consent of the supervisory board of Vantage Towers and if the supervisory board does not consent or if the consent is not issued within a reasonable period of time, the consent of the supervisory board can be substituted in accordance with section 308 para. 3 AktG by repeating the instruction. The participation rights of the general meeting of Vantage Towers are not affected by the Agreement.

Any instruction to the management board of Vantage Towers must be issued in text form (section 126b BGB), e.g. by telefax or email; an oral instruction must be confirmed in text form without undue delay (clause 1.4 of the Agreement).

Pursuant to section 294 para. 2 AktG and clause 6.2 of the Agreement, the right of Oak Holdings to issue instructions and the corresponding duty of Vantage Towers to comply under clause 1 of the Agreement exist only after the point in time when the Agreement has become effective as a result of registration in the commercial register at the registered seat of Vantage Towers (see Section D.1.6.1 of this Contract Report).

1.2 Transfer of Profit (clause 2 of the Agreement)

Clause 2 of the Agreement contains the constitutive provision for a profit and loss transfer agreement under which Vantage Towers is required to transfer its entire annual profit (*Gewinnabführung*) to Oak Holdings during the term of the Agreement (clause 2.1 of the Agreement). With regard to the scope of the profit to be transferred under clause 2.1 Agreement and subject to an establishment or a dissolution of reserves in accordance with clause 2.2 and clause 2.3 of the Agreement, reference is made to the statutory provision in section 301 AktG in its respectively applicable version.

Based on the current version of section 301 AktG, that profit must be transferred which would arise as annual profit if no profit transfer arrangements were in place, as reduced by any loss carry forward from the previous year and by the amount which must be allocated to the statutory reserve pursuant to section 300 AktG and the amount which is blocked from distribution under section 268 para. 8 HGB.

The amount which must be allocated to the statutory reserve is assessed in accordance with section 300 no. 1 AktG and depends on the amount of the share capital, the annual profit and the amount already allocated to the statutory reserve. As of 31 March 2022, the statutory reserve of Vantage Towers (adding capital reserves within the meaning of section 272 para. 2 no. 1-3 HGB) has been established in the amount of EUR 46,468,000.00 and thus not in full. To the extent the statutory reserve is not fully established, in accordance with section 300 no. 1 AktG, that amount of the annual profit accruing without the profit transfer, after deducting any loss carried forward from the previous year, which is required in order to fill up, during the first five financial years commencing during the term of such agreement or upon completion of a capital increase, the statutory reserve, plus the amount of any capital reserve, in equal instalments to one-tenth of the share capital or a higher proportion specified by the articles must be transferred to the statutory reserve. Pursuant to section 300 no. 1 AktG, however, at least the share of the annual profit accruing without the profit transfer, after deducting any loss carried forward from the previous year, which would be transferred to the statutory reserve pursuant to section 150 para. 2 AktG must be transferred to the statutory reserve.

The block on distribution pursuant to section 268 para. 8 sentence 1 HGB applies if intangible assets created by the company itself are capitalized as fixed assets in the balance sheet (section 248 para. 2 sentence 1 HGB). In this case, profits can only be distributed to the extent that freely available reserves plus a profit carry forward and minus any loss carry forward remain after the distribution in an amount which corresponds at least to the total amounts capitalized as internally created intangible assets minus the deferred tax liabilities established in respect thereof. If deferred tax assets are capitalized in the balance sheet (section 274 para. 1 sentence 2 HGB), the amount of freely available reserves after the distribution, plus a profit carried forward and less a loss carried forward, must at least equal

the amount of deferred tax assets less deferred tax liabilities (section 268 para. 8 sentence 2 HGB). In the case of assets which cannot be accessed by any creditor and which serve exclusively to fulfil pension obligations or comparable long-term due obligations (section 246 para. 2 sentence 2 HGB), section 268 para. 8 sentence 3 HGB requires that the amount of freely available reserves after the distribution, plus a profit carried forward and less a loss carried forward, must at least equal the difference between the sum of the fair values (*Zeitwerte*) stated in the balance sheet for these assets, reduced by deferred tax liabilities established in respect thereof, and the historical cost of these assets. The term "freely available reserves" (*frei verfügbare Rücklagen*) includes both specific profit reserves as well as specific capital reserves. Profit reserves which can be distributed without any statutory provisions or provisions in the articles of association limiting such distribution as well as the freely available capital reserve under section 272 para. 2 no. 4 HGB must be taken into account accordingly when determining the maximum amount that can be distributed. The block on distribution above all serves to protect creditors.

The amount to be transferred as profit under clause 2.1 of the Agreement is reduced under clause 2.2 of the Agreement if and to the extent Vantage Towers, with the approval of Oak Holdings, allocates amounts from the annual profit without the transfer of profit to other profit reserves (section 272 para. 3 HGB). The allocation of such amounts to other profit reserves is only recognised for the purposes of the consolidated tax group for income tax purposes (see Section C.2 of this Contract Report) if this is economically justified in accordance with a reasonable commercial assessment (section 14 para. 1 sentence 1 no. 4 KStG). Clause 2.2 of the Agreement takes this standard into account.

Oak Holdings can demand (in writing) under clause 2.3 sentence 1 of the Agreement that other profit reserves established during the term of the Agreement (section 272 para. 3 sentence 2 HGB) are dissolved again and transferred as profit (section 301 sentence 2 AktG) or are used to offset any annual loss (section 302 para. 1 AktG).

Clause 2.3 sentence 2 of the Agreement provides that other reserves and a profit carry forward resulting from the time prior to the effectiveness of the Agreement may neither be transferred as profit nor used to compensate any annual loss. The term "other reserves" (*sonstige Rücklagen*) includes all reserves under section 272 HGB except for the other profit reserves established during the term of the Agreement. Therefore, the statutory reserve, reserves in accordance with the articles of association as well as the capital reserves are excluded from contractual transfer regardless of when they were established. Furthermore, the other profit reserves within the meaning of section 272 para. 3 sentence 2 HGB that have been established in the time prior to the effectiveness of the Agreement are excluded from transfer. This provision corresponds with the requirements of section 301 AktG and the decisions of the highest courts on the use of reserves in the context of a domination and profit and loss transfer agreement.

The obligation to transfer profit applies for the first time for the entire profit generated in the financial year in which the Agreement becomes effective pursuant to clause 6.2 of the Agreement (clause 2.4 sentence 1 of the Agreement).

The Agreement becomes effective upon registration in the commercial register at the registered seat of Vantage Towers after approval by the general meeting of Vantage Towers and the shareholders' meeting of Oak Holdings (section 294 para. 2 AktG, clauses 6.1 and 6.2 of the Agreement).

The claim of Oak Holdings for a transfer of profit is due upon expiration of the last day of a financial year of Vantage Towers for which the respective claim exists. Interest in the respective statutory amount is owed for the period of time between the due date and actually fulfilling the claim for transfer of profit (clause 2.4 sentence 2 of the Agreement), i.e. in the amount of the statutory rate of interest that applies between commercial parties (currently 5% annually, section 352 para. 1 sentence 1 HGB).

1.3 Assumption of Losses (clause 3 of the Agreement)

Clause 3.1 of the Agreement provides for the obligation of Oak Holdings to assume the losses of Vantage Towers pursuant to section 302 AktG in its respectively valid version. Pursuant to section 302 AktG in its current version, this means that Oak Holdings must compensate for any annual loss that would "otherwise" arise during the term of the Agreement i.e. that would arise if no obligation to cover the loss was in existence. The obligation to compensate for loss does not exist to the extent that the annual loss is offset by amounts being withdrawn from the other profit reserves (section 272 para. 3 sentence 2 HGB) which have been allocated to the profit reserves during the term of the Agreement.

The obligation to compensate for losses assures that the accounted equity capital of Vantage Towers existing at the time the Agreement becomes effective is not reduced during the term of the Agreement. The duty to assume losses serves to secure the financial interests of Vantage Towers, its shareholders and creditors during the existence of the Agreement.

Pursuant to clause 3.2 of the Agreement, the obligation to assume losses applies for the first time for the entire financial year in which the Agreement has become effective according to clause 6.2 of the Agreement. The obligation to assume losses is due in each case upon expiration of the last day of a financial year of Vantage Towers. Interest in the respective statutory amount is owed for the period between the due date and actually fulfilling the claim to compensate for losses (clause 3.2 sentence 2 in conjunction with clause 2.4 sentence 2 of the Agreement), i.e. in the amount of the statutory interest rate applicable between commercial parties (currently 5% annually, section 352 para. 1 sentence 1 HGB). This provision corresponds with the statutory requirements and the requirements under the case law of the highest courts.

1.4 Recurring Compensation Payment (clause 4 of the Agreement)

A duty to grant an appropriate recurring compensation to the outside Vantage Towers Shareholders comes into existence under section 304 para. 1 AktG when the Agreement becomes effective. To fulfil this duty of compensation, Oak Holdings undertakes towards the outside Vantage Towers Shareholders to pay a recurring compensation (the "**Recurring Compensation Payment**", clause 4.1 of the Agreement).

After the obligation to transfer profit under clause 2 of the Agreement becomes effective, i.e. for the first time for the financial year of Vantage Towers in which the Agreement is registered in the commercial register at the registered seat of Vantage Towers, Vantage Towers will generally no longer report any balance sheet profit for the corresponding financial year and subsequent financial years. As from that point in time, Vantage Towers Shareholders no longer have the right to resolve on the attribution of any balance sheet profit, except for a resolution in the event of a dissolution of reserves established before the Agreement was concluded. As compensation for the loss of the claim for a dividend, Clause 4.1 of the Agreement provides for the obligation of Oak Holdings to grant the appropriate Recurring Compensation Payment to outside Vantage Towers Shareholders. This Recurring Compensation Payment exists as of the financial year of Vantage Towers for which the claim

of Oak Holdings under clause 2 of the Agreement for the transfer of profit takes effect and remains in place for the duration Agreement. The Recurring Compensation Payment is due on the first banking day after the ordinary general meeting of Vantage Towers for the previous financial year, but at the latest eight months after expiration of that financial year of Vantage Towers (clause 4.2 sentence 5 of the Agreement).

1.4.1 Type of the Recurring Compensation Payment

(i) Legal basis

A domination and profit and loss transfer agreement must provide for a appropriate recurring compensation for the outside shareholders of the controlled company, in the present case Vantage Towers (section 304 para. 1 sentence 1 AktG). If only an isolated domination agreement exists, such domination agreement must guarantee an appropriate guaranteed dividend to outside shareholders (section 304 para. 1 sentence 2 AktG). Both the guaranteed dividend and the recurring compensation must consist of a recurring payment of money to the outside shareholders for each share (section 304 para. 1 sentence 1 and sentence 2 AktG). The AktG differentiates between two types of recurring compensation payments (see Sections (ii) and (iii) below).

(ii) Fixed recurring compensation

In the case of a fixed recurring compensation payment, the annually recurring payment of a fixed cash amount is guaranteed. The amount of such fixed recurring compensation payment must correspond to the amount which could be expected to be distributed on each individual share as an average share in the profits, i.e. as distributable profit for commercial law purposes, in view of the controlled company's past profitability and future earnings prospects, taking into account adequate depreciation, amortisation and value allowances, but excluding the establishment of other profit reserves (section 304 para. 2 sentence 1 AktG).

(iii) Variable recurring compensation

The variable recurring compensation payment guarantees a recurring compensation payment based on the controlling company's profit. However, the controlling company must be a German stock corporation (*Aktiengesellschaft*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European company (*Societas Europaea*) which has its registered seat in Germany. The variable recurring compensation must correspond to the amount which accrues to shares of the controlling company as a share in the profit based on the establishment of a reasonable conversion ratio (section 304 para. 2 sentences 2 and 3 AktG).

(iv) Reasons for determining the fixed Recurring Compensation Payment

The Agreement between Oak Holdings and Vantage Towers provides for the fixed annual Recurring Compensation Payment. The reasons for this are primarily as follows:

Oak Holdings as the controlling company is a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law, meaning that

the option to choose the type of recurring compensation payment is not available. Instead, a fixed recurring compensation payment is the only available option. This means that a variable recurring compensation payment based on the profit of Oak Holdings is not legally possible without previously transforming the company into a stock corporation (*Aktiengesellschaft*) or a partnership limited by shares (*Kommanditgesellschaft auf Aktien*). However, such a compensation based on the profit of Oak Holdings would not be suitable to ensure the outside Vantage Towers Shareholders' right to receive an appropriate compensation payment. The participation in Vantage Towers will be by far the most valuable asset of Oak Holdings and thus, the Vantage Towers Shareholders would economically receive a compensation that is based on Vantage Towers' profit only. Oak Holdings could, however, in fact exercise its management control over Vantage Towers on the basis of the Agreement in a way that reduces profits of Vantage Towers. This would in consequence also lead to a lower compensation for the outside Vantage Towers Shareholders.

1.4.2 Determination of the Recurring Compensation Payment as gross payment, amount of the Recurring Compensation Payment

Pursuant to clause 4 of the Agreement, Oak Holdings grants to the outside Vantage Towers Shareholders the annual Recurring Compensation Payment for the term of the Agreement. The amount as well as the determination of the Recurring Compensation Payment is explained and reasoned in more detail below as well as in Section E.2 of this Contract Report.

(i) Amount of the Recurring Compensation Payment

Clauses 4.1 and 4.2 of the Agreement provides for the payment of an annual Recurring Compensation Payment in the amount of EUR 1.49 (corresponding to an amount of EUR 1.60 before current corporate income tax and the solidarity surcharge) per Vantage Towers Share to the outside Vantage Towers Shareholders starting from and including the financial year of Vantage Towers in relation to which the profit transfer claim of Oak Holdings takes effect, and for the further duration of the Agreement. This amount will be due in full annually because balance sheet profit will no longer be shown after the obligation to transfer profit has become effective, and the right of the Vantage Towers Shareholders to decide about the use of the balance sheet profit will no longer exist. For the avoidance of doubt, it was agreed in clause 4.2 sentence 4 of the Agreement that any withholding tax (such as capital gains tax plus solidarity surcharge thereon) will be withheld from the Recurring Compensation Payment to the extent required by statutory law.

(ii) Adjustment mechanism for the Recurring Compensation Payment

When determining the Recurring Compensation Payment, the contracting parties took into account the case law of the Federal Supreme Court of Justice (*Bundesgerichtshof – "BGH"*) (decision of 21 July 2003, case no. II ZB 17/01 – "Ytong"). In this decision, the BGH decided that the outside shareholders must be granted a recurring compensation for purposes of section 304 para. 1 sentence 1 and sentence 2, para. 2 sentence 1 AktG

which corresponds to using the gross share in the profit that is expected to be distributable on each share as a fixed basis and deducting therefrom the corporate income tax burden in the relevant statutory amount. This shall ensure that a decrease in the corporate income tax rate compared to the applicable rate on valuation date will not lead to an unjustified benefit of the other contracting party (the controlling company) at the expense of the outside shareholders. Conversely, this also is to prevent that the stipulation of a recurring compensation payment results in an unjustified advantage to outside shareholders at the expense of the other contracting party (the controlling company) in the event of a tax increase. These principles are also applicable accordingly to the solidarity surcharge levied as a surtax on the corporate income tax.

On this basis, a fixed compensation payment in the form of the Recurring Compensation Payment is to be determined as an expected gross profit share per Vantage Towers Share ("**Gross Amount of Recurring Compensation**") from which corporate income tax plus solidarity surcharge at the applicable rate for the relevant financial year are to be deducted ("**Net Amount of Recurring Compensation**"). In the event the rates of corporate income tax or solidarity surcharge change, this provides a variable provision which immediately results in a corresponding adjustment to the Net Amount of Recurring Compensation. However, corporate income tax and solidarity surcharge are to be deducted only from the portion of the Gross Amount of Recurring Compensation which relates to profits subject to German corporate income tax.

According to the corporate income tax rate of 15% and the solidarity surcharge rate of 5.5% applicable on the signing date of the Contract Report, a total of EUR 0.11 per Vantage Towers Share is to be deducted from the Gross Amount of Recurring Compensation of EUR 1.60 per Vantage Towers Share. This results in a Net Amount of Recurring Compensation of EUR 1.49 per Vantage Towers Share for a full financial year.

The mechanism for adjusting the Recurring Compensation Payment based on changes to the tax rate can be illustrated by the following example: If the corporate income tax rate of 15% is reduced by two percentage points to 13%, the variable provision in clause 4.2 of the Agreement results in the current deduction for corporate income tax and solidarity surcharge of EUR 0.11 per Vantage Towers Share being reduced by EUR 0.01 (2.0% plus solidarity surcharge of 5.5%, together 2.110% of the portion contained in the Gross Amount of Recurring Compensation which relates to the profits on which German corporate income tax is charged). This increases the Net Amount of Recurring Compensation from EUR 1.49 per Vantage Towers Share by EUR 0.01 to EUR 1.50. Conversely, an increase in the corporate income tax rate by two percentage points to 17% results in a reduction in the Net Amount of Recurring Compensation from EUR 1.49 per Vantage Towers Share by EUR 0.01 to EUR 1.48.

1.4.3 Further explanations of clause 4 of the Agreement

The Recurring Compensation Payment is granted for the first time for the entire financial year of Vantage Towers for which the obligation to transfer profit to Oak

Holdings pursuant to clause 2 of the Agreement becomes effective (clause 4.3 sentence 1 of the Agreement). Pursuant to clause 2.4 of the Agreement, this applies for the entire profit for the financial year of Vantage Towers in which the Agreement becomes effective. If the Agreement becomes effective during the financial year of Vantage Towers beginning on 1 April 2023, the obligation to transfer profit also applies starting with the financial year beginning on 1 April 2023. If the Agreement takes effect only in a subsequent financial year, the obligation to transfer profit applies only as of the start of the relevant, subsequent financial year.

As of the effectiveness of the profit transfer pursuant to clause 2 of the Agreement, the outside Vantage Towers Shareholders have no claim for a dividend unless a balance sheet profit exists resulting from reserves or a profit carry forward from the time prior to the commencement of the Agreement and the general meeting resolves a distribution of such balance sheet profit.

If the Agreement ends during the course of a financial year of Vantage Towers or if the Recurring Compensation Payment must be paid for an abbreviated financial year (*Rumpfgeschäftsjahr*), the Recurring Compensation Payment for this financial year is reduced *pro rata temporis* (clause 4.3 of the Agreement). This takes into account the fact that the fixed amount of the Recurring Compensation Payment is based on the basis of a period of twelve months, i.e. a full financial year.

Clause 4.2 sentence 5 of the Agreement stipulates the due date for the Recurring Compensation Payment. The Recurring Compensation Payment to be paid by Oak Holdings is due in each case on the first banking day after the ordinary general meeting of Vantage Towers for the respective previous financial year, but at the latest eight months after the end of the financial year.

Clause 4.4 sentence 1 of the Agreement governs the adjustment of the Recurring Compensation Payment in the case of a capital increase using company funds. If new Vantage Towers Shares are issued on the occasion of a capital increase using company funds, the Recurring Compensation Payment per Vantage Towers Share is reduced to the extent of shares issued, so that the total amount of the Recurring Compensation Payment remains the same. The change in the number of Vantage Towers Shares held by an outside Vantage Towers Shareholder resulting from a capital increase using company funds, therefore, does not affect the total amount of the Recurring Compensation Payment to which this Vantage Towers shareholder is entitled. This is necessary because a capital increase using company funds, i.e. the conversion of profit or certain capital reserves into share capital, does not influence the value and the earning power of the company, and because the new Vantage Towers Shares resulting from the capital increase using company funds are issued to the Vantage Towers Shareholders without consideration. This also corresponds to the statutory provision in section 216 para. 3 AktG under which the economic content of contractual relationships between the company and third parties is not affected by a capital increase using company funds. If no new Vantage Towers Shares are issued in the context of the capital increase using company funds, an adjustment of the Recurring Compensation Payment is not required.

If the share capital of Vantage Towers is increased by issuing new Vantage Towers Shares in exchange for cash contributions or contributions in kind with a subscription right being granted to the outside Vantage Towers Shareholders, the claim of the outside Vantage Towers Shareholders to the Recurring Compensation Payment also

extends to the newly created Vantage Towers Shares resulting from the capital increase. Clause 4.4 sentence 2 of the Agreement ensures that in the event of such increases in Vantage Towers' share capital not only the claims to Recurring Compensation Payments of existing outside Vantage Towers Shareholders remain unaffected but that also new outside Vantage Towers Shareholders are treated equally.

Clause 4.5 of the Agreement serves to protect the non-discriminatory treatment of all outside Vantage Towers Shareholders. If a Vantage Towers Shareholder claims that the offered Recurring Compensation Payment is not appropriate, the shareholder can file an application for the court to determine an appropriate recurring compensation payment in appraisal proceedings (*Spruchverfahren*) pursuant to sections 1 et seq. German Act on Appraisal Proceedings (*Spruchverfahrensgesetz* – "**SpruchG**"). The provision in clause 4.5 sentence 1 of the Agreement grants to all outside Vantage Towers Shareholders a claim for an increase of the Recurring Compensation Payment if appraisal proceedings take place and the court sets a legally binding (*rechtskräftige*) higher recurring compensation payment. The same applies pursuant to clause 4.5 sentence 2 of the Agreement, if Oak Holdings undertakes to pay a higher recurring compensation payment to an outside Vantage Towers Shareholder in a court settlement (*gerichtlicher Vergleich*) for the purpose of avoiding or settling proceedings pursuant to section 1 et seqq. SpruchG. These claims also exist for those Vantage Towers Shareholders who have accepted the Compensation offer under clause 5 of the Agreement in the meantime (see below on clause 5.5 of the Agreement). Furthermore, these claims also exist regardless of whether the Vantage Towers Shareholder was involved in any appraisal proceedings (see section 13 sentence 2 SpruchG).

1.5 Compensation (clause 5 of the Agreement)

1.5.1 Type of compensation

In addition to the obligation to pay the Recurring Compensation Payment in accordance with section 304 AktG, the Agreement must contain an obligation of Oak Holdings to acquire the shares of an outside Vantage Towers Shareholder upon demand by such shareholder in exchange for an appropriate compensation (*Abfindung*) specified in the Agreement (section 305 para. 1 AktG). In accordance with section 305 para. 1 AktG, Oak Holdings offers a cash compensation in the amount of EUR 27.85 per Vantage Towers Share ("Compensation") to outside Vantage Towers Shareholders who would like to divest their shareholding in the company on the occasion of the conclusion of the Agreement (clause 5.1 of the Agreement).

With regard to the type of compensation, the AktG makes a distinction between three categories:

(i) Compensation in shares of the other party

If the other party (Oak Holdings) is a non-controlled and non-majority-owned stock corporation (*Aktiengesellschaft*) or partnership limited by shares (*Kommanditgesellschaft auf Aktien*) with its registered seat in a member state of the European Union or another contracting state to the Agreement on the European Economic Area, the Agreement has to provide for granting

own shares of the relevant company as compensation (*Abfindung*) (section 305 para. 2 no. 1 AktG).

- (ii) Choice between cash compensation and compensation in shares of the controlling company or the company holding a majority interest in the other party

If the other party (Oak Holdings) is a controlled or majority-owned stock corporation (*Aktiengesellschaft*) or partnership limited by shares (*Kommanditgesellschaft auf Aktien*) and the controlling company is a stock corporation (*Aktiengesellschaft*) or partnership limited by shares (*Kommanditgesellschaft auf Aktien*) with its registered seat in a member State of the European Union or another contracting state to the Agreement on the European Economic Area, the Agreement has to provide either for granting shares in the controlling company or the company holding a majority interest or for granting cash compensation (section 305 para. 2 no. 2 AktG). In this case, the domination and profit and loss transfer agreement does not have to provide for both types of compensation. The parties can rather choose one type of compensation.

- (iii) Cash compensation

In any other cases, the Agreement must provide for cash compensation (section 305 para. 2 no. 3 AktG).

1.5.2 Reasons for granting cash compensation

The main reasons for granting cash compensation were essentially the following:

Oak Holdings is organised in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law and is thus neither a stock corporation (*Aktiengesellschaft*) nor a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) with its registered seat in a member state of the European Union or another contracting state to the Agreement on the European Economic Area, and thus section 305 para. 2 no. 1 and no. 2 AktG is not applicable.

1.5.3 Amount of the Compensation

According to the Agreement, Oak Holdings undertakes, upon demand of each outside Vantage Towers Shareholder, to purchase such shareholder's Vantage Towers Shares in exchange for appropriate compensation (section 305 para. 1 AktG). Each outside Vantage Towers Shareholder wishing to make use of the Compensation offer will receive compensation within the meaning of section 305 para. 2 AktG in the amount of EUR 27.85 for each Vantage Towers Share (clause 5.1 of the Agreement). The amount as well as the determination of appropriate compensation are explained and substantiated in more detail in Section E.3 of this Contract Report.

1.5.4 Further explanations of clause 5 of the Agreement

The obligation of Oak Holdings to purchase the Vantage Towers Shares in exchange for the Compensation is limited by time according to clause 5.2 of the Agreement. The period ends two months after the date on which the registration of the existence of the Agreement in the commercial register at the registered seat of Vantage Towers is publicly announced pursuant to section 10 HGB. The provision of a two-month

period (clause 5.2 sentence 2 of the Agreement) corresponds to the statutory provision in section 305 para. 4 sentence 2 AktG.

Under section 4 para. 1 no. 1 SpruchG, outside Vantage Towers Shareholders can file a motion for a court decision on the compensation to be granted within three months after the date on which the registration of the existence of the Agreement in the commercial register at the registered seat of Vantage Towers has been publicly announced pursuant to section 10 HGB. Section 305 para. 4 sentence 3 AktG stipulates that in case of an application to the court to determine the recurring compensation or the compensation, the period for accepting the offer for transfer of the shares to the controlling company in exchange for payment of a reasonable compensation ends at the earliest two months after the date on which the decision on the most recently decided request of a shareholder has been published in the German Federal Gazette (*Bundesanzeiger*). Clause 5.2 sentence 3 of the Agreement clarifies that this statutory provision applies without any restriction. If appraisal proceedings are initiated, the period for accepting the offer accordingly ends two months after the date on which the decision on the last motion of a Vantage Towers Shareholder ruled on has been published in the German Federal Gazette (*Bundesanzeiger*). This also applies in the event of the conclusion of a court settlement (*gerichtlicher Vergleich*) in order to end the appraisal proceedings.

The declaration of the outside Vantage Towers Shareholders that they want to accept the offer for the Compensation from Oak Holdings must be received within the period that is determined as explained above. After this period expired, an acceptance of the offer for the Compensation is no longer possible.

The outside Vantage Towers Shareholders can decide to leave the company after registration of the existence of the Agreement in the commercial register and receive the offered Compensation or they can instead decide to remain Vantage Towers Shareholders and receive the Recurring Compensation Payment offered in clause 4 of the Agreement.

Clause 5.3 of the Agreement takes into account the principles already explained above with regard to clause 4.4 of the Agreement in the event of an increase of the share capital using company funds or for contributions. Reference is made to the corresponding explanations in Section D.1.4.3 of this Contract Report.

Pursuant to clause 5.4 of the Agreement, acceptance of the Compensation offered is free of costs for outside Vantage Towers Shareholders. This ensures that the outside Vantage Towers Shareholders are not burdened with fees, commissions or other processing fees of the banks and that they receive the Compensation without any reduction. This does not affect taxes which accrue on any capital gain for an outside Vantage Towers Shareholder. The respective Vantage Towers Shareholders must bear these taxes themselves. Reference is made to Section D.3.3 of this Contract Report with regard to the tax effects for the outside Vantage Towers Shareholders.

Clause 5.5 of the Agreement, in turn, serves the purpose of protecting and treating all outside Vantage Towers Shareholders equally. The provision grants to all outside Vantage Towers Shareholders a claim for an additional payment to the Compensation in the event of any appraisal proceedings pursuant to sections 1 et seq. SpruchG if the court sets forth a legally binding (*rechtskräftig*) higher

compensation or in the event of Oak Holdings undertaking to pay a higher compensation payment to an outside Vantage Towers Shareholder in a court settlement (*gerichtlicher Vergleich*) for the purpose of avoiding or settling proceedings pursuant to section 1 et seqq. SpruchG. This claim also exists if the outside Vantage Towers Shareholder has already received the Compensation regardless of whether the outside Vantage Towers Shareholder participated in any appraisal proceedings.

1.6 Effectiveness and term (clause 6 of the Agreement)

1.6.1 Effectiveness

In accordance with the statutory requirements for approval under section 293 AktG, clause 6.1 of the Agreement stipulates that Agreement requires for its effectiveness the consent of the shareholders' meeting of Oak Holdings as well as of the general meeting of Vantage Towers. The shareholders' meeting of Oak Holdings is supposed to give its consent to the Agreement on 4 May 2023. The general meeting of Vantage Towers is supposed to pass a resolution on the consent to the Agreement on 5 May 2023.

According to section 294 para. 2 AktG, the Agreement only becomes effective upon its registration in the commercial register at the registered seat of Vantage Towers. Clause 6.2 sentence 2 of the Agreement reflects this provision.

1.6.2 Commencement of the term of the Agreement

- (i) Effectiveness of the right of management control and the right to issue instructions under clause 1 of the Agreement

The right of management control and the right to issue instructions under clause 1 of the Agreement become effective as of the point in time the Agreement becomes effective upon its registration.

- (ii) Effectiveness of the obligation to transfer profit under clause 2 of the Agreement

The obligation to transfer profit under clause 2 of the Agreement applies for the first time for the entire profit of the financial year of Vantage Towers in which the Agreement becomes effective according to clause 6.2 of the Agreement. Hence, if the Agreement is registered in the commercial register after the beginning of the financial year of Vantage Towers that commences on 1 April 2023, the profit transfer obligation applies to the entire profit generated in the financial year that begins on 1 April 2023.

If the Agreement takes effect only during a subsequent financial year, e.g. if the registration is delayed due to a delay in registration because shareholders challenge the approval resolution passed by the general meeting of Vantage Towers, the obligation to transfer profit applies accordingly only as of the beginning of this subsequent financial year in which the Agreement takes effect.

- (iii) Effectiveness of the obligation to compensate losses under clause 3 of the Agreement

Pursuant to clause 3.2 of the Agreement, the obligation to assume losses applies for the first time for the entire financial year of Vantage Towers in which the Agreement becomes effective. If the Agreement, as is generally the case, is not registered in the commercial register at the registered seat of Vantage Towers on the date the financial year begins, the Agreement thus also claims retroactive effect with regard to the obligation to compensate losses for the part of the financial year that has already lapsed at the time of registration in the commercial register.

1.6.3 Term of the Agreement/minimum term

The Agreement is concluded for an indefinite period of time (clause 6.3 sentence 1 of the Agreement). Clause 6.3 sentence 3 of the Agreement provides that the Agreement can be terminated for the first time as of the end of the financial year that ends at least five years (*Zeitjahre*) (60 months) after the beginning of the financial year of Vantage Towers, (i) from the beginning of which the financial integration (*finanzielle Eingliederung*) within the meaning of section 14 para. 1 sentence 1 no. 1 KStG exists for the first time and (ii) in which the Agreement is effective. It is currently expected – provided that the Agreement is registered in the commercial register at the registered seat of Vantage Towers prior to 31 March 2024 – that the requirements for the establishment of a consolidated tax group for purposes of corporate income tax and trade tax (*ertrags- und gewerbsteuerliche Organschaft*) will exist in the financial year of Vantage Towers starting on 1 April 2023 for the first time. The contractual minimum term would accordingly last until 31 March 2028. This fixed minimum term is required under section 14 para. 1 sentence 1 no. 3 KStG in order to be able to establish the consolidation group for purposes of corporate income tax and trade tax between Oak Holdings and Vantage Towers intended with the conclusion of the Agreement.

1.6.4 Termination of the Agreement

During the fixed minimum term of five consecutive years after the beginning of the financial year of Vantage Towers, (i) from the beginning of which the financial integration (*finanzielle Eingliederung*) within the meaning of section 14 para. 1 sentence 1 no. 1 KStG exists for the first time and (ii) in which the Agreement is effective as established in clause 6.3 sentence 3 of the Agreement, the right to give regular notice of termination is excluded. Therefore, the Agreement can be terminated for the first time by giving six months' notice as of the end of the financial year that ends at least five full time years (60 months) after the beginning of the financial year of Vantage Towers, (i) from the beginning of which the financial integration (*finanzielle Eingliederung*) within the meaning of section 14 para. 1 sentence 1 no. 1 KStG exists for the first time and (ii) in which the Agreement is effective (clause 6.3 sentence 3 of the Agreement). The notice of termination must be given in writing (clause 6.5 of the Agreement).

In accordance with clause 6.4 of the Agreement, the provisions on the minimum term do not affect the right of the contracting parties to terminate the Agreement for good cause (*aus wichtigem Grund*) without complying with a notice period. The right of termination for good cause exists by virtue of law and cannot be excluded by

contract. For civil law purposes, good cause for termination generally exists if, considering all circumstances a continuation of the contractual relationship can no longer be expected of the party giving notice of termination. For example, a deterioration in the financial or earning position of Vantage Towers as the controlled company can entitle Oak Holdings as the controlling company to give notice of termination if the risks for the controlling company are no longer acceptable and it is not responsible for this situation. Vantage Towers as the controlled company can, in turn, give notice of termination, for example, if Oak Holdings as the controlling company will most likely not be able to fulfil its obligations existing under the Agreement (assumption of losses, Recurring Compensation Payment and Compensation).

Clause 6.4 sentence 2 of the Agreement provides that good cause also exists in particular if good cause for purposes of German tax law for the termination of the Agreement exists including those pursuant to R 14.5 (6) Corporation Tax Guidelines (*Körperschaftsteuer-Richtlinien – KStR*) (or a corresponding successor provision). Clause 6.4 sentence 2 of the Agreement ensures that the Parties, in the case of a termination for good cause that does not impair the tax treatment, are also entitled to terminate the Agreement for good cause from a stock corporation law perspective.

The provision contained in clause 6.4 sentence 2 of the Agreement must be seen in light of applicable tax law. The conclusion of a profit transfer agreement is necessary in order to be able to establish the indented status of a consolidated tax group between Oak Holdings and Vantage Towers for purposes of corporate income tax and trade tax. The prerequisite for this status of a consolidated tax group for purposes of corporate income tax and trade tax, in addition to the minimum term of the contract under section 14 para. 1 sentence 1 no. 3 KStG is, among others, that Vantage Towers, as the controlled company, is financially integrated into Oak Holdings as the controlling company in such a manner that the controlling company has the majority of the voting rights in the controlled company. Furthermore, the profit and loss transfer agreement must be entered into for a minimum term of five years and must actually be performed during its term. A termination of the profit and loss transfer agreement prior to the expiration of the minimum term pursuant to section 14 para. 1 sentence 1 no. 3 KStG generally leads to the non-recognition of the status of a consolidated tax group for tax purposes from the very beginning. Only a termination for good cause, in principle, does not affect the status of a consolidated tax group for financial years that have already been completed, even if the termination occurs within the minimum term of the profit and loss transfer agreement established under tax law, to the extent that the good cause is recognized for tax purposes.

The disposal or the contribution of the participation can generally constitute good cause within the meaning of section 14 para. 1 no. 3 KStG for early termination of a domination and profit and loss transfer agreement by the controlling company which does not affect the recognition of the status of a consolidated tax group for the past. This applies accordingly in case of a merger, spin-off or liquidation of one of the two contracting parties. Accordingly, clause 6.4 sentence 2 of the Agreement is supposed to allow for a termination for good cause under corporate law in case one of the instances of termination for good cause recognized under tax law is given.

The abstract provisions on the reasons giving rise to a right to terminate an agreement for good cause are based on the following background: Pursuant to current rulings of German tax courts, the recognition for tax purposes of certain good causes which in previous contractual practice have been largely deemed non-detrimental always requires a case-by-case assessment.

This formal approach concerning the recognition of a profit and loss transfer agreement for tax purposes involves quite a considerable risk that the agreement and the consequential consolidated tax group for purposes of corporate income tax and trade tax will altogether be invalid if the agreement explicitly provides for a list of good causes that are not recognised for tax purposes and do not properly consider the case-by-case assessment required by German tax courts. As a result, the Parties abstained from listing specific good causes for the extraordinary termination of the Agreement.

In case of a termination of the Agreement, the statutory provision in section 303 AktG also applies: If a domination agreement or a profit and loss transfer agreement ends, the controlling company (Oak Holdings) must provide security to the creditors of the controlled company (Vantage Towers) if they make a corresponding request for this purpose to the controlling company within six months after the publication of the registration. However, this obligation under section 303 para. 1 and 2 AktG exists only with regard to those creditors whose claims were established before the registration of the termination of a domination or a profit and loss transfer agreement in the commercial register has been publicly announced pursuant to section 10 HGB, and only to the benefit of those creditors which, in case of insolvency proceedings, would not have a right for preferred satisfaction from cover funds which have been established and publicly monitored for the protection of such preferred creditors under statutory law. The controlling company can issue a surety for the claim instead of posting security, whereby section 349 HGB concerning the exclusion of the defence of requiring that a complaint first be filed against the primary obligor does not apply in this situation (section 303 para. 3 AktG).

1.7 Miscellaneous (clause 7 of the Agreement)

Clause 7.1 of the Agreement provides that changes and amendments to the Agreement shall be valid only if made in writing. Clause 7.2 (severability clause) ensures that the material content of the Agreement will continue to apply if, contrary to expectations, any provision of the Agreement proves to be invalid or impracticable in full or in part or the Agreement does not contain a necessary provision. This is a common provision included in domination and profit and loss transfer agreements.

2 **Payment of the Compensation (*Abfindung*) and of the Recurring Compensation Payment (*Ausgleichszahlung*) (processing by banks)**

Oak Holdings will mandate UBS Europe SE, Frankfurt am Main, Germany, as the central settlement agent ("**Settlement Agent**") with the payment of the Compensation under clause 5 of the Agreement. The Vantage Towers Shareholders who want to accept the offer for the Compensation must instruct their custodian bank to make available their Vantage Towers Shares to the Settlement Agent via the collective custody system for the purpose of receiving the Compensation. The Settlement Agent will provide the custodian banks in advance with forms of such acceptance notice. The Compensation will then be paid out concurrently (*Zug um Zug*) with the proper transfer of these Vantage Towers Shares to the Settlement Agent.

The closing date shall be no later than the 10th banking day (Frankfurt am Main) after the Settlement Agent has been informed of the relevant number of Vantage Towers Shares for which the Compensation offer is supposed to be accepted. The processing of the Compensation is free of any commissions and fees for the Vantage Towers Shareholders (see Section D.1.5.4 of this Contract Report). Further details about the processing will be announced without undue delay after registration of the Agreement in the commercial register.

The Recurring Compensation Payment under clause 4 of the Agreement will be processed in the same manner as dividend payments.

3 Legal effects on outside Vantage Towers Shareholders

3.1 Effects under corporate law

Performance of the Agreement will affect outside Vantage Towers Shareholders' administrative and property rights conferred on them by virtue of their ownership in the shares.

Once the right of management control for Oak Holdings and the right to issue instructions to Vantage Towers under clause 1 of the Agreement takes effect, i.e. upon registration of the Agreement in the commercial register at the registered seat of Vantage Towers, Oak Holdings shall be entitled to issue binding instructions to Vantage Towers' management board, with Oak Holdings being entitled to exclusively consider its own interests in controlling the management of Vantage Towers. The management board of Vantage Towers is generally required to comply with the instructions of Oak Holdings (see Section D.1.1 of this Contract Report). Oak Holdings can also issue disadvantageous instructions to the management board of Vantage Towers if these instructions serve the interest of Oak Holdings or its affiliated companies, provided that they are not otherwise impermissible, e.g. by violating mandatory legal provisions. Such disadvantageous instructions can have substantial negative effects on the financial situation and earnings position of Vantage Towers despite Oak Holdings' obligation to assume the losses and these effects may persist after the Agreement has been terminated.

The outside Vantage Towers Shareholders will be adversely affected in their administrative rights and possibly in their property rights as a result of the right of management control and the right to issue instructions of Oak Holdings. In exchange for these adverse effects, the outside Vantage Towers Shareholders are compensated by the obligation of Oak Holdings to pay the annual Recurring Compensation Payment (see Sections D.1.4 and E.2 of this Contract Report).

Aside from this, the conclusion of the Agreement has no legal effects on the shareholdings of the outside Vantage Towers Shareholders. In particular, the conclusion of the Agreement or its registration in the commercial register will not cause any changes to the voting or other participation rights attaching to their shares.

The stock exchange listing of the Vantage Towers Shares will not be affected by the registration of the Agreement in the commercial register. However, it cannot be excluded that a large portion of the outside Vantage Towers Shareholders will accept the offered Compensation and that the number of Vantage Towers Shares held in free float will decrease further. This can have the consequence that a normal trading of Vantage Towers Shares on the stock exchange is no longer assured. The resulting further reduction of the liquidity of

the Vantage Towers stock could lead to greater fluctuations in the price of the Vantage Towers stock than in the past under certain circumstances.

The number of the Vantage Towers Shares held in free float will decrease to the extent the offered Compensation under the Agreement is accepted. As a result, Vantage Towers might no longer fulfill the respective criteria for remaining in stock exchange indices currently containing Vantage Towers Shares. Among other things, an exclusion from a stock exchange index can have the consequence that institutional investors which reflect the relevant index in their portfolio will dispose of Vantage Towers Shares and refrain from any future purchases of Vantage Towers Shares. An increased offer of Vantage Towers Shares combined with a lower demand for Vantage Towers Shares can adversely influence the stock exchange price of Vantage Towers Shares.

3.2 Protection of the outside Vantage Towers Shareholders

As described in more detail below, the protection of the interests of the outside Vantage Towers Shareholders in connection with the conclusion of the Agreement is secured by granting the Compensation and the Recurring Compensation Payment, the appropriateness of which is examined by the Contract Auditor (see Section D.3.2.2 of this Contract Report). If outside Vantage Towers Shareholders are of the opinion that the Compensation and/or the Recurring Compensation Payment specified in the Agreement are not appropriate, they can have the appropriateness examined in appraisal proceedings.

3.2.1 Recurring Compensation Payment and Compensation

The interests of outside Vantage Towers Shareholders are accounted for by the duty to grant compensation and a recurring compensation payment and their implementation in the Agreement in the form of the Recurring Compensation Payment and the Compensation.

After the contractually stipulated obligation to transfer profit under clause 2 of the Agreement has become effective, i.e. as of the financial year beginning on 1 April 2023 if the Agreement is registered in the commercial register of Vantage Towers by the end of the financial year beginning on 1 April 2023, or in a relevant subsequent financial year if the registration occurs only in a subsequent financial year (see Section D.1.6.2(ii) of this Contract Report), Vantage Towers will no longer report any annual profit and also no balance sheet profit, aside from any earnings resulting from the dissolution of reserves which are not subject to transfer of profit under the contract or a balance sheet profit resulting from any profit carry forward from the time before the Agreement. This means that the outside Vantage Towers Shareholders will generally not receive any dividends after the obligation to transfer profit takes effect. Their right to resolve on the use of any balance sheet profit arising after that point in time will generally cease to exist.

However, Vantage Towers intends to hold its annual general meeting at the end of July 2023. In accordance with the provisions of the German Stock Corporation Act, the annual general meeting of Vantage Towers will resolve on the distribution of the balance sheet profit for the financial year ending on 31 March 2023. In this context, it is expressly pointed out that the distribution of a dividend for the financial year 2022/2023 will not be made to those shareholders who, prior to the annual general meeting, have declared their intention to leave the company against payment of the Compensation and have consequently transferred their shares to Oak Holdings.

Instead of the distribution of a dividend, there is a claim of the outside Vantage Towers Shareholders against Oak Holdings for a full economic compensation in terms of an annual recurring compensation payment under section 304 AktG after the obligation to transfer profit takes effect. The annual Recurring Compensation Payment to be paid in accordance with clause 4 of the Agreement will be paid to outside Vantage Towers Shareholders without undue delay after the due date established in clauses 4.1 and 4.4 of the Agreement. The technical processing of the payment will be through the respective custodian banks just as in the case of a dividend payment (see Section D.2 of this Contract Report).

In the Expert Opinion (**Annex 7**), the Valuation Expert concludes that arithmetical objectified business value pursuant to IDW S1 as of 5 May 2023, i.e. a day shortly after the beginning of the financial year for which Vantage Towers is likely to be required to make an annual recurring compensation payment to outside Vantage Towers Shareholders for the first time, is EUR 27.85 per Vantage Towers Share. On the basis of the Expert Opinion, the Parties have set the fixed annual Recurring Compensation Payment in a gross amount of EUR 1.60. Corporate income taxes as well as the solidarity surcharge must be deducted from this amount. As of the time of conclusion of the contract, 15% corporate income tax plus 5.5% solidarity surcharge for a total of EUR 0.11 will be deducted from the Recurring Compensation Payment. This results, based on the circumstances existing at the time of signing, in a Recurring Compensation Payment in the amount of EUR 1.49 per Vantage Towers Share for each full financial year (see on the calculation of the Recurring Compensation Payment Sections E.1 and E.2 of this Contract Report).

As an alternative to receiving the annual Recurring Compensation Payment, the outside Vantage Towers Shareholders can accept the offer for the Compensation by Oak Holdings under section 305 AktG and sell their shares to Oak Holdings in exchange for being granted the Compensation specified in clause 5.1 of the Agreement. In the Expert Opinion, the Valuation Expert concludes that the relevant objectified business value of Vantage Towers pursuant to IDW S 1 as of the valuation date of 5 May 2023, which is referred to in court rulings for determining the compensation, is approx. EUR 14.084 billion. This results in a proportionate value of EUR 27.85 for each Vantage Towers Share. In accordance with the Expert Opinion, the Parties have provided for the Compensation of EUR 27.85 per Vantage Towers Share in clause 5.1 of the Agreement (see the comprehensive discussion and the reasons for the appropriateness of the Compensation in Section E.3 of this Contract Report).

