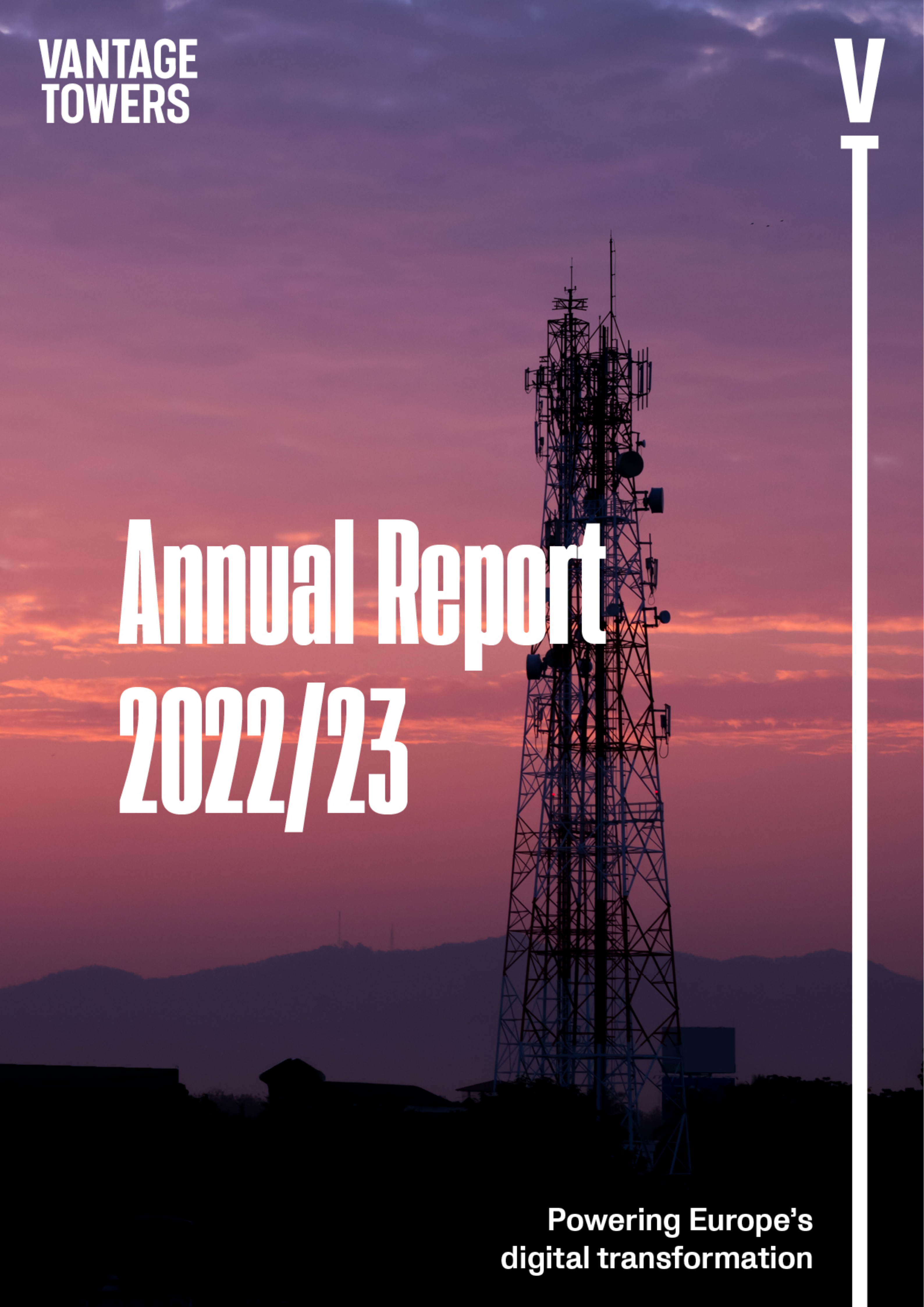


VANTAGE TOWERS

Annual Report 2022/23

Powering Europe's digital transformation

Key data Vantage Towers

Financial results summary

	FY 2023 €m	FY 2022 €m	Change %
Macro sites (in thousand units)[1]	46.1	45.7	–
Tenancy ratio (number of tenancies/ number of macro sites)	1.46x	1.44x	–
Group revenue (ex. pass through)	1,075.1	1,010.9	6.4
Adjusted EBITDA	908.3	865.2	5.0
Adjusted EBITDA margin	83%	85%	–
Capex recharge revenue	(20.2)	(12.4)	–
Ground lease expense	(323.7)	(310.2)	4.4
Adjusted EBITDAaL	564.3	542.6	4.0
Adjusted EBITDAaL margin	53%	54%	–
Recurring free cash flow (RFCF)	438.2	414.8	5.6
Leverage (net debt/adjusted EBITDAaL)	3.6x	3.5x	0.1x

[1] Excluding the associate INWIT in Italy and the joint venture Cornerstone in the UK.

V

FY 2023 Highlights

➔ On 22 March 2023, the voluntary public takeover offer of Oak Holdings GmbH ("Oak Holdings"), which is a joint venture between Vodafone GmbH, Global Infrastructure Partners and KKR, was completed. The consideration per share was €32.00 per share. After completion, Oak Holdings held approximately 89.26% of the shares in Vantage Towers AG.

➔ On 5 May 2023, Vantage Towers held an Extraordinary General Meeting and the Domination and Profit and Loss Transfer Agreement between Oak Holdings and Vantage Towers was approved

➔ The revocation of the admission of the shares of Vantage Towers AG to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard), as applied for by Vantage Towers AG, became effective as of 9 May 2023. Prior to the revocation of the admission, Oak Holdings GmbH made a public delisting offer of €32.00 per share to all other shareholders of Vantage Towers AG.

➔ Successful commercialisation of business continues:

- ➔ In FY23, we added 1,750 net new tenancies in total across our footprint with 1,440 non-VF net additions and a closing tenancy ratio of 1.46x

- ➔ We have increased our commercial footprint with ancillary revenue opportunities providing indoor coverage solutions, high speed broadband internet, fixed wireless access and fibre networks

➔ New build programme continues to progress in FY 2023 with 910 new macro sites across our footprint, of which 490 built in Germany

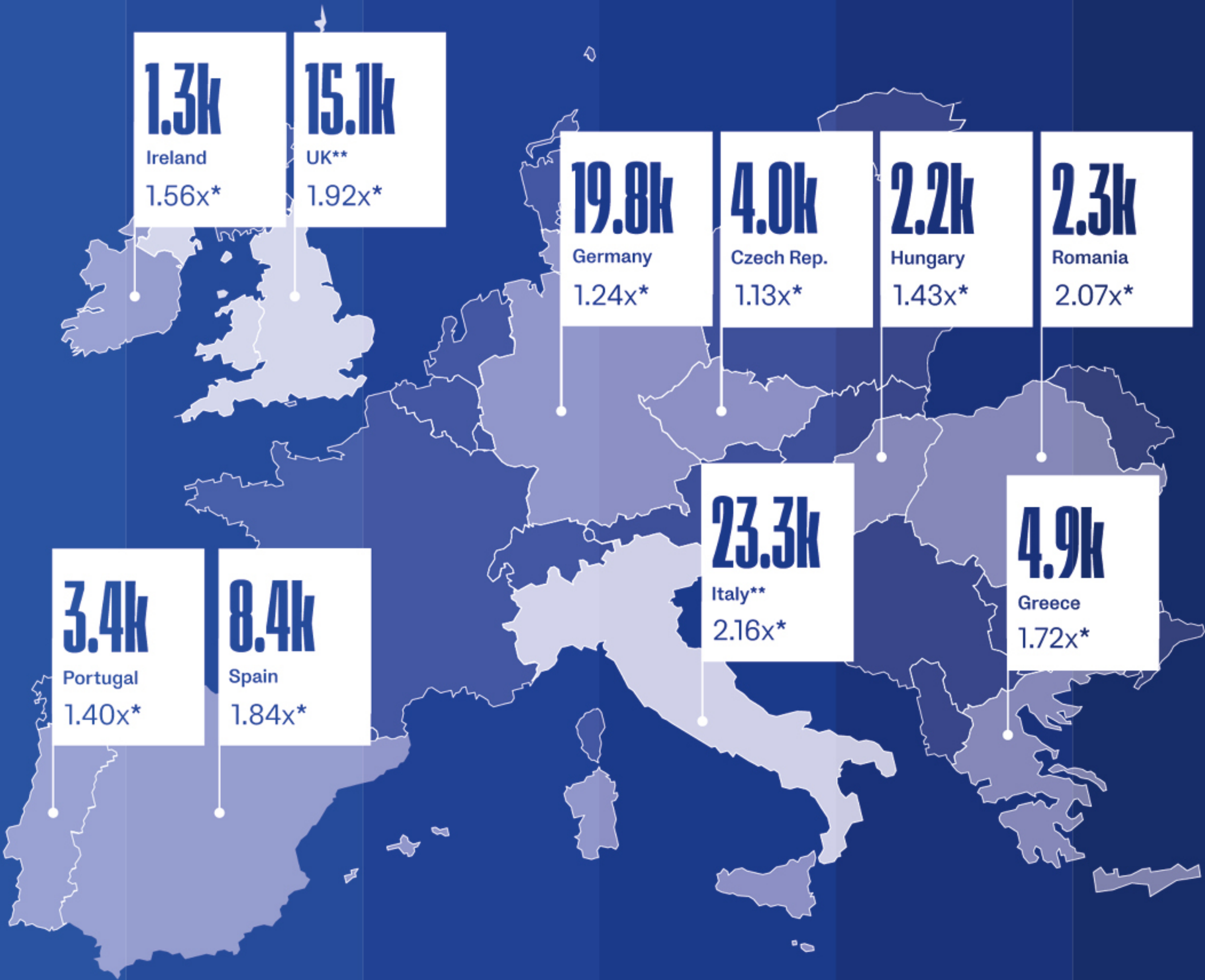
➔ FY 2023 guidance achieved with:

- ➔FY 2023 Group Revenue (ex. pass through) up 6.4% YoY at €1,075.1 million and above the guidance range of 3-5% YOY

- ➔ FY 2023 EBITDAaL up 4.0 % at €564.3 million, at upper end of FY 2023 guidance of €550 million-€570 million

- ➔RFCF increased by 5.6% YOY to €438.2 million, above guidance range of €405 million-€425 million

With 84.6k macro sites, we've got Europe covered



* Tenancy ratio is the total number of tenancies (including virtual tenancies) on Vantage Towers' macro sites divided by the total number of macro sites. Virtual tenancies are when a customer shares its active equipment on a site with a counterparty under an active sharing agreement.

** Joint venture and associates: UK and Italy

Who we are

As a leading European towers infrastructure-company, we serve mobile network operators (MNOs), federal agencies and customers from the utilities and technology sector. We are at the heart of the 5G rollout and enable new applications for the Internet of Things. Benefiting from strong and resilient underlying demand within a growing towers market, we have a clear focus on strategic growth. Our experienced, independent and commercially-driven management team is dedicated to powering Europe's digital transformation.

Letter from our CEO

Dear Shareholders,

An exciting and eventful year is behind us. In November 2022, Oak Holdings GmbH ("Oak Holdings") announced to make a voluntary public tender offer to all shareholders of Vantage Towers AG for a consideration of €32.00 per share.

On 5 May 2023, the Extraordinary General Meeting of the Company approved the draft of the domination and profit and loss transfer agreement between Oak Holdings as the controlling company and Vantage Towers as the controlled company. Furthermore, we had decided to delist Vantage Towers from the Frankfurt Stock Exchange. This delisting followed the delisting offer of Oak Holdings, which provided for a consideration per share of €32.00. Following the completion of the tender offer in March 2023 and the delisting offer in May 2023, Oak Holdings holds 89.3% of the shares in Vantage Towers. We welcome our new shareholder and the Oak Consortium, who will support Vantage Towers together with the Vodafone Group in the next growth phase.

Let's review the past financial year. We have achieved our FY 2023 guidance. Group Revenue (ex. pass through) increased 6.4% year-on-year to €1,075.1 million while our adjusted EBITDA after Leases grew 4.0% to €564.3 million. We delivered a Recurring Free Cash Flow of €438.2 million for the business.

We remain focused on our core business and continue to deliver on our new macro site roll-out commitment and co-locations for our MNO and non-MNO customers. We closed the year with a tenancy ratio of 1.46x. In FY 2023, we have added 1,750 net tenancies of which 1,440 were non-Vodafone tenancies. In addition, we have increased our commercial footprint with ancillary revenue opportunities providing indoor coverage solutions, fixed wireless access, high-speed broadband internet, and fibre networks across our markets.

Our tower portfolio currently includes more than 46.1k macro sites across our consolidated markets and 84.6k including INWIT in Italy and Cornerstone in the UK. Our programme to build new macro towers – the so called built-to-suit (BTS) programme – accelerated in FY23 with 910 new macro sites across our consolidated markets, of which 490 were built in Germany. Whilst the BTS programme sustained its momentum in the last three quarters of the financial year, we will continue to closely manage the new site build programme and undertake direct measures to reach our new build commitment until FY 2026.

Furthermore, we have seen a great progress of our initiative to optimise ground lease costs through either buyout or long-term right-of-use. Since inception over 1,870 signed contracts or commitments across our European footprint have been agreed. This means that we have already achieved 50% of the medium-term target to buy out or sign long-term right-of-use for 10% of our consolidated portfolio.

Whilst every tower that we are building matters, a few of them have a special impact on some people. With our “Towers for Good” programme, we aim to connect rural communities, encouraging development and thus make our contribution to the creation of jobs. Our Irish team built a tower on Cape Clear Island and brought mobile and broadband coverage to the inhabitants. In addition, Vantage Towers is continuously working on new technologies and materials to optimise its infrastructure and make it more sustainable. An example are the two wooden towers that we are building in Germany, which are ecologically friendly, generating significantly less CO2 emissions than comparable steel or concrete towers and promote public acceptance.