The outside Vantage Towers Shareholders do not lose the right to the Compensation as a result of having received the Recurring Compensation Payment. If the offer for the Compensation is only accepted after the Recurring Compensation Payment has been paid, which can particularly be the case if the offer for the Compensation is accepted during or after conclusion of appraisal proceedings (see section 305 para. 4 sentence 3 AktG and clause 5.2 of the Agreement), Recurring Compensation Payments that have already been received will be offset against the claim for interest on the Compensation under section 305 para. 3 sentence 3 AktG. This offset will be made in accordance with reference periods, normally financial years. The Vantage Towers Shareholder entitled to the Compensation will have the right to the corresponding difference between the Recurring Compensation Payment and the interest on the Compensation for the respective reference period if Recurring

Compensation Payments received are lower than the interest on the Compensation and also if the interest for the Compensation in the reference period falls short of the higher Recurring Compensation Payment. The offset of the Recurring Compensation Payment with the interest on the Compensation to be paid only occurs with regard to the Recurring Compensation Payment which relates to the period of time after registration of the Agreement in the commercial register. Recurring Compensation Payments that have already been received will not be offset against the payment of the Compensation itself. This conforms with the statutory provisions, taking into account the case law of the BGH (judgment dated 16 September 2002, case no. II ZR 284/01 – "Rütgers"; judgment dated 2 June 2003 case no. II ZR 85/02; judgment dated 10 December 2007, case no. II ZR 199/06).

The obligation of Oak Holdings to purchase the Vantage Towers Shares from outside Vantage Towers Shareholders in exchange for payment of the Compensation set out in clause 5.1 of the Agreement comes into existence with effectiveness of the Agreement. As of that point in time, the outside Vantage Towers Shareholders can exercise their right to transfer their Vantage Towers Shares to Oak Holdings in exchange for payment of the Compensation set out in the Agreement by declaration to their respective custodian bank (for details of acceptance, see Section D.2 of this Contract Report). As from the end of the day on which the Agreement becomes effective by registration in the commercial register, interest is payable on the Compensation pursuant to clause 5.1 of the Agreement at an annual rate of five percentage points above the relevant base rate pursuant to section 247 BGB (section 305 para. 3 sentence 3 AktG). Vantage Towers Shareholders who do not exercise their right to transfer their Vantage Towers Shares to Oak Holdings continue to be Vantage Towers Shareholders and receive the annual Recurring Compensation Payment.

Immediately after registration of the Agreement in the commercial register at the registered seat of Vantage Towers, further details of the compensation process will be published in the German Federal Gazette (*Bundesanzeiger*) and will be communicated to the outside Vantage Towers Shareholders via the respective custodian banks. The processing of the transfer of the Vantage Towers Shares to Oak Holdings as a result of accepting the Compensation will be free of charge for the Vantage Towers Shareholders (clause 5.4 Agreement).

The obligation of Oak Holdings to acquire Vantage Towers Shares of outside Vantage Towers Shareholders in exchange for payment of the Compensation is subject to a time limit pursuant to clause 5.2 of the Agreement. The declaration of the outside Vantage Towers Shareholders who want to accept the offer of Oak Holdings for the Compensation must be received by the Settlement Agent appointed by Oak Holdings within this period (see Section D.1.5.4 of this Contract Report concerning the details of the time limit on the obligation of Oak Holdings). After expiration of this period, it is no longer possible to accept the offer for the Compensation.

3.2.2 Contract audit by the Contract Auditor

At the joint requests of the management board of Vantage Towers and the management of Oak Holdings, the regional court (*Landgericht*) of Düsseldorf in accordance with section 293c para. 1 AktG selected and appointed I-ADVISE AG (Wirtschaftsprüfungsgesellschaft) as contract auditor within the meaning of section

293b para. 1 AktG by decision dated 12 January 2023. The Contract Auditor examines the Agreement and especially the appropriateness of the annual Recurring Compensation Payment as well as the Compensation and prepares the separate audit report pursuant to section 293e AktG. The Audit Report will be available together with the documents set forth in section 293f para. 1 AktG as of the date on which the extraordinary general meeting of Vantage Towers that shall take place on 5 May 2023 is convened on the internet page of Vantage Towers at <https://www.vantagetowers.com/en/investors/annual-general-meeting-en>. The report will also be available during the general meeting of Vantage Towers on 5 May 2023. Upon request, copies of these documents will be provided to each Vantage Towers Shareholder without delay and free of charge. Further details can be found in the invitation to the general meeting of Vantage Towers to be held on 5 May 2023.

3.2.3 Appraisal proceedings

If Vantage Towers Shareholders are of the opinion that the amount of the Recurring Compensation Payment set out pursuant to clause 4.2 of the Agreement in accordance with section 304 AktG is not appropriate, they can have the appropriateness of the Recurring Compensation Payment reviewed by a court in appraisal proceedings pursuant to section 304 para. 3 sentence 3 AktG in conjunction with section 1 no. 1 SpruchG after the Agreement takes effect. The right to make a motion for the initiation of appraisal proceedings does not depend on having declared an objection to the minutes recorded by the officiating notary against the resolution of the general meeting on the Agreement in the general meeting. A motion for the judicial review of the Recurring Compensation Payment in appraisal proceedings under section 304 para. 3 sentence 3 AktG in conjunction with section 1 no. 1 SpruchG can be filed within three months after the date on which the registration of the existence of the Agreement in the commercial register of Vantage Towers has been publicly announced pursuant to section 10 HGB. The request must be supported with reasons in accordance with section 4 para. 2 SpruchG within the above stated period of three months. If a higher annual recurring compensation payment is set forth by the competent court in the appraisal proceedings in a final and non-appealable (*rechtskräftig*) decision, such decision will be effective for and against all outside Vantage Towers Shareholders; therefore, Vantage Towers Shareholders not involved in the appraisal proceedings would also have a claim against Oak Holdings for an increase of the Recurring Compensation Payment (section 13 sentence 2 SpruchG). Oak Holdings as controlling company can terminate the Agreement in this event within two months after the court decision has become final non-appealable (*rechtskräftig*) without complying with any notice period (section 304 para. 4 AktG). If such appraisal proceedings are terminated by a judicially recorded settlement, the rights of all outside Vantage Towers Shareholders are protected by the fact that section 11 para. 2 SpruchG permits the termination of such proceedings only with the consent of the joint representative of the outside Vantage Towers Shareholders. Clause 4.5 of the Agreement provides that, in the event of a judicially recorded settlement, shareholders who have already been compensated according to clause 5 of the Agreement are also entitled to demand a corresponding additional payment to the Recurring Compensation Payment already received by them, irrespective of whether they themselves were involved in the proceedings.

If outside Vantage Towers Shareholders are of the view that the Compensation set out in clause 5.1 of the Agreement is not appropriate, they can also have the appropriateness of the Compensation reviewed by a court in appraisal proceedings pursuant to section 305 para. 5 sentence 2 AktG in conjunction with section 1 no. 1 SpruchG. The above statements concerning the Recurring Compensation Payment apply accordingly with regard to the period for submitting the motion, the submission of reasons for the motion, the effect of the court decision in such appraisal proceedings, the right of termination of Oak Holdings as the controlling company after a determination of the compensation by the court and the conclusion of such proceeding by way of court settlement (*gerichtlicher Vergleich*).

3.3 Tax effects for outside Vantage Towers Shareholders in Germany

3.3.1 Preliminary remarks

The following paragraphs contain a brief summary of some important German tax principles which may be relevant in connection with the conclusion of the Agreement for outside Vantage Towers Shareholders who are subject to full taxation in Germany.

Tax effects for outside Vantage Towers Shareholders who are not fully subject to taxation in Germany are not explained below. These tax effects depend, among other aspects, on special provisions in German tax law, the tax law in the country in which the respective Vantage Towers Shareholder is domiciled as well as on provisions in any existing treaty for the avoidance of double taxation (double taxation treaty).

The description generally only relates to corporate income tax, income tax, withholding tax on investment income and trade tax as well as the solidarity surcharge which accrue in Germany, but not church tax. The description only deals with some selected aspects of these types of taxes. For example, the description does not address the special characteristics of so-called lock-up shares (*sperrfristbehaftete Anteile*) acquired as consideration for a tax-privileged contribution under the German Transformation Tax Act (*Umwandlungsteuergesetz – "UmwStG"*), the special provisions for certain companies in the financial and insurance industry, nor any peculiarities in case the shares are held via an investment fund. This summary is based only on the currently applicable law as applied by tax authorities and tax courts in their rulings as of the date of this Contract Report. This situation can change, potentially also with retroactive effect.

No liability is assumed for the completeness and accuracy of this description. This summary describes selected tax aspects in general without addressing the tax situation of any individual concerned. It is, therefore, not intended to be, and should not be construed as, legal or tax advice. Vantage Towers Shareholders are recommended to consult with their tax advisors. Only tax advisors are able to reasonably take into account the specific tax circumstances of the individual shareholder.

3.3.2 Taxation of the Recurring Compensation Payment at the level of the Vantage Towers Shareholders

The annual Recurring Compensation Payment to be paid by Oak Holdings to outside Vantage Towers Shareholders pursuant to clause 4 of the Agreement is subject to the general rules on taxation of dividends at the level of the shareholders concerned.

(i) Withholding tax on investment income

Withholding tax of 25% and solidarity surcharge levied thereon at a rate of 5.5% (resulting in a tax deduction including solidarity surcharge of 26.375%) will generally be deducted from the Recurring Compensation Payment at the time it is made, unless the payments are deemed to be funded from the tax contribution account pursuant to section 27 Corporate Income Tax Act. Withholding tax is generally deducted and paid irrespective of the amount in which the payment is actually subject to tax at the level of Vantage Towers Shareholders.

With regard to Vantage Towers Shareholders holding their shares as private assets, the collection of withholding tax generally discharges the shareholder's tax liability for Recurring Compensation Payments (referred to as flat-rate withholding tax (*Abgeltungsteuer*)). Subject to certain requirements, shareholders holding their shares as private assets can apply for exemption from such flat-rate withholding tax. By contrast, withholding tax accruing to Vantage Towers Shareholders holding their shares as part of their business assets is generally credited against the relevant shareholder's income tax or corporate income tax. Withholding tax deducted in excess of such shareholders' tax liability may be refunded. This applies accordingly to the solidarity surcharge.

(ii) Shares held as private assets

The Recurring Compensation Payments for shares held as private assets generally constitute income from capital assets and, as such, are subject to income tax; in this case, the deduction of withholding tax has the effect of finally settling the tax liability (referred to as flat-rate withholding tax). Accordingly, the Recurring Compensation Payment no longer has to be declared in the Vantage Towers Shareholder's annual tax return. In certain cases (for example, where a non-assessment certificate from the tax office was submitted or where a sufficient exemption order was issued), the Recurring Compensation Payment can be paid to Vantage Towers Shareholders without deduction of withholding tax and solidarity surcharge.

At the request of Vantage Towers Shareholders, their Recurring Compensation Payments can also be subject to the income tax according to the basic scale instead of deducting flat-rate withholding tax if this leads to a lower tax burden for the shareholder (most favourable tax treatment test – *Günstigerprüfung*). In this event, the relevant amounts to be declared in the income tax return are the capital gains less the saver's tax-free allowance of EUR 1000.00 (or EUR 2,000.00 for jointly assessed spouses). the deduction of actual income-related expenses is excluded. The income from capital investments so calculated is then subject to the relevant Vantage Towers Shareholder's personal income tax rate in their income tax assessment. Withholding tax initially deducted will be credited against income tax so levied.

If a Vantage Towers Shareholder meets the relevant requirements and applies for exemption from flat-rate withholding tax, taxation will be similar to that of a sole proprietor (see Section D.3.3.2(iii)(b) of this Contract Report).

(iii) Shares held as business assets

If shares are held as business assets, taxation will depend on whether the Vantage Towers Shareholder is a corporation, a sole proprietor or a partnership (joint proprietors):

(a) Corporations

Recurring Compensation Payments are generally subject to corporate income tax for corporations unless the Vantage Towers Shareholder held a share of at least 10% in Vantage Towers' share capital at the beginning of the relevant calendar year. In this event, Recurring Compensation Payments are generally exempt from corporate income tax. However, 5% of this tax-exempt income is deemed to be expenses which must not be deducted as business expenses for tax purposes and is therefore subject to corporate income tax (plus solidarity surcharge). In return, business expenses actually incurred in relation to Recurring Compensation Payments can generally be deducted in full (subject to other restrictions on deduction). Recurring Compensation Payments are subject to trade tax at their full amounts unless the Vantage Towers Shareholder held a minimum share of 15% in Vantage Towers' share capital (intercompany participation) at the beginning of the relevant tax period. In the latter case, the exemption of 95% of Recurring Compensation Payments from corporate income tax applies accordingly for trade tax purposes.

(b) Sole proprietors

In the case of sole proprietors (individuals), 60% of the Recurring Compensation Payment generally is subject to the applicable income tax rate (referred to as partial income method (*Teileinkünfteverfahren*)). Accordingly, any expenses economically related to the Recurring Compensation Payment are deductible for tax purposes at a rate of 60% only (subject to other restrictions on deduction). If the shares belong to the assets of a permanent establishment located in Germany, the full amount of the Recurring Compensation Payment is subject to trade tax if and to the extent the Vantage Towers Shareholder is subject to trade tax and does not hold a minimum share of 15% in Vantage Towers' share capital at the beginning of the relevant tax period. However, trade tax is credited against the Vantage Towers Shareholder's income tax by way of a flat-rate procedure.

(c) Partnerships

If the shares are held by a partnership (joint proprietors), income tax or corporate income tax is assessed at the level of its partners only. For partners subject to corporate income tax which hold a minimum share of 10% in the share capital at the beginning of the relevant calendar year, 95% of the Recurring Compensation Payment is generally finally exempt from taxation, while the remainder is taxable (see Section (a) above). However, if the partner is liable to income

tax, 60% of the Recurring Compensation Payment is subject to taxation (see section (b) above). As regards the deductibility of business expenses, the statements made under Section (a) above apply to partners liable to corporate income tax and the statements made under Section (b) above apply to partners liable to income tax. The full amount of the Recurring Compensation Payment is subject to trade tax at the level of the partnership if the partnership is subject to trade tax and does not hold a minimum share of 15% in the company's share capital at the beginning of the relevant tax period. However, if individuals hold interests in the partnership, trade tax accruing at the level of the partnership is credited against their income tax by way of a flat-rate procedure. If the partnership holds a minimum share of 15% in the company's share capital at the beginning of the relevant tax period, 5% of the Recurring Compensation Payment is subject to trade tax if corporations hold interests.

3.3.3 Taxation of the Compensation at the level of Vantage Towers Shareholders

Pursuant to clause 5.1 of the Agreement, Oak Holdings undertakes towards Vantage Towers Shareholders who want to exit Vantage Towers on the occasion of the conclusion of the Agreement to purchase their shares in exchange for the appropriate Compensation in the amount of EUR 27.85 per Vantage Towers Share. For the Vantage Towers Shareholders concerned, a gain generated from the resulting transfer of Vantage Towers Shares in exchange for the above Compensation is likely to be subject to the rules on the taxation of gains from the sale of shares in a corporation. A capital gain is realised if the Compensation less any costs of sale exceeds the acquisition costs for tax purposes or the book value for tax purposes for the relevant shares at the level of the Vantage Towers Shareholder. If the Compensation less any costs of sale is less than the acquisition costs or the book value of the shares at the level of the Vantage Towers Shareholder, a capital loss is incurred. Less deduction restrictions may have to be observed with regard to such capital loss.

(i) Withholding tax on investment income

Capital gains are generally subject to the deduction of withholding tax at a rate of 25% plus solidarity surcharge thereon at a rate of 5.5% (resulting in a total rate of 26.375%). Such deduction requires the existence of a domestic paying agent (domestic credit, financial services or securities institution within the meaning of section 43 para. 1 sentence 1 no. 7 lit. b) German Income Tax Act (*Einkommensteuergesetz* – “**EstG**”) which holds in custody or administers the Vantage Towers Shares or carries out their sale and pays out or issues a credit for capital gains.

Deduction of withholding tax also does not apply to capital gains for shares held by certain corporations with unlimited tax liability. The same applies under certain circumstances to shares held by individuals or by partnerships as business assets.

If withholding tax and solidarity surcharge are deducted, they generally discharge the shareholder's tax liability with regard to shares held as private

assets. The deduction of withholding tax will not discharge the shareholder's tax liability in relation to shares held as private assets if the shareholder held a minimum interest of 1% in Vantage Towers' share capital at any time during the last five years prior to the sale, and in relation to shares held as business assets. In these cases, tax deducted will rather be credited against the seller's tax liability for income or corporate income tax and solidarity surcharge or may be refunded in the amount of any excess.

(ii) Shares held as private assets

Capital gains from the sale of Vantage Towers Shares are always taxable, irrespective of their holding period. Corresponding capital losses may only be offset against capital gains from the sale of shares in the current year or in a subsequent year.

Capital gains resulting from compensation for shares are subject to the deduction of withholding tax if a German paying agent is involved. The deduction of withholding tax will generally discharge the relevant tax liability, meaning that the investor's relevant income tax liability is settled by the tax deduction, and the capital gain no longer has to be declared in the shareholder's annual tax return. In certain cases (for example, where a non-assessment certificate from the tax office was submitted or where a sufficient exemption order was issued), the Recurring Compensation Payment can be paid to Vantage Towers Shareholders without deduction of withholding tax and solidarity surcharge. If no withholding tax is deducted in other cases (for example, where no German paying agent is involved), the Vantage Towers Shareholder must state the capital gain in their income tax return. However, the capital gain in these cases will not be subject to the shareholder's personal income tax rate; instead, the capital gain will be assessed at the flat rate of withholding tax.

At the request of the Vantage Towers Shareholder, the gain resulting from the Compensation can be taxed according to the basic scale of income tax instead of deducting flat-rate withholding tax if this leads to a lower tax burden for the shareholder. In this case, withholding tax initially deducted will be credited against income tax levied by way of assessment. When determining the income from investments only a saver's tax-free allowance of EUR 1000.00 (or EUR 2,000.00 for jointly assessed spouses) may be deducted as income-related expenses. The deduction of actual income-related expenses is excluded.

60% of a capital gain is taxable if the Vantage Towers Shareholder held a minimum interest of 1% in Vantage Towers' share capital at any time during the last five years prior to the sale. The deducted withholding tax and solidarity surcharge will be credited against the Vantage Towers Shareholders' tax liability in their tax assessments, or refunded in the amount of any excess. In these cases, 60% of any capital losses and expenses economically related to the sale is deductible for tax purposes.

(iii) Shares held as business assets

If Vantage Towers Shares are held as business assets, taxation of the capital gains on their sale will depend on whether the Vantage Towers Shareholder is a corporation, a sole proprietor or a partnership (joint proprietors):

(a) Corporations

Capital gains from the sale of Vantage Towers Shares are generally exempt from corporate income tax and trade tax for corporations. However, 5% of the capital gains is deemed to be expenses which must not be deducted as business expenses for tax purposes and is therefore subject to corporate income tax (plus solidarity surcharge) and trade tax. Capital losses and other profit reductions related to the sold shares cannot be taken into account for tax purposes.

(b) Sole proprietors

If Vantage Towers Shares are held by sole proprietors, 60% of the capital gains is taxable. Accordingly, only 60% of the business expenses related to such capital gains and only 60% of any capital losses can be taken into account for tax purposes. If Vantage Towers Shares are part of the assets of a permanent establishment located in Germany, 60% of the capital gains is subject to trade tax if the sole proprietor is liable to trade tax. However, such trade tax is credited in whole or in part against the investor's income tax by way of a flat-rate procedure.

(c) Partnerships

If Vantage Towers Shares are held by a partnership (joint proprietors), taxation will depend on whether its partners are liable to income tax or corporate income tax. 95% of the capital gains from the sale of shares is generally exempt from taxation for partners liable to corporate income tax (see Section (a) above). 60% of the capital gains from the sale of shares is generally taxable for partners liable to income tax (see Section (b) above). In addition, 60% (if individuals hold interests) and 5% (if corporations hold interests) of the capital gains from the sale of shares are subject to trade tax at the level of the partnership liable to trade tax if they are attributed to a domestic permanent establishment. However, if individuals hold interests in the partnership, trade tax is credited against their income tax by way of a flat-rate procedure. As regards the deductibility of business expenses related to capital gains and of capital losses, the statements made under Section (a) above apply to partners liable to corporate income tax and the statements made under Section (b) above apply to partners liable to income tax.

4 Tax effects on Vantage Towers

If the other statutory requirements for the existence of a consolidated tax group for corporate income tax and trade tax purposes are also met, the Agreement will have the effect that Vantage Towers' income will be attributed to Oak Holdings for corporate income tax and

trade tax purposes. However, Vantage Towers will be liable to pay tax on income in the amount of currently 20/17 of recurring compensation payments made (section 16 KStG). The consolidated tax group does not begin to exist before Vantage Towers' financial year in which the obligation to transfer profit pursuant to clause 2 of the Agreement exists. Whereas any loss carry forward for tax purposes existing on the date the consolidated tax group becomes effective will continue to exist, it cannot be deducted for tax purposes for the duration of the consolidated tax group.

Due to the consolidation for tax purposes, Vantage Towers is secondarily liable pursuant to section 73 of the German Financial Code (*Abgabenordnung*) for such taxes of the parent company of the consolidated tax group for which the consolidated tax group between them is relevant for tax purposes. The above provisions on taxes apply equally to claims for the reimbursement of tax credits.

E Type and amount of the recurring compensation payment (*Ausgleich*) and the compensation (*Abfindung*) under sections 304, 305 AktG

1 Overview

Pursuant to section 304 AktG, a domination and profit and loss transfer agreement must provide for appropriate compensation for outside Vantage Towers Shareholders by means of a recurring cash payment related to their shares in the share capital. The type of the recurring compensation payment and the reasons for determining the fixed Recurring Compensation Payment were explained in Section D.1.4.1 above.

According to section 304 para. 1 sentence 1 and para. 2 sentence 1 AktG, the recurring compensation payment guaranteed must at least be equal to the annual payment of the amount which could be expected to be distributed for each individual share as average profit share in view of the company's past profitability and future earnings prospects, taking into account adequate depreciation, amortisation and value allowances, but excluding other profit reserves.

According to section 305 para. 1 AktG, a domination agreement or a domination and profit and loss transfer agreement must also contain the obligation of the controlling company to purchase the shares of outside shareholders upon request in exchange for appropriate compensation determined in the agreement. Pursuant to section 305 para. 3 sentence 2 AktG, the reasonable compensation must take into account the circumstances of the company at the time the general meeting of the controlled company resolves on the agreement. This applies accordingly for the recurring compensation payment within the meaning of section 304 AktG. According to the decision of the German Constitutional Court (*Bundesverfassungsgericht*) dated 27 April 1999 (case no. 1 BvR 1613/94), an existing stock exchange price cannot be ignored when determining the amount of the compensation under section 305 AktG. The stock exchange price generally represents the lowest amount of the compensation to be paid to the shareholder.

The determinative date for the valuation of the enterprise and the determination of the Recurring Compensation Payment and the Compensation is the date of the general meeting of Vantage Towers which is to resolve on the Agreement, i.e. 5 May 2023.

The management board of Vantage Towers and the management of Oak Holdings jointly appointed Grant Thornton AG Wirtschaftsprüfungsgesellschaft as valuation expert to prepare the Expert Opinion on the business value of Vantage Towers as of the date of the

planned general meeting, 5 May 2023, and on the amount of the appropriate recurring compensation payment within the meaning of section 304 AktG and of the appropriate compensation within the meaning of section 305 AktG.

The Valuation Expert conducted the work required for the Expert Opinion from 17 January 2023 to 22 March 2023. On 22 March 2023, the Valuation Expert submitted the Expert Opinion on the determination of the enterprise value of Vantage Towers as of 5 May 2023 and the reasonable Recurring Compensation Payment (section 304 AktG) and the Compensation (section 305 AktG).

The Valuation Expert, in its function as a neutral expert within the meaning of IDW S 1, concludes in the Expert Opinion that the objectified enterprise value within the meaning of IDW S 1 for Vantage Towers as of 5 May 2023, determined using the cash flow method (*Ertragswertmethode*), is EUR 14.084 billion. This corresponds to a value per share of EUR 27.85 for each Vantage Towers Share based on 505,782,265 Vantage Towers Shares.

The Valuation Expert also concludes that the relevant average stock exchange price is EUR 26.89 per Vantage Towers Share. This is determined on the basis of the volume weighted average stock exchange price for Vantage Towers Shares notified by BaFin for the three months period prior to the announcement on 9 November 2022 of the intent of Oak Holdings to enter into a domination and profit and loss transfer agreement with Vantage Towers. The value per Vantage Towers Share calculated by using the discounted cash flow method (*Ertragswertmethode*) is EUR 0.96 above the relevant stock exchange price; therefore, the value per Vantage Towers Share calculated by using the discounted cash flow method is relevant for the Compensation. Accordingly, it results from the Expert Opinion that the appropriate compensation for the purposes of section 305 AktG is EUR 27.85 per Vantage Towers Share. The appropriate recurring compensation payment within the meaning of section 304 AktG derived from the arithmetical objectified business value pursuant to IDW S1 as of 5 May 2023, i.e. a day shortly after the beginning of the financial year for which Vantage Towers is likely to be required to make an annual recurring compensation payment to outside Vantage Towers Shareholders for the first time, as determined by the Valuation Expert, is EUR 1.60 gross (EUR 1.49 net) per Vantage Towers Share.

The complete version of the Expert Opinion by the Valuation Expert on the determination of the reasonable compensation (section 305 AktG) and the reasonable recurring compensation payment (section 304 AktG) dated 22 March 2023 is attached as **Annex 7** to this Contract Report and, thus, constitutes an integral part of this Contract Report.

Following their own reviews, the management board of Vantage Towers and the management of Oak Holdings have completely incorporated the statements by the Valuation Expert in the referenced Expert Opinion as their own and include it in the substance of this joint Contract Report.

In their own view, the management board of Vantage Towers and the management of Oak Holdings consider the Compensation for purposes of section 305 AktG in the amount of EUR 27.85 for each Vantage Towers Share as well as a Recurring Compensation Payment for purposes of section 304 AktG in the present amount of EUR 1.49 (EUR 1.60 before current income tax and solidarity surcharge) for each Vantage Towers Share to be reasonable.

The Contract Report as well as the Expert Opinion by the Valuation Expert will be available at the website of Vantage Towers at <https://www.vantagetowers.com/en/investors/annual->

general-meeting-en, together with the other documents required by law as from the date on which the extraordinary general meeting of Vantage Towers which will resolve on the approval of the Agreement is convened. The documents will also be available during the general meeting. Upon request, copies of these documents will be provided to each shareholder without delay and free of charge. Further details can be found in the invitation to the general meeting of Vantage Towers that will resolve on the approval of the Agreement.

For avoiding any liability risks, the management board of Vantage Towers and the management of Oak Holdings explicitly note that while Vantage Towers' plans on which the business valuation is based were prepared to the best of their knowledge and belief, they are also based on future circumstances and are subject to changes to market and competitive conditions whose realisation may be outside Vantage Towers' control, and that neither Vantage Towers Oak Holdings will or can assume any liability for the actual realisation of the facts and forecasts on which the plans are based. The sole purpose of this Contract Report is to comply with the statutory information duty pursuant to section 293a AktG.

2 Determination and setting of the amount of the reasonable recurring compensation payment under section 304 AktG

Pursuant to clause 4.1 of the Agreement, Oak Holdings grants the fixed annual Recurring Compensation Payment to the outside Vantage Towers Shareholders starting in the financial year of Vantage Towers for which the obligation to transfer profit under clause 2 of the Agreement takes effect, and lasting for the duration of the Agreement.

The annual Recurring Compensation Payment amounts to EUR 1.49 (EUR 1.60 before current corporate income tax and solidarity surcharge) per Vantage Towers Share.

The reasons why the Parties have agreed on the fixed annual Recurring Compensation Payment were described in Section D.1.4.1(iv) of this Contract Report. The contracting parties have agreed on a gross amount in accordance with the case law of the BGH (decision dated 21 July 2003, case no. II ZB 17/01 – "Ytong"). Reference is made on this regard to the explanation in Section D.1.4.2(ii) of this Contract Report.

The management board of Vantage Towers and the management of Oak Holdings, by mutual agreement, fixed the amount of the Recurring Compensation Payment on the basis of the conclusions of the Expert Opinion dated 22 March 2023, in which the Valuation Expert arrives at the conclusion that the appropriate recurring compensation payment is EUR 1.60 gross (EUR 1.49 net) per Vantage Towers Share.

3 Determination and setting of the amount of the appropriate compensation under section 305 AktG

Pursuant to clause 5 of the Agreement, Oak Holdings is obliged to purchase the Vantage Towers Shares of any outside Vantage Towers Shareholder upon request in exchange for the Compensation (section 305 para. 2 no. 3 AktG).

Each outside Vantage Towers Shareholder accepting the offer for the Compensation receives for each Vantage Towers Share a compensation in the amount of EUR 27.85 in cash in accordance with clause 5.1 of the Agreement.

The management board of Vantage Towers and the management of Oak Holdings agreed in setting the amount of Compensation paid on the basis of the conclusions of the Expert

Opinion dated 22 March 2023. The enterprise value of Vantage Towers determined by the Valuation Expert in his Expert Opinion in accordance with the discounted earnings method pursuant to IDW S 1 as amended in 2008 as of 5 May 2023 is EUR 14.084 billion. This results in a proportionate value of EUR 27.85 for each Vantage Towers Share.

When determining the amount of the compensation, the Valuation Expert and the contracting parties considered the stock exchange price of the Vantage Towers Shares. According to the decision of the German Constitutional Court (*Bundesverfassungsgericht*) dated 27 April 1999 (case no. 1 BvR 1613/94), an existing stock exchange price cannot be ignored when determining the amount of the compensation under section 305 AktG. The stock exchange price generally represents the lowest amount of the compensation to be paid to the shareholder.

The BGH (judgment dated 12 March 2001 – II ZB 15/00) specified the requirements of the German Constitutional Court with regard to the relevance of the stock exchange price for determining the appropriate compensation. In its judgment of 19 July 2010 (case no. ZB II 18/09 – "Stollwerck"), the BGH specified that the relevant stock exchange price must be determined on the basis of a volume weighted average stock exchange price during a three month reference period prior to the announcement of a structural measure, as the stock exchange price after such announcement is typically driven by speculations regarding the compensation value and does thus not reflect the fair value of the shares.

On 9 November 2022, Oak Holdings published its intention to enter into a domination and profit and loss transfer agreement with Vantage Towers and/or implement a squeeze-out of the minority shareholders of Vantage Towers in its announcement of the decision to make a voluntary public takeover offer (*freiwilliges öffentliches Übernahmeangebot*) pursuant to section 10 para. 1 in conjunction with sections 29 para. 1, 34 WpÜG. Furthermore, this intention was published in Vodafone's RNS announcement on the same day. This publication of Oak Holdings constitutes the relevant announcement for the determination of the volume weighted average stock exchange price within the meaning of the Stollwerck decision of the BGH, since it was apparent from the announcement that Oak Holdings will in any case pursue either a domination and profit and loss transfer agreement or a squeeze-out. As both measures require the compensation of outside shareholders in accordance with identical principles (section 305 AktG and section 327b AktG), shareholders must expect that there will be a compensation either way. Consequently, the announcement served as a basis for speculations regarding the compensation value within the meaning of the Stollwerck decision and thus marks the relevant point in time for the determination of the volume weighted average stock exchange price.

The volume-weighted average three months' stock exchange price of the Vantage Towers Share notified by BaFin for the three-month period preceding the publication of the announcements on 9 November 2022 is EUR 26.89. As this value is below the objectified value per share in the amount of EUR 27.85 determined by the Valuation Expert according to IDW S 1, the relevant value for fixing the compensation in the present case was the objectified value per share determined by the Valuation Expert according to IDW S 1 in the amount of EUR 27.85.

The volume weighted stock exchange price does not have to be adjusted and extrapolated to the date of the general meeting. According to the Stollwerck decision of the BGH, such adjustment only has to occur if a longer period of time has passed between the public announcement of the structural measure and the date of the general meeting and if the development of the stock exchange prices appears to make such adjustment necessary. In

the present case, however, an adjustment of the volume weighted three months stock exchange price is not necessary because only a period of less than six months lies between the announcement of the intent to enter into a domination and profit and loss transfer agreement (9 November 2022) and the date on which the general meeting will take place (5 May 2023) which will resolve on the approval of the Agreement. This does not constitute a longer period of time under the Stollwerck decision.

Pursuant to applicable jurisprudence, the consideration offered under a preceding takeover offer is not to be considered as a minimum value for the compensation within the meaning of section 305 AktG. Therefore, the offer price of EUR 32.00 under the Takeover Offer was not considered as a minimum value for the Compensation.

The purchase price of EUR 32.00 per share paid by Vodafone for the 20,833,333 Vantage Towers Shares acquired on 16 November 2022 (see Section B.5.1 of this Contract Report) was directly based on the offer price under the Takeover Offer and was therefore also not considered as a minimum value.

F Contract audit

The Contract Auditor prepared an Audit Report which, together with the other documents required by law, will be available on Vantage Towers' website at <https://www.vantagetowers.com/en/investors/annual-general-meeting-en> from the date the extraordinary general meeting is convened. Upon request, copies of these documents will be available to each Vantage Towers Shareholder without delay and free of charge (see Section D.3.2.2 of this Contract Report).

Oak Holdings GmbH

The management

Düsseldorf, 23 March 2023

Carmen Maria Velthuis

Managing director

Tanja Richter

Managing director

Vantage Towers AG

The management board

Düsseldorf, 23 March 2023

Vivek Badrinath

Chairman of the management board

Thomas Reisten

Member of the management board

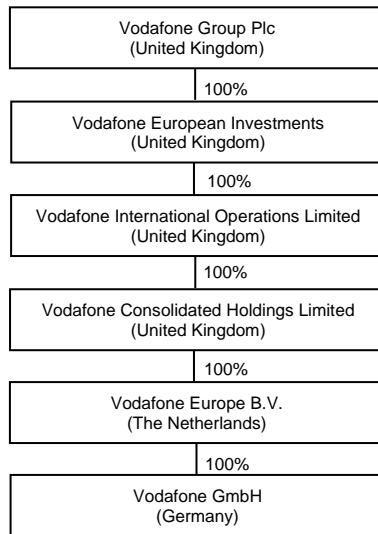
Christian Sommer

Member of the management board

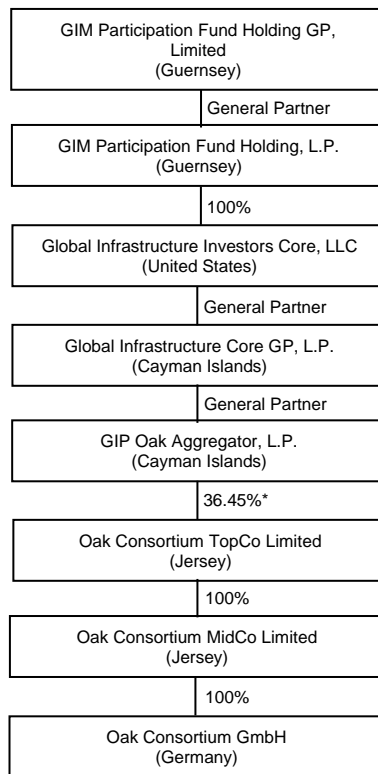
Annex 1: List of all subsidiaries and joint ventures of Vantage Towers

Company or partnership	Seat, Country	Interest in the share capital
Central Tower Holding Company B.V.	Capelle aan den IJssel, Netherlands	99.998%
Vantage Towers Erste Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.00%
Vantage Towers Limited	Dublin, Ireland	100.00%
Vantage Towers S.R.L.	Bucharest, Romania	100.00%
Vantage Towers s.r.o.	Prague, Czech Republic	100.00%
Vantage Towers Single Member S.A.	Athens, Greece	100.00%
Vantage Towers Zrt.	Budapest, Hungary	100.00%
Vantage Towers Zweite Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.00%
Vantage Towers, S.A.	Lisboa, Portugal	100.00%
Vantage Towers, S.L.U.	Madrid, Spain	100.00%
Infrastrutture Wireless Italiane S.p.A.	Milan, Italy	33.17%
Cornerstone Telecommunications Infrastructure Limited	Reading, United Kingdom	50.00%

Annex 2: Vodafone's shareholding in Vodafone GmbH

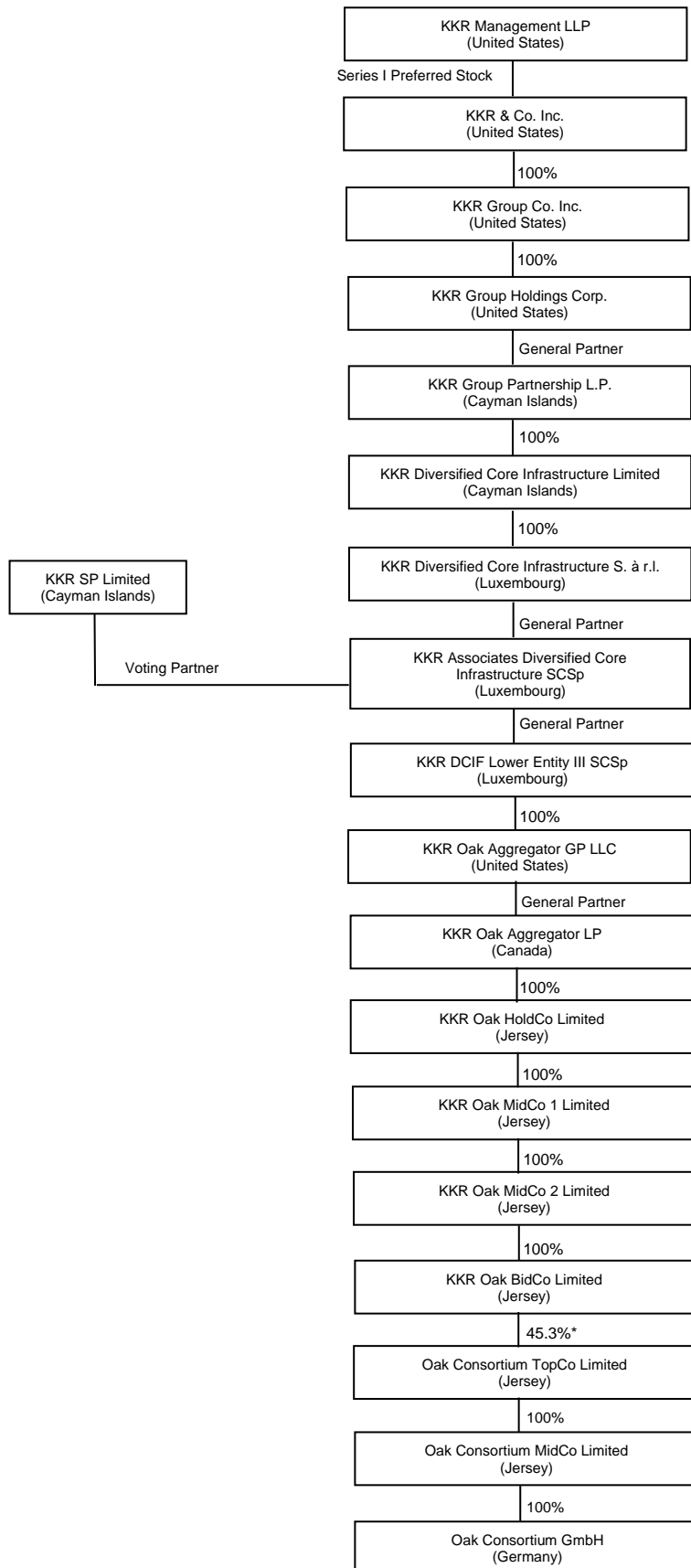


Annex 3: GIM Participation Fund Holdings GP's shareholding in Oak Consortium



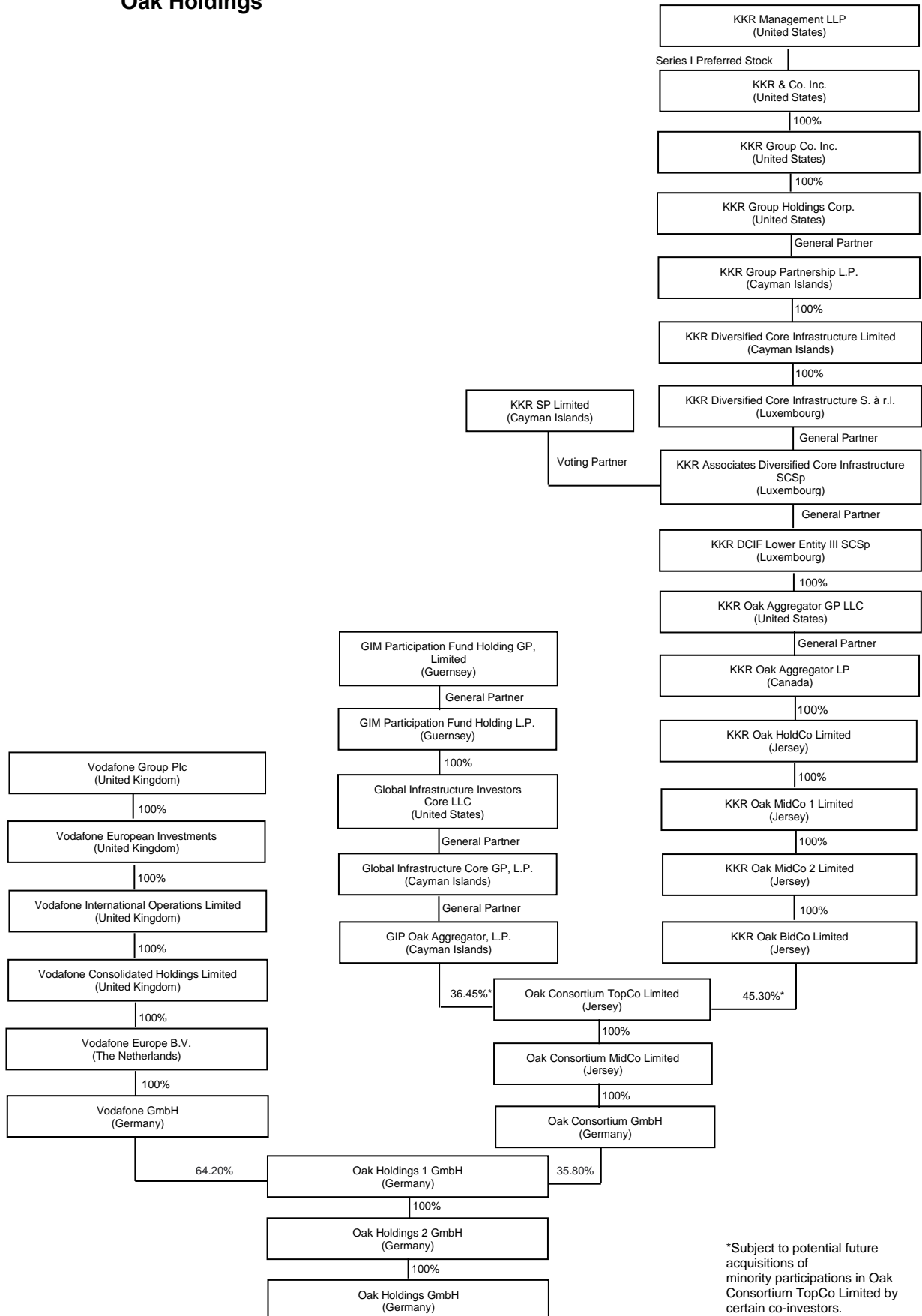
*Subject to potential future acquisitions of minority participations in Oak Consortium TopCo Limited by certain co-investors.

Annex 4: KKR Management LLP's and KKR SP Limited's shareholding in Oak Consortium



*Subject to potential future acquisitions of minority participations in Oak Consortium TopCo Limited by certain co-investors.

Annex 5: Controlling Shareholder Structure of Oak Holdings



**Annex 6: Final draft of the Domination and Profit and Loss Transfer Agreement
between Oak Holdings GmbH and Vantage Towers AG**

Domination and Profit and Loss Transfer Agreement ("Agreement")

between

- (1) **Oak Holdings GmbH**, having its seat in Düsseldorf, Germany, with business address at Ferdinand-Braun-Platz 1, 40549 Düsseldorf, Germany, registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Düsseldorf under HRB 98923,

- hereinafter referred to as "**Oak Holdings**" -

and

- (2) **Vantage Towers AG**, having its seat in Düsseldorf, Germany, with business address at Prinzenallee 11-13, 40549 Düsseldorf, Germany, registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Düsseldorf under HRB 92244,

- hereinafter referred to as "**Vantage Towers**" -.

1 Management Control

- 1.1 Vantage Towers submits the management control (*Leitung*) of its company to Oak Holdings. Oak Holdings is accordingly entitled to issue instructions (*Weisungen*) to the management board of Vantage Towers with regard to the management control of the company. The management board of Vantage Towers is according to Section 308 German Stock Corporation Act (*Aktiengesetz* – "**AktG**") obliged to comply with the instructions of Oak Holdings.

- 1.2 The aforementioned right of Oak Holdings to issue instructions (Clause 1.1) shall not entitle Oak Holdings to issue the instruction to the management board of Vantage Towers to amend, maintain or terminate this Agreement.

- 1.3 Without prejudice to the authority of Oak Holdings to issue instructions, the management board of Vantage Towers continues to be responsible for the management and representation of Vantage Towers.

- 1.4 Any instructions require text form (*Textform*) or, if the instructions are issued orally, they shall be confirmed in text form without undue delay.

2 Transfer of Profit

- 2.1 Vantage Towers undertakes to transfer its entire annual profit (*Gewinnabführung*) to Oak Holdings. Subject to establishing or dissolving reserves in accordance with Clause 2.2 and Clause 2.3 of this Agreement below, the maximum amount of profit as established according to the provisions of Section 301 AktG in its respective applicable version shall be transferred to Oak Holdings.

- 2.2 Vantage Towers may, with the written consent of Oak Holdings, allocate parts of its annual profit to other profit reserves (Section 272 para.3 German Commercial Code, (*Handelsgesetzbuch* – "**HGB**")) if and to the extent permissible under commercial law and as economically justified by reasonable commercial judgement.

- 2.3** Subject to the provisions of Section 301 AktG in its respective applicable version, Vantage Towers shall, upon the written request of Oak Holdings, dissolve other profit reserves pursuant to Section 272 para. 3 HGB established during the course of this Agreement and use the proceeds to compensate for any annual loss which would occur without the obligation to assume losses pursuant to Clause 3 of this Agreement or transfer the proceeds as profit. Other reserves or profits carried forward from the period prior to the effectiveness of this Agreement may neither be transferred as profit nor be used to compensate for any annual loss.
- 2.4** The obligation to transfer the annual profit applies for the first time to the entire fiscal year of Vantage Towers in which this Agreement becomes effective according to Clause 6.2 of this Agreement. The obligation according to Clause 2.1 sentence 1 becomes due upon the end of the fiscal year of Vantage Towers and shall bear interest from this point on at the interest rate stipulated by law (Sections 352, 353 HGB).

3 Assumption of Losses

- 3.1** According to the provisions of Section 302 AktG in its respective applicable version, Oak Holdings is obliged to compensate any annual loss of Vantage Towers occurring during the term of this Agreement.
- 3.2** The obligation to assume any losses applies for the first time to the entire fiscal year of Vantage Towers in which this Agreement becomes effective according to Clause 6.2 of this Agreement. Clause 2.4 sentence 2 applies accordingly to the obligation to assume any losses.

4 Recurring Compensation Payment

- 4.1** Oak Holdings undertakes to pay to the outside shareholders of Vantage Towers a recurring annual cash compensation ("**Recurring Compensation Payment**") (*Ausgleichszahlung*) from and including the fiscal year of Vantage Towers in relation to which the claim of Oak Holdings for the transfer of the annual profit under Clause 2 takes effect, and for the further duration of this Agreement.
- 4.2** The Recurring Compensation Payment amounts for each full fiscal year of Vantage Towers for each no-par value registered shares (*nennwertlose Namensaktien*) in Vantage Towers, representing a mathematical portion of EUR 1.00 in the share capital (each "**Vantage Towers Share**" and all "**Vantage Towers Shares**") to a gross sum (*Bruttobetrag*) of EUR 1.60 minus the amount of any corporate income tax and the solidarity surcharge in accordance with the respective tax rate applicable for these taxes for the relevant fiscal year, whereby this deduction is to be calculated only on the basis of the pro rata gross sum of EUR 0.68 per Vantage Towers Share resulting from profits which are subject to German corporate income tax. Based on the situation at the time of conclusion of this Agreement, the pro rata gross sum of EUR 0.68 for each Vantage Towers share, which relates to profits made by Vantage Towers being subject to the German corporate income tax, is subject to a deduction of 15% corporate income tax plus 5.5% solidarity surcharge, that is EUR 0.11. Together with the remaining pro rata gross sum of EUR 0.92 for each Vantage Towers Share, relating to profits not being subject to the German corporate income tax, the Recurring Compensation Payment amounts to EUR 1.49 for each Vantage Towers Share for each full fiscal year, based on the situation at the time of conclusion of this Agreement. For the avoidance of doubt, it is agreed that any withholding tax (such as capital gains tax plus solidarity surcharge thereon) shall be withheld from the Recurring Compensation Payment

to the extent required by statutory law. The Recurring Compensation Payment is due on the first banking day following the ordinary general shareholders' meeting of Vantage Towers for any respective preceding fiscal year but in any event within eight months following expiration of the relevant fiscal year.

- 4.3** The Recurring Compensation Payment is granted for the first time for the full fiscal year of Vantage Towers for which the claim of Oak Holdings to transfer of profit under Clause 2 becomes effective. If this Agreement ends during a fiscal year of Vantage Towers or if Vantage Towers establishes an abbreviated fiscal year (*Rumpfgeschäftsjahr*) while the obligation according to Clause 2 is existing, the Recurring Compensation Payment is reduced *pro rata temporis*.
- 4.4** If the share capital of Vantage Towers is increased from the reserves in exchange for the issuance of new shares, the Recurring Compensation Payment for each Vantage Towers Share is reduced to such an extent that the total amount of the Recurring Compensation Payment remains unchanged. If the share capital of Vantage Towers is increased by cash contributions and/or contributions in kind, the rights under this Clause 4 also apply for the shares subscribed to by outside shareholders in such capital increase. The beginning of each entitlement of the new shares pursuant to this Clause 4 corresponds to the dividend entitlement set by Vantage Towers when issuing the new shares.
- 4.5** If an appraisal proceeding (*Spruchverfahren*) according to the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz*) is initiated and the court adjudicates a legally binding higher Recurring Compensation Payment, the outside shareholders, even if they have already been compensated according to Clause 5, are entitled to demand a corresponding additional payment to the Recurring Compensation Payment. Likewise all other outside shareholders will be treated in the same way if Oak Holdings undertakes to pay a higher Recurring Compensation Payment to an outside shareholder of Vantage Towers in a court settlement (*gerichtlicher Vergleich*) for the purpose of avoiding or settling judicial appraisal proceedings (*Spruchverfahren*).

5 Compensation

- 5.1** Oak Holdings undertakes upon demand of each outside shareholder of Vantage Towers to purchase such shareholder's Vantage Towers Shares in exchange for a cash compensation ("**Compensation**") (*Abfindung*) in the amount of EUR 27.85 for each Vantage Towers Share.
- 5.2** The obligation of Oak Holdings to purchase Vantage Towers Shares is for a limited period of time. The time limitation period ends two months after the date on which the registration of this Agreement in the commercial register at the registered seat of Vantage Towers has been announced pursuant to Section 10 HGB. An extension of the time limitation period pursuant to Section 305 para. 4 sentence 3 AktG as a result of a motion for determining the Recurring Compensation Payment or Compensation by the court determined according to Section 2 of the German Act on Appraisal Proceedings remains unaffected. In this case, the time limitation period ends two months after the date on which the decision on the last motion ruled on has been announced in the Federal Gazette (*Bundesanzeiger*).
- 5.3** If the share capital of Vantage Towers is increased using corporate funds in exchange for the issuance of new shares prior to the expiration of the time limitation period set forth in Clause 5.2, the Compensation for each share is reduced to such an extent that the total amount of the Compensation remains unchanged. If the share capital of Vantage Towers is increased prior to the expiration of the time limitation period set forth in Clause 5.2 by means

of cash contributions and/or contributions in kind, the rights under this Clause 5 also apply for the shares subscribed to by the outside shareholders in such capital increase.

- 5.4** The transfer of the Vantage Towers Shares for Compensation is free of costs for the outside shareholders of Vantage Towers.
- 5.5** If an appraisal proceeding (*Spruchverfahren*) pursuant to the German Act on Appraisal Proceedings is initiated and the court adjudicates a legally binding higher compensation, the outside shareholders, even if they have already been compensated, are entitled to demand a corresponding additional payment to the Compensation. Likewise all other outside shareholders will be treated in the same way if Oak Holdings undertakes in a court settlement (*gerichtlicher Vergleich*) to pay a higher compensation to an outside shareholder of Vantage Towers for the purpose of avoiding or settling judicial appraisal proceedings (*Spruchverfahren*).

6 Effectiveness, Term and Termination of this Agreement

- 6.1** This Agreement requires for its effectiveness each the consent shareholders' meeting of Oak Holdings as well as the consent of the general shareholders' meeting of Vantage Towers.
- 6.2** This Agreement becomes effective upon registration of its existence in the commercial register at the registered seat of Vantage Towers and applies – except for the right to give instructions pursuant to Clause 1 **Error! Reference source not found.**above – retroactively since the beginning of the financial year of Vantage Towers in which this Agreement is registered in the commercial register of Vantage Towers.
- 6.3** This Agreement is concluded for an indefinite period of time. It can be terminated with a notice period of six months to the end of the fiscal year of Vantage Towers. This Agreement can be terminated for the first time as of the end of the fiscal year that ends at least five years (*Zeitjahre*) (60 months) after the beginning of the fiscal year of Vantage Towers, (i) from the beginning of which the financial integration (*finanzielle Eingliederung*) within the meaning of Section 14 para 1 sentence 1 no. 1 Corporate Income Tax Act (*Körperschaftsteuergesetz*) exists for the first time and (ii) in which this Agreement is effective.
- 6.4** Each party can terminate this Agreement for good cause (*wichtiger Grund*) without compliance with any notice period. Good cause exists in particular if good cause for purposes of German tax law for the termination of this Agreement exists including those pursuant to R 14.5 (6) Corporation Tax Guidelines (*Körperschaftsteuer-Richtlinien – KStR*) (or a corresponding successor provision).
- 6.5** Any notice of termination must be in writing.
- 6.6** In the event of a termination of the Agreement in the course of a financial year of Vantage Towers, Vantage Towers shall transfer its profit according to Clause 2 or Oak Holdings shall compensate any losses of Vantage Towers according to Clause 3 until the termination of the Agreement.

7 Miscellaneous

- 7.1** Changes and amendments to this Agreement shall be valid only if made in writing. This shall also apply to amendments of this Clause 7.1.
- 7.2** To the extent a provision of this Agreement is or becomes invalid or impracticable in full or in part, or if this Agreement does not contain a necessary provision, the validity of the

remaining provisions of this Agreement shall not be affected. In place of the invalid or impracticable provision, or in order to remedy an omission in this Agreement, an appropriate provision shall apply which corresponds as far as legally permissible to what the parties of this Agreement intended or would have intended in accordance with the intent and purpose of this Agreement if they had been aware of the provision.

*(*** Signature page follows ***)*

Düsseldorf, [date]

Oak Holdings GmbH

Managing director

Managing director

Düsseldorf, [date]

Vantage Towers AG

Member of the Management Board

Member of the Management Board

**Annex 7: Expert Opinion on the Equity Value of Vantage Towers by Grant Thornton
AG Wirtschaftsprüfungsgesellschaft dated 22 March 2023**

Expert opinion

on the business value of

Vantage Towers AG,
Düsseldorf,

and on the determination of the appropriate compensation pursuant to Section 305 AktG and appropriate compensation pursuant to Section 304 AktG

as of 5 May 2023

This English version of our Expert Opinion is only the **convenience translation** of the German Expert Opinion „Gutachtliche Stellungnahme über den Unternehmenswert der Vantage Towers AG, Düsseldorf, und zur Ermittlung der angemessenen Abfindung gemäß § 305 AktG sowie zum angemessenen Ausgleich gemäß § 304 AktG zum 5. Mai 2023“

In a matter of doubt only the German version is legally binding.

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The calculations presented in this statement are based on numerous decimal positions, although they are presented in rounded format for the sake of readability. Due to this, the addition of the tabulated values may lead to discrepancies in the subtotals or totals presented.

List of abbreviations

A	Actual
a.M.	am Main
AG	Aktiengesellschaft (stock company)
AktG.	Aktiengesetz (German Stock Corporation Act)
approx.	approximately
B. V.	Besloten vennootschap met beperkte aansprakelijkheid (Dutch limited liability company)
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)
BGB	Bürgerliches Gesetzbuch (German Civil Code)
BGH	Bundesgerichtshof (German federal court)
bn	billion
BTS	Built-to-Suit
BVerfG	Bundesverfassungsgericht (German Federal Constitutional Court)
CAGR	Compound Annual Growth Rate
Capex	Capital expenditures
CAPM	Capital Asset Pricing Model
CDAX	Composite DAX
CDD	Commercial Due Diligence
cf	confer
Ch.	chapter
CTHC	Central Tower Holding Company B.V.
CZK	Czech Koruna
DAS	Distributed Antenna Systems
DCF	Discounted Cash Flow (-method)
DFMG	Deutsche Funkturm GmbH
DPLTA	Domination and Profit and Loss Transfer Agreement
e. V.	eingetragener Verein (Registered association)
EB	Exabyte
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Taxes Depreciations and Amortisation
EBITDAaL	Earnings Before Interest Taxes Depreciation and Amortisation after Leases
EBT	Earnings Before Taxes
ECB	European Central Bank
ECC	Electronic Communications Code
EoP	End of Period

et seq	et sequens (and the following)
etc.	et cetera
EU	European Union
EuGH	Europäischer Gerichtshof
EURbn	billion Euro
EURm	million Euro
EY	Ernst & Young
FAUB	Fachausschuss für Unternehmensbewertung und Betriebswirtschaftslehre des IDW (Expert committee on business valuation and management of the IDW)
FC	forecast
Fitch	Fitch Ratings
FTE	Full time equivalent
FY	Financial Year
GBP	Great British Pound
GBT	Ground based towers
GDP	Gross domestic product
GG	Grundgesetz (German constitution)
GLBO	Ground lease buyout programme
GmbH	Gesellschaft mit beschränkter Haftung (Limited liability company)
HR	Human Resources
HRB	Handelsregister Abteilung B (Commercial Register Department B)
HUF	Hungarian Forint
i. e.	id est (that is)
IDW	Institut der Wirtschaftsprüfer in Deutschland (Institute of Public Auditors in Germany)
IDW S 1	Principles for Performance of Business Valuations
ifo-Institut	[ifo Institut für Wirtschaftsforschung]
IFRS	International Financial Reporting Standards
IHS	Information Handling Services
IMF	International Monetary Fund
INCA	Inter-Company Agreements
INWIT	Infrastrutture Wireless Italiane S.p.A.
IPO	Initial Public Offering
k	thousand
KPI	Key Performance Indicator
LG	Landgericht (Regional court)
LLP	Limited Liability Partnership
LTA	Long Term Service Agreements
MNO	Mobile Network Operator

MSA	Master Service Agreement
n.a	not available
no.	number
Oak	Oak Holdings GmbH, Düsseldorf
OECD	Organisation for Economic Cooperation and Development
OLG	Oberlandesgericht (German State Court of Justice)
P	Plan
P&L	Profit and Loss statement
p.	page
p. a.	per annum
para.	paragraph
PoP	Point of presence
pp.	pages
PPE	Property, plant and equipment
ProdHaftG	Produkthaftungsgesetz (German Product Liability Act)
RAN	Radio Area Network
ref.	reference
REIT	Real-Estate-Investment-Trust
RTT	Rooftop towers
S&P	Standard & Poor's
S.A.	Société Anonyme
S.L.U.	Sociedad Limitada Unipersonal (Spanish single member LLC)
S.p.A	Società per azioni (Italian stock company)
t	ton
TSA	Transitional Service Agreements
UK	United Kingdom
UmwG	Umwandlungsgesetz (German Transformation Act)
USD	United States Dollar
Vantage	Vantage Towers AG, Düsseldorf
WACC	Weighted Average Cost of Capital
yoy	year over year

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1. Mandate and conduct of the mandate

1.1. Mandate

1 The

Vantage Towers AG,
Düsseldorf,
(hereinafter also referred to as "Vantage")

and the

Oak Holdings GmbH,
Düsseldorf,
(hereinafter also referred to as "Oak")

2 have mandated us, the Grant Thornton AG Wirtschaftsprüfungsgesellschaft (hereinafter also referred to as "Grant Thornton") to carry out a business valuation of Vantage and to determine the amount of the appropriate compensation pursuant to Section 305 AktG and the appropriate compensation pursuant to Section 304 AktG.

3 The reason for this valuation is the planned signing of a domination and profit and loss transfer agreement pursuant to Section 291 AktG (hereinafter also referred to as "DPLTA") between Oak as the dominant entity and Vantage as a dominated entity. The Extraordinary General Meeting of Vantage is supposed to resolve on the conclusion of the DPLTA on 5 May 2023.

4 Oak, which is part of a joint venture between Vodafone GmbH and Oak Consortium GmbH ("Oak Consortium") a holding company jointly controlled by GIM Participation Fund Holding GP ("GIP") and KKR Management LLP and KKR SP Limited (together "KKR"), announced on 9 November 2022 its intention to make a voluntary public takeover offer to acquire all outstanding shares of Vantage against payment of EUR 32.00 per Vantage share ("Takeover Offer").

5 Following this announcement, Oak released the offer document regarding the Takeover Offer on 13 December 2022. In Oak's announcement dated 9 November 2022, the ad-hoc announcement of Vantage dated 9 November 2022, and the offer document regarding the Takeover Offer, it has been stated that Oak intends to conclude a DPLTA as the dominant entity with Vantage as the dominated entity. The Takeover Offer was accepted for 38,114,198 Vantage shares (corresponding to approx. 7.54 % of the share capital and voting rights of Vantage) and the Takeover Offer was completed on 22 March 2023. Accordingly, on 22 March 2023, the total proportion of Vantage shares held by Oak amounted to approx. 89.26 %.

6 Our contractual relationship is based on the attached "General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of 1 January 2017". Thus, in accordance with Section 9 para. 2 of these general engagement terms, our liability is limited for an individual case of damages caused by our negligence to EURm 4, with the exception of damages resulting from injury to life, body or health as well as damages that constitute a duty of replacement by a producer pursuant to Section 1 ProdHaftG. This limitation of liability applies to you and all other addressees or third parties that receive our work results as intended. These recipients are joint and several creditors within the meaning of Section 428 BGB and the maximum liability amount per claim of EURm 4 is only available to all recipients together once. The distribution of the liability sum is to be determined exclusively by the recipients.

- 7 The expert opinion was prepared in connection with the planned DPLTA and will be published as an annex to the contract report.
- 8 Any further disclosure of our expert opinion to third parties requires our express consent. Our consent to disclose to a third party is only granted on the condition that a written liability agreement is concluded between the respective third party and Grant Thornton AG.

1.2. Conduct of the mandate

- 9 As the basis for our work, we followed the principles issued by the Institute of German Public Auditors ["Institut der Wirtschaftsprüfer in Germany e. V. (IDW)"], IDW standard: Principles for the Performance of Business Valuations ("IDW S 1"). Furthermore, we considered the principles developed in German case law.
- 10 We act as a neutral expert within the meaning of IDW S 1 who determines a business value, which is independent of the individual value perceptions of the parties concerned, the so-called objectified business value. The assumptions on which our valuations are based are presented and explained in this expert opinion.
- 11 We carried out our work in the period from 17 January 2023 to the date of signature of this report.
- 12 Our work was based in particular on the following documents:
- Pro forma financial information for the full fiscal years (FY) ended 31 March 2020 and 31 March 2021;
 - (Consolidated) financial statements of Vantage as of 31 March 2021 and 31 March 2022;
 - Business Plan for Vantage for plan years 2024 to 2032 consisting of an integrated planned income statement and cash flow statement approved on 17 March 2023;
 - Supplementary sensitivity calculation to take into account the impact of updated inflation expectations on Vantage's business plan approved on 17 March 2023;
 - Information on the effects of the contractually agreed adjustment of the Master Service Agreements ("MSAs") between Vantage and Vodafone Group on Vantage's business plan pursuant to the MSA Side Letter dated 9 November 2022;
 - Business plan for Cornerstone Telecommunications Infrastructure Ltd. (Cornerstone) for the planning years 2023 to 2032 consisting of an integrated planned income statement and cash flow statement dated 14 September 2022;
 - Business plan for Infrastrutture Wireless Italiane S.p.A. (INWIT) dated 7 March 2023 consisting of key financial figures for the income statement and cash flow statement for the plan years 2023 to 2030 derived from Vantage on the basis of data published by INWIT and analyst forecasts;
 - Business Combination Agreement dated 9 November 2022 between Oak Holdings GmbH (renamed on 17 November 2022, formerly "Blitz D22-277 GmbH"), Vodafone GmbH, Oak Consortium GmbH (renamed on 15 November 2022, formerly "SCUR-Alpha 1539 GmbH") and Vantage;
 - Draft of the joint report of the management of Oak Holdings GmbH and the management board of Vantage Towers AG pursuant to Section 293a AktG on the domination and profit and loss transfer agreement between Oak Holdings GmbH and Vantage Towers AG (contract report) dated 21 March 2023.

- 13 In addition, we have made use of publicly available information and capital market data.
- 14 Should there be material changes in the period between the completion of our work on the date of signature of this expert opinion and the date of the resolution of the Extraordinary General Meeting of Vantage on 5 May 2023 that affect the calculation of the guaranteed dividend or the compensation, these would have to be taken into account retrospectively.
- 15 The responsible employees of Vantage and the consultants involved by Vantage and Oak have openly and willingly provided us with information about the legal, economic and tax circumstances as well as the business plan of Vantage.
- 16 The management board of Vantage and the management of Oak have made statements of completeness to us on 22 March 2023 stating that all information relevant to the valuation has been accurately and completely provided to us.
- 17 Please note that we have not performed any audit of accounts, annual financial statements, management reports or management of Vantage and Oak. Such audits are not part of our scope of work. The compliance of the annual financial statements and management reports submitted to us with the respective statutory provisions was confirmed without qualification by the respective auditors. With regard to the completeness of the annual financial statements and compliance with accounting valuation regulations, we therefore assume that the documents available to us are correct.

2. Valuation object

2.1. Legal situation

2.1.1. Commercial Register, Articles of Incorporation

- 18 Oak was founded on 19 October 2022 under the name Blitz D22-277 GmbH with its registered office in Düsseldorf and was entered in the commercial register of the Düsseldorf District Court under HRB 98923 on 26 October 2022.
- 19 Vantage has its registered office in Düsseldorf and is registered under HRB 92244 in the commercial register of the Düsseldorf District Court. The articles of association of Vantage are valid in the version dated 18 February 2021.
- 20 Vantage's financial year (FY) begins on 1 April of a calendar year and ends on 31 March of the following calendar year. In the following, the designation of the FY refers accordingly to 31 March of a respective year (e. g. 31 March 2024 = 2024).

2.1.2. Group structure

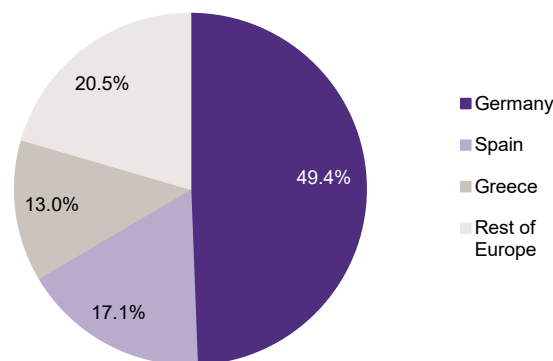
- 21 The group structure of Vantage is presented below, including the changes at shareholder level after closing of the transaction between Vodafone GmbH and Oak Consortium ("Transaction").
- 22 At closing of the transaction total shares in Vantage held by Oak amounts to 451,461,906 or approx. 89.26 % of the share capital and voting rights of Vantage.

2.2. Economic situation

2.2.1. Object of business activity

- 26 The business activity of Vantage relates to the construction and operation of telecommunication sites to provide customers with space and energy management services as well as other related services, which in turn provide mobile, voice, data and other services to end customers. The portfolio of assets includes radio towers, masts, rooftop sites, distributed antenna systems (DAS) and small radio cells. The business model includes in particular the construction, operation and leasing of this passive infrastructure to mobile network operators such as Vodafone and to other network operators.
- 27 Vantage is a tower operator with approx. 46,000 sites in 8 countries. These include Germany, Spain, Greece, the Czech Republic, Hungary, Ireland, Portugal, and Romania. As the largest market, Germany comprises 42.0 % of the total macro sites and 36.0 % of the tenancies. In addition, Vantage has a 33.17 % participation in INWIT with a total portfolio of 22,800 sites and a 50.0 % participation in Cornerstone with a total portfolio of 14,500 sites.
- 28 Vantage commenced operations on 25 May 2020 through the acquisition of the German tower business as part of the spin-off from Vodafone. The other European tower portfolios were transferred to Central Tower Holding Company B. V. ("CTHC") by way of a share-for-share exchange. As a result of the acquisition of CTHC by Vantage on 17 December 2020, the markets in Spain, Portugal, Czech Republic, Hungary, Romania, and Ireland as well as the 33.17 % participation in INWIT were included in Vantage's operating business. Greece was included from 22 December 2020 and the 50.0 % participation in Cornerstone was acquired from CTHC on 14 January 2021. Vantage went public on the Frankfurt Stock Exchange on 18 March 2021.
- 29 Vantage generates its revenue exclusively in European countries, with Germany accounting for the largest share of revenue:

Figure 2: Distribution of revenue by region in FY 2023FC



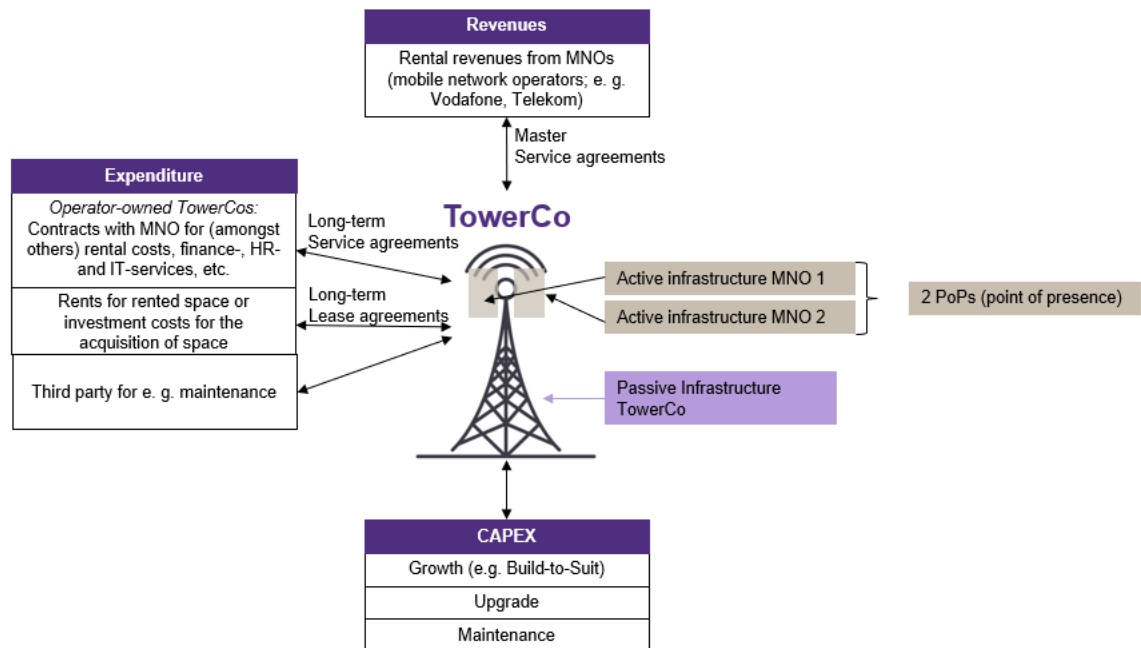
Source: Company information, own illustration.¹

¹ Revenues of the participations in INWIT and Cornerstone are not included.

2.2.2. Business model of TowerCos

30 The following figure illustrates the business model of tower operators ("TowerCos"):

Figure 3: Business model of TowerCos



Source: Own illustration based on management information and EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 7.

31 The TowerCos provide the passive infrastructure for the mobile network operators (MNOs), usually via towers or rooftop locations on rented sites. The MNOs use active infrastructure, such as antennas, to send mobile signals to the end customers/consumers. If several MNOs use one site, e. g. operating two PoPs (point of presence), the tower operators can take advantage of economies of scale.

32 Thus, the TowerCos essentially generate their revenue from rental income from the MNOs for providing the passive infrastructure. Revenues are secured through long-term contracts (Master Service Agreements ("MSAs")) with the MNOs, taking into account inflation adjustments.

33 The TowerCos essentially incur costs by renting the sites on which the towers are build. Towers are built on sites owned by third parties or sites owned by the TowerCos. In return, the TowerCos make rental payments to the site owners or have to acquire sites themselves.

34 Furthermore, the TowerCos usually make payments to third parties for maintenance expenses or IT costs.

35 If the TowerCos are controlled by the MNOs, usually service agreements for certain services are in place (e. g. for the shared use of office space or HR services).

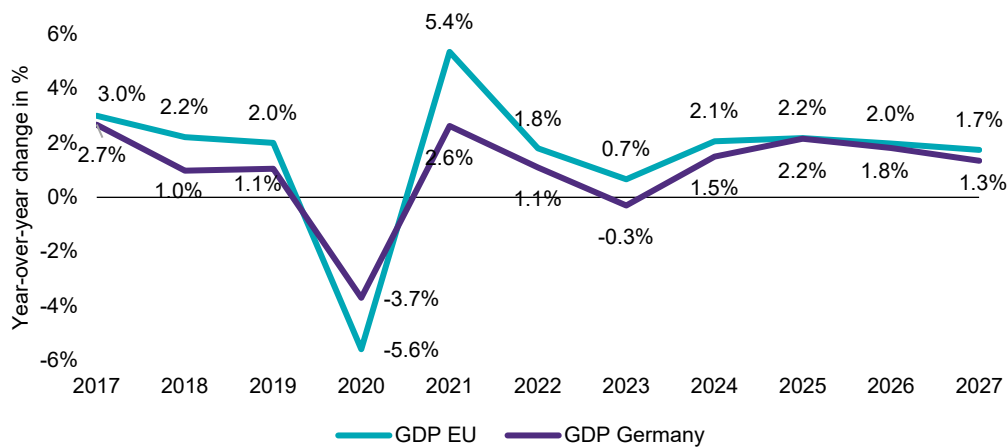
36 The TowerCos' business model is asset-intensive, which requires corresponding investments. Such investments can be divided into regular maintenance expenses, upgrades, such as e.g. through the introduction of 5G, and growth investments, e. g. as part of the build-to-suit programme for the construction of new towers. The build-to-suit programme covers the growth investments contractually agreed with the MNOs.

2.2.3. Macroeconomic conditions

2.2.3.1. Gross Domestic Product

37 The following figure shows the historical and expected development of the German gross domestic product ("GDP"). The business model of tower operators shows low volatility compared to the economic development. Nevertheless, the change in GDP serves as an indicator for the long-term growth rates to be achieved by tower operators.

Figure 4: Year-on-year change of the German GDP and the EU



Source: Own illustration based on data from IMF, World Economic Outlook, October 2022 and for 2022 based on data from Eurostat, "Euro indicators", 14 February 2023.

38 As can be seen in the figure, after the decline in GDP due to the COVID-19 pandemic in 2020 (EU: -5.6 %, Germany: -3.7 %), positive growth rates were recorded again in 2021 due to recovery effects (EU: +5.4 %, Germany: +2.6 %). However, due to supply chain problems, growth was lower than expected. The relatively low growth in Germany compared to the EU is due in particular to the prolonged lockdowns.²

39 Before the global economy could fully recover from the COVID-19 pandemic, it slowed down again due to the Ukraine war. In 2022, Germany's GDP grew by 1.1 % and the EU's GDP grew by 1.8 %. These figures constitute a reduction of 3.5 percentage points in Germany's GDP and a reduction of 2.7 percentage points in the EU's GDP relative to the International Monetary Fund's (IMF) forecast for the change in GDP for 2022.³ Subsequently, GDP is expected to shrink by 0.3 % in Germany in 2023. In the two following years, the IMF predicts for Germany a GDP growth that reaches 2.2 % in 2025 before declining to 1.3 % in 2027. While GDP growth rates in the EU as a whole follow the same trend, no GDP decline is projected for the EU in 2023. Instead, GDP growth is expected to decline to 0.7 %. For the following years, the IMF forecasts stronger GDP growth than in 2023, reaching 2.2 % in 2025 before declining to 1.7 % in 2027.

² Cf. IMF, World Economic Outlook, October 2022.

³ Cf. IMF, World Economic Outlook, October 2022.

40 In its economic forecast for Germany as per the end of 2022, the ifo Institute assumes a slightly shrinking GDP of 0.1 % for 2023, caused by an enormous supply shock leading to shortages of energy, supply and labour as well as high inflation rates. As a result of the expected slowly easing price pressure in 2024, GDP is expected to rise again by 1.6 % in 2024. The forecast is subject to risks, especially due to gas shortages, the effects of the war in Ukraine and the development of inflation.⁴ This forecast is roughly in line with IMF's forecast.

41 The following table shows the expected change of GDP in the relevant markets for Vantage.

Table 1: Expected change of GDP in relevant countries

Country	2022A ¹	2023E ²	2024E ²	2025E ²	2026E ²	2027E ²
Germany	1.1%	-0.3%	1.5%	2.2%	1.8%	1.3%
Spain	2.7%	1.2%	2.6%	2.7%	2.1%	1.7%
Greece ³	5.2%	1.8%	2.2%	1.8%	1.6%	1.4%
Czech Republic	0.4%	1.5%	3.9%	3.4%	2.8%	2.5%
Ireland	15.7%	4.0%	4.0%	3.0%	3.0%	3.0%
Portugal	3.1%	0.7%	2.4%	2.2%	1.9%	1.9%
Hungary	0.9%	1.8%	2.8%	3.0%	3.1%	3.2%
Romania	5.0%	3.1%	3.8%	3.5%	3.5%	3.5%
Italy	1.7%	-0.2%	1.3%	1.1%	1.1%	0.7%
UK ⁴	4.1%	0.3%	5.6%	2.3%	2.2%	1.5%

¹ Source for 2022A: Eurostat, Euro indicators, 14 February 2023.

² Source for 2023E – 2027E: IMF, World Economic Outlook, October 2022.

³ No actual data for 2022 are available for Greece. Source for 2022E: IMF, World Economic Outlook, October 2022.

⁴ For the United Kingdom (UK), updated forecast 2022A. Source: Office for National Statistics, GDP monthly estimate, UK: December 2022, February 2023.

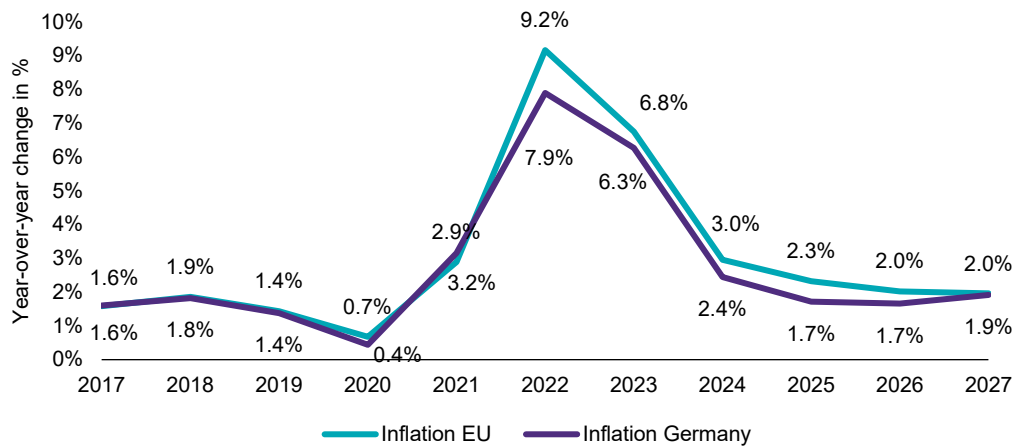
42 With 1.3 % in 2027 Germany, the most important market for Vantage, shows the lowest expected long-term growth rate, next to Italy with 0.7 %. In Eastern Europe (Czech Republic, Hungary, and Romania), on the other hand, long-term growth rates of up to 3.5 % are expected.

2.2.3.2. Inflation

43 The following figure shows the historical and expected development of inflation rates in the EU and in Germany. The business model of tower operators is dependent on inflationary developments both in terms of revenue and costs. The contractual arrangements with mobile network operators usually take into account annual inflation adjustments for revenues. On the cost side, the rental agreements with the site owners also generally include annual inflation adjustments. Furthermore, procurement costs for materials and investments are also dependent on inflationary developments.

⁴ Cf. ifo-institut, ifo Konjunkturprognose Winter 2022: Inflation and recession, December 2022.

Figure 5: Year-on-year change of the inflation rate in Germany and the EU



Source: For inflation EU: IMF, World Economic Outlook, October 2022;

For inflation Germany: Years 2017 – 2021 IMF, World Economic Outlook, October 2022 and for the year 2022: OECD Inflation forecast, February 2023. For the years 2023 – 2027 mean value of IMF, World Economic Outlook, October 2022; OECD, Inflation forecast, February 2023; Fitch ratings, Global Economic Outlook, March 2023; Oxford Economics, World Economic Prospects February/March 2023 (if available in the database).

- 44 Even before the war in Ukraine, inflation had increased significantly in many economies due to rising commodity prices and pandemic-induced imbalances between supply and demand. For example, average inflation rates of 2.9 % and 3.2 % were measured in the EU and Germany for 2021, which were already significantly above the level of previous years.⁵
- 45 The IMF expects prices, especially for energy, metals, and food, to remain at a significantly increased level for the time being due to war-related supply shortages. According to the IMF, although the bottlenecks are expected to ease over time as production elsewhere responds to higher prices and new capacities are created, supply constraints are likely to persist in some sectors until 2024 or even beyond.⁶
- 46 As a result, inflation expectations will remain high for longer than forecasted in 2021.⁷ For 2022, inflation reached 9.2 % in the EU and 7.9 % in Germany. In the following years, inflation rates are expected to decline, so that from 2025 onwards, inflation rates for the EU and Germany are again forecasted to be close to the ECB's target inflation of 2.0 %. Rising energy prices are a major driver of increased inflation. The ECB expects the harmonised consumer price index excluding energy to be 3.9 % in 2022 and then 3.4 % and 2.3 % for 2023 and 2024, respectively.⁸ Since tower operators generally pass on most of the energy costs incurred, the development of energy prices is less risky for tower operators.
- 47 However, the construction costs for towers are strongly dependent on the development of the price of steel. Against the backdrop of the Ukraine war, steel prices have fluctuated strongly in 2022. For instance, the Hot Rolled Coil Steel Index has risen from 990 USD/t on 23 February 2022 to 1,535

⁵ Cf. IMF, World Economic Outlook, October 2022.

⁶ Cf. IMF, World Economic Outlook, October 2022.

⁷ Cf. IMF, World Economic Outlook, October 2022.

⁸ Cf. ECB Economic Report, Issue 6 / 2022 – Economic, financial, and monetary developments, September 2022.

USD/t on 30 March 2022. Subsequently, the Hot Rolled Coil Steel Index fell again to 650 USD/t on 27 December 2022 and rose sharply again to 1,060 USD/t on 16 March 2023. Consensus estimates of the financial information provider Bloomberg assume that the steel price will stay on that level during 2023. By 2024, another decline to 882 USD/t is expected.

48 The following table shows a detailed overview of the inflation expectations of the individual countries in which Vantage operates.

Table 2: Expected inflation in relevant countries

Country	2022A	2023E	2024E	2025E	2026E	2027E
Germany	7.9%	6.3%	2.4%	1.7%	1.7%	1.9%
Spain	8.4%	4.0%	2.6%	1.8%	1.9%	1.8%
Greece	9.6%	3.9%	1.8%	1.2%	1.5%	1.8%
Czech Republic	15.1%	9.4%	2.6%	2.2%	2.1%	2.2%
Ireland	7.8%	5.5%	1.9%	1.6%	1.6%	1.8%
Portugal	7.8%	5.5%	2.4%	2.0%	1.7%	1.6%
Hungary	14.6%	16.0%	5.4%	3.8%	3.6%	3.4%
Romania ¹	13.2%	9.7%	4.0%	2.9%	2.5%	2.7%
Italy	8.2%	5.8%	1.7%	1.6%	1.7%	1.8%
UK	7.9%	7.0%	2.7%	1.6%	1.8%	2.0%

Source: 2022A: OECD, Inflation forecast, February 2023; For the years 2023E – 2027E mean of IMF, World Economic Outlook, October 2022; OECD, Inflation forecast, February 2023; Fitch Ratings, Global Economic Outlook, March 2023; Oxford Economics, World Economic Prospects, February/March 2023 (if data available in the database).

¹ No actual data available for Romania in the OECD database for the year 2022, hence average of the forecasts taken.

49 Observable inflation rates for 2022 were on a high level. Particularly in Eastern Europe inflation rates of 13.3 % to 15.1 % in 2022 were above historical levels. Inflation rates are expected to normalise from 2024 onwards. In the long term, inflation rates of around 2.0 % p. a. are forecasted, especially in Western Europe.

2.2.4. Market and competition

50 The market and competitive environment of Vantage is discussed below. Due to the geographic footprint of Vantage, focus is on the European market with particular attention to the German market.

2.2.4.1. Market drivers and market forecast

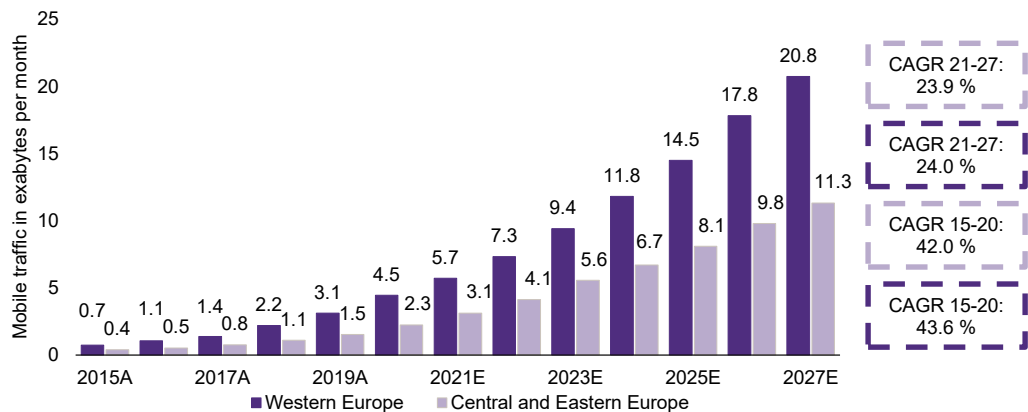
a) Increase in mobile data volume

51 The wireless infrastructure using towers and rooftop transmitter masts is an important element for the operation of wireless network services, which include in particular mobile networks, fixed wireless broadband access, emergency call services, television and radio broadcasting, Internet of Things (“IoT”), and private mobile radio (PMR) networks.

52 The advancing industrial digitalisation and the increasing interconnection between digital applications and physical objects generate, among other things, constantly growing data volumes that require a reliable and fast network infrastructure.

53 This growing demand represents a significant growth driver for the network infrastructure market and is also reflected in the figure below, which shows the historical and forecasted development of mobile data traffic from 2015 to 2027.

Figure 6: Mobile data traffic from 2015 to 2027



Source: Statista, Monthly data traffic in Western Europe 2011 – 2027, February 2022 and Statista, Monthly data traffic in Eastern Europe 2011 – 2027, February 2022.

54 Mobile data traffic in Western Europe as well as Central and Eastern Europe has increased from 0.7 EB/month in 2015 to 4.5 EB/month in 2020 and from 0.4 EB/month in 2015 to 2.3 EB/month in 2020, respectively. This corresponds to compound annual growth rates (CAGR) over this period of 43.6 % and 42.0 %, respectively.

55 By 2027, a further strong increase to 20.8 EB/month in Western Europe and 11.3 EB/month in Central and Eastern Europe is forecasted. This corresponds to expected compound annual growth rates (CAGR) over this period of 24.0 % and 23.9 %, respectively.

b) Implementation of the 5G mobile communications standard

56 In order to ensure a reliable and fast network infrastructure for the constantly growing data volume and as a basis, among other things, for the interconnection of industrial machines as well as the digitalisation of many areas of life, a rapid and comprehensive implementation of the 5G mobile communications standard is being pursued in Europe.⁹

57 The EU Commission already presented an action plan in this regard in 2016. Currently, 5G coverage is planned in all cities by 2025 and full coverage in all populated areas within the EU by 2030.¹⁰ According to the EU Commission, around 72.0 % of the EU's population could be supplied with the 5G mobile communications standard by the fourth quarter of 2022.¹¹

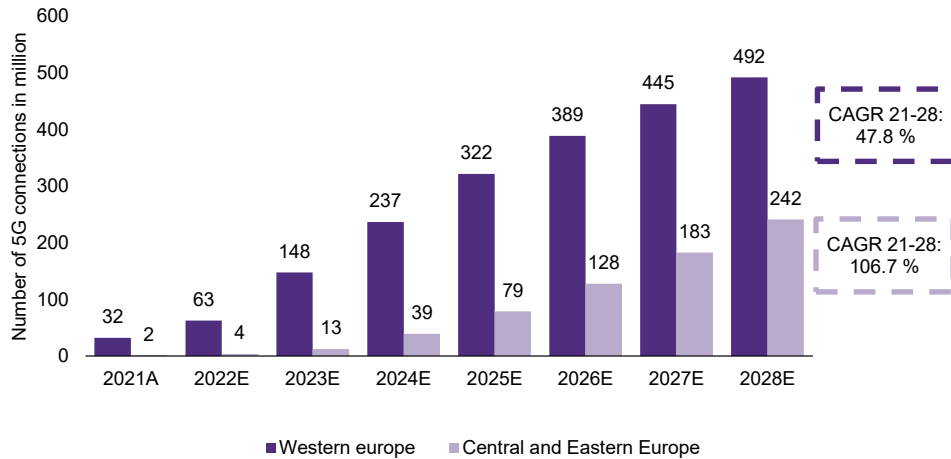
58 In line with the targets and the status quo, a dynamic development of the number of 5G connections in Europe is forecasted until 2028, which is shown in the following figure.

⁹ Cf. European Commission, Europe's Digital Decade; <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade> (as of 16 February 2023).

¹⁰ Cf. Federal Ministry for Digital and Transport, 5G Action plan of the EU, 2020; <https://www.deutschland-spricht-ueber-5g.de/informieren/netzausbau/europa-macht-mobil-der-5g-aktionsplan-der-eu/> (as of 16 February 2022).

¹¹ Cf. European Commission, 5G Observatory; Quarterly Report 17 October 2022.

Figure 7: Forecasted number of 5G connections in Europe



Source: Statista, Forecast of the number of 5G connections in Europe until 2028, December 2022.

59 The figure shows a projected increase from 32.0 million 5G connections for Western Europe in 2021 to 492.1 million in 2028 and from 1.5 million in Central and Eastern Europe in 2021 to 241.5 million 5G connections in 2028. This corresponds to compound annual growth rates (CAGR) over this period of 47.8 % and 106.7 %, respectively.