Let us look at the future for Vantage Towers. Together with our new shareholders who are true experts to the sector, we continue to drive our business forward, enter the next phase of growth and further strengthen our position as one of the leading tower companies in Europe.

Finally, let me end this letter with a few personal words. I recently took over Vivek Badrinath's responsibilities and am honoured to act as the Interim CEO of Vantage Towers in the current transition phase. Vivek had already announced in February 2023 that he would not extend his contract with Vantage Towers for personal reasons, however, he will remain a member of the Management Board until end of June 2023 to ensure an orderly handover. Furthermore, as recently announced, the Supervisory Board of Vantage Towers has appointed Christian Hillabrant as the new CEO effective in approximately two months. Therefore, I would like to take this opportunity to welcome Christian Hillabrant to Vantage Towers and thank Vivek for his impressive work from building the company, leading it through the IPO and his extraordinary commitment until today. I am looking forward to lead this company and help shape its successful transition into the next chapter of its history.

I sincerely thank you for your trust.

Sincerely

Thomas Reisten

Our Management Team

CHIEF LEGAL OFFICER

Christian Sommer

- 22 years industry experience
- Management Board Member and Chief Legal Officer of Vantage Tower AG
- Previous experience includes: Legal Director Vodafone Group

INTERIM CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Thomas Reisten

- 23 years industry experience
- Management Board Member and CFO of Vantage Tower AG; Interim CEO since 23 May 2023
- Previous experience includes: Finance Director Vodafone Rest of World and Vodafone Business, CFO Vodafone India
- Current seats: Indus Towers Ltd (India)

MEMBER OF THE MANAGEMENT BOARD

Vivek Badrinath

- 27 years industry experience
- Management Board Member and from 2021 until 23 May 2023 CEO of Vantage Tower AG
- Previous experience includes: CEO Vodafone Rest of World and Vodafone Business, Deputy CEO and CTO Orange and Deputy CEO AccorHotels
- Current seats: Atos SE (France)

HUMAN RESOURCES DIRECTOR

Nikolaus Rama

- 19 years industry experience
- Human Resources Director for Vantage Towers AG
- Previous experience includes: Head of HR Business Partnering Technology and Corporate Functions at Vodafone Germany

CHIEF COMMERCIAL OFFICER

Sonia Hernandez

- 25 years industry experience
- Chief Commercial Officer for Vantage Towers AG
- Previous experience includes: CEO Vodafone Malta and a number of senior supply chain and commercial positions at Vodafone

CHIEF TECHNOLOGY OFFICER

José Rivera

- 30 years industry experience
- Chief Technology Officer for Vantage Towers AG
- Previous experience includes: Key roles for Vodafone Portugal, including responsibilities for Network Delivery, Core and Transport Engineering and a number of key technology roll-outs

Report of the Supervisory Board

Prof. Dr. Rüdiger Grube
Chairman

Dear Shareholders,

The past financial year of Vantage Towers AG ending on 31 March 2023 was another very extraordinary and exciting financial year for the Company. Particularly noteworthy in this context is the successfully completed voluntary public takeover offer of Oak Holdings GmbH, which is part of a joint venture between Vodafone GmbH and Oak Consortium GmbH, an investment fund managed and advised by Global Infrastructure Partners, and investment funds advised and managed by various subsidiaries of KKR & Co. Inc. investment funds, special purpose vehicles and/or accounts controlled holding company.

As a leading European mobile telecommunications tower infrastructure operator connecting people, businesses and internet-enabled devices, Vantage Towers AG continues to play a key role in the Europe-wide digital transformation and is making a significant contribution to a better connected Europe.

The Supervisory Board continues to focus its efforts on supporting the business vision of the Management Board and works closely with the management team in its operational implementation. This applies, in particular, as on 22 May 2023, Vivek Badrinath's CEO duties were transferred to CFO Thomas Reisten as Interim-CEO. On June 6, 2023, the Supervisory Board appointed Christian Hillabrant as the new CEO. The appointment is expected to take effect in about two months after his appointment, until then Interim CEO and CFO Thomas Reisten will lead the company.. With the completion of the new ownership structure and the delisting of Vantage Towers, the Supervisory Board and Vivek Badrinath have mutually agreed that now is the right time to align the management structure for the next phase of Vantage Towers' development. I would like to take this opportunity to thank Thomas Reisten for taking on the responsibility in the current transition phase. With his international experience and in-depth knowledge of the company, I know that the company is in very good hands. The Supervisory Board would like to thank Vivek Badrinath for his extraordinary commitment to Vantage Towers from its foundation until today and wishes him all the best for his future .As was also demonstrated in the past financial year, the Supervisory Board is characterised by its diverse composition. This is due not least to the broad range of experience of the

Supervisory Board, whose members are active in the Company's industry and market environment, in finance and human resources management as well as in technology and IT business management. This professional know-how is complemented by a diversified composition of the Supervisory Board with a high degree of internationality and a proportion of women of 22 %.