60 Within Germany, it is intended to implement the 5G mobile communications standard nationwide by 2030.¹² Following the auction of the 5G radio frequencies in 2019, such frequencies were initially deployed by the network operators in urban areas, so that particularly high data rates are achieved in conurbations for the time being.¹³

61 According to the German Federal Network Agency [Bundesnetzagentur], 79 % of the area of Germany was covered by at least one provider with the 5G mobile communications standard as of October 2022.¹⁴

62 This shows that high levels of investment in infrastructure will continue to be required both in Germany and across Europe in order to achieve the targeted 5G coverage. In this context, the EU Commission estimates the required investments within the EU to be around EURbn 500 by 2025.¹⁵

c) Coverage of white and grey spots

63 In addition to the targeted upgrade of covered areas to the 5G mobile communications standard, countries such as Germany, France or the UK are pursuing the goal of improving coverage in rural

¹² Cf. Federal Ministry for Digital and Transport, Key issues paper of the BMDV on the Gigabit strategy, March 2022.

¹³ Cf. Federal Network Agency, Mobile network monitoring – Area supply by federal state, July 2022; https://download.breitband-monitor.de/202207_Auswertung_Bund_Zusammenfassung.pdf (as of 16 March 2022).

¹⁴ Cf. Federal Network Agency, Press release Federal Network Agency updates presentation of network coverage with 5G, November 2022.

¹⁵ Cf. European Parliament, 5G Deployment, State of Play in Europe, USA and Asia, April 2019.

areas in so-called "white and grey spots". Programmes imposed for the purpose of constructing new towers were often mandatory requirements as part of the awarded 5G licences.¹⁶

64 For example, in November 2019, the three mobile network operators Deutsche Telekom, Vodafone and Telefónica jointly committed to cover previously unserved areas ("white spots") in Germany, especially in rural areas and along transport routes, as part of the 5G licensing. Specifically, it was envisaged that each operator would build 2,000 sites, which would also be made available to other MNOs via passive sharing agreements.¹⁷ According to the information received from employees of Vantage, a detailed analysis of the three mobile network operators has since shown that the construction of approx. 1,500 sites per operator is sufficient to fulfil the coverage obligation.

65 1&1 has also acquired 5G licenses in Germany for around EURbn 1.07. However, they can only be used from 2026 onwards, which is why more lenient coverage conditions apply to 1&1.¹⁸

66 In addition, Vodafone, Deutsche Telekom and Telefónica plan to implement active network sharing for over 4,000 antenna sites in areas where LTE quality is only offered by a single operator ("grey spots").¹⁹

67 Even though the area of white and grey spots in Germany is declining, white spots still accounted for around 2.94 % and grey spots for around 18.56 % of the total area of Germany in October 2022.²⁰

68 Due to the planned reduction of white and grey spots in the short term, further investments for the construction of towers are expected.

d) Forecasted number of towers

69 According to TowerXchange, approx. 721,580 towers were in operation for wireless communication in Europe (including Russia and Turkey) in the fourth quarter of 2022.²¹

70 According to EY Parthenon, around 440,000 towers were in operation in the analysed relevant European countries in 2021²² (excl. Russia and Turkey). This number has remained largely stable in recent years, with the construction of new towers being partially offset by the decommissioning of redundant and older towers.²³

71 As a result of the developments described above, an increase in towers of 1.0 % to 3.0 % per year is expected for the majority of European countries over the next five years.²⁴ The following figure

¹⁶ Cf. EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 10.

¹⁷ Cf. TowerXchange, Europe Q4 2022 Guide, December 2022.

¹⁸ Cf. ifo Schnelldienst 21/2019, 72th Volume, November 2019, p. 4 f.

¹⁹ Cf. TowerXchange, Europe Q4 2022 Guide, December 2022.

²⁰ Cf. Federal Network Agency, Mobile network monitoring – Area supply by federal state, October 2022; https://download.breitband-monitor.de/202210_Auswertung_Bund_Zusammenfassung.pdf (as of 16 February 2023).

²¹ Cf. TowerXchange, Europe Q4 2022 Guide, December 2022.

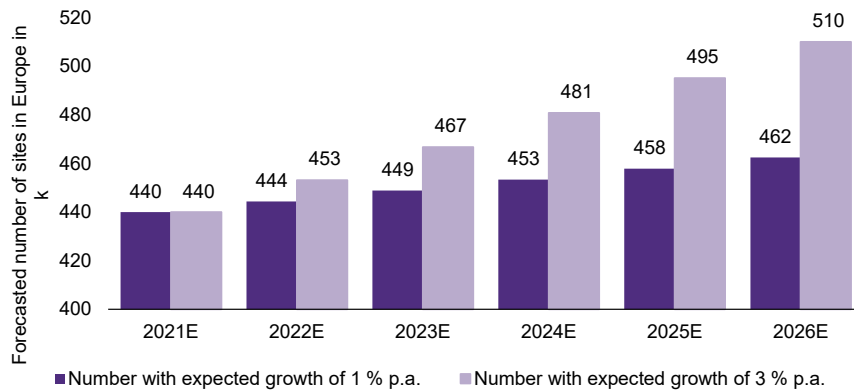
²² The selected countries include Germany, France, Italy, UK, Spain, Poland, Sweden, Austria, Greece, Norway, Switzerland, Portugal, Czech Republic, Romania, Belgium, Netherlands, Denmark, Hungary, Finland, Ireland, Bulgaria, Slovakia, Lithuania, Croatia, Slovenia, Latvia, Estonia, Malta, Cyprus and Iceland.

²³ Cf. EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 10.

²⁴ Cf. EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 10.

shows possible development scenarios based on this with regard to the expected number of towers.

Figure 8: Expected tower development in major European countries



Source: Own presentation, based on EY Parthenon, The economic contribution of the European tower sector, February 2022.

2.2.4.2. Competitors and market segmentation

a) Differentiation of market participants

- 72 Companies acting in the tower operator market can be differentiated in terms of the degree of dependence on MNOs as the main users of the mobile infrastructure provided.
- 73 On the one hand, towers are held directly by MNOs. On the other hand, in recent years there has been an increasing transfer of ownership of towers from mobile network operators to separate TowerCos. Both, disposals to independent as well as transfers to TowerCos or joint ventures controlled by the MNOs could be observed.
- 74 TowerCos have developed robust business models around the construction and management of masts and rooftop sites and provide this infrastructure to their customers, in particular mobile network operators.²⁵
- 75 From the perspective of MNOs, the transfer of towers to TowerCos offers economic advantages, especially due to the shared use of infrastructure and the associated reduction in network costs. Also, in view of the expected high investments of MNOs for the implementation of the new 5G mobile communications standard (but also other future standards), a joint use of the infrastructure via TowerCos appears to make sense.²⁶
- 76 The breakdown of towers among the various market participants for the European and German markets is explained below.

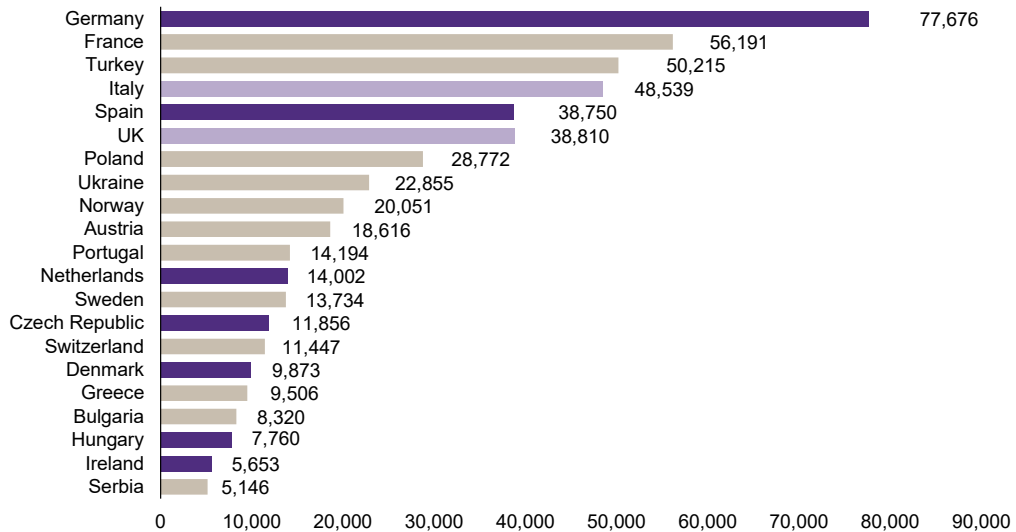
²⁵ Cf. EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 4.

²⁶ Cf. EY Parthenon, The economic contribution of the European tower sector, February 2022, p. 25.

b) Market segmentation in Europe

77 The following figure shows the distribution of towers currently in operation in Europe among selected European countries. As illustrated, Germany, France, Italy, the UK and Spain account for the majority of European towers.

Figure 9: Estimated number of towers of the countries with the most towers for the year 2022

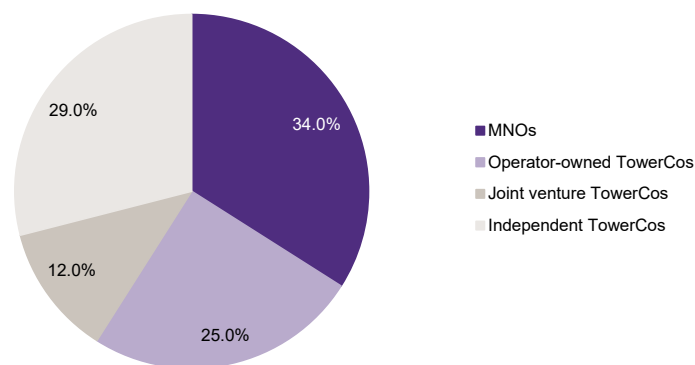


Source: TowerXchange Europe Q4 2022 Guide, December 2022 incl. company information from Vantage on its own tower portfolio in the local markets.

In the countries highlighted in dark purple, Vantage operates independently, in the countries highlighted in light purple, Vantage is active through a joint venture. Russia and Kazakhstan were not included due to their non-European location.

78 The following figure shows the distribution of the European towers among the various market participants described in para. 73.

Figure 10: Distribution of towers among European market participants in 2022

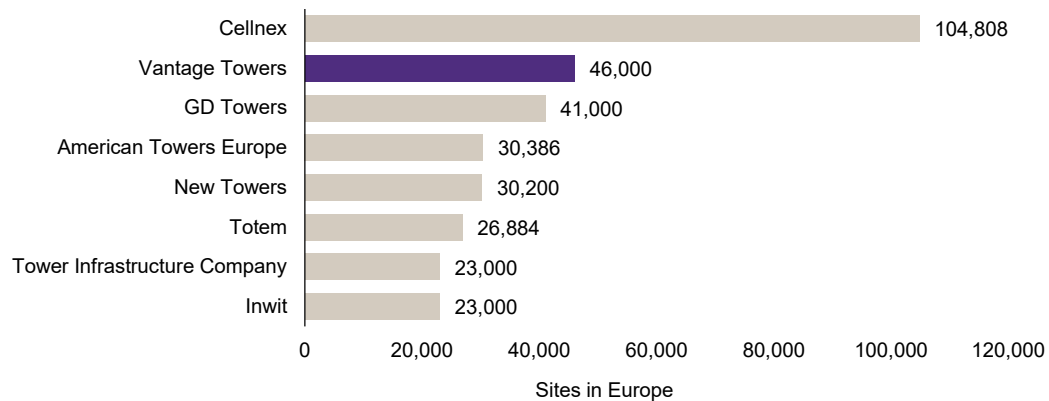


Source: TowerXchange's European guide, December 2022, p. 2.

79 As illustrated above, MNOs (still) have a remaining share of 34.0 % of towers in Europe. Operator-owned TowerCos and joint venture TowerCos controlled by MNOs account for 25.0 % and 12.0 % of towers, respectively, while independent TowerCos account for approx. 29.0 % of the towers.

80 The following figure gives an overview of the main market participants in Europe:

Figure 11: Number of sites per TowerCo in Europe



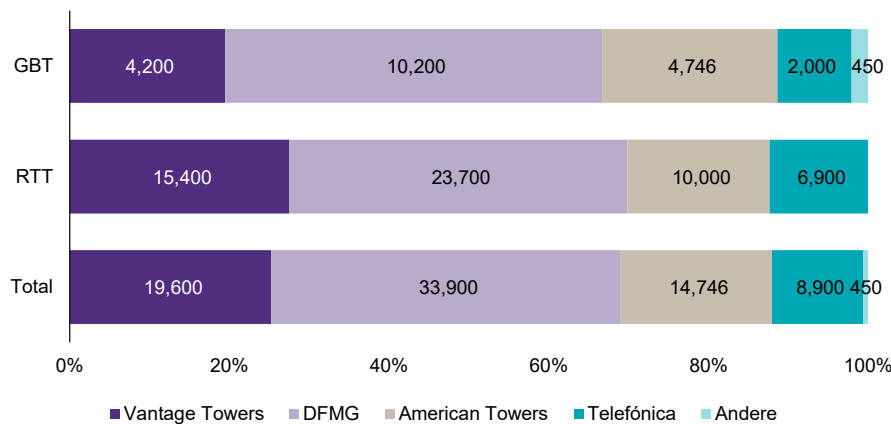
Source: Quarterly financial statements; company homepage; TowerXchange's European guide, December 2022, p. 4.

81 Cellnex is the largest TowerCo by the number of sites in Europe, with around 105 thousand sites. Cellnex operates in Austria, Denmark, France, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, and the UK. Vantage and GD Towers follow by a wide margin with around 46 thousand and around 41 thousand sites, respectively. Vantage and GD Towers generate most of their revenue in Germany, while Orange Totem (Totem) is mainly active in France and Spain. Deutsche Telekom spun off its German towers with approximately 33 thousand sites in 2022 (Gesellschaft Deutsche Funkturm GmbH or "DFMG") and its Austrian towers with approximately 8 thousand sites (Gesellschaft Magenta Telekom Infra GmbH) in 2021. These business areas are held under GD Towers. American Towers, with around 30.4 thousand sites, is mainly active in the European markets of Germany and France.

c) Market segmentation in Germany

82 According to the TowerXchange report on the tower market, around 77,000 towers have been in operation in Germany in the fourth quarter of 2022. As shown in the following figure, the German market for towers is essentially divided among four large companies.

Figure 12: Number of towers and market share by operator in Germany



Source: TowerXchange's European guide, p. 16, December 2022.

83 DFMG (now part of GD Towers, cf. para 81) is the market leader with a market share of approx. 43.7 %, followed by Vantage with approx. 25.3 %, American Towers with approx. 19.0 % and Telefónica with approx. 11.5 %. The Media Broadcast Group provides approx. 0.6 % of the towers.

84 The operators of German towers differ according to the degree of dependence on the users of the mobile communications infrastructure. Vantage, for example, is a TowerCo controlled by an MNO. Telefónica has not outsourced its towers. American Towers is an independent company of MNOs. On 1 February 2023, Deutsche Telekom completed the sale of a majority stake in its tower portfolio in Germany and Austria to a consortium of North American investors consisting of Digital Bridge and Brookfield.²⁷

2.3. Tax situation

85 Vantage is registered with the Düsseldorf tax office with the identification number 103/5700/2103.

86 Vantage (group) has not yet been subject to a tax audit and there is currently no tax audit scheduled according to Vantage.

87 There is currently no income tax group in Germany within Vantage (group).

88 The effective average group tax rate of Vantage was 26.5 % in fiscal year 2020/21. In the fiscal year 2021/22, the Company recorded an effective tax rate of 23.4 %. The decline was mostly due to one-off special effects. A group tax rate of 26.5 % is again expected for the fiscal year 2022/23. For the planning period, Vantage continues to expect an effective average group tax rate of 26.5 %. We were able to verify this on the basis of the expected profit contributions of the various national companies over the planning period and country-specific corporate tax rates.

89 According to the information provided, there were no tax loss carry forwards as per 31 March 2022. The exception to this is existing loss carry forwards in Spain, which, according to Vantage, cannot

²⁷ Source: DFMG, New owners for German towers, 1 February 2023, <https://www.dfm.de/de/neue-eigentuemer-fuer-deutsche-funkturm.html> (as of 13 March 2023); S&P Capital IQ.

currently be used. No tax loss carry forwards were built up within the Vantage Group in the fiscal year 2022/23.

3. Valuation principles and methodology

3.1. General valuation principles

90 The general valuation principles and methods described in the following sections correspond to the prevailing opinion in business management literature, case law and business valuation practice and are anchored in the valuation standard IDW S1 in the 2008 version (principles for conducting business valuations).

3.1.1. Reasons for valuations and perspective

91 Business valuations are depending on the reason for the valuation and the perspective of the valuation. In accordance with IDW S 1 in the version of 2008, a basic distinction can be made between an objectified valuation, subjective decision values, and agreement values.

92 An objectified business value is a business value that is independent of the individual value perceptions of the parties concerned. It is determined based on the continuation of the company on the basis of the existing business concept including all realistic future expectations, taking into account the market opportunities and risks as well as the financial possibilities of the company.

93 If, on the other hand, the existing individual possibilities and plans of an investor are to be considered, a subjective decision value is determined, indicating, for example, the maximum amount an investor is willing to pay for the company or the minimum amount a seller needs to demand in order to not deteriorate their individual economic situation.

94 An agreement value is a value that is determined in a conflict situation, by the valuer as an arbitrator or proposed mediator under consideration of the subjective values of the parties.

95 The assumed value concept generally leads to different assumptions about the forecast and discounting of future financial surpluses, the type and scope of synergies to be included, and the personal circumstances of the shareholders or their event-related typification.

96 As part of this expert opinion, value effects derived from the contractual agreements between the parties (cf. para. 21), which impact the value of shares in Vantage and which are already sufficiently concrete as of the valuation date, must also be taken into account. We discuss this in detail in section 6.2.

3.1.2. Valuation methods

3.1.2.1. Discounted earnings and discounted cash flow

97 The equity value of a commercial company is derived from the future uncertain cash flows, which the equity investor can expect. Such an equity value may be calculated as the present value of all future income-expenditure-surpluses of the company.

98 This requires a forecast of the company's expected surpluses. Usually, the basis of an earnings assessment is therefore a business plan covering a period of three to five years, as well as the estimation of a sustainable result that can be regarded as permanently achievable for the period beyond the planned years. The main focus of such business plans is usually on income planning. Time differences between the planned income and expenses as well as the planned revenues and

- expenditures, if any, are to be taken into account within the calculation of financial requirements and reflected in the valuation via their financial effects.
- 99 The forecast of future income and expenses is based on adjusted past results. The forecasts of the company subject to the valuation may be checked for plausibility by comparing them with the past results, with developments of other companies and with developments in the industry, the market, and the economy as a whole.
- 100 The expected surpluses are to be determined under consideration of the company's domestic and foreign income taxes and, in principle, the personal income taxes of the company's owners arising from ownership of the company.
- 101 Furthermore, the company's distribution policy must be taken into account when deriving the financial surpluses. In the detailed planning period, the allocation of the financial surpluses to distributions and retentions is generally based on the individual company concept and takes into account the previous and planned distribution policy, the equity base and the tax environment. In the perpetual annuity, a distribution rate equivalent to the alternative investment is generally applied.
- 102 When deriving a present value of projected cash flows, a capitalisation rate representing the return from an alternative investment adequate for the investment in the company subject to valuation is used. Forecasts of future income and expenses are subject to uncertainty; however, equity investors usually prefer a secure positive cash flow to an equally uncertain cash flow. This risk aversion may be taken into account by adding a risk premium to the risk-free interest rate used to calculate the present value.
- 103 The 2008 version of the IDW S1 standard describes the discounted earnings method and the discounted cash flow method as valuation methods. In business valuation practice, these two methods have become well-established valuation methods.
- 104 According to the discounted earnings method, the equity value of a company is derived from the risk-adequate discounting of future expected dividends of the company to its shareholders, which are usually derived from planned future annual results. The discounted earnings method is accepted as valid by the courts in Germany.
- 105 As an alternative to the application of the discounted earnings method, valuations may be carried out with the discounted cash flow (DCF) method within the framework of IDW S 1 in the version of 2008. DCF methods determine the enterprise value by discounting cash flows, which represent expected payments to equity as well as debt investors. According to the DCF method in its usual form in practice (so-called gross, entity, enterprise or WACC-approach) the enterprise value is determined for the company's operating business performance. The value of equity is derived from the enterprise value by deducting the net debt position.
- 106 The DCF method and the discounted earnings method are based on the net present value calculation, thus on the same conceptual basis. If the assumptions are the same, especially if the business plan including budgeted income statements, budgeted balance sheets and budgeted cash flow statements (integrated planning) is consistent, both methods arrive at the same result. Therefore, we do not present the DCF method in the context of this expert opinion.
- 107 The present value of the projected cash flows is calculated by using the discounted earnings or DCF method only including value-creating factors which can be accurately represented by current cash flows. Value-creating factors that cannot be represented at all or only to a limited extent are to be valued separately. In particular, these may be non-operating assets that can be freely sold without affecting the actual business purpose.

3.1.2.2. Stock market price

- 108 The Vantage shares have been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since March 2021. A determination of compensation on the basis of the stock market price is therefore feasible.
- 109 Following the rulings of the Federal Constitutional Court (BVerfG, decision of 27 April 1999 – 1 BvR 1613/94), Article 14 GG establishes that a full compensation for departing shareholders for their equity share must not be lower than fair market value. For publicly traded companies, this value cannot be determined without consideration of the stock market price unless the stock market price does not reflect the fair market value. Thereby the stock market price fundamentally serves as a floor for the compensation of minority shareholders for (inter-)company contracts and business combinations.
- 110 The underlying stock market price of an appropriate cash compensation, pursuant to current BGH decisions (BGH, decision of 19 July 2010 – II ZB 18/09 – “Stollwerck”), must be determined in general on the basis of the domestic volume weighted average price within a three-month reference period before the date of publication. By averaging, random influences and short-term distortions are expected to be eliminated. The stock market price, however, cannot be used, if it does not reflect the fair market value (BVerfG, decision of 27 April 1999 – 1 BvR 1613/94; BGH, decision from 12. March 2001 – II ZB 15/00 “DAT/Altana”).
- 111 If a prolonged period elapses between the date of publication and the General Meeting and the stock market development suggests the need for an adjustment, the stock market price has to be extrapolated in accordance with general and industry-specific price development (BGH, II ZB 18/09 – “Stollwerck”: period of 7.5 months). No extrapolation should be performed if the action is executed within a common period. In this context, a period of six to seven months can be described as common (OLG Stuttgart, decision of 19 January 2011, 20 W 2/07, with reference to Bungert, BB 2010, 2227, 2229; Bucker, NZG 2010, 967, 970; OLG Saarbrücken, decision of 11 June 2014, 1 W 18/13, ref. 43; LG Stuttgart, decision of 29 April 2019, 31 O 36/16 KfH SpruchG, ref. 459 juris; OLG Frankfurt, decision of 29 April 2011, 21 W 13/11 with reference to Bungert/Wettich, BB 2010, 227, 229; Decher, ZIP 2010, 1673, 1676).
- 112 We address the specific average to be used for shares in Vantage on the basis of the case law, and the relation of equity value and average stock market price in sections 7 and 8.

3.1.2.3. Liquidation value and net asset value

- 113 In determining the future earnings value, the value of a company is derived from the discounted expected payment surpluses of the continuing company. In contrast, the liquidation value represents the payment surplus from liquidation. The liquidation value forms the lower value limit for the business value.
- 114 If it proves to be more advantageous to sell all assets that are necessary for the business and those that are not necessary for the business separately than to continue the business as a going concern, the liquidation value shall be used as a basis for the valuation, provided that there are no legal or factual constraints to the contrary. Since both the capitalised earnings value and the stock market value of Vantage are far above the book value of Vantage's equity and hidden reserves of saleable assets in such an amount are not discernible, we have not independently derived a liquidation value.
- 115 In contrast to the liquidation value as the break-up value, the net asset value is the value in use of the operational substance. The net asset value comprises the sum of the payments that would be

necessary to build up an identical company. The valuation of the substance under procurement aspects leads to the so-called reconstruction value of the enterprise, which is only a partial reconstruction value due to the generally missing replacement costs of intangible assets. This has no independent informative value for determining the total value of a going concern because it lacks the direct reference to future financial surpluses.

3.1.2.4. Comparative valuation

- 116 In business valuation practice, it is common to determine indicative business values or value ranges by means of multiples that are regarded as customary in the industry.
- 117 If such valuations are carried out carefully, an analysis of the past and expected earnings situation of the valuation object is required on the one hand. On the other hand, the multiples must be derived from an analysis of the valuations of comparable companies. Such multiplier valuations are only simplified, lump-sum earnings valuations. Therefore, in accordance with IDW S 1 in the 2008 version, points 164 - 167, a comprehensive analytical valuation according to the discounted earnings method or DCF method is to be preferred (cf. OLG Frankfurt, 15 February 2010, 5 W 52/09; OLG Düsseldorf, 06 September 2018, I-26 W 1/18 (AktE)).
- 118 A valuation based on multiples was performed only to validate the plausibility of results of the discounted earnings valuation, see section 6.1.4.

3.1.2.5. Pre-acquisitions and takeover offer price

- 119 A possible plausibility check for the derived compensation is the comparison with actually paid pre-acquisition prices.
- 120 However, according to the predominant opinion in case law, pre-acquisitions of the main shareholder are not relevant for the determination of the compensation (cf. EuGH, 15 October 2009, C-101/08; OLG Frankfurt, 24 November 2011, 21 W 7/11; OLG Düsseldorf, 17 December 2015, I-26 W 22/14 (AktE), BeckRS 2016, 07667 note 52 and OLG München, 26 June 2018, 31 Wx 382/15, BeckRS 2018, 13474, para. 35).

3.2. Methodical approach

- 121 The principles for business valuations, as set out in IDW S1 in the 2008 version, represent a general framework which must be concretised in individual cases:

3.2.1. Present reason for the valuation and perspective

- 122 The valuation is performed in connection with the planned conclusion of a DPLTA between Oak and Vantage. We act in the function of a neutral expert in the sense of IDW S 1. A neutral expert who determines a value of the company independent of the individual value perceptions of parties concerned - the so-called objectified business value.
- 123 In addition, the contractual agreements between the parties have to be considered. They provide for an adjustment of the current Master Service Agreements with Vodafone Group with regard to inflationary rent adjustments until the closing date of the transaction. However, according to the provided information the implementation of the MSA adjustments has not been completed as of the

execution date of 22 March 2023 but is expected to be completed in a timely manner. We have analysed the effects from these contractual agreements as well as other changes triggered by the change in shareholders of Vantage as part of the valuation and taken them into account separately, where appropriate (see section 6.2).

124 Synergies that can be realized in the de facto group have already been leveraged due to the long-standing integration in the operating business of Vodafone group and are therefore reflected in the stand-alone planning of Vantage. We were unable to identify additional synergies that are not part of the Vantage business plan.

3.2.2. Valuation date

125 The valuation date determines the point in time, where past financial cash flows belong to the economic sphere of previous shareholders. Furthermore, the valuation date refers to the date where future expected or already realised financial cash flows are attributable to the future shareholders.

126 The valuation is carried out uniformly as of the valuation date of 5 May 2023, the day of the extraordinary General Meeting of Vantage at which the DPLTA is to be presented to the shareholders and put to the vote.

127 The expected net distributions are first discounted to the technical valuation date 31 March 2023, as this is the date of the last annual financial statements prior to the valuation date. Subsequently, the value is then compounded to the actual valuation date using the capitalisation rate. The special values were derived for the valuation date of 5 May 2023 as well.

3.2.3. Delimitation of the valuation object within the framework of the valuation

128 The scope of consolidation in the Vantage business plan corresponds to the scope of consolidation in the external accounting. Therefore, the subsidiaries are included in the business plan.

129 As in the external accounts, Vantage's participations in Cornerstone and INWIT are not consolidated in the business plan but are reflected in the planned dividend income. The two participations were taken into account as special values in the context of the valuation and not via their planned distributions in the financial result of Vantage (see section 6.1.2).

3.2.4. Methodology for the derivation of the business value

130 The business value of Vantage is based on the business plan of Vantage and was derived according to the discounted earnings method in compliance with the methodological principles of IDW S 1 in the 2008 version from the perspective of a domestic natural person with unlimited tax liability as shareholder. The tax circumstances of the shareholders were taken into account in a standardized manner (direct typification in accordance with IDW S 1 in the 2008 version, paragraph 44).

131 While the **earnings planning** of Vantage was generally adopted by us up to the earnings before interest and taxes (EBIT), we recalculated the interest and tax expense (cf. section 4.3.2.2 and 4.3.2.3) and determined a sustainably achievable result in consultation with the company (cf. section 4.3.3).

132 Discounting the net distributions derived with the **capitalisation rate** (cf. section 5.) on the technical valuation date results in the discounted earnings value of Vantage (cf. section 6.1.1). With additional consideration of the investments in Cornerstone and INWIT, which are not fully consolidated and taken into account as special values, the business value of Vantage results from

the discounted earnings value of the operating business plus the special values. In addition, a separate assessment was made of the effects of the contractual agreements between the transaction parties (cf. para. 21) of an adjustment of the current master service agreements with the Vodafone group at the execution date with respect to future inflation-induced rent adjustments on the value of Vantage (cf. section 6.2). According to the information provided, there are no non-operating assets – apart from the participations taken into account as special values – that are not included in the business plan of Vantage and would therefore have to be valued separately.

- 133 Since a comprehensive analytical valuation based on the discounted earnings method - as carried out here - is preferable compared to a **comparative market valuation** in accordance with IDW S 1 in the 2008 version, points 164 - 167, we have only carried out a comparative market valuation to check the plausibility of the results of the valuation according to the discounted earnings method, see section 6.1.4.
- 134 Since both the capitalised earnings value and the stock market value of Vantage are far above the book value of Vantage's equity and hidden reserves of saleable assets in such an amount are not discernible, we have not independently derived a liquidation value (cf. para. 114).

4. Business plan

- 135 The Vantage business plan covers the financial years 2024 to 2032 and reflects IFRS accounting.
- 136 We have checked the plausibility of the business plan and the planning documents submitted to us. Plausibility is assessed on the basis of mathematical and formal plausibility, material internal plausibility (i. e. comprehensibility of given explanations and planning assumptions, consistency with actual development and company potential), and material external plausibility (i. e. consistency with market analyses and competition).²⁸
- 137 The mathematical and formal plausibility refers to the mathematical and formal correctness of the business plan and usually represents the first step of the business plan analysis.
- 138 Material plausibility may be assessed from an internal and an external perspective. The internal view focuses on the consistency of the management's explanations with the business plan as well as the comprehensibility and consistency of the business plan with the actual developments in the past and the company's potential. In the external view, the focus is primarily on market and competition analyses, the results of which can be used as a benchmark for assessing the business plan assumptions.
- 139 The starting point of our plausibility check of the business plan is an analysis of the past results of Vantage, whereat the data for FY 2023FC reflects an extrapolation (forecast, FC) by Vantage for the complete financial year on the basis of actual data for the period of 1 April 2022 until 31 December 2022. Due to the spin-off of the tower business in Germany from Vodafone GmbH as of 25 May 2020 and the successive integration of the other European tower businesses from the Vodafone Group until 14 January 2021, audited actual figures are only available for the full financial year of 2022. In addition, we were provided with pro-forma financial information for the financial years 2020 and 2021, which assumes a fictitious business combination on 1 April 2019 (cf. section 4.1). The historical performance was explained to us and we adjusted the actual results for one-off or exceptional items. The results of our analyses of past performance are presented in section 4.1 below.
- 140 As part of our plausibility check of the business plan for FY 2024 to FY 2032 based on the analysis of the actual figures, we assessed whether the underlying assumptions for the business plan are plausible, i. e. comprehensible and consistent. Furthermore, we analysed whether the business plan is overall appropriate to serve as a basis for a valuation in connection with the specific event, whether it fully reflects the valuation object, and whether it fulfils the characteristics of a current business plan in relation to the valuation date. We discussed the business plan assumptions and the resulting planning calculations with the management and responsible contact persons. Our analyses and results in this regard are presented in section 4.2.

²⁸ Cf. IDW Praxishinweis: Beurteilung einer Unternehmensplanung bei Bewertung, Restrukturierungen, Due Diligence und Fairness Opinion (IDW Praxishinweis 2/2017), para. 14 et seq.

4.1. Analysis of the past

4.1.1. Historical earnings situation and financial position

4.1.1.1. Earnings situation

141 Vodafone GmbH transferred its tower business in Germany to Vantage on 25 May 2020 by way of a spin-off in accordance with Section 123 para. 3 no. 1 UmwG. Against this background, there are no audited financial statements for the FY 2020. The audited consolidated financial statements for FY 2021 only contain the results of operations of the tower business in Germany after its spin-off on 25 May 2020 and the results of operations of the other Vantage business units after 17 December 2020. The only exceptions are Vantage Towers S. A., in which a majority interest was acquired on 22 December 2020, and Cornerstone, in which a 50.0 % interest was acquired on 14 January 2021. In 2022, the earnings of all Vantage businesses are reflected for the entire financial year. As a result, the information presented in the financial statements for 2020 and 2021 is not directly comparable with the current business of Vantage. To establish comparability, Vantage has published unaudited pro forma financial information in which the results are presented as if Vantage had commenced operations on 1 April 2019. On this basis, a comparison of the financial years 2020 to 2023 (extrapolation) is possible. Within the scope of the historical analysis, we have used the pro forma financial information for FY 2020 and 2021 as a basis for comparison. As described in the previous section, the data for FY 2023^{FC} reflects an extrapolation by Vantage for the full financial year based on actual data for the period of 1 April 2022 until 31 December 2022. As of the date of our valuation report, final actual data for Vantage for the fiscal year ending 31 March 2023 was not available.

142 The pro forma financials of Vantage (Group) according to IFRS for FY 2020 to FY 2023 are shown in the table below:

Table 3: Historical earnings situation of Vantage according to IFRS

EURm	2020A	2021A	2022A	30.09.2023A	2023FC	CAGR 20-23
Macro site revenue	890	899	923	475	970	2.9%
Other rental revenue	33	41	43	21	45	10.6%
Energy and other revenue	22	26	45	28	46	27.8%
Recharged capital expenditure	0	4	12	10	21	n.a.
Revenue	945	970	1,023	533	1,081	4.6%
Maintenance costs	-35	-37	-46	-21	-42	6.1%
Staff costs	-38	-40	-45	-28	-60	16.3%
TSA / LTA / INCA	0	0	0	0	0	n.a.
Energy costs	0	0	0	0	0	n.a.
Other operating expenses	-58	-63	-66	-40	-75	9.0%
Adj. EBITDA*	814	830	865	444	904	3.6%
<i>Depreciation (IFRS 16)</i>	-261	-247	-257	-134	-267	0.8%
<i>Interest on lease liabilities (IFRS 16)</i>	-30	-55	-53	-27	-55	22.4%
Ground lease costs	-291	-302	-310	-161	-322	3.4%
Recharged capital expenditure	0	-4	-12	-10	-21	n.a.
Adj. EBITDAaL*	523	524	543	273	561	2.4%
Elimination of management adjustments	0	0	-2	0	0	n.a.
Depreciation	-105	-109	-98	-65	-138	n.a.
Other one-off costs	0	-43	-5	0	-7	-59.2%
Recharged capital expenditure	0	4	12	10	21	n.a.
EBIT	418	376	449	217	437	1.5%
Share of results of equity accounted Joint ventures	15	13	30	38	73	69.2%
Net finance costs	-16	-19	-14	-11	-11	-10.5%
EBT	417	371	466	244	498	6.1%
Income tax expense	-103	-98	-109	-55	-112	2.8%
Profit for the period	314	273	357	189	386	7.1%
KPIs						
Number of macro sites in k	45.4	45.6	45.8	45.9	46.3	
Revenue growth in %	n.a.	2.6%	5.5%	n.a.	5.6%	
Maintenance cost ratio	3.7%	3.8%	4.5%	4.0%	3.9%	
Staff cost ratio	4.0%	4.1%	4.4%	5.3%	5.5%	
OOE ratio	6.1%	6.5%	6.5%	7.5%	6.9%	
EBITDA-margin	86.1%	85.6%	84.5%	83.2%	83.7%	
Mgmt. adjustment EBITDA	n.a.	n.a.	1.4	-0.9	n.a.	
Ground lease cost ratio	30.8%	31.1%	30.3%	30.2%	29.8%	
EBITDAaL-margin	55.3%	54.0%	53.0%	51.2%	51.9%	
Mgmt. adjustment EBITDAaL	n.a.	n.a.	2.3	1.6	n.a.	
EBIT-margin	44.2%	38.8%	43.9%	40.7%	40.4%	
Tax rate	24.7%	26.5%	23.4%	22.6%	22.5%	

¹ Adjustment of EBITDA and EBITDAaL in FY 2022 based on management adjustments, disclosed in group report 2022. The management adjustments concern extraordinary issues in FY 2022; adjustment of one-time M&A fees and consulting fees (EURm 2.3) as well as regrouping of depreciation of office equipment from expenses for property rent to other operating expenses (EURm 0.8).

Source: Pro forma financial information of Vantage for FY 2020 and 2021 & consolidated financial statements of Vantage for FY 2021 and 2022; non-audited semi-annual financial report as of 30 September 2022; extrapolation by Vantage for FY 2023FC based on actual data until 31 December 2022.

143 **Revenues** in FY 2023FC mainly comprise macro site revenues of EURm 970 (89.7 %). This represents revenues generated from renting space and providing services to Vodafone and other mobile

network operators at macro sites. Vantage also expects to generate other rental revenue from the provision of micro sites in FY 2023FC of EURm 45. Furthermore, revenues of EURm 46 are generated in FY 2023FC in connection with the provision of energy as the major share of energy expenses can be charged on to customers. Revenues from recharged capital expenditures of EURm 21 include direct recharges of investment expenses to tenants in connection with the modernisation of existing sites.

144 Revenues increase by approx. 14.4 % from EURm 945 in FY 2020 to EURm 1,081 in FY 2023FC (CAGR 4.6 %). This development is driven by the increase of other fee-based services for MNOs, the conclusion of new renting agreements and contractual price adjustment clauses. More than 95.0 % of revenues are inflation-linked and energy consumption is charged directly to customers. The expected increase in revenues of EURm 58 (+ 5.6 %) compared to FY 2022 was mainly due to the expansion of macro sites and thereby resulting in additional revenues from anchor tenant Vodafone as well as an increase in revenues from non-Vodafone customers, as a result of a higher tenancy rate.

145 In terms of geographical distribution, Vantage generates EURm 534, or approximately 49.4 % of its revenue in Germany with a tenancy ratio of 1.26x (average number of tenants per site) in FY 2023FC. The remaining revenue is generated in other European countries. In Spain and Greece, the tenancy ratio is higher than in Germany at 1.83x and 1.74x, respectively. The higher tenancy ratios in Spain and Greece are due to active sharing agreements where several MNOs share the same tower infrastructure. As a result of the active sharing agreements, fewer towers are being built and a higher tenancy ratio is being achieved for the existing tower portfolio.

146 In FY 2023FC, the share of revenue from non-Vodafone customers is expected to be around EURm 216 or 20.0 % of total revenue. The revenue from non-Vodafone customers mainly comprises revenue from macro sites.

147 **Revenue from energy and other revenue** of EURm 46 in FY 2023FC are approximately on the same level as in FY 2022.

148 In FY 2023FC, Vantage reported **maintenance costs** of EURm -42, which are approximately 10.0 % below the level of FY 2022. This decrease in maintenance costs is mainly due to the absence of one-off maintenance costs from FY 2022. In contrast, maintenance costs increased by EURm -9 in FY 2022 due to increased costs for other fee-based services for MNOs and one-time costs incurred for neutral host projects. The maintenance cost ratio increases from 3.7 % and 3.8 % in FY 2020 and 2021 to 4.5 % in FY 2022 and decreases slightly to 3.9 % in FY 2023FC.

149 In most markets, Vodafone Group has entered into maintenance contracts with regional and national providers who also provide services to Vantage under long-term service agreements and their services are charged by Vodafone Group to Vantage. Currently, the contracts include maintenance of both the active transmission equipment and the passive infrastructure, as the contracts were negotiated at a time when Vantage had not yet been spun off from the Vodafone group. In the medium term, independent maintenance contracts for the passive infrastructure will be contracted directly with third-party providers on a rolling basis once the current contracts with external service providers expire. In Spain and Greece, maintenance costs are already provided directly by a third-party provider contracted by Vantage.

150 **Staff costs** increase from EURm -38 in FY 2020 to EURm -60 in FY 2023FC. The staff cost ratio increases slightly from 4.0 % in 2020 to 5.5 % in FY 2023FC. A total of EURm -44 or 74.2 % of staff costs were incurred in Germany, where the majority of the group's administrative services are provided. The increase in staff costs in FY 2023FC compared to the previous year is due to the increase in FTE as Vantage was still in the build-up phase following the demerger and IPO.

- 151 **Other operating expenses** mainly relate to energy costs, transitional service agreements, long-term service agreements, support agreements and other expenses. Other operating expenses increase from EURm -58 in FY 2020 to EURm -75 in FY 2023FC, with the ratio to revenue increasing from 6.1 % in 2020 to 6.9 % in FY 2023FC.
- 152 **EBITDA** is derived by deducting maintenance costs, personnel costs, and other operating expenses from revenue. As a result, the adjusted EBITDA increases by 11.1 % from EURm 814 in FY 2020 to EURm 904 in FY 2023FC. The EBITDA margin decreases from 86.1 % in 2020 to 83.7 % in FY 2023FC.
- 153 EBITDA does not yet include rental expenses for the individual sites, which are accounted for in accordance with IFRS. This means that the actual rental expenses to be paid are not shown below the EBITDA, but rather the leasing expenses to be determined in accordance with IFRS 16 consisting of the amortisation of rights of use from right-of-use assets and interest expenses on the liabilities from the leases. As leasing costs are an essential part of TowerCos' operating business, EBITDA after leases ("EBITDAaL") is the relevant indicator of profitability.
- 154 Lease costs are mainly accounted for by ground-based transmission masts and towers on roofs. Ground-based transmission towers (GBTs) have lower leasing costs than rooftop towers (RTTs) because GBTs tend to be located in rural areas. The leasing costs are for the most part linked to an inflation index. Most of these leasing contracts have a term of more than five years (except for rolling contracts), which allows for a reliable calculation of the medium-term leasing expenses.
- 155 **Ground lease costs** according to IFRS 16 increase from EURm -291 in FY 2020 to EURm -322 in FY 2023FC. Leasing costs in FY 2023FC include EURm -267 from the amortisation of rights of use from leases and EURm -55 from interest on lease liabilities. The increase due to the price adjustment clauses as well as the growth in leases was partly offset by savings from projects to reduce operating costs at the sites (Ground lease buyout programme ("GLBO")). The buyout programme involves the purchase of individual sites or long-term rights of use with respect to real property or real estate in the scope of advance payments are acquired to reduce leasing costs. The programme results in increased capital expenditure.
- 156 Considering the development of leasing costs, **EBITDAaL** increases by 7.4 % from EURm 523 in FY 2020 to EURm 561 in FY 2023FC. The EBITDAaL margin decreased from 55.3 % in 2020 to 51.9 % in 2023FC. Germany accounts for EURm 301 or around 53.7 % of total EBITDAaL in FY 2023FC. Spain follows far behind with a share of around 15.7 % and then Greece with a share of around 9.8 %.
- 157 **Depreciation**, which increases from EURm -105 in FY 2020 to EURm -138 in FY 2023FC, is largely attributable to the depreciation on passive infrastructure. This includes towers with a useful life of 25 years, other infrastructure assets with a useful life of 4-8 years and other property, plant, and equipment with a useful life of 1-8 years.
- 158 **Other one-off costs** mainly relate to non-recurring expenses. The increased level in FY 2021 is attributable to foundation costs of EURm -33 and EURm -10 are attributable to rating agency fees and professional costs arising from the set-up of Vantage. For FY 2023FC, one-off items of EURm -7 are expected, which mainly relate to one-off personnel costs of EURm -2 and consulting costs for the M&A process.
- 159 After a decline in **EBIT** from EURm 418 in FY 2020 to EURm 376 in FY 2021, an **EBIT** of EURm 449 has been realised in FY 2022. For FY 2023FC, an EBIT of EURm 437 is expected. The EBIT margin of 40.4 % in FY 2023FC is slightly below the levels in FY 2020 and FY 2022 and slightly above the FY 2021 level.

- 160 **Share of results of equity accounted Joint Ventures** includes the share of result of the equity accounted joint ventures Cornerstone and INWIT. The share of result increased from EURm 15 in FY 2020 to EURm 73 in FY 2023FC.
- 161 **Net finance costs** amount to EURm -11 in FY 2023FC, which is lower than in previous years. It includes interest income from interest on cash deposits held with affiliated companies and interest expenses mainly for the EURbn 2.2 bond issued on 24 March 2021. The placement consists of three tranches (EURm 750 due in 2025 with 0.0 % interest, EURm 750 due in 2027 with 0.375 % interest and EURm 700 due in 2030 with 0.75 % interest).
- 162 The **profit for the period** increases by EURm 72 or about 23.0 % from EURm 314 in FY 2020 to EURm 386 in FY 2023FC.

4.1.1.2. Financial position

- 163 The financial position of Vantage (Group) for FY 2021 to 2022 and until 30 September 2022 (unaudited) is as follows. At the time of issuing our expert opinion, no final (and audited) actual data of Vantage for the FY ending 31 March 2023 is available.

Table 4: Vantage's (Group) historical financial position according to IFRS

EURm	31.03.2021	31.03.2022	30.09.2022
Goodwill	3,316	3,320	3,315
Intangible Assets	235	269	270
Property, plant and equipment	2,880	3,202	3,367
Investments in participations	3,316	3,218	3,158
Deferred tax assets	24	30	32
Trade and other receivables	15	24	22
Non-current assets	9,786	10,061	10,164
Receivables from related party	436	512	377
Trade and other receivables	41	126	179
Cash and cash equivalents	22	22	3
Current assets	499	660	560
Total assets	10,286	10,722	10,724
Equity	5,294	5,364	5,232
Lease liabilities <= 1 year	242	248	255
Income tax liabilities	9	12	26
Current provisions	16	9	9
Current liabilities due from related parties	119	118	147
Trade and other payables	219	348	382
Current borrowings	0	0	4
Current liabilities	605	734	822
Long-term borrowings	2,187	2,190	2,191
Lease liabilities due > 1 year	1,774	1,759	1,779
Non-current provisions	319	457	476
Post employment benefits	1	0	0
Deferred tax liabilities due > 1 year	71	129	133
Trade and other payables	34	89	91
Non-current liabilities	4,386	4,624	4,669
Total equity and liabilities	10,286	10,722	10,724

Source: Consolidated financial statements of Vantage as of 30 March 2022, semi-annual financial report Vantage as of 30 September 2022.

- 164 Vantage's (Group) total assets increased from EURm 10,722 as of 31 March 2022 to EURm 10,724 as of 30 September 2022. Total assets are mainly attributable to non-current assets of EURm 10,164 as of 30 September 2022. Equity amounts to EURm 5,232 and liabilities to EURm 5,492.
- 165 The **goodwill** amounting to EURm 3,315 as of 30 September 2022 is mainly attributable to Germany with an amount of EURm 2,565. A significant portion of the carrying amount of the goodwill was transferred to Vantage as part of the business combination and relates to the goodwill previously held by the Vodafone Group. The goodwill transferred was initially recorded at its carrying amount in the Vodafone Group's financial statements immediately before the spin-off of the tower business. In addition, acquired goodwill arose from transactions by the Group after its formation. This mainly relates to the transaction in Greece completed on 25 March 2021. The fair value as of 31 March 2022 resulting from the transaction in Greece was EURm 178.
- 166 The **intangible assets** of EURm 270 as of 30 September 2022 relate mostly to the acquisition of customer relationships in Greece.
- 167 **Property, plant and equipment** increased by EURm 322, or 11.0 %, from EURm 2,880 in FY 2021 to EURm 3,202 in FY 2022, comprising land and buildings of EURm 105 (FY 2021: EURm 105), other property, plant and equipment of EURm 1,038 (FY 2021: EURm 720.6) and rights of use from leases in the amount of EURm 2,059 (FY 2021: EURm 2,055). The increase in FY 2022 is mainly due to additions of EURm 277 for infrastructure assets. As of 30 September 2022, PPE increased by EURm 165 or 5.2 % to EURm 3,367. Thereof around EURm 108 are attributed to property and buildings, EURm 1,194 to other PPE and EURm 2,065 to rights of use from leases.
- 168 As of 30 September 2022, EURm 2,779 of the total EURm 3,158 **investments in participations** are attributable to the 33.17 % stake in INWIT and EURm 379 are attributable to the 50.0 % stake in Cornerstone. Vantage received dividend payments in FY 2023FC of EURm 102.7 (2022: EURm 79.6) from INWIT and of EURm 33.8 (FY 2022: EURm 18) from Cornerstone.
- 169 **Deferred tax assets** increased from EURm 24 in FY 2021 to EURm 30 in FY 2022 and continued to rise to EURm 32 as of 30 September 2022. The continuous increase mainly results from the different treatment of lease liabilities for tax and accounting purposes.
- 170 **Non-current trade and other receivables** of EURm 24 as of 31 March 2022 (FY 2021: EURm 15) include prepayments of EURm 16 (FY 2021: EURm 9), other receivables due in more than one year of EURm 7 (FY 2021: EURm 5) and prepaid expenses of EURm 1 (FY 2021: EURm 1). As of 30 September 2022, non-current trade and other receivables decreased by EURm 2 to EURm 22.
- 171 **Current receivables due from related parties** increased from EURm 436 in FY 2021 to EURm 512 in FY 2022. As of 30 September 2022, the receivables due from related parties decreased to EURm 377 and include in particular receivables from the Vodafone Group from cash pooling in the amount of EURm 144 (FY 2022: EURm 273) and trade receivables from the operating business units of the Vodafone Group under existing contracts ("MSAs") of EURm 233 (FY 2022: EURm 239).
- 172 **Current trade and other receivables** increased from EURm 41 in FY 2021 to EURm 126 in FY 2022. As of 30 September 2022, current trade and other receivables increased to EURm 179. The position largely comprises deferred income of EURm 52 (FY 2022: EURm 65), tax receivables of EURm 51 (FY 2022: EURm 41), trade receivables of EURm 67 (FY 2022: EURm 13), other receivables of EURm 6 (FY 2022: EURm 5) and advance payments of EURm 4 (FY 2022: EURm 3).

- 173 **Cash and cash equivalents** decreased slightly from EURm 22 in FY 2021 to EURm 22 in FY 2022. As of 30 September 2022, cash and cash equivalents amounted to EURm 3.
- 174 Compared to FY 2021, **equity** increased from EURm 5,294 in FY 2021 to EURm 5,364 in FY 2022. As of 30 September 2022, equity decreased by 2.5 % to EURm 5,232 and consists of EURm 506 subscribed capital, EURm 6,751 capital reserves and EURm 2,266 negative merger reserve. The merger reserve represents the balance to equity on consolidation due to the application of the pooling of interest method from the formation of the Group. During the period from the economic effective date as of 1 October 2019 to the legal effective date of the demerger on 25 May 2020, the Company incurred a loss. The Company was funded by Vodafone GmbH during this period. The compensation claim of Vodafone GmbH was contributed to the equity of the Company.
- 175 The **current lease liabilities** in accordance with IFRS 16 as of 30 September 2022 in the amount of EURm 255 are mainly attributable to Germany (EURm 91), Spain (EURm 62) and Greece (EURm 53).
- 176 The **income tax liabilities** of EURm 26 (FY 2022: EURm 12) result mainly from Germany, Greece, and Romania.
- 177 The **current provisions** in the amount of EURm 9 as of 30 September 2022 mainly relate to dismantling obligations (EURm 7) and other provisions (EURm 2).
- 178 **Current liabilities to related parties** increased from EURm 118 as of 31 March 2022 by 25.1 % to EURm 147 as of 30 September 2022 and mainly relates movement in the balances with related parties due to increased activity.
- 179 **Current trade and other payables** increased from EURm 219 in FY 2021 to EURm 348 in FY 2022. As of 30 September 2022, they increased to EURm 382 and included accrued liabilities of EURm 174 (FY 2022: EURm 152), trade payables of EURm 127 (FY 2022: EURm 116), deferred income of EURm 59 (FY 2022: EURm 55), **liabilities from other taxes and social security contributions** of EURm 14 (FY 2022: EURm 15) and other liabilities of EURm 8 (FY 2022: EURm 10).
- 180 The **long-term borrowings** of EURm 2,191 as of 30 September 2022 relate to liabilities from a bond issued on 24 March 2021 with three tranches (EURm 750 due in 2025 with 0.0 % interest p. a., EURm 750 due in 2027 with 0.375 % interest p. a. and EURm 700 due in 2030 with 0.75 % interest p. a.).
- 181 The **non-current lease liabilities** in accordance with IFRS 16 as of 30 September 2022 amount to EURm 1,779 and are mainly attributable to Germany (EURm 774), Spain (EURm 388) and Greece (EURm 262).
- 182 The **non-current provisions** of EURm 476 as of 30 September 2022 (FY 2022: EURm 457) mainly relate to dismantling obligations.
- 183 **Post-employment benefits** decreased from EURm 0.3 as of 31 March 2022 to EURm 0.2 as of 30 September 2022 and resulted almost exclusively from Germany.
- 184 **Deferred tax liabilities** increased from EURm 129 as of 31 March 2022 to EURm 133 as of 30 September 2022 with EURm 74 for Germany, EURm 58 for Greece. The increase in Germany results primarily from the different accounting treatment of property, plant and equipment as well as corresponding depreciation as well as ground lease expenses. The increase in Greece mainly results from a different accounting treatment of ground lease expenses.
- 185 **Non-current trade and other payables** increased from EURm 89 as of 31 March 2022 to EURm 91 as of 30 September 2022 and relate in particular to non-current deferred income.

4.1.2. Normalisation of past results

186 To achieve comparability between historical data and the business plan data, one-off, out-of-period or extraordinary items in the historical data need to be adjusted. Therefore, we have adjusted the income statements for the financial years 2020 to 2023FC up to the EBIT for significant one-off, out-of-period or extraordinary items. Furthermore, we have made reclassifications from within, based on information from Vantage, for the purpose of comparability with the business plan data. Furthermore, reclassifications have been made by us based on information provided by Vantage in order to be able to compare to business plan data.

187 The adjustments made as part of the historical analysis do not affect the determination of the business value as the valuation is based on the results planned for future financial years. The adjusted results serve only as a basis for the plausibility check of the business plan.

188 The adjustments made and the resulting adjusted figures for the financial years 2020 to 2023FC are shown in the table below:

Table 5: Adjustments to the income statement for the FY 2020 to 2023FC

EURm					Normalisations/reallocations				Normalised			
	2020A	2021A	2022A	2023FC	2020A	2021A	2022A	2023FC	2020A	2021A	2022A	2023FC
Macro site revenue	890	899	923	970	0	0	-2	0	890	899	921	970
Other rental revenue	33	41	43	45	0	0	0	0	33	41	43	45
Energy and other revenue	22	26	45	46	6	6	0	0	28	32	45	46
Capex recharge revenue	0	4	12	21	0	0	0	0	0	4	12	21
Revenue	945	970	1,023	1,081	6	6	-2	0	951	976	1,021	1,081
Maintenance costs	-35	-37	-46	-42	0	-2	2	0	-35	-39	-44	-42
Staff costs	-38	-40	-45	-60	-1	-1	1	0	-39	-41	-45	-60
thereof energy expenses			-28	-26			0	0			-28	-26
thereof TSA/LTA/INCA			-11	-11			0	0			-11	-11
thereof other expenses			-28	-38			2	0			-26	-38
Other operating expenses	-58	-63	-66	-75	-6	-6	2	0	-64	-69	-64	-75
Adj. EBITDA*	814	830	865	904	-1	-3	3	0	813	827	868	904
<i>Depreciation (IFRS 16)</i>	-261	-247	-257	-267	0	0	0	0	-261	-247	-257	-267
<i>Interest on lease liabilities (IFRS 16)</i>	-30	-55	-53	-55	0	0	0	0	-30	-55	-53	-55
Ground lease costs	-291	-302	-310	-322	0	0	0	0	-291	-302	-310	-322
Capex recharge revenue	0	-4	-12	-21	0	0	0	0	0	-4	-12	-21
Adj. EBITDAaL*	523	524	543	561	-1	-3	3	0	522	521	545	561
Elimination of management adjustments	0	0	-2	0	0	0	2	0	0	0	0	0
Depreciation	-105	-109	-98	-138	0	0	0	0	-105	-109	-98	-138
Other one-off costs	0	-43	-5	-7	0	43	5	7	0	0	0	0
Capex recharge revenue	0	4	12	21	0	0	0	0	0	4	12	21
EBIT	418	376	449	437	-1	40	10	7	417	416	459	444
Share of results of equity accounted participations	15	13	30	73					15	13	30	73
Net finance costs	-16	-19	-14	-11					-16	-19	-14	-11
EBT	417	371	466	498					416	411	476	505
Income tax expense	-103	-98	-109	-112					-103	-98	-109	-112
Profit for the period	314	273	357	386					313	313	367	393
KPIs												
Number of macro sites in k	45.4	45.6	45.8	46.3					45.4	45.6	45.8	46.3
Revenue growth in %	n.a.	2.6%	5.5%	5.6%					n.a.	2.6%	4.6%	5.8%
Maintenance cost ratio	3.7%	3.8%	4.5%	3.9%					3.7%	4.0%	4.3%	3.9%
Staff cost ratio	4.0%	4.1%	4.4%	5.5%					4.1%	4.2%	4.4%	5.5%
EBITDA-margin	86.1%	85.6%	84.5%	83.7%					85.5%	84.7%	85.0%	83.7%
Ground lease cost ratio	30.8%	31.1%	30.3%	29.8%					30.6%	30.9%	30.4%	29.8%
EBITDAaL-margin	55.3%	54.0%	53.0%	51.9%					54.9%	53.4%	53.4%	51.9%
EBIT-margin	44.2%	38.8%	43.9%	40.4%					43.8%	42.6%	45.0%	41.1%
Tax rate	24.7%	26.5%	23.4%	22.5%					24.8%	23.9%	22.9%	22.2%

¹ The adj. EBITDA and adj. EBITDAaL before normalisations in FY 2022 already take into account adjustments made by the management and as reported in the consolidated financial statements 2022. The management adjustments relate to extraordinary items in FY 2022, such as the adjustment of one-off M&A fees and consulting costs (EURm 2.3) as well as a reclassification of depreciation of office equipment included in the expenses for real estate rents to other operating expenses (EURm 0.8).

Source: Company information Vantage.

189 The normalisation of **macro site revenue** in the amount of EURm 2 in the FY 2022 is a one-off, non-recurring revenue.

- 190 The normalisation of **energy and other revenue** of EURm 6 in FY 2020 and 2021 is related to a reallocation due to a change in accounting methods, as from 2022 the revenue from the pass-through of diesel will be reported gross. Therefore, a corresponding amount is included as additional **other operating expenses** in these years.
- 191 **Maintenance costs** have been reclassified in FY 2021 and FY 2022 to allow for accrual accounting.
- 192 The **staff costs** were adjusted in FY 2020 to 2022 to correctly reflect the effects of share-based payments. For this purpose, an increase of EURm 1 has been taken into account in FY 2020 and 2021 in order to reflect the actual burden in the context of share-based payments. Due to the change in accounting methodology, an additional reduction of EURm 0.5 has been made in FY 2022 to ensure comparability with subsequent years.
- 193 The reduction of EURm 2 in other expenses in FY 2022 includes the adjustment for one-off costs related to the negotiation of contracts with third-party tenants. The breakdown of **other operating expenses** in FY 2023FC into TSA/LTA/INCA expenses, energy costs and other expenses is provided for better comparability with the business plan, as these expense items are presented and planned separately.
- 194 The costs associated with the Transitional Service Agreement ("**TSA**"), Long Term Service Agreement ("**LTA**") and Inter-Company Agreement, ("**INCA**") are to be considered in the context of the carve-out of Vantage from Vodafone. The TSA relates to agreements on the temporary provision of certain support functions by Vodafone following the completion of the carve-out of Vantage. The costs associated with the TSA are expected to decrease over the planning period, while the costs associated with the LTA/INCA are expected to increase. The LTA includes, but is not limited to, operations and maintenance services, IT services, human resources services and certain legal and financial services that Vantage purchases from Vodafone. The INCA relates to services provided by Vantage to the local subsidiaries as well as services provided by Vodafone to Vantage. Essentially, the Group's internal arrangements also cover finance, human resources management and external affairs support services.
- 195 Furthermore, **other one-off costs** were adjusted, as these essentially represent non-recurring expenses. In FY 2022, the other one-off costs include restructuring costs of EURm 2, foundation costs of EURm 2 and losses from the disposal of property, plant and equipment of EURm 1. In FY 2021, the other one-off costs mainly relate to incorporation costs of EURm 33 and EURm 10 that are attributable to rating agency fees and other ramp-up costs of Vantage. For FY 2023FC, other one-off costs of EURm 7 are expected, mainly related to staff costs of EURm 2 and advisory fees for the M&A process (cf. para. 158).

4.2. Business plan fundamentals

- 196 Vantage's business plan includes a detailed business plan for the financial years 2024 to 2032. We have checked the plausibility of the documents submitted to us for this plan. For this purpose, we conducted a systematic review of the structure of the business plan. The review of the overall appropriateness of the planning calculation as a basis for valuation is explained below.

4.2.1. Planning process, structure, and actuality of the business plan

197 The Vantage planning process starts in December and is completed by March of the following year. This process includes the creation of a forecast for the current year, budget planning for the following year and long-term planning covering 5 years. The starting point is the actual data for the year gone by. According to the information provided, the basic features of this planning process already existed in the previous organisational form at the level of the individual national companies before the de-merger of assets to Vantage (cf. para 28).

198 As part of the planning process, a budget and a long-term business plan were prepared in the last financial year. In the context of a potential transaction process, a longer-term business plan was prepared covering a planning period up to FY 2032. The business plan has been updated by Vantage as part of the current FY planning process to take into account new information.

199 Vantage's planning process follows a bottom-up approach. In November, the framework and objectives for the budget to be prepared and the long-term plan are first communicated to the individual national companies. In December, the budget figures of the individual national companies are aggregated through a central planning tool and validated by Vantage management. Between January and mid-February, the country-specific budget is finalised in alignment between Vantage and the individual national companies. The long-term planning is developed in parallel between January and March in alignment between Vantage and the national companies, taking into account the finalised budget planning.

200 As a result, Vantage's business plan includes individual business plans for each national subsidiary, with the holding activities based in Germany being planned separately from the operating business in Germany as well as a consolidated business plan for Vantage. Excluded from the planning process are the investments in INWIT and Cornerstone, each of which has its own planning processes.

201 The individual business plans at the level of the national companies include a planning of the earnings situation up to EBITDAaL and a cash flow statement. Depreciation, interest, and taxes have been planned on group level. Country-specific revenue and expense items as well as the investments are planned based on a detailed price/volume structure. Vantage's consolidated business plan includes profit planning through to profit after tax and a cash flow statement. The income from the participations in INWIT and Cornerstone is included in the financial result.

202 The business plan also includes an associated sensitivity calculation to consider the effects of current country-specific inflation expectations. This reflects the effects of currently expected increased country-specific inflation expectations on the individual revenue and expense items in the business plan. To derive inflation expectations, Vantage has used inflation forecasts from five different sources (IMF, OECD, Fitch, IHS and Oxford Economics).

203 According to Vantage's management, the sensitivity calculation is to be included in the business plan in order to take current inflation expectations into account.

204 The latest status of the long-term business plan until FY 2032 including the associated sensitivity calculation was approved on 17 March 2023 by Vantage's management. On 18 March 2023, the supervisory board approved the business plan for FY 2024 and took note of the long-term corporate planning up to 2032. The business plan reflects the current expectations of Vantage's management.

4.2.2. Completeness of the business plan

205 All of Vantage's operating subsidiaries are included in Vantage's business plan on a consolidated basis (cf. para.23). The participations in Cornerstone of 50.0 % and in INWIT of 33.17 % were included in the business plan only as planned dividend income. We have therefore recognised these participations separately as special items in the valuation (cf. section 6.1.2).

206 Vantage Towers Erste Verwaltungsgesellschaft mbH and Vantage Towers Zweite Verwaltungsgesellschaft mbH are empty shell companies without significant business assets and were therefore included in the valuation as a special value.

207 CTHC is a 100 % subsidiary of Vantage, which holds all shares in operating national companies as an intermediate holding company (except Germany). As the company has only two employees and its expenses are insignificant, Vantage has not included it as part of the business plan for reasons of simplification.

4.2.3. Accuracy of the business plan

208 Vantage has existed in its current organisational structure since 14 January 2021. As a result, a comparison of long-term plans with actual data is not possible in order to analyse the quality of the long-term planning. In order to still obtain an assessment of the company's accuracy of the planning, we have instead compared the budget for FY 2022 with the actual data for FY 2022 and the budget for FY 2023 with the projection for FY 2023FC.

209 The deviations between normalised earnings figures and the corresponding budgeted figures are shown in the table below:

Table 6: Analysis of planning accuracy (budget) for FY 2022 and 2023FC

EURm	2022A*	2022E	Delta - total	Delta - in %	2023FC*	2023E	Delta - total	Delta - in %
Revenue (incl. capex recharge revenue)	1,021	1,018	3	0.3%	1,081	1,069	12	1.1%
Maintenance costs	-44	-40	-5	12.1%	-42	-46	4	-9.4%
Staff costs	-45	-50	5	-9.7%	-60	-62	2	-3.5%
Other operating expenses	-64	-72	8	-10.6%	-75	-65	-10	14.9%
Adj. EBITDA	868	857	11	1.3%	904	895	9	1.0%
Ground lease costs	-310	-307	-3	1.0%	-322	-318	-4	1.2%
Capex recharge revenue	-12	-14	1	-8.8%	-21	-25	4	-17.5%
Adj. EBITDAaL	545	536	9	1.7%	561	552	9	1.7%

Source: FY 2022A* / FY 2023FC*: normalised historical data (cf. para. 188); Vantage; FY 2022E: Budget-Actual Comparison Vantage; FY 2023E: Budget presentation Vantage, May 2022.

210 The comparison shows that budget revenues (incl. recharged capex) and adj. EBITDAaL nearly match in FY 2022 and FY 2023FC.

211 In FY 2022, adj. EBITDAaL was EURm 9 (+1.7 %) higher than budgeted. Slightly higher revenues as well as lower staff costs and other operating expenses were realised, which were, however, partially offset by higher maintenance costs and ground lease costs.

212 In FY 2023FC, EBITDAaL is expected to be approximately EURm 561, which is approximately EURm 9 or 1.7 % above the budgeted Adj. EBITDAaL. Higher revenues and lower maintenance costs and staff costs have been achieved, partially offset by higher other operating expenses and ground lease costs.

213 Insofar, the short-term planning deviations between the budget and actual figures are based on various causes that do not indicate a systematic under- or overestimation of income or expense items with an influence on the long-term business plan.

214 Based on our analysis of the planning accuracy with regard to the budgets for FY 2022 and 2023FC, we have no findings that Vantage's planning process leads to a systematically incorrect long-term business plan.

4.2.4. Key business plan assumptions

215 The individual plans of the local entities in Hungary and the Czech Republic were converted from local currency into Euro by Vantage using spot rates. In Romania, the Euro is the functional currency, so contracts are concluded in EUR and there is no exchange rate risk. In addition, Vantage concludes contracts to hedge against currency risks. According to management information, these hedge between 85.0 % and 100 % of exchange risks for non-EUR currencies within the group in relation to contracts already concluded or cash flows expected in the short term.

216 In order to take into account existing exchange risks after the hedge contracts expire, we have used forward exchange rates instead of the above spot rates for the conversion into Euro for FY 2024 until FY 2032. For this purpose, we have made a simplified planning adjustment taking forward exchange rates into account (cf. section 4.3.2.1).

4.3. Earnings planning

4.3.1. Earnings planning of Vantage

217 The earnings planning of Vantage up to EBIT for FY 2024 to 2032 compared to the projection for FY 2023FC is as follows:

Table 7: Earnings planning for the FY 2023FC to 2032

EURm	2021A	2022A	2023FC ¹	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Macro site revenue	899	921	970	1,038	1,135	1,242	1,321	1,380	1,428	1,478	1,526	1,575	5.5%
Other rental revenue	41	43	45	47	59	70	80	91	99	104	109	114	11.0%
Energy and other revenue	32	45	46	42	45	46	47	48	49	50	52	53	1.6%
Capex recharge revenue	4	12	21	20	23	27	28	30	30	4	4	4	-17.1%
Revenue	976	1,021	1,081	1,148	1,262	1,385	1,477	1,550	1,607	1,636	1,691	1,746	5.5%
Maintenance costs	-39	-44	-42	-48	-53	-56	-59	-62	-64	-66	-69	-71	6.1%
Staff costs	-41	-45	-60	-63	-64	-66	-67	-69	-70	-71	-73	-74	2.4%
Energy costs	0	-28	-26	-27	-27	-26	-27	-28	-29	-30	-31	-32	2.2%
TSA / LTA / INCA	0	-11	-11	-13	-13	-13	-14	-14	-15	-15	-16	-16	4.4%
Other expenses	0	-26	-38	-44	-40	-33	-33	-33	-33	-33	-33	-33	-1.5%
Other operating expenses	-69	-64	-75	-83	-80	-72	-74	-75	-77	-78	-80	-81	0.9%
EBITDA	827	868	904	954	1,066	1,190	1,277	1,344	1,396	1,420	1,470	1,520	5.9%
Ground lease costs	-302	-310	-322	-342	-372	-392	-408	-422	-434	-446	-458	-471	4.3%
Capex recharge revenue	-4	-12	-21	-20	-23	-27	-28	-30	-30	-4	-4	-4	-17.1%
EBITDAaL	521	545	561	592	670	771	841	893	932	971	1,008	1,045	7.1%
Depreciation	-109	-98	-138	-138	-177	-210	-244	-242	-236	-211	-213	-215	5.0%
Capex recharge revenue	4	12	21	20	23	27	28	30	30	4	4	4	-17.1%
EBIT	416	459	444	473	517	588	625	681	726	764	799	834	7.3%
Financial KPIs													
Revenue yoy	2.6%	4.6%	5.8%	6.2%	10.0%	9.7%	6.7%	4.9%	3.7%	1.8%	3.3%	3.3%	-6.3%
Maintenance cost ratio	4.0%	4.3%	3.9%	4.2%	4.2%	4.1%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%	0.6%
Staff cost ratio	4.2%	4.4%	5.5%	5.5%	5.1%	4.7%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	-2.9%
Expense ratio	15.3%	15.0%	16.3%	16.9%	15.6%	14.0%	13.6%	13.3%	13.1%	13.2%	13.1%	13.0%	-2.5%
EBITDA margin	84.7%	85.0%	83.7%	83.1%	84.4%	86.0%	86.4%	86.7%	86.9%	86.8%	86.9%	87.0%	0.4%
Ground lease cost ratio	30.9%	30.4%	29.8%	29.8%	29.5%	28.3%	27.6%	27.2%	27.0%	27.3%	27.1%	26.9%	-1.1%
EBITDAaL margin	53.4%	53.4%	51.9%	51.6%	53.1%	55.7%	56.9%	57.6%	58.0%	59.3%	59.6%	59.9%	1.6%
Operational KPIs													
Number of macro sites (EoP in k)	45,600	45,751	46,327	47,529	49,673	51,342	52,987	53,850	54,665	55,428	56,162	56,896	2.3%
Number of macro site tenants (EoP in k)	63.9	65.6	69.0	73.8	80.4	84.7	88.3	90.3	92.4	94.4	96.2	98.0	4.0%
Macro site tenancy ratio (EoP)	1.40	1.43	1.49	1.55	1.62	1.65	1.67	1.68	1.69	1.70	1.71	1.72	1.6%

¹ Data for FY 2023FC based on a forecast (9 months actuals + 3 months plan).

Source: Company information, own illustration.

218 The structure of the business plan has been explained to us and we analysed the underlying assumptions critically. The objective was to challenge the assumptions made in the business plan with the observable developments in the historic period and market expectations. The following picture emerges in relation to the individual planned income and expense items:

4.3.1.1. Revenue

219 Vantage's **revenues** are made up of macro site revenue, other rental revenue, energy and other revenue and capex recharge revenue. Starting in FY 2023FC, revenues are expected to increase from around EURm 1,081 to around EURm 1,746 in FY 2032. This corresponds to an average annual growth rate of around 5.5 %. Macro site revenue accounts for a significant share of revenues (FY 2023FC: 89.7 %; FY 2032: 90.2 %) while only a small portion of revenues is attributable to other rental revenue (FY 2023FC 4.1 %; FY 2032: 6.5 %). Other rental revenue includes revenue from micro-locations and additional revenue from Vodafone for site configurations that exceed a contractually predefined standard (so-called "loading charges").

220 Revenues are determined by the planned development of the number of rented sites, the number of tenants per site (tenancy ratio) and the rental income per site, with macro locations being the main driver for the development of revenues. These factors are discussed below before the resulting development of macro site revenues and other rental revenues for macro and micro sites is discussed:

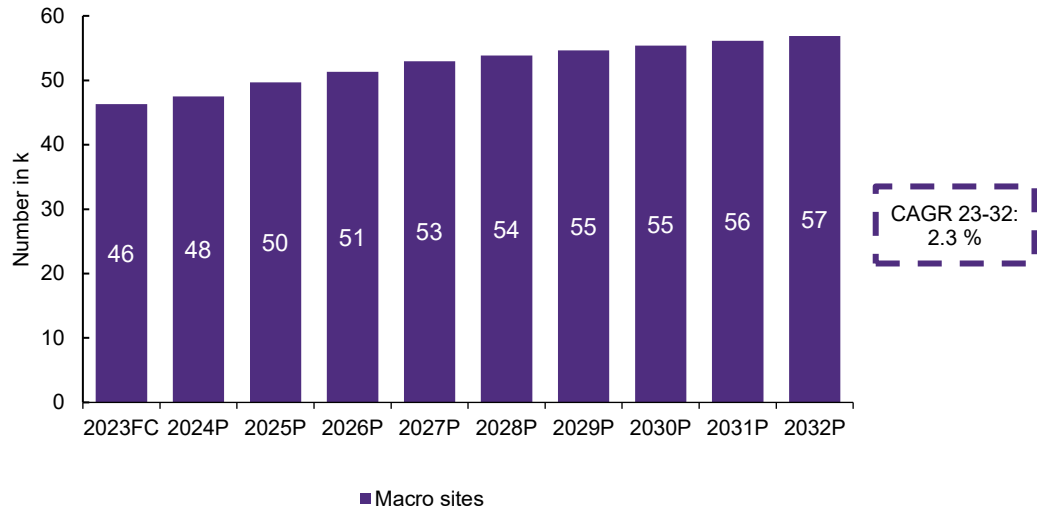
Total number of sites

221 Vantage plans to significantly increase the **number of operating sites** in the future through new constructions. With regard to the new sites to be built, a distinction is made between macro and micro sites. Macro sites essentially comprise ground-based towers ("GBTs"), rooftop towers ("RTTs") and sites built by other tower companies, that Vantage then resells space on ("Resell sites"). Micro sites include distributed antenna systems ("DAS") and small cells commonly used as low-power radio access nodes in areas of high traffic concentration to complement macro sites ("Small Cells"). Usually, a large number of Small Cells is installed at one site or customer.

222 A decommissioning or a dismantling of sites is largely not assumed for in the business plan. Only FY 2023FC and FY 2024 include a decommissioning or dismantling of a total of 933 macro sites mainly on account of the active sharing programs in Spain and Portugal.

223 The planned development of **macro sites** over the planning period can be found in the following figure.

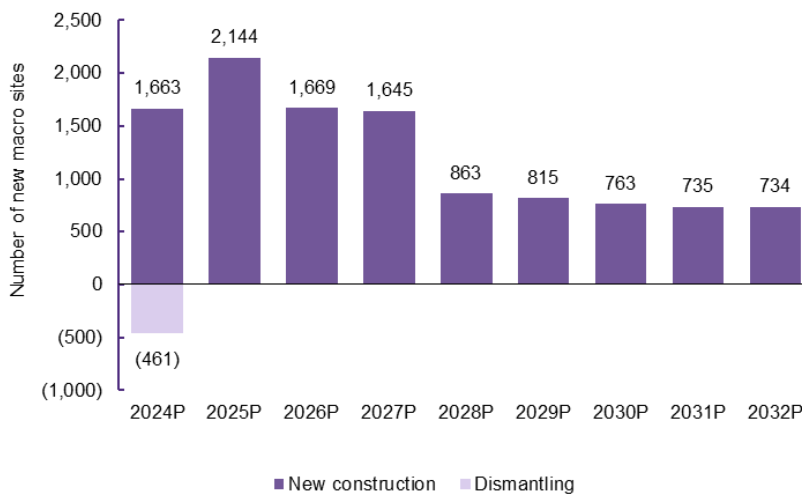
Figure 13: Development of macro site until FY 2032



Source: Company information, own illustration.

- 224 The planned number of macro sites is expected to grow from 46,327 in FY 2023FC to 56,896 in FY 2032 (CAGR 2.3 %).
- 225 The planned development of the **macro sites** for the period 2023 – 2026 (CAGR 3.5 %) is slightly above the bandwidth forecasted by EY Parthenon for the growth of towers in Europe until 2026 with around 1.0 % to 3.0 % (cf. para. 71), whereby, as explained below, the assumed growth in the number of macro sites for Vantage through 2027 is already largely backed by contracts.
- 226 The figure below shows the planned construction of new sites each year as well as the planned reduction of macro sites:

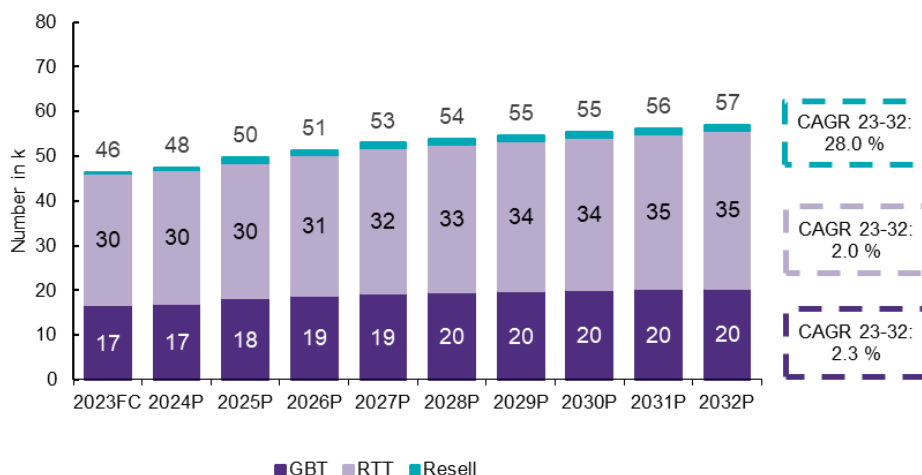
Figure 14: Annual construction of macro sites



Source: Company information, own illustration.

- 227 The construction of macro sites is planned at an increased level until FY 2027 and then decreases to a level of 734 planned new macro sites in FY 2032. The planned development of construction of macro sites from FY 2028 to FY 2032 results from an expected, but not yet committed, demand from Vodafone. The dismantling of macro sites is only planned in FY 2024 for 461 macro sites mainly on account of the active sharing programs in Spain and Portugal. Furthermore, annual relocations of macro sites are expected over the planning period (240 in FY 2024 to 190 in FY 2032).
- 228 The planned increase of the total number of macro sites is driven in particular by the “Built-to-Suit” (BTS) programme. Under the BTS programme, Vantage has initially committed to provide the anchor tenant Vodafone with a total of 6,850 new macro sites in the period from 1 April 2021 to 31 March 2026, of which 5,500 are located in Germany. This includes 1,499 GBT to fulfil the obligation to cover white spots resulting from the award of the 5G licences (cf. para. 64). Moreover, Vantage and Vodafone agreed that up to 1,200 of the BTS macro sites can be sourced from other tower companies ("Resell Sites"). Therefore, Vantage is not obliged to build those sites. In addition, global supply chain issues led to the circumstance, that some of the macro sites to be built under the BTS programme can be built one year later until 31 March 2027. Since a significant share of the revenues is attributable to macro sites, the agreement reached with Vodafone provides Vantage with a high degree of planning certainty regarding the planned revenues until 2027. In total, approx. 90.0 % of the expected growth in revenues until 2027 has been secured through contracts.
- 229 The planned expansion of the mobile telecommunications infrastructure serves the increasing demand for greater capacities for mobile data transmission explained in section 2.2.4.1. In order to enable the aforementioned annual growth rates of 40.0 % in mobile data traffic and 80.0 % in the expansion of 5G capacities, Vantage is both building new sites and converting or upgrading existing sites. Another driver of the accelerated expansion of the mobile network infrastructure is the declared goal of covering and eliminating white spots in Germany as soon as possible.
- 230 In addition to the basic division between macro and micro sites, a distinction is made between GBT, RTT and Resell sites within the macro sites and between DAS and Small Cells within the micro sites. The planned distribution of the individual tower categories within the macro sites is shown below:

Figure 15: Composition of macro sites



Source: Company information, own illustration.

231 In FY 2023FC, the total number of macro sites is distributed across 16,662 GBT (approx. 36.0 %), 29,535 RTT (approx. 63.8 %) and 130 (approx. 0.3 %) Resell Sites. For FY 2032, 20,455 GBT (approx. 36.0 %), 35,241 RTT (approx. 61.9 %) and 1,200 (approx. 2.1 %) Resell Sites are planned.

232 Within the **micro sites**, a distinction is made between DAS and Small Cells. In this regard, Vantage specifically plans to grow Small Cells through FY 2032, which, as previously discussed, typically involves a large number of Small Cells at a single site or customer.

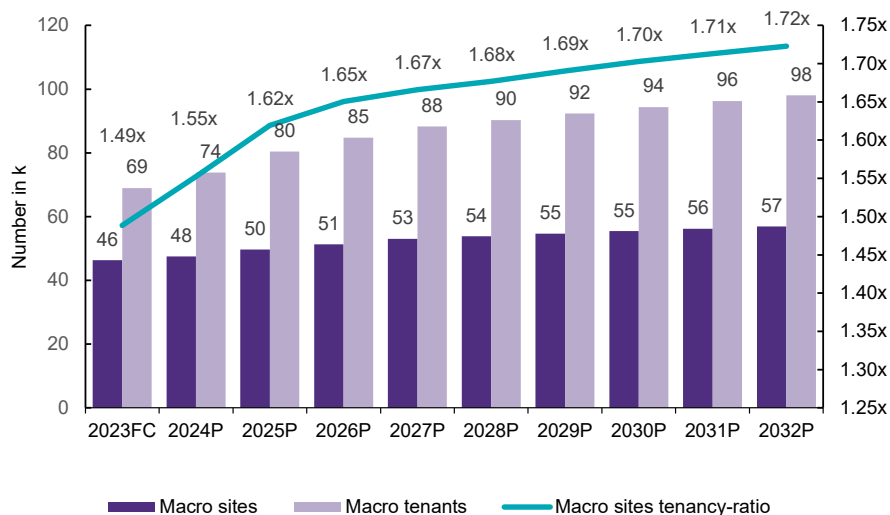
233 The growth in Small Cells is based on the assumption of a rising density of the telecommunication network due to increased data use and the provision of 5G in locations like arenas, train stations and offices. Small Cells, as already explained, can be utilised in locations with high demand in capacity as a supplement to macro sites and thus serve as an addition to already existing towers. Usually, a number of Small Cells is installed at one location.

Tenancy Ratio of Macro Sites

234 In principle, TowerCos rent their macro sites to at least one tenant. This tenant is usually the so-called **anchor tenant** in the case of tower operators that are dependent on MNOs (cf. para. 79), such as Vantage, and accounts for a large part of the revenue. In the present case, the anchor tenant is Vodafone. In order to increase the rental revenue per site, tower operators also rent the sites to **third-party tenants**, so that a site is used by several tenants at the same time ("Co-location"). This is reflected in the **tenancy ratio**. The average tenancy ratio puts the number of total tenants in relation to the total number of sites.

235 The planned development of the tenancy ratio for macro sites is shown below, starting from FY 2023FC:

Figure 16: Development of macro sites, tenants and tenancy ratio



Source: Company information, own illustration.

236 In FY 2023FC, around 68,951 tenants are located on 46,327 macro sites. This corresponds to a tenancy ratio for macro sites of 1.49x. By FY 2032, macro sites are expected to increase to 56,896 and tenants are expected to increase to 98,032, representing an increase in the tenancy ratio for macro sites to 1.72x.

237 The tenancy ratio for macro sites differs between the various geographic segments of Vantage. In FY 2023FC, the tenancy ratio for macro sites is lowest in Germany at 1.26x compared to Spain (1.83x), Greece (1.74x) and the rest of Europe (1.53x). Over the planning period, Germany is expected to have the highest average growth of around 2.8 % annually. For Spain, Greece, and the rest of Europe, an average annual growth of around 0.5 %, 0.9 %, and 1.6 %, respectively, is planned. This is partly due to the higher starting level in the tenancy ratios. As a result, the expected tenancy ratio in FY 2032 is 1.61x for Germany, 1.91x for Spain, 1.88x for Greece and 1.76x for the rest of Europe.

238 The different growth of tenants attributable to macro sites for the geographical segments is due to various factors. According to the vendor commercial due diligence by Analysis Mason GmbH dated October 2020, a growth of tenants on existing sites in all geographic segments of Vantage was forecasted.²⁹ The additional demand results primarily from regulatory requirements in the form of coverage obligations, further densification of the telecommunications network due to strong data usage, the entry of additional market participants and the acceleration of the 5G roll-out. Within the framework of the analysis, a high level of growth of tenants at existing sites was forecasted for Germany in particular.

239 The expected development of the tenancy ratio of the macro locations can be differentiated into two growth phases in Vantage's planning.

240 For the period from FY 2023 to FY 2026, growth of around 19.0 thousand new tenants is expected, of which around 70.0 % are contractually secured through the BTS program with Vodafone, existing commitments regarding white spot coverage, and agreements with third-party tenants (cf. para. 227). The remaining 30.0 % of new tenants that are not contractually secured are largely attributable to new third-party tenants and include, in particular, services for customers who are not mobile communications providers. These services generate relatively low revenues, so that the majority of revenues are contractually secured (cf. para. 227).

241 Further growth in tenants starting from 84,731 tenants in FY 2026 to 98,032 tenants in FY 2032 (CAGR: 2.5 %) is attributable to the anchor tenant (around 40.0 %), other non-MNO customers (around 25.0 %) and other third-party MNO tenants.

Price development

242 With regard to the price development for rental income per site, there is a high degree of planning certainty, as a so-called Master Service Agreement has been concluded with Vodafone as the anchor tenant for each geographical segment Vantage operates in.

243 These agreements set a range for the annual price development, which is linked to the development of the consumer price index. This bandwidth currently ranges from 0.0 % to 2.0 % p. a. for Spain, Portugal, the Czech Republic, Romania, Ireland, and Greece. The only exceptions are Germany and Hungary. For Germany, the range is -2.0 % to 2.0 % p.a. In Hungary, Vantage has agreed with Vodafone on a range of 0.0 % to 3.0 % p. a. Thus, rents are adjusted depending on the rate of inflation that has occurred within those ranges. If future inflation rates are above 2.0 % or 3.0 %, these will not be passed on in full, even with higher inflationary price increases occurring on the cost side. According to the agreements between the parties to the transaction, an adjustment of the MSAs is planned in the future. However, the effects of these adjustments to the MSAs planned at shareholder level are not reflected in Vantage's business plan, instead, the contractual

²⁹ Cf. Analysis Mason, Vendor CDD, October 2020.

agreements in the currently valid MSAs have been used. Any value effects from a future adjustment of the MSAs were therefore considered and valued separately (see section 6.2).

244 With third-party tenants, the price development for the rented sites is regulated through individual contractual agreements. There are both rental agreements indexed to inflation and rental agreements with fixed increases of rental rates.

245 According to FY 2022 annual report, more than 95.0 % of Vantage's revenue is inflation-linked.³⁰

246 The rent level also depends on the type of tower. The rent level differs depending on whether the sites are macro sites or micro sites, on the size, or area of the individual site and whether or not the tower was newly built in the context of the BTS programme. The reason for the different rent levels is the investment required for the construction of the respective sites, as a multiple of capex is required for the construction of a macro site compared to a micro site. The planned rental revenue differentiates insofar between GBT, RTT, resell, DAS, and Small Cells as well as existing and newly built sites. The price development of existing sites is orientated towards the ranges for inflation adjustments of the MSAs, as described above. By contrast, the derivation of rental revenue of newly built sites follows a mechanism integrated into the MSAs with Vodafone, placing the agreed upon rental revenues in relation to the needed capex for the construction of new sites, depending on the specific requirements and features. This mechanism protects Vantage from a decrease in profitability as an effect of inflationary price development regarding contractually agreed construction of towers. This mechanism has an effect especially concerning GBT or white spot sites, as these require significantly higher capex than RTTs. The higher costs can be traced to structural differences between the tower categories. GBTs and white spot sites are built on the ground and need a minimum height to allow an effective dispersion of the signal. Against this background, ground-based towers require higher material expenses, especially concerning steel. In contrast, RTTs are only installed on roof tops and require due to this a smaller quantity of material.

247 To derive inflation expectations, Vantage has drawn on inflation forecasts from five different sources (IMF, OECD, Fitch, IHS and Oxford Economics) and reflected the following inflation expectations in the business plan:

Table 8: Inflation forecasts of Vantage

Country	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P
Germany	5.9%	6.3%	2.2%	1.7%	1.8%	1.7%	1.7%	1.7%	1.7%
Spain	5.9%	3.9%	2.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Greece	6.3%	3.9%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Czech Republic	10.0%	9.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Portugal	5.6%	5.6%	2.3%	1.8%	1.0%	1.0%	1.0%	1.0%	1.0%
Ireland	5.8%	5.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hungary	9.8%	16.0%	5.5%	5.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Romania	8.8%	9.8%	4.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: Company information, own illustration.

248 The derived inflation expectations were taken into account by Vantage against the background of the time-delayed adjustment of the following years rents on the basis of the current year's inflation as well as the financial year of Vantage, which deviates from the calendar year, with a time lag of one year in the business plan (which means market forecasts of 2023 are considered in FY 2025).

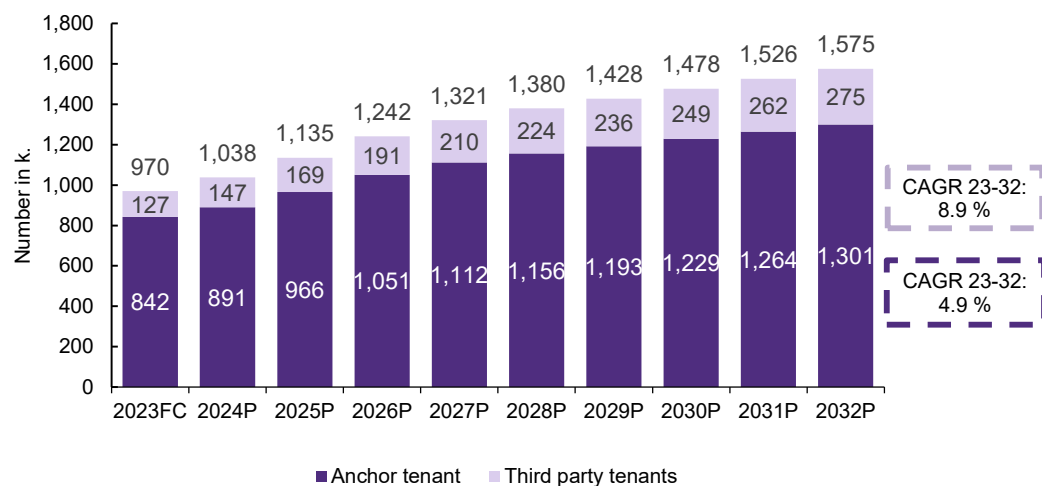
³⁰ Cf. Annual Report, Vantage, p. 31.