I am particularly pleased to welcome two new Supervisory Board members, Pierre Klotz and Alberto Ripepi. They take up the two positions created by the withdrawing of Rosemary Martin and Johan Wibergh. Rosemary Martin and Johan Wibergh have each resigned as members of the Supervisory Board prematurely as of 31 December 2022. Both Pierre Klotz and Alberto Ripepi were elected by a large majority at the Extraordinary General Meeting of the Company on 5 May 2023 for the remaining term in office of the two Supervisory Board members who resigned, i.e. until the end of the General Meeting which resolves on the discharge for the FY 2025.

Further changes to the Supervisory Board will take place in the near future. It is planned to resolve to amend the Company's articles of association at the annual general meeting on 27 July 2023 and to reduce the number of Supervisory Board members from currently nine to six. Oak Holdings GmbH had already announced the corresponding intention in its offer document for the voluntary public takeover offer on 13 December 2022. In this context, the majority shareholder had also announced that the composition of the Supervisory Board should be identical to that of the shareholders' committee of Oak Holdings 1 GmbH. For this reason, the Supervisory Board members Dr. Rüdiger, Grube, Katja van Doren, Pinar Yemez, Amanda Nelson, Terence E. Rhodes und Charles Green have handed in their resignation letters mid-June 2023 and they will resign from office with effect from the end of the next annual general meeting.

On behalf of the Supervisory Board, I would like to thank the members of the Management Board, as well as the employees of Vantage Towers, and all the companies in the Vantage Towers Group, for their excellent work during the past financial year. I would also like to express my sincere thanks to Rosemary Martin and Johann Wibergh for their work as members of the Supervisory Board and as a member of the audit, risk and compliance committee.

The Supervisory Board is confident that we are on the path to sustainable growth and making a significant contribution to a better connected Europe. In the following section you will find the Supervisory Board's detailed report on its activities in FY 2023.

The Supervisory Board in FY 2023

The Supervisory Board of Vantage Towers is composed of nine members, all of whom are elected by the General Meeting. Meanwhile, the Supervisory Board has nine members again. Rosemary Martin and Johan Wibergh had resigned as members of the Supervisory Board with effect from 31 December 2022. At the Extraordinary General Meeting on 5 May 2023, Pierre Klotz and Alberto Ripepi were elected as successors to the Supervisory Board.

During the reporting period, the Supervisory Board performed the duties assigned by law, the Company's Articles of Association, and the Rules of Procedure of the Supervisory Board. In particular, it supervised and advised the Management Board in connection with conducting the business of the Company. In addition, the Supervisory Board and the Management Board remained in regular-contact both during and outside the Supervisory Board meetings. This, among others, included detailed reports, explanations and timely updates on the current and long-term economic development of the Company. One focus of the regular reporting was the acquisition of the majority of shares in Vantage Towers AG by Oak Holdings GmbH (the "Oak Transaction"). The meetings of the Supervisory Board and the committees were thoroughly prepared between the Management Board and the Supervisory Board, and discussed with and between members of the Supervisory Board before and after the meetings. A protected electronic platform is available to members of the Supervisory Board for drafts, documents, and comments.

Furthermore, the Management Board informed the Supervisory Board about the course of business (including the economic situation), strategy and business policy, business planning and the profitability of the Company and its subsidiaries.

The Supervisory Board was informed on all major decisions and involved on the strategic or reserved matters of the Company. Insofar as the approval of the Supervisory Board was required for decisions or measures of the Management Board in accordance with the law, the Company's Articles of Association, or the Rules of Procedure of the Management Board, the members of the Supervisory Board examined and discussed the decisions or measures thoroughly and approved them.

Main topics of the Supervisory Board and its committees

In the reporting period from 1 April 2022 to 31 March 2023, the Supervisory Board held eleven ordinary and extraordinary meetings and also passed resolutions outside meetings by way of circulation. Due to the COVID-19-pandemic restrictions still in place during the past fiscal year and some very short-term issues, some meetings were held virtually and others physically.

The main topics of the Supervisory Board's consultations were the Oak Transaction, the strategic orientation of the Company, including revocation of the admission of the shares of Vantage Towers AG to trading on the regulated market of the Frankfurt Stock Exchange (delisting), the business development, the annual and interim financial statements as well as important individual transactions. Proposed resolutions were examined and discussed in detail.

A particular focus was on the Oak Transaction but also again on the German BTS rollout program and the 1&1 rollout, which is crucial for the Company's business due to its scale.