249 The inflation expectations used were checked for plausibility based on current forecast data from the IMF as of October 2022 and the OECD as of March 2023, whereby current inflation forecasts from the IMF and the OECD for the FY 2024 are higher than the inflation rates taken into account by Vantage in the business plan (cf. para 48). In the case that actual inflation in future financial years is higher than the inflation expectations processed by Vantage in the business plan, negative impacts on earnings and the derived value are likely to be expected, as higher inflation rates cannot be fully passed through on the revenue side due to the contractual ranges for inflation-related rent adjustments under MSAs. Additional measures to counteract cost increases could, in the opinion of the management, include, for example, an expansion of the GLBO programme.

Macro site revenue

250 The planned growth in total revenue is primarily driven by the development of revenue from macro sites. This includes rental income realised by anchor tenants and third-party tenants in connection with macro sites. The figure below shows the planned revenue from macro sites divided into revenue from the anchor tenant and from third-party tenants:

Figure 17: Breakdown of revenue from macro sites



Source: Company information, own illustration.

251 The expected total revenue from macro sites increases from around EURm 970 in FY 2023FC to around EURm 1,575 in FY 2032. This corresponds to an average annual growth of around 5.5 %. An increased average growth of 8.0 % p.a. is expected until FY 2027, which - as described above - is already largely secured by contractual agreements (cf. para. 225). In the subsequent period until FY 2032, average growth of 3.6 % p.a. is expected, reflecting increased rental income due to inflation expectations and further moderate growth of the location portfolio (CAGR 1.4 %) and the tenancy ratio. The increased growth in revenue until FY 2027 will be driven in particular, as described above, by the roll-out of the BTS programme and the additional rental income from leasing existing locations to third party tenants. The share of revenues from third parties is expected to increase from EURm 127 in FY 2023FC to EURm 275 in FY 2032.

Other rental revenue

252 Other rental revenue includes revenue from the rental of micro sites and other revenue:

Table 9: Other rental revenue for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Revenue from micro sites	25	27	32	37	42	46	49	53	57	62	10.7%
Other revenue	20	21	27	33	39	46	49	51	52	53	11.4%
Other rental revenue	45	47	59	70	80	91	99	104	109	114	11.0%
KPIs											
yoy in %	3.4%	6.6%	24.8%	18.1%	15.3%	13.6%	8.1%	5.6%	4.7%	4.7%	
in % of revenues	4.1%	4.1%	4.7%	5.0%	5.4%	5.9%	6.1%	6.4%	6.5%	6.5%	

Source: Company information, own illustration.

253 Other rental revenues increase from around EURm 45 in FY 2022 to around EURm 114 in FY 2032. This corresponds to a compound annual growth rate of around 11.0 %.

254 Revenue from the leasing of micro sites is expected to increase from EURm 25 in FY 2023FC to EURm 62 in FY 2032 (CAGR: 10.7 %) due to the planned expansion of the number of micro sites. Most of this planned growth is accounted for by Small Cells, whereas only marginal growth has been planned for DAS. As already explained, a large number of Small Cells is usually installed at one location or customer (cf. para 233).

255 The planned other revenue increases from EURm 20 in FY 2023FC to EURm 53 in FY 2032 (CAGR: 11.4 %). Other revenue mainly includes revenue planned in connection with the recharge of capital expenditure for the improvement of the tower infrastructure, which will be generated and recognised accordingly from FY 2023FC due to the change in the recharging model for capital expenditures in Germany (cf. para. 262). The change in the recharging model in Germany replaces the previous recharging model which did not generate a return. For the other geographic markets of Vantage, no change of the previous recharging model is planned.

Energy and other revenue

256 Revenue from energy supply and other revenue mainly includes revenue from the provision of energy for the operation of towers as well as other revenue.

Table 10: Energy and other revenue for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Revenue from energy supply and other revenue	46	42	45	46	47	48	49	50	52	53	1.6%
KPIs											
yoy in %	3.0%	-7.7%	6.2%	2.2%	2.5%	2.3%	2.3%	2.3%	2.2%	2.2%	
in % of revenues	3.5%	2.8%	2.6%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.2%	

Source: Company information, own illustration.

257 Starting from FY 2023FC, an increase of revenue from energy supply and other revenue from around EURm 46 to around EURm 53 in FY 2032 is planned (CAGR: 1.6 %).

258 The revenue from energy supply and other revenue consists mostly of passed on energy costs for passive infrastructure. The planned development takes into account not only assumed price increases and energy cost saving measures (cf. para. 279), but also an increase in the share of outdoor locations as part of the expansion of the location portfolio, for which lower energy costs are incurred compared to indoor locations and which do not require installation of passive energy infrastructure.

259 The high level of revenue from energy supply and other revenue in FY 2023FC compared with the planning period is attributable to several factors. For example, in FY 2023FC there are one-time higher revenues from energy provision in Spain. In addition, a lower share of passed-through costs and lower other chargeable services from Vantage are considered in the business plan.

Revenue from recharged capital expenditure

260 Revenue from recharged capital expenditure reflects the direct recharge of capital expenditure related to the modernisation of existing sites commissioned by the anchor tenant Vodafone (e.g. 5G wireless standard). The following table compares the capex recharge revenue of FY 2023FC with the planned capex recharge revenue:

Table 11: Capex recharge revenue for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Capex recharge revenue	21	20	23	27	28	30	30	4	4	4	-17.1%
KPIs											
yoy in %	66.3%	-3.0%	15.5%	16.6%	4.0%	7.2%	0.4%	-87.3%	0.0%	0.0%	
in % of revenues	3.5%	2.8%	2.6%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.2%	

Source: Company information, own illustration.

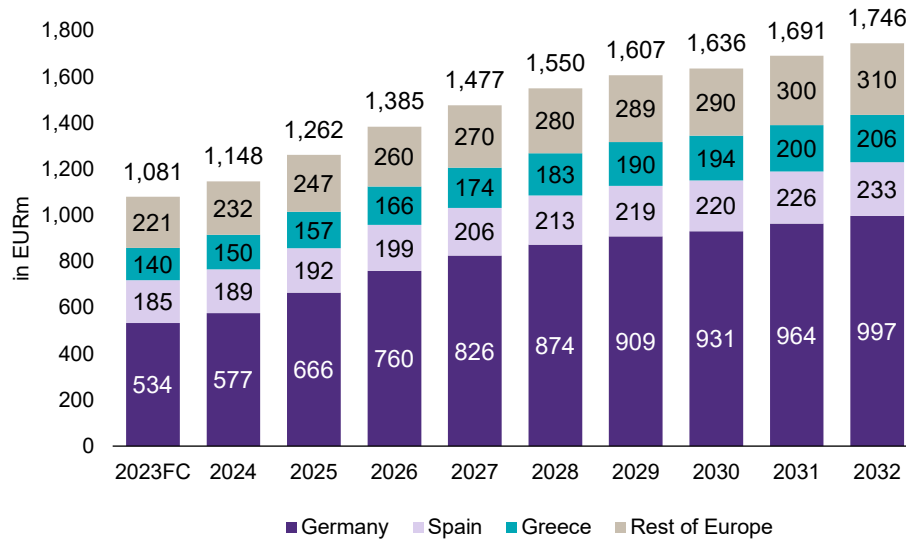
261 This recharged capex is immediately activated by Vantage and expensed as cash items to Vodafone. The revenue from refunds and corresponding depreciations are distributed on an accrual basis over the 8 year lifetime of the MSAs. Thus, this position represents only pass-through costs on which no margin is attributable.

262 The planned capex recharge revenue increases from EURm 21 in FY 2023FC to EURm 30 in FY 2029. Vantage expects a reduced level of around EURm 4 p. a. from FY 2030 to 2032. The background to this is the change in the charging model in Germany from FY 2023 onwards, which is taken into account in the business plan. According to this, a high-single digit return will be achieved on the future upgrade capital expenditures made in Germany. Thus, for Germany, the mere forwarding of capital expenditure without a margin will no longer apply from FY 2023 onwards. The accrual-based distribution of the last modernisation capital expenditures made under the previous charging model in Germany in FY 2022 thus ends in FY 2029 and explains the decline in capex recharge revenue in FY 2030. The revenue from modernisation capital expenditures in Germany under the new charging model is reported in the business plan under other rental income (cf. para. 255).

Revenue by geographical segment

263 In addition to an analysis of the planned revenue at group level, it is also useful to examine the revenue at the level of geographical segments:

Figure 18: Regional breakdown of revenues



Source: Company information, own illustration.

264 In FY 2023FC, Vantage is expected to generate a total revenue of around EURm 1,081. Of this amount, around EURm 534 (49.4 %) is generated in Germany, around EURm 185 (17.1 %) in Spain, around EURm 140 (13.0 %) in Greece and around EURm 221 (20.5 %) in the rest of Europe.

265 Over the planning period, higher growth in revenue is expected in Germany compared to the other regions, in line with the planned development of the macro sites by region and the tenancy ratios (cf. para. 227). As a result, the share of revenues in Germany increases to around 57.1 % (FY 2023FC: 49.4 %) by FY 2032 and the share of other regions decreases (Spain around 13.3 % (FY 2023FC: 17.1 %); Greece 11.8 % (FY 2023FC: 13.0 %); rest of Europe 17.8 % (FY 2023FC: 20.5 %)).

4.3.1.2. Maintenance costs

266 **Maintenance costs** include all recurring measures required to ensure that the rented objects function properly (in particular technical maintenance). The planned maintenance costs are shown below:

Table 12: Maintenance costs for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Macro sites	-36	-43	-47	-50	-53	-55	-57	-59	-61	-62	6.3%
Micro sites	-1	-1	-2	-2	-3	-4	-4	-5	-5	-6	23.1%
Other	-5	-4	-4	-4	-4	-3	-3	-3	-3	-3	-5.6%
Maintenance costs	-42	-48	-53	-56	-59	-62	-64	-66	-69	-71	6.1%
KPIs											
yoy in %	-5.9%	14.2%	10.3%	6.9%	5.8%	4.0%	3.7%	3.6%	3.5%	3.4%	
in % of revenues	3.9%	4.2%	4.2%	4.1%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%	
Share macro sites	86.2%	89.8%	89.5%	89.3%	88.9%	89.3%	88.9%	88.6%	88.2%	87.9%	
Share micro sites	2.1%	2.7%	3.5%	4.4%	5.2%	5.8%	6.4%	6.9%	7.5%	8.0%	
Share other	11.7%	7.5%	7.0%	6.3%	5.9%	4.9%	4.7%	4.5%	4.3%	4.1%	

Source: Company information, own illustration.

267 Maintenance costs include maintenance costs for macro and micro sites and other maintenance costs. Maintenance costs increase from approximately EURm -42 in FY 2023FC to approximately EURm -71 in FY 2032 (CAGR 6.1 %). The ratio of maintenance costs to planned revenues lies with 3.9 % in FY 2023FC on a similar level to FY 2032 with 4.1 %. The main share of planned maintenance costs results from macro sites.

268 The other maintenance costs consist of expenses that cannot be attributed to any specific site category.

269 The development of maintenance costs depends in particular on the number and age of the sites to be maintained, the composition of the site portfolio, and inflation.

270 The planned maintenance costs are based on the country-specific average maintenance costs for each type of macro and micro site and take into account country-specific inflation rates. These are applied to the annual average number of sites. The planned maintenance costs take into consideration the already high average age of Vantage's tower portfolio in FY 2023FC of approximately 19.5 years and the associated expected increase in maintenance costs due to the increasing age of the existing tower portfolio in the planning period.

271 For the planning of the maintenance costs, the inflation expectations presented in para. 247 were taken into account. As already described, we were able to reconstruct these on the basis of the inflation expectations of the IMF and the OECD (cf. Table 2), whereby increased inflation expectations can be observed in particular in FY 2024, compared to the inflation expectations processed in Vantage's business plan, which could lead to increased costs if they occur. From the management's perspective, these risks could also be offset by opportunities for further potential savings. Due to older maintenance contracts set to expire in the planning period and to be renegotiated at optimised conditions.

4.3.1.3. Staff costs

272 **Staff costs** include wages, salaries, and social security charges for employees. A comparison of the planned staff costs with the staff costs of the FY 2023FC is included in the following table.

Table 13: Staff costs for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Staff costs	-60	-63	-64	-66	-67	-69	-70	-71	-73	-74	2.4%
KPIs											
yoy in %	33.5%	4.6%	2.5%	2.3%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	
in % of revenues	5.5%	5.5%	5.1%	4.7%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	

Source: Company information, own illustration.

273 In general, the development of staff costs is determined by expected annual salary adjustments and the development of the number of employees.

274 In the FY 2023FC, staff costs amount to EURm -60 and will increase to around EURm -74 until the FY 2032 (CAGR 2.4 %). The staff costs ratio (gross) shows a decrease from 5.5 % in FY 2023FC to 4.3 % in FY 2032. The decrease is mainly due to the achievement of the planned headcount, efficiency gains and economies of scale.

4.3.1.4. Other operating expenses

275 Other operating expenses mainly comprise energy costs, TSA/LTA/INCA and other expenses. The following table compares the other operating expenses for FY 2023FC with the business plan.

Table 14: Other operating expenses for FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Energy costs	-26	-27	-27	-26	-27	-28	-29	-30	-31	-32	2.2%
TSA / LTA / INCA	-11	-13	-13	-13	-14	-14	-15	-15	-16	-16	4.4%
Other expenses	-38	-44	-40	-33	-33	-33	-33	-33	-33	-33	-1.5%
Other operating expenses	-75	-83	-80	-72	-74	-75	-77	-78	-80	-81	0.9%
KPIs											
yoy in %	16.7%	1.1%	0.7%	-1.7%	2.7%	3.5%	3.5%	3.4%	3.4%	3.3%	
in % of revenues	2.4%	2.3%	2.1%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	

Source: Company information, own illustration.

276 The individual components of other operating expenses are discussed below.

Energy costs

277 Regarding **energy costs** a distinction must be made between active and passive energy costs. Active energy costs are incurred for the customer's equipment on the respective sites. These costs are essentially passed through directly to customers without margin and are not recognised in the income statement. The passive energy costs for the supply of the passive infrastructure are passed on by Vantage in dependence of the underlying MSAs or other contracts concluded with third party tenants, taking into account an individually agreed remuneration per site. As a result, the active and passive energy expenses are fully borne by the tenants. The development of passive energy costs is shown below:

Table 15: Energy costs for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Energy costs	-26	-27	-27	-26	-27	-28	-29	-30	-31	-32	2.2%
KPIs											
yoy in %	-5.4%	1.1%	0.7%	-1.7%	2.7%	3.5%	3.5%	3.4%	3.4%	3.3%	
in % of revenues	2.4%	2.3%	2.1%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	

Source: Company information, own illustration.

278 Starting from around EURm -26 in the FY 2023FC, energy costs are expected to increase to
around EURm -32 in the FY 2032 (CAGR around 2.2 %). The ratio of energy cost to revenue de-
creases from 2.4 % in FY 2022 to 1.8 % in FY 2032.

279 In principle, the inflation expectations presented in para. 247 are assumed for the planning of en-
ergy costs. In addition to inflation expectations, the planned expansion of the tower portfolio influ-
ences the development of energy costs. In this context, the company expects to build mainly
outdoor locations in the planning period, which, in contrast to indoor locations, do not require active
cooling or air conditioning, thus consume less energy and do not require the installation of passive
energy infrastructure. Furthermore, the company is planning measures to reduce energy consump-
tion, by using energy-efficient rectifiers, modern cooling systems and smart meters. In addition,
savings are expected from the planned generation of its own green electricity through the installa-
tion of solar panels on macro sites and a pilot project to install micro wind turbines on towers.

TSA/LTA/INCA

280 The following table compares FY 2023FC expenses related to the TSA, LTA and INCA with the
planned expenses:

Table 16: TSA/LTA/INCA costs for FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
TSA/LTA/INCA	-11	-13	-13	-13	-14	-14	-15	-15	-16	-16	4.4%
KPIs											
yoy in %	-0.1%	16.5%	1.2%	2.8%	3.8%	3.1%	3.1%	3.2%	3.2%	3.2%	
in % of revenues	1.0%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	

Source: Company information, own illustration.

281 TSA/LTA/INCA essentially comprise support services for operations, maintenance, IT, personnel
and finance (cf. para. 194). Starting from around EURm -11 in the FY 2023FC, the costs are
planned to increase to around EURm -16 in the FY 2032 (CAGR approx. 4.4 %).

282 The ratio of TSA/LTA/INCA expenses to revenues decreases from around 1.0 % in FY 2023FC to
0.9 % in FY 2032. Vantage does not expect any material adjustments to the underlying contracts,
so that the current conditions are also included in the planning years. Insourcing of support func-
tions provided under the TSA/LTA/INCA is not included in the business plan. Consequently, the
increase in TSA/LTA/INCA costs results from a planned increase in volume and price of the pur-
chased services.

Other expenses

283 **Other expenses** include general administrative costs, overheads, consultancy costs, marketing
and branding costs, costs in connection with separate projects and miscellaneous other operating
expenses. Costs related to separate projects relate to the support of the 1&1 partnership, the im-
plementation of the BTS programme and expenses related to cost-saving programmes.

284 The planned other operating expenses compared to FY 2023FC can be seen in the following table:

Table 17: Other operating expenses for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Other expenses	-38	-44	-40	-33	-33	-33	-33	-33	-33	-33	-1.5%
KPIs											
yoy in %	47.7%	16.3%	-8.5%	-18.5%	-0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	
in % of revenues	3.5%	3.8%	3.2%	2.4%	2.2%	2.1%	2.0%	2.0%	2.0%	1.9%	

Source: Company information, own illustration.

285 The planned other expenses decrease from around EURm -38 in FY 2023FC to around EURm -33 in FY 2032 (CAGR around -1.5 %). The ratio of other operating expenses to revenue decreases from 3.5 % in FY 2023FC to 1.9 % in FY 2032 as economies of scale and efficiency gains are expected. In FY 2023 to 2025, a short-term increased level of other operating expenses is expected due to the use of external staff in connection with the expansion of the macro sites as well as the execution of the contractual agreement with 1&1. In addition, the development of other operating expenses considers inflation-related cost increases.

4.3.1.5. EBITDA

286 In the following table, the derivation and development of planned EBITDA is shown:

Table 18: EBITDA for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Revenue	1,081	1,148	1,262	1,385	1,477	1,550	1,607	1,636	1,691	1,746	5.5%
Maintenance costs	-42	-48	-53	-56	-59	-62	-64	-66	-69	-71	6.1%
Staff costs	-60	-63	-64	-66	-67	-69	-70	-71	-73	-74	2.4%
Energy costs	-26	-27	-27	-26	-27	-28	-29	-30	-31	-32	2.2%
TSA / LTA / INCA	-11	-13	-13	-13	-14	-14	-15	-15	-16	-16	4.4%
Other expenses	-38	-44	-40	-33	-33	-33	-33	-33	-33	-33	-1.5%
Other operating expenses	-75	-83	-80	-72	-74	-75	-77	-78	-80	-81	0.9%
EBITDA	904	954	1,066	1,190	1,277	1,344	1,396	1,420	1,470	1,520	5.9%
KPIs											
yoy in %	4.2%	5.5%	11.7%	11.7%	7.3%	5.3%	3.8%	1.7%	3.5%	3.4%	
in % of revenues	83.7%	83.1%	84.4%	86.0%	86.4%	86.7%	86.9%	86.8%	86.9%	87.0%	

Source: Company information, own illustration.

287 Starting from EURm 904 in FY 2023FC, EBITDA is expected to increase by around EURm 616 to around EURm 1,520 in FY 2032 (CAGR around 5.9 %). The growth is mainly driven by the planned expansion of the tower portfolio in the planning period. The comparatively low EBITDA growth in FY 2030 results from the reduction of revenues from recharged capex due to a changed charging model in Germany (cf. para. 260). Compared to FY 2023FC, a slight decrease in EBITDA margin in FY 2024 is expected especially due to the expansion of operating business due to the planned expansion of macro sites. The EBITDA margin increases in the following planning period up to 87.0 % in FY 2032. This increase is largely a result of efficiency gains and economies of scale.

4.3.1.6. Ground lease costs

288 The development of the planned ground lease costs compared to FY 2023FC is shown in the table below:

Table 19: Ground lease costs for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Ground lease costs	-322	-342	-372	-392	-408	-422	-434	-446	-458	-471	4.3%
KPIs											
yoy in %	3.8%	6.3%	8.8%	5.4%	4.0%	3.4%	2.9%	2.8%	2.7%	2.7%	
in % of revenues	29.8%	29.8%	29.5%	28.3%	27.6%	27.2%	27.0%	27.3%	27.1%	26.9%	

Source: Company information, own illustration.

- 289 In the FY 2023FC, **ground lease costs** amount to EURm -322 and will increase to around EURm -471 in the FY 2032 (CAGR approx. 4.3 %). The ratio of ground lease costs to revenue decreases from around 29.8 % in FY 2023FC to around 26.9 % in FY 2032.
- 290 Ground lease costs are in principle determined based on the number of rented sites and expected rent increases.
- 291 The rental agreements for rented ground and rooftop differ in their structure, among others, regarding the different maturities, price adjustment clauses and depending on the geographical segment. Vantage is working towards an increased standardisation of future rental agreements. The planning of ground lease costs is based on the average country-specific rental expenses per tower category, the expected country-specific inflation rate and the number of sites.
- 292 Planned ground lease costs are also influenced by the recently launched ground lease buyout programme (GLBO). The programme aims to reduce ground lease costs through the selective purchase of ground on which sites are located or through the purchase of long-term rights-of-use for ground or real estate (prepayments) at margin-increasing conditions. If neither of the two options can be realised, the aim is to optimise the contractual terms, for example by removing inflation indexation. The management of Vantage considers the implementation of the GLBO programme planned until FY 2032 to be realistic, as this model has already been successfully applied by international competitors for a longer period of time and, in addition, there is a good negotiating position vis-à-vis landlords, as only one site is leased from them for the most part. Due to the GLBO programme, increased capital expenditure is planned (see section 4.3.1.8).
- 293 The increased growth in ground lease costs in FY 2024 and 2025 is a result of higher expected inflationary impacts in those years and projected increases in the number of sites. According to the business plan, ground lease costs in relation to revenue are expected to decrease in particular due to the expected effects from the GLBO programme, but which at the same time cause an increased level of capital expenditure.

4.3.1.7. EBITDAaL

- 294 **EBITDAaL** reflects EBITDA after deduction of ground lease costs and is shown below for the planning period compared to FY 2023FC:

Table 20: EBITDAaL for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
EBITDAaL	561	592	670	771	841	893	932	971	1,008	1,045	7.1%
KPIs											
yoy in %	3.0%	5.4%	13.2%	15.1%	9.1%	6.2%	4.4%	4.1%	3.9%	3.7%	
in % of revenues	51.9%	51.6%	53.1%	55.7%	56.9%	57.6%	58.0%	59.3%	59.6%	59.9%	

Source: Company information, own illustration.

- 295 In FY 2023FC, EBITDAaL amounts to EURm 561 and will increase by EURm 484 to EURm 1,045 in FY 2032 (CAGR 7.1 %).
- 296 Starting from 51.9 % in FY 2023FC, the EBITDAaL margin is expected to increase to 59.9 % in FY 2032. The development of EBITDAaL is driven by the planned optimisation of the expected ground lease cost ratio over the planning period, in particular, by the GLBO programme.

4.3.1.8. Depreciation

297 The planned **depreciation** includes depreciation on existing fixed assets and depreciation on planned capital expenditures.

Planning of capex

298 The capex planning differentiates between maintenance capex and growth capex and is shown in the table below:

Table 21: Capex planning for the FY 2024 to 2032

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	Sum 24-32
Maintenance capex	-37	-34	-36	-37	-38	-39	-40	-42	-43	-346
Maintenance capex	-37	-34	-36	-37	-38	-39	-40	-42	-43	-346
New tenant / upgrade capex	-112	-105	-106	-85	-52	-45	-23	-14	-14	-556
Recharged capex	20	15	15	15	12	12	0	0	0	88
GBLO capex	-108	-83	-93	-80	-28	-24	-22	-21	-20	-479
BTS capex	-269	-415	-220	-116	-80	-78	-69	-69	-70	-1,385
Other capex	-89	-71	-55	-44	-35	-36	-37	-37	-38	-441
Growth capex	-557	-658	-459	-311	-184	-171	-150	-141	-142	-2,773
Total capex	-594	-693	-494	-348	-222	-210	-191	-182	-185	-3,119

Source: Company information, own illustration.

299 In FY 2024, total capex amount to EURm -594 and are planned to decrease to around EURm -185 in FY 2032. However, an initially higher level of capital expenditure is assumed up to FY 2027 due to the planned growth in the number of towers and the modernisation of existing sites.

300 Planned maintenance capex amount to EURm -37 in FY 2024 and are planned to increase up to EURm -43 in the FY 2032. They include both the maintenance for the existing tower portfolio and the costs of relocating towers. This may be necessary, for example, if an existing lease with a landlord cannot be extended. The number of sites to be relocated was derived on a country-specific basis using past experience. The maintenance capex ensures the continued functionality of the tower portfolio with increasing age of the towers.

301 The development of the planned growth capex depends in particular on capital expenditures for the modernisation of existing sites, capital expenditures to optimise ground rental costs under the GLBO programme, capital expenditure in new sites, and other capital expenditure.

302 Capex for the modernisation of existing sites will both improve the performance by upgrading to the new mobile communications standard 5G and enable the planned co-location of additional third-party tenants. The level of modernisation capex is increased in the first planning years, as modernisation capex are required in these years to meet the infrastructure requirements for the roll-out of 5G technology. Furthermore, the agreement with 1&1 to sublease sites in Germany results in additional capital expenditure, in particular until FY 2027. The decrease in modernisation capex until the end of the planning period is due to the fact that the switch to the new mobile communications standard 5G is expected to be largely completed by 2030.

303 The recharged capex relates to modernisation capex which are immediately refunded by Vodafone and allocated on an accrual basis over the term of the MSA (cf. para. 261). Those decrease the total amount of modernisation capex that Vantage must finance.

304 The capex for the optimisation of ground rental costs decreases from EURm -108 in FY 2024 to EURm -20 in FY 2032. Increased GLBO capital expenditures are expected in the first plan years,

as the programme has only recently been launched and therefore an increased volume of acquired grounds or prepayments for right-of-use is planned in the first plan years.

305 Capex for BTS sites relate to capital expenditure for the planned construction of new towers. The increased level of capital expenditures until the FY 2027 is due to the planned expansion of macro sites (cf. para. 227). Here the construction of towers to cover white spots in Germany in FY 2024 and 2025 is planned. Those require on average higher capex per tower than standard towers. The increased capex level per tower at white spots is based on special features of the towers (height, signal power), and the location of towers, often in rural areas. Due to the rural locations longer energy supply lines are required leading to increased capex. For FY 2025 onwards, Vantage plans to increase standardisation of planned GBT towers, which is currently being worked on intensively in cooperation with Vodafone. From FY 2028 onwards, an investment level of between EURm -69 and EURm -80 per year is expected, which takes into account the lower number of newly constructed macro sites compared to the first plan years.

306 Other capex includes in particular investments in IT infrastructure, capital expenditures in connection with the new charging model in Germany for recharging on capital expenditures with a margin (cf. para. 262), capital expenditures related to the construction of Small Cells and capital expenditures related to the acquisition of further MNOs on towers to optimise the tenancy ratio, capitalised staff costs and other technical upgrades. In the FY 2023FC, an increased level is expected, in particular due to the roll-out of the contractual agreement with 1&1, which will then gradually decrease until FY 2028. From FY 2028 onwards, other capital expenditures are expected to range between EURm -35 and EURm -38 p. a.

Planning of depreciation

307 Planned depreciations are based on the existing fixed assets and the planned capital expenditure. The depreciation periods of the various assets are also taken into account. A depreciation period of 25 years is assumed for towers and up to 8 years for other assets (cf. para. 157). Capital expenditures for site modernisation have a depreciation period of 15 years. The following table shows the planned depreciations:

Table 22: Depreciation for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Depreciation	-138	-138	-177	-210	-244	-242	-236	-211	-213	-215	5.0%
KPIs											
yoy in %	40.8%	0.2%	27.6%	19.0%	16.2%	-0.9%	-2.4%	-10.7%	0.9%	0.8%	
in % of revenues	12.8%	12.1%	14.0%	15.2%	16.5%	15.6%	14.7%	12.9%	12.6%	12.3%	

Source: Company information, own illustration.

308 Starting from EURm -138 in FY 2023FC, depreciation is planned to increase to around EURm -215 in FY 2032. The depreciation ratio decreases from 12.8 % in FY 2022 to 12.3 % in FY 2032.

309 The development of depreciation reflects on the one hand the expiration of depreciation on existing fixed assets at the beginning of the planning period and on the other hand the capital expenditure planned for the growth of the tower portfolio. The existing assets at the beginning of the planning period reflect that the existing tower portfolio already has a high average age of 19.5 years. The increase of depreciation until FY 2032 is due to the planned investments.

4.3.1.9. EBIT

310 EBIT results after deducting depreciation from EBITDAaL. The following table compares the EBIT for the planning period with the adjusted EBIT for FY 2023FC.

Table 23: EBIT for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
EBIT	444	473	517	588	625	681	726	764	799	834	7.3%
KPIs											
yoy in %	-3.3%	6.6%	9.1%	13.8%	6.3%	9.0%	6.7%	5.1%	4.6%	4.4%	
in % of revenues	41.1%	41.2%	40.9%	42.5%	42.3%	43.9%	45.2%	46.7%	47.2%	47.8%	

Source: Company information, own illustration.

311 Starting from EURm 444 in FY 2023FC EBIT is expected to increase by around EURm 390 to around EURm 834 in FY 2032 (CAGR 7.3 %). The EBIT margin increases from 41.1 % in FY 2023FC to expected 47.8 % in FY 2032. The expected increase in the EBIT margin is due to the reduction in the depreciation ratio in relation to revenue during the planning period, in addition to the factors already considered in EBITDAaL.

4.3.2. Modifications for valuation purposes

312 Based on our critical analysis of the business plan, the underlying assumptions and the fundamental planning system, we consider the business plan to be generally plausible and a suitable basis for the valuation. Within our planning plausibility, we identified the following planning issues, which we have modified for the valuation of Vantage.

4.3.2.1. Adjustment of EBIT due to exchange rate effects

313 As explained in section 4.2.4, the business plan assumes constant exchange rates for the conversion of the individual planning of the national company from local currency into EUR (Hungary and the Czech Republic; since the Euro is the functional currency for Romania, contracts are concluded in Euro and there is no exchange rate risk). Short-term exchange rate fluctuations for foreseeable transactions are hedged by Vantage using contracts to hedge exchange rate risks. To take into account the remaining exchange rate risks from the year 2024 onwards, in particular due to different inflation levels between the individual national companies with foreign currencies and the EUR, we have used forward exchange rates instead of constant exchange rates for the conversion of the planning for each country into EUR from FY 2024 onwards. The resulting adjustment of EBITDAaL to take into account the exchange rate risks based on forward exchange rates is as follows:

Table 24: Modifications for valuation purposes

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P
EBITDAaL before adjustments	592	670	771	841	893	932	971	1,008	1,045
EBITDAaL Czech Republic in EUR	25	27	28	29	30	31	32	34	35
Spot rate business plan EUR/CZK	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Forward rate EUR/CZK	24.7	24.9	25.1	25.3	25.5	25.8	25.9	26.1	26.2
Implicit adjustment factor	1.06	1.04	1.04	1.03	1.02	1.01	1.00	1.00	0.99
EBITDAaL Czech Republic in EUR - adj.	27	28	29	30	30	31	33	34	35
Adjustments FX rates Czech Republic	1	1	1	1	1	0	0	-0	-0
EBITDAaL Hungary in EUR	19	21	22	24	25	27	28	29	31
Spot rate business plan EUR/HUF	410.0	410.0	410.0	410.0	410.0	410.0	410.0	410.0	410.0
Forward rate EUR/HUF	436.7	460.3	480.0	497.4	515.2	515.2	515.2	515.2	515.2
Implicit adjustment factor	0.94	0.89	0.85	0.82	0.80	0.80	0.80	0.80	0.80
EBITDAaL Hungary in EUR - adjusted	18	19	19	20	20	21	22	23	25
Adjustments FX rates Hungary	-1	-2	-3	-4	-5	-5	-6	-6	-6
Total adjustments EBITDAaL	0	-1	-2	-3	-5	-5	-6	-6	-7
EBITDAaL after adjustments	592	669	769	838	888	927	965	1,002	1,039
Depreciation	-138	-177	-210	-244	-242	-236	-211	-213	-215
Capex recharged revenue	20	23	27	28	30	30	4	4	4
EBIT after adjustments	474	515	586	622	676	721	758	793	828

Source: Business plan; own presentation; Bloomberg data as of 20 March 2023.

314 For valuation purposes, the modified EBIT after consideration of the exchange rate adjustments was taken into account.

4.3.2.2. Net finance costs

315 Within the framework of the valuation of Vantage, we recalculated the net finance costs on the basis of an integrated financial requirement planning. In principle, interest expenses for the outstanding bonds and for the refinancing of existing liabilities as well as for additional financing requirement over the planning period were taken into account.

316 In deriving the interest result from the bonds, we have taken into account the existing contractual financing conditions and maturities.

317 For the additional (re-)financing requirement, the cost of debt was derived on the basis of a yield curve of industrial bonds in EUR (source: S&P Capital IQ). The rating of Standard & Poor's for Vantage with BBB- was taken into account, by determining cost of debt on the basis of the yield curve available via S&P Capital IQ for the rating classes Vantage BBB- to BBB+. Based on the described procedure, we considered a cost of debt of 4.00 % p. a.

Table 25: Modified net finance costs for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Net finance costs	-11	-9	-26	-46	-89	-95	-120	-119	-118	-134	31.4%
KPIs											
yoy in %	5.4%	-20.0%	180.7%	78.7%	92.0%	7.7%	25.5%	-0.4%	-0.9%	13.4%	
in % of revenues	1.1%	0.8%	2.0%	3.3%	6.0%	6.2%	7.5%	7.3%	7.0%	7.7%	

Source: Own calculation.

4.3.2.3. Income tax expenses

318 Vantage's business plan is based on an expected effective average group corporate tax rate of 26.5 % on earnings after interest.

319 Due to the adjustments made to the business plan to take into account the exchange rate risks (cf. section 4.3.2.1) and the recalculation of the net finance costs, we have recalculated the corporate taxes. For the calculation of corporate taxes, we used the average effective group tax rate of 26.5 % planned by the company. We were able to reconstruct this rate on the basis of the operating profit contributions of the various national companies over the planning period and the country-specific corporate tax rates (cf. section 2.3). In addition, we used deductible goodwill amortisation in Germany to determine the expected tax expense.

Table 26: Modified income tax expenses for the FY 2023FC to 2032

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Income tax expense	-112	-112	-116	-130	-128	-143	-148	-161	-174	-179	5.4%
KPIs											
yoy in %	2.8%	-0.2%	3.6%	12.3%	-1.5%	11.4%	3.8%	8.5%	8.2%	2.9%	
in % of EBT	22.2%	24.1%	23.7%	24.1%	24.0%	24.6%	24.6%	25.2%	25.8%	25.8%	

Source: Own calculation.

320 According to the information provided to us, the loss carried forward existing at Vantage in Germany as of 31 March 2021 was fully utilised by 31 March 2022. Exceptions to this is existing loss carried forward in Vantage Towers S.L.U. in Spain as of 31 March 2023, which, according to Vantage, is currently not usable. Nevertheless, we considered these in the determination of the expected income tax expense, as we assume that a future use will be possible.

321 According to information provided to us, no additional income tax loss carried forward was established in FY 2023FC.

4.3.2.4. Dividend for the Financial Year ending 31 March 2023

322 The amount of dividend to be paid out by Vantage for the FY ending 31 March 2023 is still uncertain. For the purpose of the valuation, we have therefore assumed that a potential dividend of the minimum amount required by Section 254 para. 1 AktG (EUR 0.04 per share) will be distributed.

4.3.3. Derivation of the sustainable result

323 The detailed business plan up to EBIT prepared by the responsible employees for the planning period 2024 to 2032 forms the basis for the valuation of Vantage. We have basically adopted this business plan in accordance with our plausibility check and modified it regarding the exchange rate assumption (cf. section 4.3.2.1).

324 Starting from the last planning year, we have modelled the EBITDAaL after modifications for the years 2033 et seq. ("perpetuity") with the sustainably assumed growth rate of 1.5 % p.a. (cf. section 5.3).

325 The average sustainable depreciation was derived as an annuity-based average figure, taking into account the expected sustainable average investment level of approx. EURm 135.9 and the expected long-term development of depreciation in the period after 2033. The investment level expected by the company on a sustainable basis reflects the average reinvestment in the assets required to secure the sales and earnings level shown on a sustainable basis in the long term. This level was determined by taking into account the expected remaining economic useful life of the tower portfolio and expected replacement investments per tower. The replacement investments per tower are significantly lower than in the case of a new installation, as renewing the entire tower is

costlier than partial replacements. In addition, average maintenance capex, recurring modernisation investments for the anchor tenant, long-term recurring advance rental payments from the GLBO programme and other recurring capex were taken into account.

326 The net finance costs and the corporate taxes were derived as described in the sections 4.3.2.2 and 4.3.2.3. In determining sustainable corporate taxes, we have taken into account that the capex made in the detailed planning period (see section 4.3.1.8) will lead to tax-effective depreciation and amortisation beyond 2033. We have derived the existing additional depreciation potential on an annuity basis and included it in the derivation of the tax result for 2033 et seq.

327 In summary, the business plan underlying the valuation for the detailed planning period as well as for the perpetuity phase in comparison to the result in FY 2023FC is as follows:

Table 27: Modified result planning incl. sustainable result

EURm	2021A	2022A	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.	CAGR 23-33
Macro site revenue	899	921	970	1,038	1,135	1,242	1,321	1,380	1,428	1,478	1,526	1,575	1,599	5.1%
Other rental revenue	41	43	45	47	59	70	80	91	99	104	109	114	116	10.0%
Energy costs and other revenue	32	45	46	42	45	46	47	48	49	50	52	53	54	1.5%
Capex recharge revenue	4	12	21	20	23	27	28	30	30	4	4	4	4	-15.4%
Revenue	976	1,021	1,081	1,148	1,262	1,385	1,477	1,550	1,607	1,636	1,691	1,746	1,772	5.1%
Maintenance costs	-39	-44	-42	-48	-53	-56	-59	-62	-64	-66	-69	-71	-72	5.6%
Staff costs	-41	-45	-60	-63	-64	-66	-67	-69	-70	-71	-73	-74	-75	2.3%
Energy costs			-26	-27	-27	-26	-27	-28	-29	-30	-31	-32	-32	2.1%
TSA / LTA / INCA			-11	-13	-13	-13	-14	-14	-15	-15	-16	-16	-17	4.1%
Other expenses			-38	-44	-40	-33	-33	-33	-33	-33	-33	-33	-34	-1.2%
Other operating expenses	-69	-64	-75	-83	-80	-72	-74	-75	-77	-78	-80	-81	-83	0.9%
EBITDA	827	868	904	954	1,066	1,190	1,277	1,344	1,396	1,420	1,470	1,520	1,542	5.5%
Ground lease costs	-302	-310	-322	-342	-372	-392	-408	-422	-434	-446	-458	-471	-478	4.0%
Capex recharge revenue	-4	-12	-21	-20	-23	-27	-28	-30	-30	-4	-4	-4	-4	-15.4%
EBITDAaL before adjustments	521	545	561	592	670	771	841	893	932	971	1,008	1,045	1,061	6.6%
GT forex rate adjustments	0	0	0	0	-1	-2	-3	-5	-5	-6	-6	-7	-7	n.a.
EBITDAaL after adjustments	521	545	561	592	669	769	838	888	927	965	1,002	1,039	1,054	6.5%
Depreciation	-109	-98	-138	-138	-177	-210	-244	-242	-236	-211	-213	-215	-136	-0.2%
Capex recharge revenue	4	12	21	20	23	27	28	30	30	4	4	4	4	-15.4%
EBIT after adjustments	416	459	444	474	515	586	622	676	721	758	793	828	922	7.6%
Share of results of participations	13	30	73	-	-	-	-	-	-	-	-	-	0	n.a.
Net finance costs	-19	-14	-11	-9	-26	-46	-89	-95	-120	-119	-118	-134	-132	27.7%
EBT	411	476	505	464	490	540	533	581	601	639	675	694	790	4.6%
Income tax expenses	-98	-109	-112	-112	-116	-130	-128	-143	-148	-161	-174	-179	-202	6.1%
Profit for the period	313	367	393	353	374	410	405	438	453	478	501	515	588	4.1%
Financial KPIs														
Revenue yoy	2.6%	4.6%	5.8%	6.2%	10.0%	9.7%	6.7%	4.9%	3.7%	1.8%	3.3%	3.3%	1.5%	
Maintenance costs ratio	4.0%	4.3%	3.9%	4.2%	4.2%	4.1%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%	4.1%	
Staff costs ratio	4.2%	4.4%	5.5%	5.5%	5.1%	4.7%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	4.3%	
Expenses ratio	15.3%	15.0%	16.3%	16.9%	15.6%	14.0%	13.6%	13.3%	13.1%	13.2%	13.1%	13.0%	13.0%	
EBITDA margin	84.7%	85.0%	83.7%	83.1%	84.4%	86.0%	86.4%	86.7%	86.9%	86.8%	86.9%	87.0%	87.0%	
Ground lease costs ratio	30.9%	30.4%	29.8%	29.8%	29.5%	28.3%	27.6%	27.2%	27.0%	27.3%	27.1%	26.9%	26.9%	
EBITDAaL margin (before adjustments)	53.4%	53.4%	51.9%	51.6%	53.1%	55.7%	56.9%	57.6%	58.0%	59.3%	59.6%	59.9%	59.9%	
EBITDAaL margin (after adjustments)	53.4%	53.4%	51.9%	51.6%	53.0%	55.5%	56.7%	57.3%	57.7%	59.0%	59.2%	59.5%	59.5%	
EBIT margin (after adjustments)	42.6%	45.0%	41.1%	41.3%	40.8%	42.3%	42.1%	43.6%	44.9%	46.3%	46.9%	47.4%	52.0%	

Source: Company information, own illustration.

4.4. Derivation of the net distributions to be discounted

328 Based on the expected profit for the periods, we have derived the distributable result, the so-called net distribution, as follows:

Table 28: Net distributions for the FY 2024 to 2032 et seq.

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Profit for the period	353	374	409	405	438	453	478	501	515	588
Growth related change in capital structure	-	-	-	-	-	-	-	-	-	79
Gross distributions	353	374	409	405	438	453	478	501	515	667
Dividend contribution	282	299	328	324	350	363	382	401	412	334
Value added from notional reinvestment	71	75	82	81	88	91	96	100	103	334
Withholding tax	-	-	-	-	-	-	-	(96)	(109)	(88)
Capital gains tax	(9)	(10)	(11)	(11)	(12)	(12)	(13)	(13)	(14)	(44)
Net distributions	343	364	399	394	426	441	465	392	393	535

Source: Own calculation.

4.4.1. Growth related change of capital structure

329 For FY 2022, a distribution of EUR 0.63 per share or a total of approx. EURm 318.6 (89.3 % of net income) was paid out in the financial year. This was decided on the basis of Vantage's current dividend policy, which provides a dividend of 60.0 % of the sum of Vantage's recurring free cash flow measure and dividends received from INWIT and Cornerstone. Converted to Vantage's consolidated earnings without including the investments in INWIT and Cornerstone recognised as special values, an average dividend pay-out ratio of Vantage of approx. 80.0 % of net income can be derived for the planning period.

330 For the purposes of the valuation, we have therefore assumed a distribution of around 80 % for the period 2024 to 2032. In the perpetuity phase, we have set the payout ratio at 50.0 %, which is based on the payout ratios of listed companies comparable to Vantage.

331 The perpetuity phase also takes into account an additional distributable amount from the assumed sustainable growth of the capital structure with the sustainable growth rate of 1.5 % (cf. section 5.3). This growth rate reflects the growth-related change in net debt in order to keep the sustainable leverage ratio stable and an assumed continuation of financing through the surplus of passive working capital. At the same time, a disproportionately low growth in fixed assets is assumed compared to the sustainable growth rate (cf. para. 325). The reason for this – in addition to the high goodwill reported in the balance sheet, which is assumed not to be subject to sustainable growth – is Vantage's assumption that in the long term the entire fixed assets do not have to be reinvested and that a steady state is assumed to be reached by FY 2032, thus no new tower sites will be operated.

4.4.2. Value contributions from dividend distribution and notional retention

332 The **value contribution from the dividend distribution** is the portion of the gross distribution that accrues to the shareholders as a dividend.