Main topics of the Supervisory Board in FY 2023

- The Supervisory Board dealt with the annual financial statements and the consolidated financial statements of the Company as well as the corresponding audit report of the Company's auditor. The auditor reported comprehensively on the course and results of the audit. In the ensuing discussion, the auditor was available to answer questions from the Supervisory Board. After extensive discussion, the Supervisory Board approved the annual financial statements and consolidated financial statements of the Company and the Vantage Towers Group (companies in which Vantage Towers AG holds a direct or indirect interest of more than 50% of the respective company shares), respectively, and thus adopted the annual financial statements for FY 2022. It also approved the combined management report. It adopted the report of the Supervisory Board to the Annual General Meeting and discussed the report of the Management Board on relations with affiliated companies, including the auditor's report on this. In addition, the Supervisory Board dealt with and adopted the remuneration report pursuant to Section 162 of the German Stock Corporation Act (*Aktiengesetz* – AktG) for FY 2022. The Supervisory Board also approved the agenda and the proposed resolutions for the Annual General Meeting to be held on 28 July 2022, including the resolution on the appropriation of distributable profits contained therein.
- In several meetings, the Supervisory Board dealt with the business development of Vantage Towers in FY 2023. The Management Board explained in detail the key figures of the Company as well as the revenue development. In addition, the Management Board presented to the Supervisory Board the business development in the current financial year to date and provided an outlook for the financial year as a whole. In this context, the Supervisory Board also approved the business planning for FY 2023 and the Long Range Plan.
- The Supervisory Board dealt with ESG-related topics of the Company.
- The Supervisory Board dealt with adjustments to the master service agreements between Vantage Towers AG and its most important customers. After a detailed explanation of the adjustments, the Supervisory Board approved them.
- The Supervisory Board dealt with various topics regarding Management Board remuneration. The Supervisory Board resolved on the target achievement in FY 2022 that is decisive for the variable remuneration of the Management Board. The Supervisory Board also approved the adjustment of the remuneration of the Management Board members.
- The Supervisory Board dealt with the Oak transaction in several meetings. At its meeting on 8 November 2022, for example, the Supervisory Board approved the conclusion of a so-called business combination agreement between Vantage Towers AG, Oak Holdings GmbH as bidder, Vodafone GmbH and the Oak Consortium. On 20 December 2022, the Supervisory Board resolved on the joint reasoned opinion regarding the voluntary public takeover offer of Oak Holdings GmbH as from 13 December 2022. In its meeting on 23 March 2023, the Supervisory Board resolved on the resolution and election proposals for the Extraordinary General Meeting 2023. On 5 May 2023, the Supervisory Board resolved on the update of its resolution proposal to the General Meeting regarding the approval of the draft domination and profit and loss transfer agreement between Vantage Towers AG and Oak Holdings GmbH.
- In its meeting on 23 March 2023, the Supervisory Board approved the repurchase of the bonds issued by Vantage Towers AG.

In addition to their meetings and consultations, the Supervisory Board members undertook the training and further professional development measures necessary for the fulfilment of their tasks on their own responsibility.

Meetings and resolutions of the committees of the Supervisory Board

The Supervisory Board prepares its work in three committees (remuneration and nomination committee, audit, risk and compliance committee and Oak committee). These committees are entrusted, in particular, with the preparation of resolutions and matters to be dealt with in the plenary session of the Supervisory Board. To the extent permitted by law, decision-making powers of the Supervisory Board are delegated or may be delegated to the committees. The chairperson of the respective committee reports to the Supervisory Board on the work of the committees. The tasks and duties of the committees are described in more detail in the **Declarationon Corporate Governance under Supervisory Board committees, p. 63**.

The audit, risk and compliance committee met six times during the reporting period. The meetings were held virtually.

- The audit, risk and compliance committee reviewed and discussed in detail the financial results for FY 2022, the auditor's report and the proposal for the appropriation of distributable profits. The auditor attended the committee meetings, reported on the audit and was available to answer questions from committee members.
- The audit, risk and compliance committee dealt with the Company's reporting for the first and third quarters as well as the half-year financial statements. When dealing with the half-year financial statements, the auditor attended the meeting and answered questions regarding the auditor's review.
- The audit, risk and compliance committee discussed the planning, procedures and contents for the audit of the FY 2023 financial statements and the quality assurance of the auditor as well as the auditor's assessment.
- The audit, risk and compliance committee dealt with the risk situation on the basis of the corresponding reporting and discussed this as well as the results and implementation status of the internal audit and dealt with an adjustment of the audit plan of the financial year. The results of the external audit of the risk management system were also discussed and status reports on the internal control system regularly considered.
- Moreover, the audit, risk and compliance committee discussed the further development of Integrity & Compliance, the accounting and reporting processes and the implementation of the human rights policy.

The remuneration and nomination committee met four times during the reporting period. The meetings were held virtually.

- The remuneration and nomination committee dealt with the remuneration of the Management Board and in particular with the achievement of both the short-term and long-term targets of the Management Board for FY 2022. Depending on the achievement of these targets, the remuneration and nomination committee provisionally determined the amount of the individual variable remuneration to be granted to the Management Board members for this financial year and submitted this determination to the Supervisory Board for final resolution. In addition, the short-term and long-term targets for all Management Board members in connection with the variable remuneration components to be granted in FY 2023 were discussed at this meeting and also submitted to the Supervisory Board for a final resolution.
- The remuneration and nomination committee recommended to the Supervisory Board the election of the Supervisory Board candidates proposed in the Annual General Meeting 2022 and the Extraordinary General Meeting on 5 May 2023.
- On the occasion of Vivek Badrinath's announcement that he will not be available as Chairman of the Board of Vantage Towers AG beyond his term of office ending on 31 December 2023, the remuneration and nomination committee has been dealing with his succession since February 2023.

The Oak committee was established by resolution of the Supervisory Board on 14 March 2023 as some members of the Supervisory Board are employees of the Vodafone Group and therefore may be subject to a conflict of interest with respect to the adoption of resolutions on certain measures relating to Oak Holdings GmbH. In order to avoid conflicts of interest in relation to the matters assigned to the Oak committee, the Oak committee consists exclusively of members independent of the Vodafone Group. The Supervisory Board delegated to the Oak committee the adoption of resolutions regarding the conclusion of a domination and profit and loss transfer agreement between Vantage Towers AG and Oak Holdings GmbH, a delisting of the shares of Vantage Towers AG and the squeeze-out of the minority shareholders of the Company.

On 20 March 2023, the Oak committee approved the conclusion of a so-called delisting agreement between Vantage Towers AG and Oak Holdings GmbH. At its meeting on

23 March 2023, the Oak committee approved the conclusion of the draft domination and profit transfer agreement between Vantage Towers AG and Oak Holdings GmbH, which was originally shared with the Extraordinary General Meeting on 5 May 2023. On 5 May 2023, the Oak committee approved an update of the cash compensation and compensation payment provided for in the aforementioned draft domination and profit and loss transfer agreement.

Corporate Governance Code

The Supervisory Board has considered the corporate governance of the Company in detail, taking into account the German Corporate Governance Code (*Deutscher Corporate Governance Kodex* – DCGK), and has issued a declaration of conformity in accordance with Section 161 AktG.

The declaration of conformity with the DCGK adopted by the Supervisory Board on 6 February 2023 has been made permanently available to shareholders on the Company's website at **www.vantagetowers.com/en/investors/corporate-governance**.

With the termination of the listing of the shares of Vantage Towers AG on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the requirement to issue a declaration of conformity no longer applies.

Committee appointments / Attendance at Supervisory Board and Committee meetings

The audit, risk and compliance committee currently consists of three Supervisory Board members (Charles C. Green III, Michael Bird and Amanda Nelson); the remuneration and nomination committee also currently consists of three Supervisory Board members (Katja van Doren, Michael Bird and Pinar Yemez); the Oak committee consists of the four Supervisory Board members who are not employed by Vodafone Group (Rüdiger Grube, Charles C. Green III, Terry Rhodes and Katja van Doren).

In detail, the members of the Supervisory Board attended the meetings of the Supervisory Board and its committees as follows:

Member of the Supervisory Board

	Attendance of committee meetings	%	Attendance of Supervisory Board	%
Professor Rüdiger Grube	3/3	100	11/11	100
Rosemary Martin	5/5	100	6/8	75
Michael Bird	8/9	94	8/11	73
Amanda Nelson	1/1	100	2/4	50
Charles C. Green III	9/9	100	10/11	90
Terence Rhodes	3/3	100	11/11	100
Katja van Doren	7/7	100	11/11	100
Johan Wibergh	0/1	–	2/8	25
Pinar Yemez	3/3	100	8/11	73

Detailed discussion of the annual financial statements and consolidated financial statements

The independent auditors, Ernst & Young, have audited the financial statements and the consolidated financial statements and the combined management report of the Company and Vantage Towers Group, in each case for FY 2023. The auditor has issued unqualified opinions on each of the aforementioned financial statements and reports.

The annual financial statements of the Company and the combined management report were prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – HGB) and AktG. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the supplementary provisions of the HGB as applicable under German law. The consolidated financial statements also comply with IFRS as published by the International Accounting Standards Board (IASB). The auditor conducted the respective audits in accordance with German generally accepted standards of auditing as defined by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer* – IDW) and (where applicable) the EU Statutory Audit Directive.

The Management Board submitted the annual financial statements and the consolidated financial statements as well as the combined management report for the Company and the Vantage Towers Group to all members of the Supervisory Board. In addition, the audit report was also handed out to all members of the Supervisory Board.