333 The expected dividends are taxed by German withholding tax of 26.38 %, which includes the solidarity surcharge.

- 334 Applying the above-mentioned methodology, we have considered that a company with unlimited tax liability may return benefits tax-free pursuant to Section 27 (1) sentence 3 KStG insofar as they exceed the distributable profit determined at the end of the previous financial year. Vantage's distributable profit in this sense turns positive in year 2031, therefore all expected distributions of Vantage to its shareholders have been treated as tax-free deposit returns.
- 335 The **value contribution from notional retention** is the part of the gross distribution that is not distributed to the shareholders as a dividend. In this respect, it is assumed that the corresponding amount flows directly to the shareholders after deduction of the capital gains tax (therefore referred to as "notional" retention).
- 336 The procedure of direct allocation of the retained funds to shareholder has been applied due to simplicity. Alternatively, an internal reinvestment in the amount of the notional retention at the capitalisation rate before the taxes incurred at the company level could be assumed.
- 337 All gains from the sale of securities or company shares acquired after 1 January 2009 are subject to the withholding tax, including solidarity surcharge of 26.38 %. Typically, it can be assumed that capital gains will only be realised and taxed in the distant future. The effective tax burden of capital gains will therefore tend to be lower than that on dividend payments due to this tax deferral effect. Taking into account a very long holding period, an effective capital gains tax of 13.19 % was deducted on the notionally retained amounts corresponding to the half of the nominal withholding tax.
- 338 The net distributions to the shareholders to be discounted result from the sum of the dividend distributions (less withholding tax, as long as no equity deposit is returned) and the notional retention (less capital gains tax).

5. Capitalisation rate

339 The discounted earnings value is determined by discounting the future financial surpluses to the valuation date. The capitalisation rate reflects the return on an alternative investment whose cash flow is assessed to be comparable in regard to time structure, risk and taxation, to the cash flow conveyed by the shares of the company to be valued.

340 The starting point for determining the capitalisation rate is the return on a long-term, risk-free capital market investment (risk-free rate). This risk-free rate is to be increased by a risk premium, which is to cover the greater uncertainty about the amount of the financial surpluses associated with an investment in shares of the company to be valued compared to an investment in a risk-free interest-bearing security. Tax regulations must be considered when determining the risk-free rate and risk premium. To capture growth effects in the form of steadily increasing financial surpluses after the end of the detailed planning phase, the capitalisation rate is reduced by a growth factor (deduction for growth).

341 Our procedure for determining the capitalisation rate is as follows:

5.1. Risk-free rate

342 The risk-free rate represents a risk-free and maturity-adequate alternative investment to the investment in the company to be valued. In view of their quasi-secure character, public-sector bonds in Germany largely fulfil the requirement of being risk-free due to the issuers' lack of insolvency capability.

343 When valuing a company with an unlimited life, the yield to be achieved on the valuation date of a public-sector bond that is also not limited in time would in principle have to be used as the risk-free rate (maturity equivalence). However, since such perpetual bonds do not exist or are not traded, the theoretical yield for bonds with an infinite maturity can alternatively be approximated from the observed yield curve.

344 The Deutsche Bundesbank regularly publishes estimates of yield curves based on the prices of listed German Government securities with a remaining term of up to around 30 years using the Svensson method. These yield curves map maturity-specific risk-free rates (so-called zero bond interest rate).

345 For residual terms of more than 30 years, the average zero bond interest rate determined for a residual term of 30 years could so far be used as a sustainable estimated value within the framework of an extrapolation for interest rate forecasts further in the future against the background of the general forecast uncertainty and the limited usability of the parameters of the estimation function of the Deutsche Bundesbank.

346 Against the background of the current low interest rate level, the FAUB has discussed the extent to which it is still sensible to continue to use the yield curve determined from the coupon yields of German government bonds as an estimator for the risk-free rate. In particular, the updating of the curve from year 31 onwards with the spot rate of year 30 was discussed. At present, the FAUB has decided to stick to the previous approach unchanged for the time being, but to critically question it on an ongoing basis.

347 To derive the risk-free rate, an average yield curve for the years 2023 et seq. over a period of up to 30 years was derived on the basis of the daily Bundesbank estimates over the months 21 January 2023 to 20 March 2023 and extrapolating the average 30-year zero bond interest rate

348 The term-specific interest rates of the yield curve thus obtained were converted equivalent to present value into a uniform risk-free interest rate before personal income taxes for all FY and rounded by us to **2.25 %** to ¼ percentage points.³¹

349 After taking into account the standardised personal income taxes of 26.38 % (25.0 % withholding tax plus 5.5 % solidarity surcharge), this results in a base rate after personal income taxes of approx. **1.66 %**.

5.2. Risk premium

350 The risk premium serves to compensate for the risk to be accepted when investing in shares of the company to be valued. It can be assumed that market participants are risk averse. This means that safe returns are always preferred to expected values of uncertain returns of the same amount. This risk aversion can be taken into account by a deduction from the expected surpluses (so-called certainty equivalent method) or by a risk premium on the capitalisation rate (so-called risk premium method). Both methods can be converted into each other, but in practice risk aversion is almost exclusively taken into account by a surcharge on the interest rate.

351 For this reason, capital market models such as the Capital Asset Pricing Model ("CAPM") and the Tax-CAPM, which is based on the CAPM are particularly suitable for deriving the risk premium within the framework of objectifying valuations. This is because these capital market models derive risk premiums indirectly from observable capital market prices: The prices that form on the capital market are the results of investors' actions. Security prices also reflect investors' risk preferences insofar as investors consciously and freely decide to buy or sell certain securities. This market valuation of the risks of shares by rational and risk-averse investors is modelled theoretically by the CAPM and Tax-CAPM. The CAPM and Tax-CAPM thus provide a comprehensible, objectifying explanation context for the quantification of an appropriate risk premium.

352 These model-theoretical considerations can be countered by the fact that the CAPM is based on assumptions (such as perfect markets) that do not exist in practice. This criticism is justified and gives reason to question the plausibility of the results of empirical capital market analyses. For example, for individual risk parameters such as the market risk premium and the beta factor, highly different results can arise depending on the selection of the data basis and the measurement periods. However, despite this justified criticism, the derivation of a risk premium using a capital market model is preferable to a free estimation or a flat-rate estimation (e. g. using credit risks or industry and size risk premiums) that was common in the past because

- the CAPM reflects the behaviour of capital market participants in a rational and comprehensible way, and, despite all market imperfections and mispricing's of the market, it cannot be assumed that the capital market systematically and permanently misprices,
- no other pricing model has so far proven to be sustainably superior, and

³¹ According to the recommendation of the FAUB, a risk-free rate of more than 1.0 % should be rounded to 1/4 % points and a risk-free rate of less than 1.0 % should be rounded to 1/10 % points, cf. IDW-Fachnachrichten 8/2005, p. 556 and IDW Life 7/2016, pp. 580 et seq.

- due to the comprehensibility of the evaluation parameters, an objective discussion about the appropriate approach and the plausibility of the results is made possible in the first place.

353 The discussion of the valuation parameters market risk premium and beta factor takes place in the following sections. Since the influence of taxation on investment decisions and thus valuations is generally great, we consider it appropriate to use the CAPM in its special form of the after-tax CAPM (tax CAPM) (cf. also IDW S 1 in the 2008 version, para. 119 ff.). The Tax-CAPM is also recognised in case law (cf. OLG Stuttgart, ZIP 2012, 133; OLG Stuttgart, decision of 18 December 2009 - 20 W 2/08, para. 204 ff. juris; OLG Frankfurt a.M., decision of 16 January 2017 - 21 W 75/15, para. 69 juris; OLG Frankfurt a.M., decision of 20 December 2012 - 21 W 17/11, para. 55 juris; OLG Frankfurt a.M., AG 2012, 417/420; OLG Karlsruhe, order of 12 September 2017 - 12 W 1/17, para. 76 juris; OLG Munich, WM 2009, 1848/1851; OLG Düsseldorf, AG 2012, 797/799; OLG Celle, AG 2007, 865/866 f.).

354 The two model parameters required by the (Tax-)CAPM to calculate the amount of the risk premium are the market risk premium and the beta factor:

5.2.1. Market risk premium

355 The market risk premium is the market-average excess return demanded by investors on equity investments over the return on risk-free securities. The equity market can be represented by a broad stock index such as the CDAX or the MSCI All Country World Index.

356 In its standard form, the CAPM represents a capital market model in which the cost of capital and risk premiums are explained without taking into account the effects of personal income taxes. However, since share returns and risk premiums are fundamentally influenced by income taxes, a more realistic explanation of the empirically observable share returns is provided by the Tax-CAPM, which extends the CAPM by explicitly taking into account the effects of personal income taxes. The different tax treatment of interest income, dividends and price gains is captured directly in the valuation equation of the Tax-CAPM by charging the relevant tax rates to the risk-free interest rate and market risk premium.

357 According to the Tax-CAPM, the capitalisation rate is composed of the risk-free interest rate reduced by the typified personal income tax and the risk premium after personal income taxes determined on the basis of the Tax-CAPM, weighted with the beta factor.

358 In the valuation at hand, we have applied the market risk premium taking into account the current recommendations of the FAUB of the IDW.³² The FAUB recommends a range of 6.00 % to 8.00 % (before personal income taxes) and 5.00 % to 6.50 % (after personal income taxes) for the measurement of the market risk premium. In our valuation, we have applied the mean value of this range with a market risk premium of 5.75 %.

³² Cf. „Neue Kapitalkostenempfehlungen des FAUB“ vom 25 October 2019, abrufbar unter <https://www.idw.de/idw/idw-aktuell/neue-kapitalkostenempfehlungen-des-faub/120158>.

5.2.2. Beta factor

5.2.2.1. Beta factor of comparable companies

359 According to the CAPM and Tax-CAPM, the level of the beta factor reflects the extent of the systematic risk of a share that cannot be diversified by capital market transactions. The higher the beta factor, the higher the investors' risk premium demanded by capital market participants. It is calculated from the correlation between the fluctuation in the return of the specific share and the fluctuation in the market return.

360 A beta factor greater than one means an above-average risk of the company compared to the overall market of all shares, a beta factor of less than one conversely means a below-average risk compared to the overall market.

361 The CAPM and Tax-CAPM is a so-called ex-ante model for explaining the expected return of shareholders for risky cash flows in capital market equilibrium. They are based on expected values of future payments and returns. In the context of a forward-looking valuation, future beta factors that reflect the risk of the business model being valued must be used. However, this future risk is not directly observable and therefore not measurable.

362 Due to the lack of observable future beta factors, only auxiliary solutions can be used. As such, the use of so-called fundamental betas is conceivable. Here, financial analysts estimate beta factors based on the fundamental data of the company in econometric models. Since these estimation models are not disclosed and are therefore not comprehensible, such fundamental betas are usually ruled out for objectifying valuations. The common solution in practice is therefore to estimate the future beta factor on the basis of historical data.

363 Beta factors derived on the basis of historical capital market information must then be checked for their forecasting suitability in individual cases,³³ since the historical beta factors determined from the past provide a market-related starting and orientation value, but the individual company risk must be assessed by the valuation expert on a case-by-case basis.³⁴

364 The capitalisation rate is the return on an equivalent alternative investment (cf. IDW S 1 in the 2008 version, para. 4). We have therefore analysed which beta factor results from the average beta factor of a group of comparable companies.

365 As comparable companies, we first identified listed companies in Western Europe and North America on the basis of information from the financial service provider S&P Capital IQ, which are comparable to the business model of a TowerCo in terms of their earnings and risk profile. In addition to Western European tower operators, we also included American companies classified as REITs in the peer group.

366 The activities of the companies whose beta factors were included in the peer group used to determine the beta factor are shown in detail in Appendix 1.

367 Since the beta factor in the context of a business valuation is a forward-looking parameter, dominant influences of past one-off effects should be avoided as far as possible and any potential trends should be analysed. Furthermore, effects resulting from changes in approach to parameters

³³ Cf. IDW S 1 in the 2008 version, para. 121 and IDW, WPH Edition, Valuation and Transaction Advice, Ch. A, para. 355.

³⁴ Cf. IDW, WPH Edition, Valuation and Transaction Advice, Ch. A, para. 356.

that flow into the beta calculation (such as observation period, relevant index, etc.) must be analysed and appreciated.

368 We have therefore made beta calculations for the analysis of the beta factors of the peer group companies taking into account the following parameters:

- Period under review:

We have made beta determinations covering a two-year period. The two-year determinations are based on weekly returns and take into account the period 21 March 2017 to 20 March 2023.

- Benchmark:

With regard to the benchmark indices, we have used the worldwide MSCI All Country World Index. The use of the global MSCI All Country World Index reflects the global investment and diversification opportunities of a representative investor and corresponds to the approach of an internationally composed peer group.

- Adjusted versus unadjusted (so-called raw) beta factors:

The estimation of future beta factors required for the valuation is based on historical data. We therefore consider the use of adjusted beta factors to be appropriate in order to minimise statistical estimation errors and improve the predictive power of beta factors. The calculated raw beta factors were adjusted using the Vasicek adjustment procedure³⁵. The Vasicek adjustment provides for an adjustment of the raw beta factors depending on the quality of the regression performed. The adjustment was made in the direction of the average beta factor of the peer group. The lower the quality of the underlying regression, the stronger the adjustment of a raw beta factor in the direction of the average beta factor of the reference sample.

- Consideration of debt-equity ratio:

In all derivations, we have taken into account that debt capital is fundamentally risky.

- Goodness/Quality of Regression:

To assess the statistical significance and the quality of the regressions carried out to determine the beta factors, we used the coefficient of determination (R^2) and the t-test.³⁶ The application of statistical filter criteria on the basis of these statistical tests can ensure, on the one hand, that a significant correlation between the share return and the market return exists at all (represented by the beta factor and checked using the t-test) and, on the other hand, that this correlation has a minimum level of statistical reliability (checked using the coefficient of determination or R^2). If measured beta factors could not satisfy the two statistical tests,³⁷ they were eliminated from consideration.

In addition, as part of the assessment of the goodness/quality of the regression, we considered the share liquidity on the basis of an analysis of the average bid-ask spreads and the trading days.

³⁵ Vasicek, O.A. (1973): A Note on using cross-sectional information in Bayesian estimation of security betas, *The Journal of Finance*, 1973, S.1233-1239.

³⁶ These tests are frequently applied in valuation practice and are also recognised in case law (cf. decision of the OLG Stuttgart of 18 December 2009, ref. 20 W 2/08, p. 77; decision of the OLG Stuttgart of 19 January 2011, ref. 20 W 3/09, para. 212).

³⁷ As a lower limit for the coefficient of determination, we have used a usual minimum value of 10.0 % and for the t-test a significance level of 5.0 %, which is usual for statistical tests.

- Consideration of IFRS 16

The international accounting standard setter has made IFRS 16 Leases mandatory for 2019 and optional for 2018. The application of the standard results in a debt-equity ratio, which reduces the unlevered beta factors. In order to achieve consistency in the data basis over the period presented, the net debt position was adjusted for the IFRS 16 liabilities from 2019 or, depending on the use of the option, in 2018.

369 Based on the parameters and filter criteria presented, the so-called adjusted unlevered beta factors were derived as follows for the group of comparable companies (peer group) as of 21 March 2023. Due to the lack of data of historical beta factors and the lack of forecasting suitability of Vantage's own beta factor caused by the takeover, we have not included Vantage in the peer group (see also the following section 5.2.2.2).

Table 29: Unlevered beta factor

Company	Average
American Tower Corporation	0.67
Cellnex Telecom, S.A.	0.62
Crown Castle Inc.	0.65
Infrastrutture Wireless Italiane S.p.A.	0.68
SBA Communications Corporation	0.64
Vantage Towers AG	-
Average	0.65

Source: Own calculation based on S&P Capital IQ.

370 The analyses performed with regard to the underlying period, the benchmark indices, and the group of peer companies used result in adjusted (unlevered) beta factors cleared of capital structure risk, the mean values of which lie within a range of 0.62 to 0.68. The mean value across the group of peer companies is 0.65 (rounded).

5.2.2.2. Historical beta factor of Vantage

371 As Vantage has been listed on the stock exchange since 18 March 2021, it is technically possible to derive historical beta factors for Vantage.

372 To this end, we initially calculated the beta against the MSCI All Country World Index, covering a period of two years, as in the peer group analysis, and based on weekly returns calculated at the weekly closing price. Due to the fact that Vantage was not listed on the stock exchange until 2021, sufficient data points to determine the beta are only available for the most recent period.

373 In order to be able to separate random and systematic observations when estimating the beta factor, statistical quality criteria are usually applied. To assess the statistical significance and the quality of the regressions performed to determine the historical beta factors of Vantage, we used the coefficient of determination (R^2) and the t-test in analogy to our peer group analysis.

374 The historical unlevered (unadjusted) raw beta factors of Vantage determined in this way are as follows - before and after applying statistical filters:

Table 30: Historical unlevered beta factors (raw) of Vantage

Vantage Towers AG	22 March 2017 - 21 March 2019	22 March 2018 - 21 March 2020	22 March 2019 - 21 March 2021	22 March 2020 - 21 March 2022	22 March 2021 - 21 March 2023
unlevered Beta (raw)					0.64
Coefficient of determination (R2)				0.06	0.14
t-Test passed				O.K.	O.K.
No. of data points	-	-	-	52	104
unlevered Beta (raw) after statistical filters					0.64

Source: Own calculation based on S&P Capital IQ.

375 In the present case, the historical beta factor determined for Vantage for the period 22 March 2020 to 21 March 2022 does not show a statistically significant beta factor. For the period 22 March 2021 to 21 March 2023, the historical unlevered raw beta factor of Vantage is 0.64.

376 In addition to considering the statistical significance of the beta factor, we examined Vantage's beta factor to determine whether the own historical beta factor has been decoupled from the original risk of the business model. Takeover intentions by Oak became known on 9 November 2022 and thus the beta factors since that date may not be suitable for forecasting Vantage's future beta factor. We have examined the forecast suitability of Vantage's own historical beta factor in more detail below.

377 The development of the stock market price of Vantage indicates that the own beta factor has been distorted since the announcement of Oak on 9 November 2022 regarding the takeover offer of EUR 32 per Vantage share and the corresponding ad-hoc announcement by Vantage on the same day. On this day, for example, there was a sharp rise in the Vantage stock market price accompanied by high trading volumes (see also section 7.1).

378 With the publication of the takeover bid, the share price of Vantage decoupled from the general stock market development and adjusted to the takeover bid of EUR 32. Since the day of the announcement of the planned takeover bid and the note of the intention to conclude a domination and profit and loss transfer agreement pursuant to Sections 291 et seq. AktG, contained therein, the share price of Vantage is virtually fixed until the end of the extended acceptance period. In the weeks following the end of the extended acceptance period, the Vantage share price is influenced by speculation. Beta factors determined over this period therefore do not reflect the expectations of market participants regarding the future operational risk of Vantage but rather reflect the takeover offer or the expectations with regard to a potential settlement under the announced domination and profit and loss transfer agreement.

379 As a result, historical beta factors of Vantage are only available to a limited extent due to the fact that the company was not listed on the stock exchange until 2021. Periods that take into account data after 8 November 2022 are distorted by the takeover offer and thus not suitable for forecasting the systematic risk inherent in the planning of Vantage. Therefore, a beta factor can only be determined for Vantage for the period from the initial listing up to 8 November 2022. We therefore do not consider Vantage's own historical beta factor to be meaningful for determining Vantage's future operational risk.

5.2.2.3. Determination of the future beta factor

380 We have based the valuation of Vantage on a rounded unlevered beta factor of **0.65**.

5.3. Growth rate

381 In the business valuation, the growth of the expected future business results is to be taken into account. In the detailed planning phase 2024 to 2032, any growth in the company results for the individual periods is recorded in the business plan. The value contribution of the corporate payment surpluses, which occur after the detailed planning phase from the year 2033 onwards, is recorded within the framework of the valuation in a simplified manner via the present value of a perpetual annuity.

382 In the perpetual annuity, the expected sustainably achievable operative result is to be applied in the valuation formula. If it can be assumed that the company to be valued is able to sustainably increase its results in the period after the detailed planning phase, the corresponding growth in results can be taken into account financially by means of a discount on the capitalisation rate.

383 We have set the sustainable growth at 1.5 % p. a. We have derived this approach from the following considerations:

384 The starting point for forecasting a sustainable development of results is the observation that nominal planning variables can be subject to inflation-related increases and real changes in the long term.

385 Regarding the inflation-related change, implicit inflation expectations can be determined from the yield differences between nominal fixed-interest and inflation-protected German government bonds. On this basis, as well as on the basis of fundamental inflation forecasts for the relevant European countries (cf. Table 2), we consider an average long-term inflation expectation of around 2.0 % to be realistic, taking into account Vantage's planned long-term country-specific profit contributions.

386 In addition to nominal monetary depreciation, real developments can also influence sustainable earnings growth. As shown in section 4.3 this will ultimately be determined by the demand for towers and the introduction of new mobile communications standards. With regard to the number of sites, the business plan assumes a steady state in the last year of the plan and no further expansion of towers.

387 With regard to long-term inflation forecasts, the ability to pass on future cost increases to customers must be taken into account. To the extent that inflation-related cost increases cannot be fully passed on to customers, profit growth will decline.

388 With respect to the development of revenues from the anchor tenant, we note that according to the MSA price adjustments are linked to the annual changes in the country-specific consumer price indexes, and an adjustment is only made within the contractually defined bandwidths (cf. para. 243). In this respect, there is a risk that increased inflation in individual years above the bandwidth set out by the MSA will not be passed on to customers. On the other hand, the costs are strongly dependent on inflation and there is no mechanism with an underlying inflation range on the cost side with which inflationary cost increases can be avoided.

389 Furthermore, it should also be noted that Vantage operates in a regulated and increasingly consolidating market with a high dependence on the MNOs. In addition, there are risks from future regulatory changes due to decisions by regulatory authorities, which could have a negative impact on the Company's profitability. The high level of dependence on the anchor tenant also represents a risk in the event the anchor tenant experiences economic difficulties or adverse changes.

390 Against this background, we have applied a sustainable growth rate of around **1.5 %**.

5.4. Underlying capitalisation rate of the valuation

391 Based on the above considerations, we arrive at the following derivation of the capitalisation rate for discounting the expected net distributions of Vantage:

Table 31: Capitalisation rate

	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Risk-free rate	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Income tax	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%	-0.59%
Risk-free rate after tax	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%
Market risk premium after tax	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Beta unlevered	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Leverage ratio	21.46%	25.60%	30.04%	32.93%	33.67%	33.09%	32.26%	31.38%	30.14%	28.93%
Beta levered	0.84	0.86	0.87	0.85	0.85	0.82	0.81	0.81	0.78	0.78
Risk premium after tax	4.82%	4.92%	5.01%	4.86%	4.87%	4.69%	4.66%	4.64%	4.49%	4.46%
Terminal growth rate										-1.50%
Cost of equity	6.48%	6.58%	6.67%	6.52%	6.53%	6.34%	6.32%	6.30%	6.15%	4.62%

Source: Own calculations.

6. Business Value

6.1. Derivation of the business value and value per share of Vantage

6.1.1. Discounted earnings value (before net debt and special values)

392 The expected net distributions of Vantage were first discounted to the technical valuation date of 31 March 2023. The result is a discounted earnings value of Vantage before special values on the technical valuation date of 31 March 2023 of approx. EURm 9,267.

393 The discounted earnings value or equity value as of 31 March 2023 was then compounded to the valuation date of 5 May 2023 and amounts to EURm 9,323.

Table 32: Calculation of the discounted earnings value

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Net distributions	343	364	399	394	427	441	466	392	393	535
Discount rate	6.48%	6.58%	6.67%	6.52%	6.53%	6.34%	6.32%	6.30%	6.15%	4.62%
Present value factor	0.9392	0.9383	0.9375	0.9388	0.9387	0.9404	0.9406	0.9408	0.9421	21.6619
Present value BOY	9,267	9,524	9,787	10,040	10,301	10,547	10,775	10,990	11,290	11,591
Earnings value as of 31 March 2023	9,267									
Compounding factor	1.0060									
Earnings value as of 5 May 2023	9,323									

Source: Own calculations.

6.1.2. Special values

394 In order to derive the business value, the shareholdings held by the company were added to the equity value as a special value.

395 These relate to the non-consolidated shareholdings of Vantage of 33.17 % in INWIT and of 50.0 % in Cornerstone as well as the participations of 100 % each in Vantage Towers Erste Verwaltungsgesellschaft mbH and Vantage Towers Zweite Verwaltungsgesellschaft mbH which are not part of the business plan.

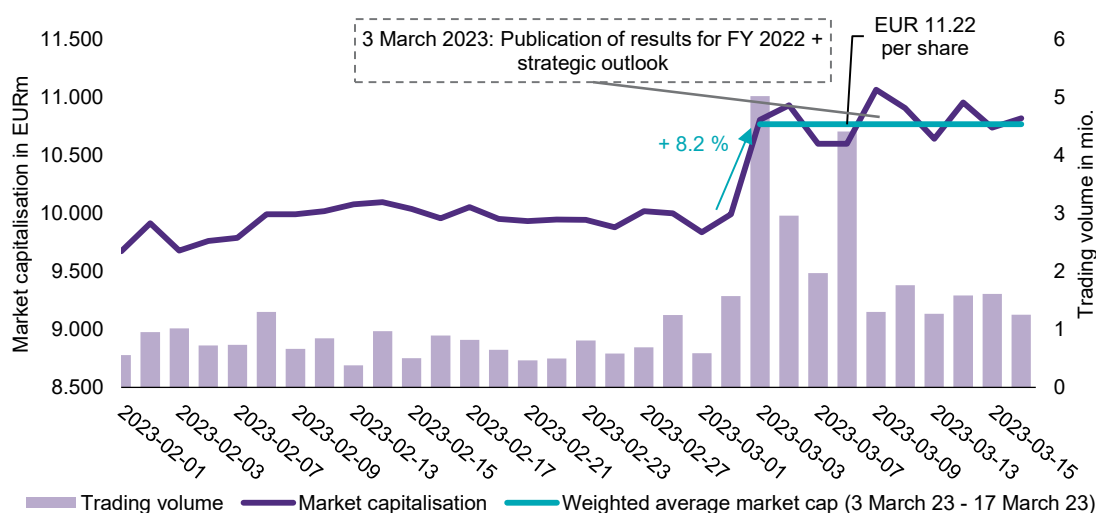
6.1.2.1. INWIT

396 As INWIT's shares are listed on the stock exchange, the value of Vantage's shareholding was derived based on the stock market price or the share in the market capitalisation.

397 On 3 March 2023, INWIT published its results for fiscal year 2022 along with a strategic outlook and dividend guidance. As a result, the share price increased by 8.2 %, as can be seen in the following figure. Therefore, we do not consider it appropriate to include share price data prior to publication of this new information. Against this background, we have calculated the average price weighted by trading volume for the period 3 March 2023 to 20 March 2023.

398 The development of the market capitalisation, the trading volume and the market capitalisation based on the average price weighted by trading volume are shown below:

Figure 19: Development of market capitalisation of INWIT



Source: Own calculation based on S&P Capital IQ.

399 This results in an average market capitalisation weighted by trading volume over the period 3 March 2023 to 20 March 2023 of INWIT of EURm 10,773. This value has been derived based on the average share price weighted by trading volume of EUR 11.22 and an outstanding number of shares of 960,200,000.

400 The value of the shareholding of Vantage in INWIT for the 318,533,335 shares held, or 33.17 %, is therefore **EURm 3,574** and was included separately in the valuation as a special value.

401 In addition, we have performed a simplified valuation of the equity value as of 5 May 2023 based on the discounted earnings approach after personal taxes considering the business plan provided by the management of Vantage. This business plan was developed by Vantage based on consensus estimates³⁸, as Vantage does not have access to internal business plan data. The business plan includes a rough forecast of the operational results based on key available data (e. g. revenues, EBITDA, EBITDAaL and EBIT) and on the cash flow data for fiscal years 2023 to 2030. Since long-term data until 2030 is not available for all analyst forecasts, Vantage has extrapolated to 2030 based on available long-term analyst forecasts. The planning reflects the current expectations of Vantage's management regarding the development of INWIT's revenues and expenses, taking into account publicly available data on INWIT (esp. analyst estimates and INWIT's own published forecast), Vantage's own market expertise and Vantage's experience as a shareholder of INWIT.

³⁸ The business plan considers only analyst forecasts following the publication of the 2022 financial figures on 3 March 2023. The following analyst forecasts were used: UBS as of 2 March 2023, Barclays as of 6 March 2023, Santander as of 3 March 2023, Kepler as of 2 March 2023, Goldman Sachs as of 2 March 2023, BNP Paribas as of 3 March 2023 and Bank of America as of 7 March 2023.

402 The result of our simplified valuation is below the average price weighted by trading volume for the period from 3 March 2023 to 20 March 2023. Therefore, based on this own valuation of INWIT using the discounted earnings approach based on available analyst expectations, we have found no evidence that the underlying share price underestimates the intrinsic value of INWIT.

6.1.2.2. Cornerstone

403 In order to determine the special value of Vantage's participation in Cornerstone, we have performed a simplified calculation of the equity value as of 5 May 2023 using the discounted earnings approach after personal taxes based on the P&L and cash flow planning provided to us by Vantage's management. The planning period covers the period from 1 April 2023 to 31 March 2032. The business plan is denominated in British pounds (GBP). The figures for FY 2023FC are based on a projection as 30 September 2022 (6+6) with status as of December 2022. The balance sheet as at 31 January 2023 on which the valuation is based has been extrapolated to 31 March 2023 in a simplified manner. The planning is dated 14 September 2022 and was prepared in consultation between Vantage's management and Cornerstone. The planning was approved by Vantage's management and reflects their current expectations.

404 Below we describe the planning for Cornerstone and the valuation of the special value for the participation of Vantage in Cornerstone.

Earnings planning

405 The following table shows Cornerstone's business plan (until EBIT) for the FY 2024 to 2032, compared to the historical result for FY 2022 and the current projection for FY 2023FC:

Table 33: Cornerstone's earnings planning from FY 2022 to 2032 in GBP

GBPm	2022A ¹	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	CAGR 23-32
Anchor revenues	264	277	283	294	297	298	299	303	308	313	318	1.5%
Third party revenue	13	14	15	18	21	27	30	34	38	40	43	13.8%
Other Revenue	14	15	13	11	8	9	9	9	10	10	10	(4.5%)
Total revenue (excl. capex recharge revenue)	291	306	311	322	327	333	338	347	356	363	371	2.2%
Pass through	74	85	88	96	103	109	117	122	126	130	132	5.0%
Total revenue	365	391	398	418	429	443	455	468	483	493	504	2.9%
Site maintenance	(17)	(19)	(19)	(19)	(20)	(21)	(21)	(22)	(23)	(23)	(24)	2.6%
Payroll	(18)	(21)	(19)	(19)	(19)	(20)	(20)	(21)	(21)	(21)	(22)	0.5%
Other OPEX	(22)	(20)	(20)	(22)	(23)	(28)	(27)	(29)	(31)	(30)	(32)	5.1%
EBITDA	308	331	341	357	367	375	386	397	408	418	426	2.9%
Ground lease cost	(109)	(114)	(117)	(117)	(112)	(105)	(100)	(97)	(94)	(92)	(90)	(2.7%)
Pass through	(73)	(82)	(87)	(95)	(102)	(108)	(116)	(120)	(125)	(129)	(131)	5.4%
EBITDAaL	126	135	137	146	153	162	170	179	188	197	206	4.8%
Depreciation	(74)	(76)	(80)	(82)	(83)	(86)	(73)	(52)	(52)	(52)	(49)	(4.8%)
EBIT	51	59	57	64	70	76	97	127	137	145	157	11.4%
Financial KPIs												
Revenue yoy	n/a	7.2%	1.9%	5.0%	2.7%	3.1%	2.7%	3.0%	3.0%	2.1%	2.2%	
EBITDA margin	84.4%	84.7%	85.6%	85.5%	85.4%	84.7%	84.9%	84.7%	84.6%	84.8%	84.6%	
EBITDAaL margin	43.1%	44.1%	44.1%	45.3%	46.9%	48.6%	50.3%	51.6%	52.9%	54.2%	55.4%	
EBIT margin	17.6%	19.4%	18.3%	19.9%	21.3%	22.9%	28.6%	36.7%	38.4%	39.9%	42.2%	
Operational KPIs												
Number of macro sites (EoP in k)	14,532	14,937	15,384	15,457	15,492	15,533	15,576	15,619	15,662	15,705	15,748	0.6%
Number of macro sites tenants (EoP in k) ²	17,296	18,460	19,435	19,435	19,960	20,013	20,181	20,437	20,697	20,951	21,140	1.5%
Macro site tenancy ratio (EoP) ²	1.19	1.24	1.26	1.26	1.29	1.29	1.30	1.31	1.32	1.33	1.34	0.9%

¹ Consideration of adjustments made by Cornerstone in FY 2022 due to extraordinary data.

² The operational KPI for the number of tenants per macro site is taken from the planning status from September 2022.

Source: Company information, own illustration.

- 406 Cornerstone's **revenues** mainly include revenues from the anchor tenants Telefonica and Vodafone (in FY 2023FC: approx. 90.7 %), third parties (in FY 2023: approx. 4.4 %) and other revenue (in FY 2023FC: approx. 4.9 %). Based on the FY 2023FC, revenues are planned to increase from approx. GBPm 306 to approx. GBPm 371 in the planning year 2032. This corresponds to an average annual growth of approx. 2.2 %.
- 407 The **anchor revenue** projections envisage annual growth of around 1.5 % from GBPm 277 in FY 2023FC to GBPm 318 in FY 2032. The anchor revenue is mainly generated in the macro sites (roughly 98.0 % of total rental income from anchor tenants). These are planned with price-related increases and growth of the tenants. Revenues from micro sites of anchor tenants include small cells and micro cells and increase above-average until FY 2032. In this category, significant growth in the number of tenants is expected, with the proportion of small cells with lower MSA rates increasing over the planning period. As a separate item, a reduction in revenue is planned against the background of the introduction of the UK Government's Electronic Communications Code (ECC). The majority of savings will be passed on to the MNOs, increase to approximately GBPm 37 in FY 2032. Cumulative revenue reductions of around GBPm 194 are expected over the planning period. The UK government's aim is to facilitate and cheapen the roll-out of broadband and telecommunications infrastructure so that rent to landowners is reduced. The increasing demand results from the roll-out of 5G technology, the increase in mobile data traffic and the requirements to cover the area with mobile internet.
- 408 **Third party revenues** increase at a compound annual growth rate of 13.8 % p. a. from GBPm 14 in FY 2023FC to GBPm 43 in FY 2032. Third party revenues include rental income and other income. For the planning of rental income with third parties, price-related growth rates and an increase in tenants per site have been considered. The increase in tenants per site by third parties leads to an increase in the tenancy ratio. Based on FY 2022, the tenancy ratio rises from 1.19x in FY 2023FC to 1.34x in FY 2032. However, the ratio is below Vantage's projected tenancy ratio of 1.72x in FY 2032, since the vast majority of third party tenants are from so-called RAN sharing agreements which are each only counted as 1.0x tenant per site. The UK has a much higher proportion of RAN sharing in comparison to other markets. Additionally, both anchor tenants profit from the RAN sharing. Other revenues include revenues from new business areas such as micro sites and show a disproportionate increase against the background of the planned expansion of micro sites.
- 409 **Other revenues**, which are expected to decrease from GBPm 15 in FY 2023FC to GBPm 10 in FY 2032, include services (management fees) and other service revenues. Management fees are expected to grow at an annual rate of 5.7 %. Other service revenue comprises optional services provided by Cornerstone at a margin of approx. 2.5 %. From FY 2026 onwards, these services are no longer planned because they are expected to be executed by the MNOs themselves over time as they largely relate to active infrastructure.
- 410 Expenses for **site maintenance** increase from GBPm 19 in FY 2023FC to GBPm 24 in FY 2032 (CAGR 2.6 %). The growth in site maintenance expenses is mainly driven by price-related increases as well as increases in the number of macro and micro locations in the business plan.
- 411 **Payroll** expenses are planned to increase from GBPm 21 in FY 2023FC to GBPm 22 in FY 2032. The planned average number of employees is assumed to remain on a stable level compared to FY 2023FC.
- 412 The planned **other OPEX** increase from GBPm 20 in FY 2023FC to GBPm 32 in FY 2032 (CAGR 5.1 %). The development is driven by inflationary cost increases, efficiency improvements and the discontinuation of expenses related to other services from 2026 onwards (cf. para. 409).

413 As a result of the development described above, the planned **EBITDA** increases from GBPm 331 in FY 2023FC to GBPm 426 in FY 2032. The planned EBITDA margin in FY 2032 of 84.6 % is approximately at the same level as the EBITDA margins in FY 2022 of 84.4 % and 84.7 % in FY 2023FC.

414 Cornerstone uses a pre-IFRS 16 approach in its financial ratios. Therefore, the **ground lease costs** include the cash-relevant ground lease costs. The planned ground lease costs decrease from GBPm 114 in FY 2023FC to GBPm 90 in FY 2032 (CAGR - 2.7 %) due to expected effects of the ECC regulations. Most of the cost savings from the ECC will be passed on to the MNOs. Roughly 30.0 % of the funds generated from the expected savings through the ECC remain with Cornerstone and will be used for further expansion.

415 The **pass-through** capital expenditure increases from GBPm 82 in FY 2023FC to GBPm 131 (CAGR 5.4 %) in FY 2032. These are charged on to MNOs at a margin of around 1.0 %.

416 Projected **EBITDAaL** increases from GBPm 135 in FY 2023FC to GBPm 206 in FY 2032 (CAGR 4.8 %). The EBITDAaL margin increases from 44.1 % in FY 2023FC to 55.4 % in FY 2032, in particular due to the expansion of the portfolio and the associated economies of scale.

417 Planned **depreciation** includes depreciation on existing fixed assets and depreciation on planned investments. Capital expenditures consist of maintenance capital expenditures and growth capital expenditures. Maintenance investments are between GBPm 8.8 and GBPm 10.0 in the planning period from FY 2024 until FY 2032. Growth investments mainly include investments for new sites as well as for modernisation of existing sites. Growth investments are planned to decrease in total in the planning period from GBPm 89.9 in FY 2024 to GBPm 25.6 in FY 2032. The depreciation period is identical to that of Vantage (see para. 311). The towers are depreciated over 25 years., modernization investments over 15 years and other capex and capitalised personnel costs over 5 years. The planned depreciation initially increases from GBPm 76 in FY 2023FC to GBPm 86 in FY 2027. For the period thereafter, depreciation is expected to decrease. The decrease is mainly due to an extension of the depreciation period on new towers from 15 years to 25 years, thus resulting depreciation on new assets is lower than that for existing assets. Overall, planned depreciation decreases to GBPm 49 in FY 2032 despite the increase in the number of planned sites.

418 As a result, budgeted EBIT increases from GBPm 59 in FY 2023FC to GBPm 157 in FY 2032, with EBIT margin increasing from 19.4 % in FY 2023FC to 42.2 % in FY 2032, respectively.

Earnings planning incl. sustainable result in GBP

419 The detailed business plan for the planning period 2024 to 2032 up to EBIT forms the basis for the valuation of Cornerstone. We have generally adopted this planning for the purposes of the valuation. Based on the last year of the business plan (2032), we have developed the results for the years 2033 et seq. with the assumed sustainable growth rate of 1.5 % p.a. (cf. section 5.3).

420 In the context of the valuation of Cornerstone, we recalculated the interest result on the basis of an integrated financial planning calculation. In doing so, interest expenses for the already drawn credit line as well as for the additional financing requirements in the planning period were taken into account.

421 In deriving the interest result from the credit line, we have considered the existing contractual financing conditions and maturities.

422 For the additional (re-)financing requirement, the borrowing costs were derived on the basis of a yield curve of industrial bonds in EUR (source: S&P Capital IQ). The rating we used as a basis was analogous to the Vantage rating of BBB- and was derived on the basis of yield curves for the rating

classes from BBB- to BBB+ of the financial information service provider Standard & Poor's. The result is a borrowing rate of 4.00 % p. a.

423 We recalculated corporate taxes in the context of the valuation, taking into account a corporate tax rate for the UK of 19.0 % for the years 2023 and 2024 and 25.0 % for the period from 2025 onwards. We have taken into account a tax loss carry forward of around EURm 105 as of 31 March 2022 and assumed that it will be completely used up in 2025.

Table 34: Earnings planning of Cornerstone incl. sustainable result in GBP

GBPm	2022A ¹	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Anchor revenues	264	277	283	294	297	298	299	303	308	313	318	323
Third party revenue	13	14	15	18	21	27	30	34	38	40	43	44
Other Revenue	14	15	13	11	8	9	9	9	10	10	10	10
Total revenue (excl. capex recharge revenue)	291	306	311	322	327	333	338	347	356	363	371	377
Pass through	74	85	88	96	103	109	117	122	126	130	132	134
Total revenue	365	391	398	418	429	443	455	468	483	493	504	511
Site maintenance	(17)	(19)	(19)	(19)	(20)	(21)	(21)	(22)	(23)	(23)	(24)	(24)
Payroll	(18)	(21)	(19)	(19)	(19)	(20)	(20)	(21)	(21)	(21)	(22)	(22)
Other OPEX	(22)	(20)	(20)	(22)	(23)	(28)	(27)	(29)	(31)	(30)	(32)	(32)
EBITDA	308	331	341	357	367	375	386	397	408	418	426	433
Ground lease cost	(109)	(114)	(117)	(117)	(112)	(105)	(100)	(97)	(94)	(92)	(90)	(91)
Pass through	(73)	(82)	(87)	(95)	(102)	(108)	(116)	(120)	(125)	(129)	(131)	(133)
EBITDAaL	126	135	137	146	153	162	170	179	188	197	206	209
Depreciation	(74)	(76)	(80)	(82)	(83)	(86)	(73)	(52)	(52)	(52)	(49)	(27)
EBIT	51	59	57	64	70	76	97	127	137	145	157	182
Net finance costs	(2)	(18)	(14)	(8)	(6)	(4)	(3)	(1)	(1)	(0)	0	1
EBT	49	41	43	56	63	72	94	126	136	144	157	183
Income tax expenses	(14)	-	-	(8)	(16)	(18)	(24)	(32)	(34)	(36)	(39)	(46)
Profit for the period	36	41	43	48	48	54	71	95	102	108	118	137

¹ Consideration of adjustments made by Cornerstone in FY 2022 due to extraordinary data.

Source: Company information, own illustration.

Derivation of the net distributions to be discounted

424 We have converted the annual surpluses planned in GBP by applying the forward rate for the EUR/GBP exchange rate (source: Bloomberg).

425 Based on the expected net profit of Cornerstone, the net distributions were derived as follows:

Table 35: Net distributions of Cornerstone to be discounted in EUR

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Profit for the period in GBP	43	48	48	54	71	95	102	108	118	137
Exchange rate EUR/GBP	1.117	1.105	1.094	1.084	1.076	1.072	1.068	1.056	1.050	1.050
Profit for the period in EUR	48	53	52	58	76	101	109	114	124	144
Growth related change of capital structure	-	-	-	-	-	-	-	-	-	(0)
Bruttoausschüttung	48	53	52	58	76	101	109	114	124	144
Value contribution from dividends	39	43	42	47	61	81	87	91	99	72
Value contribution from notional retention	10	11	10	12	15	20	22	23	25	72
Withholding tax	(10)	(11)	(11)	(12)	(16)	(21)	(23)	(24)	(26)	(19)
Capital gains taxes	(1)	(1)	(1)	(2)	(2)	(3)	(3)	(3)	(3)	(9)
Net distribution	37	41	40	44	58	77	83	87	94	115

Source: Own calculation.

Discount rate

426 The net distributions were discounted on the basis of the following discount rates:

Table 36: Discount rates of Cornerstone

	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Risk-free rate before personal tax	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Personal income taxes	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)	(0.59%)
Risk-free rate after personal tax	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%
Market risk premium after personal tax	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Beta unlevered	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Debt / equity ratio	16.94%	9.05%	6.94%	4.80%	2.77%	1.41%	0.90%	0.34%	(0.26%)	(0.77%)
Credit spread	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Debt beta	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Beta levered	0.72	0.69	0.68	0.67	0.66	0.66	0.65	0.65	0.65	0.65
Risk premium after personal tax	4.15%	3.96%	3.91%	3.86%	3.81%	3.77%	3.76%	3.75%	3.73%	3.72%
Growth rate										(1.50%)
Cost of equity	5.81%	5.62%	5.56%	5.51%	5.46%	5.43%	5.42%	5.40%	5.39%	3.88%

Source: Own calculation.

427 The underlying input parameters are identical to the parameters used for the valuation of Vantage (cf. section 5). The debt-equity ratio was derived on the basis of the period-specific leverage ratio of Cornerstone.

Discounted earnings value of Cornerstone

428 The expected net distributions of Cornerstone were first discounted to the technical valuation date of 31 March 2023. The result is a discounted earnings value of Cornerstone as of the valuation date 5 May 2023 in the amount of approximately EURm 2,259. Taking into account Vantage's shareholding of 50.0 %, the value of the participation in Cornerstone amounts to EURm 1,129.

Table 37: Derivation of Cornerstone's equity value

EURm	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Distributed earnings	37	41	40	44	58	77	83	87	94	115
Cost of equity	5.81%	5.62%	5.56%	5.51%	5.46%	5.43%	5.42%	5.40%	5.39%	3.88%
Present value factor	0.9451	0.9468	0.9473	0.9478	0.9482	0.9485	0.9486	0.9487	0.9489	25.8052
Present value beginning of the period	2,246	2,340	2,431	2,526	2,621	2,706	2,776	2,843	2,910	2,972
Equity value 31 March 2023	2,246									
Compounding factor	1.0054									
Equity value as of 5 May 2023	2,259									
Pro rata equity value (50 %)	1,129									

Source: Own calculation.

6.1.2.3. Other participations

429 The participations in Vantage Towers Erste Verwaltungsgesellschaft mbH and in Vantage Towers Zweite Verwaltungsgesellschaft mbH, two empty shelf companies, were considered in the valuation with their book-value of equity as of 31 March 2023 of EURm 0.025 each.

6.1.2.4. Overview special values

430 The special values considered in the scope of the valuation of Vantage as of 5 May 2023 are summarised in the following table:

Table 38: Overview special values

EURm	5 May 2023
Cornerstone	1,129
INWIT	3,574
Vantage Towers AG Erste and Zweite Verwaltungsgesellschaft mbH	0.05
Special values	4,703

Source: Own calculation.

431 According to Vantage, there are no other special values besides those already reflected in the discounted earnings value of Vantage that have to be taken into account.

6.1.3. Business value of Vantage (before contractual effects)

432 Including the special values, we have determined a business value for Vantage of approx. **EURm 14,027** as of the relevant valuation date 5 May 2023.

Table 39: Business value of Vantage incl. special values

EURm	5 May 2023
Vantage Towers AG - Stand Alone	9,323
Cornerstone	1,129
INWIT	3,574
Vantage Towers AG Erste and Zweite Verwaltungsgesellschaft mbH	0.05
Vantage Towers AG incl. participations	14,027

Source: Own calculation.

433 In addition, we considered a separate value for the impact from the contractual agreements between the transaction parties from the adjustment of the current Master Service Agreements with the Vodafone Group as of the closing date regarding future inflation-induced rental adjustments (cf. section 6.2).

6.1.4. Reasonableness of the business value

434 To verify the plausibility of our valuation of Vantage and Cornerstone based on internal company data using the discounted earnings method, we have carried out a comparative analysis based on public capital market data. Such multiplier valuations are only simplified, lump-sum valuations and therefore serve only for plausibility purposes. Earnings and market capitalisation data of listed comparable companies ("trading multiples") as well as financial data on comparable transactions ("transaction multiples") were the basis for the multiple valuation.

6.1.4.1. Trading multiples

435 For tower operators, EBITDAaL is an important KPI as lease expenses are considered part of the operating business. Therefore, we derived the multiples based on EBITDAaL.

436 Our analysis was based on capital market data for the derived peer group (cf. section 5.2.2). To
calculate the multiples, we have taken a different approach depending on the underlying account-
ing standard:

437 For the calculation of the multiples of the companies reporting under IFRS (Cellnex Telecom, S.A.
and INWIT), we derived the forecast EBITDAaL for the years 2023 to 2026 on the basis of analyst
reports made available to us since there is no information on EBITDAaL provided by S&P Capital
IQ.

438 We have derived the EBITDAaL multiples of the companies reporting under U.S. GAAP in a simpli-
fied manner based on analyst forecasts for EBITDA against the background that under U.S. GAAP
the major portion of lease liabilities is reported as operating leases and is therefore included in ex-
penses within EBITDA. For the calculation we used consensus estimates of analysts for EBITDA
figures for the years 2023 to 2026 provided by the financial information provider S&P Capital IQ.

439 With regard to these consensus estimates of analysts for EBITDA, a reconciliation from EBITDA to
EBITDAaL had to be made. For this purpose, the EBITDAaL reported in the latest annual financial
statements was alternatively extrapolated for the years 2023 to 2026 on the basis of the growth
rates for EBITDA estimated by analysts. For simplicity's sake, it was assumed that the ratio of leas-
ing expenses to EBITDA remains constant.

440 The total enterprise value of the peer group companies was determined by taking the market capi-
talization as of 20 March 2023 and adding the available net debt as of the last reporting date. In
this context, the leasing liabilities reported in the net debt position of the peer group companies
were adjusted, as the leasing expenses are already included in EBITDAaL

441 It must be taken into account that analyst forecasts of the financial information provider S&P Capi-
tal IQ are reported for calendar years. For comparability with Vantage's and Cornerstone's fiscal
year, which differs from the calendar year, the EBITDAaL multiples derived on the basis of the fore-
cast data for the years 2023 to 2026 were transformed by taking into account 75 % of the respec-
tive prior year and 25 % of the data for the year under consideration.

442 As a result, the following EBITDAaL multiples were determined for the peer group:

Table 40: Overview of EBITDAaL multiples of the peer group*

	2024P	2025P	2026P
Cellnex Telecom, S.A.	18.8x	17.2x	15.8x
Infrastrutture Wireless Italiane S.p.A.	19.9x	17.7x	16.4x
American Tower Corporation	20.2x	19.5x	18.5x
Crown Castle Inc.	18.3x	18.5x	18.1x
SBA Communications Corporation	21.9x	20.8x	19.9x
Min	18.3x	17.2x	15.8x
Mean	19.8x	18.7x	17.7x
Median	19.9x	18.5x	18.1x
Max	21.9x	20.8x	19.9x

Source: Own calculations based on S&P Capital IQ as of 20 March 2022.

a) Reasonableness of the business value of Vantage

443 We have applied the determined EBITDAaL multiples to Vantage's planned EBITDAaL for the fi-
nancial years 2024 to 2026.

444 Taking into account the net debt and the special values for participations, we have derived the following ranges for the business values as of 5 May 2023:

Table 41: Valuation of Vantage based on trading multiples

EURm	2024P	2025P	2026P
<u>Multiples</u>			
Min	18.3x	17.2x	15.8x
Mean	19.8x	18.7x	17.7x
Median	19.9x	18.5x	18.1x
Max	21.9x	20.8x	19.9x
EBITDAaL after GT adjustments	592	669	769
<u>Entity value</u>			
Min	10,853	11,514	12,112
Mean	11,729	12,533	13,618
Median	11,773	12,353	13,881
Max	12,947	13,911	15,285
Net debt as of 31 March 2022	(1,988)	(1,988)	(1,988)
Compounding factor as of 5 May 2023	1.0060	1.0060	1.0060
Special value participations as of 5 May 2023	4,703	4,703	4,703
<u>Company value</u>			
Min	13,621	14,286	14,888
Mean	14,503	15,311	16,403
Median	14,547	15,131	16,667
Max	15,728	16,698	18,080

Source: Own calculation based on the business plan and S&P Capital IQ.

445 The calculated business value for Vantage incl. special values based on the discounted earnings method of EURm 14,027 (cf. section 6.1.3) is at the lower end of the range of business values based on EBITDAaL trading multiples of EURm 13,621 to EURm 18,080. Based on the results of the comparative valuation using trading multiples, we consider the derived business value of around EURm 14,027 to be plausible.

b) Reasonableness of the equity value of Cornerstone

446 We have applied the determined EBITDAaL multiples to Cornerstone's planned EBITDAaL for the financial years 2024 to 2026.

447 Taking into account the net debt, we have derived the following ranges for the equity values as of 5 May 2023:

Table 42: Valuation of Cornerstone based on trading multiples

EURm	2024P	2025P	2026P
Multiples			
Min	18.3x	17.2x	15.8x
Mean	19.8x	18.7x	17.7x
Median	19.9x	18.5x	18.1x
Max	21.9x	20.8x	19.9x
EBITDAaL	153	161	167
Entity value			
Min	2,804	2,775	2,638
Mean	3,031	3,021	2,966
Median	3,042	2,978	3,023
Max	3,345	3,353	3,329
Net debt as of 31 March 2022	(380)	(380)	(380)
Compounding factor as of 5 May 2023	1.005	1.005	1.005
Company value			
Min	2,437	2,408	2,270
Mean	2,665	2,655	2,599
Median	2,676	2,611	2,657
Max	2,981	2,989	2,964

Source: Own calculations based on business plan and S&P Capital IQ.

448 The calculated equity value for Cornerstone based on the discounted earnings method of EURm 2,259 (cf. section 6.1.2.2) is near the lower end of the range of values derived with EBITDAaL trading multiples of EURm 2,270 to EURm 2,981. Based on the results of the comparative valuation approach with trading multiples, we consider the derived equity value of around EURm 2,259 to be plausible.

6.1.4.2. Transaction multiples

449 For the analysis of the transaction multiples, we analysed completed transactions in the period from June 2020 to March 2023 that were carried out in the tower industry in Europe. The basis for this was the database of financial information service providers. We identified the following transactions as comparable:

Table 43: Overview of transaction multiples

Buyers/investor	Target	Date	Enterprise value	EBITDAaL Accounting	EBITDAaL-Multiple
Alecta Pensionsförsäkring, ömsesidigt; Brookfield Infrastructure Partners L.P.	Tower Business of Telia ¹	30 June 2021	1,524,000	56,000 pre IFRS 16	27.2x
Brookfield Asset Management Inc.; Alecta Pensionsförsäkring, ömsesidigt	Tower business in Sweden of Telia ¹	1 June 2022	11,224,490	398,010 pre IFRS 16	28.2x
American Tower Corporation	Telxius Telecom S.A. ¹	13 January 2021	9,400,000	390,000 pre IFRS 16	24.1x
Cellnex Telecom, S.A.	Hivory S.A.S. ²	3 February 2021	5,200,000	240,000 post IFRS 16	21.7x
Cellnex Telecom, S.A.	30,000 telecommunication European sites from CK Hutchison ²	12 November 2020	10,000,000	440,000 post IFRS 16	22.7x
Cellnex Telecom, S.A.	7,000 sites from Play in Poland ²	23 October 2020	2,633,000	142,000 post IFRS 16	18.5x
Telxius Telecom S.A.	Approximately 10,100 mobile sites of Telefónica Deutschland Holding AG ¹	4 June 2020	15,000,000	n/a n/a	23.0x
DigitalBridge Group, Inc.; Brookfield Infrastructure Partners L.P.	GD Towers ¹	1 February 2023	17,500,000	640,000 pre IFRS 16	27.3x
Min					18.5x
Mean					24.3x
Median					24.1x
Max					28.2x

Source: ¹ Company information; ² Analyst estimates of Redburn as of closing date of the transaction.

450 As the transaction multiples are determined on the basis of historical earnings figures of the target companies in the period from 2020 to 2023, they were applied to earnings figures of Vantage and Cornerstone for the financial years 2022 and 2023.

a) Reasonableness of the business value of Vantage

451 The derivation of the business value as of 5 May 2023 of Vantage based on the transaction multiples considering the net debt and special values of the participations is as follows:

Table 44: Valuation of Vantage based on transaction multiples

EURm	2022A	2023FC
Multiples		
Min	18.5x	18.5x
Mean	24.3x	24.3x
Median	24.1x	24.1x
Max	28.2x	28.2x
EBITDAaL after GT adjustments	545	561
Entity value		
Min	10,107	10,411
Mean	13,237	13,635
Median	13,138	13,533
Max	15,373	15,835
Net debt as of 31 March 2023	(1,988)	(1,988)
Compounding factor as of 5 May 2023	1.006	1.006
Special value participations as of 5 May 2023	4,703	4,703
Business value		
Min	12,871	13,177
Mean	16,020	16,420
Median	15,921	16,318
Max	18,168	18,634

Source: Own calculation based on the company information.

452 The calculated business value for the Vantage using the discounted earnings method of EURm 14,027 (cf. section 6.1.3.) is in the range for the business value based on transaction multiples of EURm 12,871 to EURm 18,634. Based on the results of the comparative valuation using transaction multiples, we consider the derived business value of approx. EURm 14,027 to be plausible.

b) Reasonableness of the equity value of Cornerstone

453 The derivation of the equity value as of 5 May 2023 of Cornerstone based on the transaction multiples is as follows:

Table 45: Valuation of Cornerstone based on transaction multiples

EURm	2022A	2023FC
Multiples		
Min	18.5x	18.5x
Mean	24.3x	24.3x
Median	24.1x	24.1x
Max	28.2x	28.2x
EBITDAaL	149	152
Entity value		
Min	2,763	2,826
Mean	3,619	3,701
Median	3,592	3,673
Max	4,203	4,298
Net debt as of 31 March 2023	(380)	(380)
Compounding factor as of 5 May 2023	1.005	1.005
Equity value		
Min	2,396	2,459
Mean	3,256	3,338
Median	3,229	3,311
Max	3,843	3,939

Source: Own calculation based on the company information.

454 The calculated equity value for Cornerstone, based on the discounted earnings method, of EURm 2,259 (cf. section 6.1.2.2) is slightly below the range of equity values based on transaction multiples of EURm 2,396 to EURm 3,939. Based on the results of the comparative valuation using transaction multiples, we consider the derived equity value of approx. EURm 2,259 to be plausible.

6.2. Value impacts as a result of the change in shareholders

455 The contractual agreements between the parties provide for an adjustment of the current MSA with the Vodafone Group regarding inflation-induced rent adjustments (cf. section 3.2.4). Below is a separate valuation of the impacts from the contractual agreements regarding an adjustment of the current MSAs regarding inflation-induced rent adjustments.

456 The contractual adjustments do not relate to the MSAs in the UK, Greece, Hungary and Italy. The intended adjustments relate to, among other things, future inflationary price adjustments. Future inflationary price increases are henceforth to take into account a factor of 0.85 on annualised inflation and the contractual ranges for inflationary price adjustments have been adjusted to 0 % to 3.0 % for Spain, Romania, Portugal, the Czech Republic and Ireland and to -3.0 % to 3.0 % for Germany.

457 Regarding the expected future inflation-related rent adjustments, this leads to an increase in future rental income at the Vantage level which results in a positive value impact from the discounted additional income at the level of Vantage.

458 The resulting impact of the proposed adjustments to the MSAs on the business plan was provided to us by Vantage. The additional cash flows from the expected adjustment of the MSAs are as follows:

Table 46: Additional Cash Flows resulting from the expected MSA adjustment for the FY 2023FC to 2033 et seq.

EURm	2023FC	2024P	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P	2033P et seq.
Cash Flow from MSA Adjustment	0	8	16	17	15	12	10	7	5	2	2
KPIs											
yoy in %	n.a.	n.a.	110,8%	1,9%	-11,0%	-16,4%	-19,8%	-25,8%	-36,5%	-60,2%	1,5%
in % of revenues	n.a.	0,7%	1,3%	1,2%	1,0%	0,8%	0,6%	0,4%	0,3%	0,1%	0,1%

Source: Own calculation on the basis of MSA Side Letter.

459 The consideration of this adjustment increases the business value of Vantage as of 5 May 2023 by approx. EURm 57.

460 In addition, there is a possibility of an early redemption of the Vantage bonds at their nominal value as a result of the change in shareholders of Vantage. Regarding possible financing effects we have not considered any value impacts from a change in control as part of our valuation.

6.3. Value of Vantage and value per share after value impacts from contractual agreements incl. special values

461 In summary, the valuation of the shares in Vantage, taking into account the value impacts from the contractual agreements, is as follows:

Table 47: Value of Vantage after value impacts from contractual agreements

EURm	5 May 2023
Vantage Towers AG - Stand Alone	9,323
Cornerstone	1,129
INWIT	3,574
Vantage Towers AG Erste and Zweite Verwaltungsgesellschaft mbH	0.05
Vantage Towers AG incl. participations	14,027
Special value MSA	57
Vantage Towers AG incl. special values and value effects from the transaction	14,084
Number of shares	505,782,265
Value per share	27.85

Source: Own calculation.

462 The value of Vantage including the impacts from the contractual agreements amounts to EURm 14,084. Considering the outstanding number of shares as of 5 May 2023 of 505,782,265 shares, this results in a value per share of EUR 27.85.

463 According to information provided, the transaction will not result in any other changes relevant to Vantage's operating business and business plan except for the impacts from the contractual agreements considered above. In particular, no operational synergies are expected from the transaction.

464 According to the MSA Side Letter, a time shift of Vantage's obligations under the BTS programme is foreseen. However, as of the signature date of this report, no information is available on concretely planned adjustments to the BTS programme. An adjustment would in any case only result in a time delay but would not affect the planned total volume in the planning period.

465 The calculated value per share of EUR 27.85 is therefore EUR 0.96 above the level of the three-month average share price of Vantage as notified by the German Federal Financial Supervisory Authority in the amount of EUR 26.89 as of 8 November 2022 (cf. section 3.1.2.2).

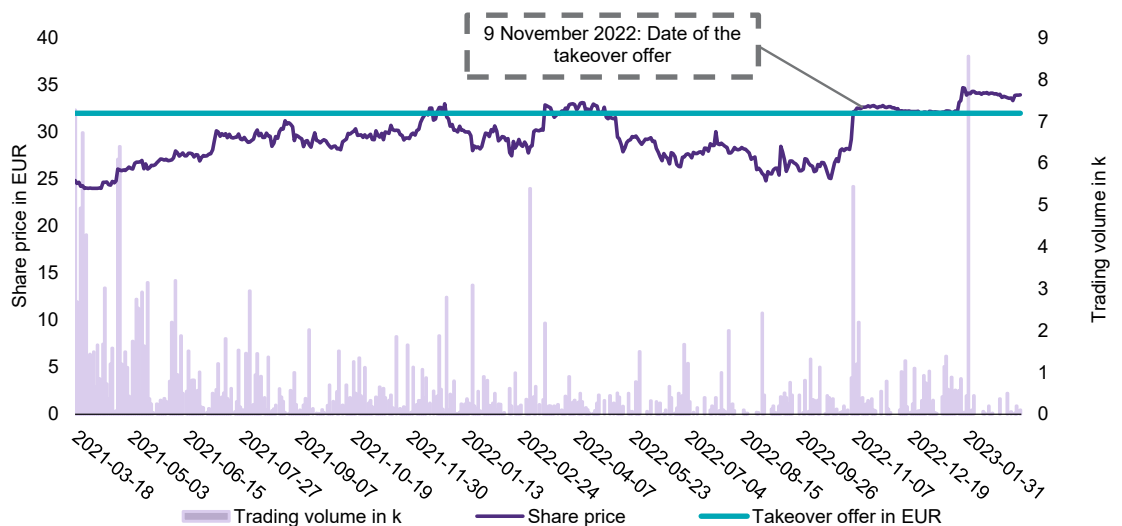
7. Stock market price of Vantage

466 In accordance with the case law of the BGH, see section 3.1.2.2, the average stock market price for a three-month reference period is the lowest limit for value when determining the reasonable cash compensation. The end of the reference period is determined by the announcement of the measure.

7.1. Analysis of the stock market price of Vantage

467 The figure below shows the stock market price of Vantage since the IPO in March 2021:

Figure 20: Development of the stock market price of Vantage since the IPO in 2021



Source: Own illustration based on S&P Capital IQ.

468 Vantage went public on 18 March 2021 at a price of EUR 24.80 per share. Vantage's share price was subject to minor fluctuations over the period until 9 November 2022 from EUR 24.01 per share on 30 March 2021 to EUR 33.12 per share on 19 April 2022. On 9 November 2022, the takeover offer was published, whereupon the price increased by 10.1 %. The increase from EUR 32.14 per share as of 27 January 2023 by 8.0 % to EUR 34.72 per share as of 1 February 2023 is mainly due to the announcement of the financial investor's Elliott purchase of Vantage shares. As of 20 March 2023, the stock market price of Vantage amounted to EUR 33.42 per share. The share prices described were obtained from Deutsche Börse AG for stock exchange in Frankfurt am Main.

469 According to the case law of the Federal Constitutional Court (BVerfG, decision of April 27, 1999 - 1 BvR 1613/94), Article 14 of the Basic Constitutional Law requires that the withdrawing shareholder receives full compensation for his shareholding in the company, which may not be less than the market value. In the case of listed companies, this cannot be determined without regard to the stock market price, except if the stock market price does not reflect the fair market value of the share. Thus, in principle, the stock market price is the lower limit of compensation for minority shareholders in the case of company agreements and incorporations.

470 The stock market price cannot be used if it does not reflect the market value of the share (BVerfG, decision of April 27, 1999 - 1 BvR 1613/94; BGH, decision of March 12, 2001 - II ZB 15/00, "DAT/Altana"). According to the case law of the Federal Court of Justice, this may be the case in particular if there has been no trading in the Company's shares for a long period of time, if individual outside shareholders are unable to sell their shares at the stock market price due to a particular market squeeze, or if the stock market price has been manipulated.

471 In the present case, regular trading in Vantage shares took place during the period under review. Based on our analyses, we see no evidence that individual shareholders were not able to sell their shares at the market price. There is also no evidence of manipulation of the stock market price. The stock market price of Vantage can therefore be used to determine the lower limit of the compensation.

7.2. Derivation of the relevant stock market average price as the lower value limit

472 According to the most recent case law of the German Federal Court of Justice (BGH, decision of 19 July 2010 - II ZB 18/09 - "Stollwerck"), the stock market value on which an appropriate cash settlement is to be based is generally to be determined on the basis of a domestic volume-weighted average price within a three-month reference period prior to the announcement of the measure. The averaging is intended to eliminate random influences and short-term distortions.

473 On this basis, the decisive factor for determining the average price of the Vantage share is the three-month average price of the Vantage share prior to the announcement of the intended measure. The announcement of the intended measure was made by means of a notification by Oak in the morning of 9 November 2022. In it, Oak signaled that it intends to conclude a domination and profit and loss transfer agreement pursuant to section 291 et seq. German Stock Corporation Act (AktG). Vantage expressly acknowledged this intention in its ad hoc announcement also published on 9 November 2022. In addition, it was announced that Oak will acquire all shares held by Vodafone GmbH in Vantage as of the publication date (413,347,708 Vantage shares, corresponding to 81.72 % of the issued share capital and voting rights of Vantage) and thus more than 75.0 % of the issued share capital of Vantage. According to case law, with regard to the three-month reference period, it is not necessary that all conditions for the implementation of the announced structural measure have already occurred. Rather, it is sufficient that the occurrence of the preconditions and thus the implementation of the measure are probable from the perspective of the capital market at the time of the announcement (OLG Frankfurt, decision dated 21 December 2010, ref. 5 W 15/10). This was the case here with the announcement of the intended conclusion of a domination and profit and loss transfer agreement, as the threshold required in section 293 (1) sentence 2 AktG for the resolution by the Annual General Meeting was clearly reached, so that the announcement of 9 November 2022 is decisive for the calculation of the three-month reference period. It is irrelevant in this context that Oak also announced in its notification of 9 November 2022 that it may also carry out a squeeze-out of the minority shareholders of Vantage in accordance with sections 327a et seq. of the German Stock Corporation Act (AktG) if a shareholding of 95 % of the capital stock is reached. As compensation for outside shareholders is prescribed by law for both a domination and profit and loss transfer agreement and a squeeze-out (Sec. 305 AktG and Sec. 327b AktG), the shareholders of Vantage had to assume that there would be compensation in any case (irrespective of which of the two measures is implemented). As a result of the announcement, the stock market valuation was changed from an expectation of the future equity value to an expectation of the future severance payment, so that speculation on the severance payment value within the

meaning of the Stollwerck case law became possible (BGH, decision dated July 19, 2010 - II ZB 18/09, para. 22 et seq.).

474 The relevant reference period for determining the three-month average price prior to the announcement of the measure is therefore the period from 9 August 2022 up to and including 8 November 2022.

475 In a letter dated 16 November 2022, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) notified the weighted three-month average stock exchange price ("valid minimum price") determined on the basis of section 5 WpÜG-AngebotsVO for the relevant period up to and including 8 November 2022, as EUR 26.89 per share.

476 According to the case law of the Federal Court of Justice (BGH), if a longer period of time elapses between the announcement of the structural measure and the date of the General Meeting and the development of the stock market prices appears to make an adjustment necessary, the stock market value is to be extrapolated in accordance with the general or typical development of the industry, taking into account the development of the stock market price since then (BGH, II ZB 18/09 - "Stollwerck": period was 7.5 months). This extrapolation is not required in cases where the measure was implemented within a normal or customary period.

477 A period of up to six to seven months can in any case be regarded as normal or usual (OLG Stuttgart, decision of 19 January 2011, 20 W 2/07, with reference to Bungert, BB 2010, 2227, 2229; Bückner, NZG 2010, 967, 970; OLG Saarbrücken, decision of 11 June 2014, 1 W 18/13, marginal no. 43; LG Stuttgart, 7 June 2019, no. 459 juris; OLG Frankfurt am Main, marginal no. 459 juris. June 2014, 1 W 18/13, marginal no. 43; LG Stuttgart, resolution of 7 October 2019, 31 O 36/16 KfH SpruchG, marginal no. 459 juris; OLG Frankfurt, resolution of 29 April 2011, 21 W 13/11 with reference to Bungert/Wettich, BB 2010, 2227, 2229; Decher, ZIP 2010, 1673, 1676).

478 In the present case, the domination and profit and loss transfer agreement was announced on 9 November 2022. The Annual General Meeting of Vantage is scheduled to pass a resolution on 5 May 2023. Thus, there is a period of five months and twenty-six days between the announcement of the measure and the General Meeting passing the resolution. As a result, there is no exceptional case present here which could justify an extrapolation of the stock market price. We have therefore refrained from extrapolating the three-month average stock market price.

8. Compensation

479 The business value of Vantage as of 5 May 2023 is approx. EURm 14,084. Based on the share capital of Vantage of 505,782,265 registered no-par value shares, a value per share of Vantage of EUR 27.85 results.

480 The average stock market price determined by BaFin for the relevant three-month period is EUR 26.89 per share which is lower than the business value of EUR 27.85 per share resulting from our valuation.

481 Therefore, the compensation needs to be calculated on the basis of the discounted earnings value.

482 Accordingly, the adequate compensation per share of Vantage equals EUR 27.85.

483 Pursuant to Section 305 AktG, the compensation must take into account the circumstances of the company at the time the General Meeting adopts the resolution. If material changes have occurred in the time between the completion of our work on 22 March 2023 and the date of adopting the resolution in the Extraordinary General Meeting of Vantage on 5 May 2023 which have an effect on the assessment of the compensation, these changes would have to be subsequently taken into account.

9. Guaranteed Dividend

9.1. Earnings per share

484 The annual payment of at least that amount which could likely be distributed as an average profit share to the individual share based on the current earnings position of the company and its future earnings prospects and taking into account reasonable depreciation and value adjustments but without establishing other profit reserves must be provided as the guaranteed dividend pursuant to Section 304 para. 2 sentence 1 AktG. This statutory provision assures that the outside shareholder receives a guaranteed dividend which corresponds in value to the average dividend the shareholder would receive without the (inter)company contract.

Table 48: Earnings per share for FY 2021 to FY 2023FC

EUR	2021A	2022A	2023FC
Earnings per share (undiluted)	0.51	0.71	0.76
Earnings per share (diluted)	0.51	0.70	

Source: Annual Report 2021, Annual Report 2022, FY 2023FC own calculation.

9.2. Determination of the average share in the profit

485 The derivation of an average fixed future profit for fluctuating earnings expectations is done mathematically correct by discounting the present value of the fluctuating earnings. The present value of the fluctuating earnings is incorporated in the discounted earnings value calculated in accordance with the principles pursuant to IDW S 1 2008.

486 The fixed guaranteed dividend payment per share results by applying an interest rate to the business value of Vantage of EURm 14,084 determined in section 6.3.

487 When determining the appropriate interest rate for calculation of the fixed guaranteed dividend payment, the risk to the recipient of the guaranteed dividend that is associated with the guaranteed dividend payment must be examined.

488 During the term of the DPLTA, the recipient of the guaranteed dividend receives the dividend payment firmly guaranteed by Oak which must be considered to be unsecure compared to a secure government bond but, on the other hand, must be considered to be more secure when compared to the risk associated with a Vantage share.

489 Uncertainty exists for the recipient of the guaranteed dividend generally with regard to the term of DPLTA and the recipient's financial position after the end of the DPLTA.

490 The interest rate relevant for the calculation of the guaranteed dividend lies between the risk-free rate and the discount rate. Since there are no indications that the inherent risk is more influenced by the lower or the upper limit, we used the mean value between the two yields. The annuity factor used to derive the DPLTA dividend is therefore calculated as the sum of the risk-free rate and half of the risk premium used in this valuation.

Table 49: Derivation of the annuity factor

Annuity factor	
Risk free rate (after personal taxes)	1.66%
Half risk-premium (after personal taxes)	2.28%
Annuity factor after personal taxes	3.94%
Withholding tax (26.38 %)	1.41%
Annuity factor before personal taxes	5.35%

Source: Own calculation.

491 The annuity factor after personal taxes thus results from the risk-free rate after personal taxes of approx. 1.66 % and a half risk premium after personal taxes of approx. 2.28 %, thus amounting to approx. 3.94 %. This corresponds to an annuity factor before personal taxes of 5.35 %.

492 The guaranteed dividend is determined by applying the business value per Vantage share of EUR 27.85 and an annuity rate of 5.35 %.

Table 50: Calculation of the DPLTA dividend

Guaranteed dividend per share (net)	EUR/share
Enterprise value as of 5 May 2023	27.85
Annuity factor before personal taxes	5.35%
Guaranteed dividend per share (net)	1.49

Source: Own calculation.

493 In summary, the guaranteed DPLTA dividend per share equals EUR 1.49 as of 5 May 2023.

9.3. Consideration of corporate income tax according to BGH case law

494 The BGH decided in an order dated 21 July 2003, II ZB 17/01, with regard to the guaranteed dividend that the outside shareholders must be promised the likely average gross profit per share that is capable of being distributed, minus the corporate income tax in the amount of the respectively valid tax rate which is to be paid by the company (on distributions) as a fixed guaranteed dividend within the meaning of Section 304 para. 1 sentence 1, para. 2 sentence 1 AktG. The BGH refers only to the burden with German corporate income tax; other domestic as well as foreign tax burdens are not taken into account. The interaction between possible changes in the corporate income tax at the level of the company and changes in the income taxation at the level of the shareholders is also not taken into account.

495 According to the above referenced BGH order, the generated profit is deemed to be the profit before corporate income tax because the amount of the corporate income tax cannot be influenced by the company alone and instead is only a result of the profit generated by the company. Especially in the case of a future lowering of the corporate income tax rate in the law, the BGH finds that there is an unjustified benefit for the company or the parent company at the expense of the outside shareholder because then a correspondingly higher amount would be available for distribution as profit than the net amount set out at one time permanently as the guaranteed dividend. In the case of such a decrease in the tax rate, a full distribution of the previously determined average available gross profit would in fact no longer take place.

496 According to the opinion of the BGH, this approach does not call into question the principle of having a fixed calculation date because when setting the guaranteed dividend, the average gross profit

available for distribution must be derived as a fixed amount from the objective value of the company so that only the organisational circumstances and the economic and legal structures of the company are determinative as they exist on the valuation date.

497 Taking into account the corporate income tax rate of 15.0 % and the solidarity surcharge of 5.5 %, thus 15.83 %, the net guaranteed dividend of EUR 1.49 per share corresponds to a gross guaranteed dividend before corporate income tax of EUR 1.60 per share. From this guaranteed dividend the future corporate income tax needs to be deducted. Under the current tax code this is 15.83 % on the profit share which is subject to corporate income tax and the solidarity surcharge, thus EUR 0.11 per share, resulting in a net guaranteed dividend of EUR 1.49 per share under the current tax code.

10. Final remarks

- 498 We were mandated to determine the business value of Vantage and the amount of appropriate compensation pursuant to Section 305 AktG and appropriate guaranteed dividend pursuant to Section 304 AktG.
- 499 The reason for our valuation is the planned conclusion of a domination and profit and loss transfer agreement pursuant to Section 291 AktG between Oak Holdings GmbH as the controlling company and Vantage Towers AG as the controlled company. The conclusion of the domination and profit and loss transfer agreement is to be resolved by the Extraordinary General Meeting of Vantage on 5 May 2023.
- 500 We have prepared this expert opinion and in particular the valuation of Vantage on the basis of the documents and the information provided to us. In addition, we have taken into account the results of our own plausibility checks. In the course of our assessment, we followed the principles of the IDW S 1 opinion as amended in 2008.
- 501 Vantage's business value amounts to around EURm 14,084 as of the valuation date 5 May 2023. Based on the no-par value share capital of Vantage divided into 505,782,265 no-par value shares, the value per Vantage share is EUR 27.85.
- 502 The average share price communicated by BaFin for the reference period considered relevant prior to the announcement of the intention to conclude a domination and profit and loss transfer agreement between Oak and Vantage is EUR 26.89 per share.
- 503 Thus, the average stock market price is below the business value per share determined by us and is therefore to be used as the lower value limit for determining the cash compensation.
- 504 The gross compensation amount derived on the basis of the business value of Vantage as determined by us is EUR 1.60 per share per year. The respective corporate income tax burden including solidarity surcharge is to be deducted from this amount in accordance with the applicable tax rate. At the currently applicable corporate income tax rate including solidarity surcharge of 15.83 %, this results in a tax deduction of EUR 0.11 per share and a compensation amount of EUR 1.49 net.
- 505 Should there be significant changes in the period between the completion of our work on 22 March 2023 and the date of the resolution of the Extraordinary General Meeting of Vantage on 5 May 2023 that affect the calculation of the severance payment and compensation, these would have to be taken into account retrospectively.

506 We have issued this expert opinion on the basis of the documents made available to us and the information provided, in compliance with the professional principles as set out in particular in Section 2 and Section 43 of the Wirtschaftsprüferordnung [Auditors' Code].

Düsseldorf, 22 March 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Martin Jonas
Wirtschaftsprüfer/Steuerberater

Dr. Alexander Budzinski

Appendices

Appendix 1

Appendix 1: Peer Group

American Tower Corporation (REIT) is a U.S. operator of wireless communications equipment. The company operates as a REIT and owns more than 170,000 data transmission and communications facilities worldwide, mostly transmission towers.

Cellnex Telecom, S.A. operates infrastructure for wireless telecommunication in Spain, Italy, the Netherlands, France, Switzerland, the UK, and Ireland. It operates through three segments: Telecom Infrastructure Services, Broadcasting Networks, and Network Services and Others. The company serves mobile network operators, broadcasters, and administrations

Crown Castle International Corp. (REIT) is a U.S. operator of telecommunications networks. The company operates as a REIT and leases more than 40,000 cell towers and approximately 80,000 route miles of fibre. This nationwide portfolio of communications infrastructure connects cities and communities to essential data, technology, and wireless service.

Infrastrutture Wireless Italiane S.p.A. operates in the electronic communications infrastructure sector in Italy. The company builds and operates towers. It serves network operators; operators with licenses for radio transmission services in other wireless technologies; broadcasting service operators; and institutions, public entities, and the armed forces.

SBA Communications Corporation is a leading provider and owner and operator of wireless communications infrastructure in North, Central, and South America, and South Africa. The company generates revenue from two primary businesses – site leasing and site development services. The primary focus of the company is the leasing of antenna space on its multi-tenant communication sites to a variety of wireless service providers under long-term lease contracts.

Appendix 2

CONVENIENCE TRANSLATION

Domination and Profit and Loss Transfer Agreement

between

OAK HOLDINGS GMBH

Ferdinand-Braun-Platz 1, 40549 Düsseldorf,

registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) Düsseldorf

(HRB 98923)

and

VANTAGE TOWERS AG

Prinzenallee 11-13, 40549 Düsseldorf,

registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) Düsseldorf

(HRB 92244)

Domination and Profit and Loss Transfer Agreement ("Agreement")

between

- (1) **Oak Holdings GmbH**, having its seat in Düsseldorf, Germany, with business address at Ferdinand-Braun-Platz 1, 40549 Düsseldorf, Germany, registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Düsseldorf under HRB 98923,

- hereinafter referred to as "**Oak Holdings**" -

and

- (2) **Vantage Towers AG** having its seat in Düsseldorf, Germany, with business address at Prinzenallee 11-13, 40649 Düsseldorf, Germany, registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Düsseldorf under HRB 92244,

- hereinafter referred to as "**Vantage Towers**" -.

1 Management Control

- 1.1** Vantage Towers submits the management control (*Leitung*) of its company to Oak Holdings. Oak Holdings is accordingly entitled to issue instructions (*Weisungen*) to the management board of Vantage Towers with regard to the management control of the company. The management board of Vantage Towers is according to sec. 308 German Stock Corporation Act (*Aktiengesetz* – "**AktG**") obliged to comply with the instructions of Oak Holdings.
- 1.2** The aforementioned right of Oak Holdings to issue instructions (Clause 1.1) shall not entitle Oak Holdings to issue the instruction to the management board of Vantage Towers to amend, maintain or terminate this Agreement.
- 1.3** Without prejudice to the authority of Oak Holdings to issue instructions, the management board of Vantage Towers continues to be responsible for the management and representation of Vantage Towers.
- 1.4** Any instructions require text form (*Textform*) or, if the instructions are issued orally, they shall be confirmed in text form without undue delay.

2 Transfer of Profit

- 2.1** Vantage Towers undertakes to transfer its entire annual profit (*Gewinnabführung*) to Oak Holdings. Subject to establishing or dissolving reserves in accordance with Clause 2.2 and Clause 2.3 of this Agreement below, the maximum amount of profit as established according to the provisions of sec. 301 AktG in its respective applicable version shall be transferred to Oak Holdings.
- 2.2** Vantage Towers may, with the written consent of Oak Holdings, allocate parts of its annual profit to other profit reserves (sec. 272 para.3 German Commercial Code, (*Handelsgesetzbuch* – "**HGB**") if and to the extent permissible under commercial law and as economically justified by reasonable commercial judgement.

- 2.3** Subject to the provisions of sec. 301 AktG in its respective applicable version, Vantage Towers shall, upon the written request of Oak Holdings, dissolve other profit reserves pursuant to sec. 272 para. 3 HGB established during the course of this Agreement and use the proceeds to compensate for any annual loss which would occur without the obligation to assume losses pursuant to Clause 3 of this Agreement or transfer the proceeds as profit. Other reserves or profits carried forward from the period prior to the effectiveness of this Agreement may neither be transferred as profit nor be used to compensate for any annual loss.
- 2.4** The obligation to transfer the annual profit applies for the first time to the entire fiscal year of Vantage Towers in which this Agreement becomes effective according to Clause 6.2 of this Agreement. The obligation according to Clause 2.1 sentence 1 becomes due upon the end of the fiscal year of Vantage Towers and shall bear interest from this point on at the interest rate stipulated by law (sections 352, 353 HGB).

3 Assumption of Losses

- 3.1** According to the provisions of sec. 302 AktG in its respective applicable version, Oak Holdings is obliged to compensate any annual loss of Vantage Towers occurring during the term of this Agreement.
- 3.2** The obligation to assume any losses applies for the first time to the entire fiscal year of Vantage Towers in which this Agreement becomes effective according to Clause 6.2 of this Agreement. Clause 2.4 sentence 2 applies accordingly to the obligation to assume any losses.

4 Recurring Compensation Payment

- 4.1** Oak Holdings undertakes to pay to the outside shareholders of Vantage Towers a recurring annual cash compensation ("**Recurring Compensation Payment**") (*Ausgleichszahlung*) from and including the fiscal year of Vantage Towers in relation to which the claim of Oak Holdings for the transfer of the annual profit under Clause 2 takes effect, and for the further duration of this Agreement.
- 4.2** The Recurring Compensation Payment amounts for each full fiscal year of Vantage Towers for each no-par value registered shares (*nennwertlose Namensaktien*) in Vantage Towers, representing a mathematical portion of EUR 1.00 in the share capital (each "**Vantage Towers Share**" and all "**Vantage Towers Shares**") to a gross sum (*Bruttobetrag*) of EUR [1.60] minus the amount of any corporate income tax and the solidarity surcharge in accordance with the respective tax rate applicable for these taxes for the relevant fiscal year, whereby this deduction is to be calculated only on the basis of the pro rata gross sum of EUR [0.68] per Vantage Towers Share resulting from profits which are subject to German corporate income tax. Based on the situation at the time of conclusion of this Agreement, the pro rata gross sum of EUR [0.68] for each Vantage Towers share, which relates to profits made by Vantage Towers being subject to the German corporate income tax, is subject to a deduction of 15% corporate income tax plus 5.5% solidarity surcharge, that is EUR [0.11]. Together with the remaining pro rata gross sum of EUR [0.92] for each Vantage Towers Share, relating to profits not being subject to the German corporate income tax, the Recurring Compensation Payment amounts to EUR [1.49] for each Vantage Towers Share for each full fiscal year, based on the situation at the time of conclusion of this Agreement. For the avoidance of doubt, it is agreed that any withholding tax (such as capital gains tax

plus solidarity surcharge thereon) shall be withheld from the Recurring Compensation Payment to the extent required by statutory law. The Recurring Compensation Payment is due on the first banking day following the ordinary general shareholders' meeting of Vantage Towers for any respective preceding fiscal year but in any event within eight months following expiration of the relevant fiscal year.

- 4.3** The Recurring Compensation Payment is granted for the first time for the full fiscal year of Vantage Towers for which the claim of Oak Holdings to transfer of profit under Clause 2 becomes effective. If this Agreement ends during a fiscal year of Vantage Towers or if Vantage Towers establishes an abbreviated fiscal year (*Rumpfgeschäftsjahr*) while the obligation according to Clause 2 is existing, the Recurring Compensation Payment is reduced *pro rata temporis*.
- 4.4** If the share capital of Vantage Towers is increased from the reserves in exchange for the issuance of new shares, the Recurring Compensation Payment for each Vantage Towers Share is reduced to such an extent that the total amount of the Recurring Compensation Payment remains unchanged. If the share capital of Vantage Towers is increased by cash contributions and/or contributions in kind, the rights under this Clause 4 also apply for the shares subscribed to by outside shareholders in such capital increase. The beginning of each entitlement of the new shares pursuant to this Clause 4 corresponds to the dividend entitlement set by Vantage Towers when issuing the new shares.
- 4.5** If an appraisal proceeding (*Spruchverfahren*) according to the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz*) is initiated and the court adjudicates a legally binding higher Recurring Compensation Payment, the outside shareholders, even if they have already been compensated according to Clause 5, are entitled to demand a corresponding additional payment to the Recurring Compensation Payment. Likewise all other outside shareholders will be treated in the same way if Oak Holdings undertakes to pay a higher Recurring Compensation Payment to an outside shareholder of Vantage Towers in a court settlement (*gerichtlicher Vergleich*) for the purpose of avoiding or settling judicial appraisal proceedings (*Spruchverfahren*).

5 Compensation

- 5.1** Oak Holdings undertakes upon demand of each outside shareholder of Vantage Towers to purchase such shareholder's Vantage Towers Shares in exchange for a cash compensation ("**Compensation**") (*Abfindung*) in the amount of EUR [27.85] for each Vantage Towers Share.
- 5.2** The obligation of Oak Holdings to purchase Vantage Towers Shares is for a limited period of time. The time limitation period ends two months after the date on which the registration of this Agreement in the commercial register at the registered seat of Vantage Towers has been announced pursuant to section 10 HGB. An extension of the time limitation period pursuant to section 305 para. 4 sentence 3 AktG as a result of a motion for determining the Recurring Compensation Payment or Compensation by the court determined according to section 2 of the German Act on Appraisal Proceedings remains unaffected. In this case, the time limitation period ends two months after the date on which the decision on the last motion ruled on has been announced in the Federal Gazette (*Bundesanzeiger*).
- 5.3** If the share capital of Vantage Towers is increased using corporate funds in exchange for the issuance of new shares prior to the expiration of the time limitation period set forth in Clause 5.2, the Compensation for each share is reduced to such an extent that the total

amount of the Compensation remains unchanged. If the share capital of Vantage Towers is increased prior to the expiration of the time limitation period set forth in Clause 5.2 by means of cash contributions and/or contributions in kind, the rights under this Clause 5 also apply for the shares subscribed to by the outside shareholders in such capital increase.

- 5.4** The transfer of the Vantage Towers Shares for Compensation is free of costs for the outside shareholders of Vantage Towers.
- 5.5** If an appraisal proceeding (*Spruchverfahren*) pursuant to the German Act on Appraisal Proceedings is initiated and the court adjudicates a legally binding higher compensation, the outside shareholders, even if they have already been compensated, are entitled to demand a corresponding additional payment to the Compensation. Likewise all other outside shareholders will be treated in the same way if Oak Holdings undertakes in a court settlement (*gerichtlicher Vergleich*) to pay a higher compensation to an outside shareholder of Vantage Towers for the purpose of avoiding or settling judicial appraisal proceedings (*Spruchverfahren*).

6 Effectiveness, Term and Termination of this Agreement

- 6.1** This Agreement requires for its effectiveness each the consent shareholders' meeting of Oak Holdings as well as the consent of the general shareholders' meeting of Vantage Towers.
- 6.2** This Agreement becomes effective upon registration of its existence in the commercial register at the registered seat of Vantage Towers and applies – except for the right to give instructions pursuant to Clause 1 **Fehler! Verweisquelle konnte nicht gefunden werden.**above – retroactively since the beginning of the financial year of Vantage Towers in which this Agreement is registered in the commercial register of Vantage Towers.
- 6.3** This Agreement is concluded for an indefinite period of time. It can be terminated with a notice period of six months to the end of the fiscal year of Vantage Towers. This Agreement can be terminated for the first time as of the end of the fiscal year that ends at least five years (*Zeitjahre*) (60 months) after the beginning of the fiscal year of Vantage Towers, (i) from the beginning of which the financial integration (*finanzielle Eingliederung*) within the meaning of Sec. 14 para 1 sentence 1 no. 1 Corporate Income Tax Act (*Körperschaftsteuergesetz*) exists for the first time and (ii) in which this Agreement is effective.
- 6.4** Each party can terminate this Agreement for good cause (*wichtiger Grund*) without compliance with any notice period. Good cause exists in particular if good cause for purposes of German tax law for the termination of this Agreement exists including those pursuant to R 14.5 (6) Corporation Tax Guidelines (*Körperschaftsteuer-Richtlinien – KStR*) (or a corresponding successor provision).
- 6.5** Any notice of termination must be in writing.
- 6.6** In the event of a termination of the Agreement in the course of a financial year of Vantage Towers, Vantage Towers shall transfer its profit according to Clause 2 or Oak Holdings shall compensate any losses of Vantage Towers according to Clause 3 until the termination of the Agreement.

7 Miscellaneous

- 7.1** Changes and amendments to this Agreement shall be valid only if made in writing. This shall also apply to amendments of this Clause 7.1.

- 7.2** To the extent a provision of this Agreement is or becomes invalid or impracticable in full or in part, or if this Agreement does not contain a necessary provision, the validity of the remaining provisions of this Agreement shall not be affected. In place of the invalid or impracticable provision, or in order to remedy an omission in this Agreement, an appropriate provision shall apply which corresponds as far as legally permissible to what the parties of this Agreement intended or would have intended in accordance with the intent and purpose of this Agreement if they had been aware of the provision.

*(** Signature page follows **)*

Düsseldorf, [●] 2023

Oak Holdings GmbH

[Name]

Managing director

[Name]

Managing director

Düsseldorf, [●] March 2023

Vantage Towers AG

[Name]

Member of the Management Board

[Name]

Member of the Management Board

Appendix 3

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer*: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.