In the meetings on 9 May 2023 (audit, risk and compliance committee) and 13 June 2023 (Supervisory Board), the audit, risk and compliance committee and the Supervisory Board discussed the financial results. In the meetings on 9 May 2023 and 25 May 2023, the audit, risk and compliance committee discussed and reviewed the respective financial documents in detail. The status of the audit and the (in some cases preliminary) main audit findings of the auditor were also discussed in these meetings. In the meetings on 12 June 2023 (audit, risk and compliance committee) and 13 June 2023 (Supervisory Board), and 20 June 2023 the audit, risk and compliance committee and the Supervisory Board once again thoroughly reviewed and discussed the respective financial documents and the proposal for the appropriation of distributable profits after receiving the auditor's report. In particular, the audit of the financial statements as a whole and the main audit findings described in the audit report were also dealt with and discussed in these meetings. The auditor attended the meetings on 9 May 2023, 25 May 2023 and 12 June 2023 (audit, risk and compliance committee), 13 June 2023 (Supervisory Board) and 20 June 2023 (Supervisory Board and audit, risk and compliance committee). The audit, risk and compliance committee and the Supervisory Board had the opportunity to address questions directly to the auditor and to request further explanations if required. The auditor reported on the scope, key focus and main findings of its audit and summarised the audit procedures performed. At the Supervisory Board meeting, the Management Board explained the Company's annual financial statements, the consolidated financial statements and risk management.

After a thorough review, the Supervisory Board approved the results of the audit. Following the review by the Audit, Risk and Compliance Committee of the final result of the audit, and the Supervisory Board's own review, no objections were raised.

The Supervisory Board approved the annual financial statements of the Company prepared by the Management Board and the consolidated financial statements of the Vantage Towers Group also prepared by the Management Board. The annual financial statements of the Company were thus adopted. The Supervisory Board also approved the combined management report and the proposal for the appropriation of distributable profits, proposing a dividend of € 0.04 per share. The Company's majority shareholder Oak Holdings GmbH has declared that it will not approve any dividend in excess of €0.04 per share in the General Meeting.

Dependency report

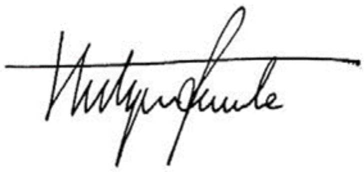
The Company is a dependent company of Oak Holdings GmbH pursuant to Section 312 AktG. Vodafone GmbH indirectly holds approximately 64.2 % of the share capital and voting rights of Oak Holdings GmbH and Oak Consortium GmbH indirectly holds approximately 35.8 % of the share capital and voting rights of Oak Holdings GmbH. Vodafone GmbH and Oak Consortium GmbH indirectly jointly control Oak Holdings GmbH based on the principles on "common control by more than one parent company" (*Mehrmütterherrschaft*) pursuant to Section 17 (1) AktG. Vodafone GmbH is indirectly controlled by Vodafone Group Plc. Oak Consortium GmbH is jointly and indirectly controlled by KKR Oak BidCo Limited and GIP Oak Aggregator, L.P. based on the principles on "common control by more than one parent company" (*Mehrmütterherrschaft*) pursuant to Section 17 (1) AktG. The Management Board of the Company therefore prepared a dependency report and submitted it to the Supervisory Board together with the associated audit report by Ernst & Young. The auditor completed its report without objections and came to the following conclusions:

Having examined and assessed the dependency report in accordance with professional standards, we confirm that

1. the factual information in the report is correct,
2. the consideration of the Company in the course of the transactions listed in the report was not unreasonably high, and
3. in the case of the measures listed in the report, there are no circumstances that would indicate a materially different assessment than that made by the Management Board.

The dependency report and the associated audit report were submitted to all Supervisory Board members for review in due time and discussed in detail in the presence of the auditor at the Supervisory Board meeting on 13 June 2023. At this meeting, the Supervisory Board members were able to ask questions about the auditor's report, and the auditor answered all relevant questions. In addition, the auditor's representatives reported on the main findings and specified the legal and economic implications. After thorough review and in-depth discussion of the dependency report and its main findings, the Supervisory Board did not raise any objections to the Management Board's declaration on the conclusion of the report on relations with affiliated companies. The Supervisory Board approved the dependency report of the Management Board and the associated audit report of the auditor.

For the Supervisory Board



Prof. Dr. Rüdiger Grube
Chairperson

Our Supervisory Board

Professor Rüdiger Grube**[1]

Chairperson

Business Consultant, former CEO and Chairman of the Management Board of Deutsche Bahn AG

Current mandates:

- Deufol SE*[2]
- Hamburger Hafen und Logistik AG (HHLA)*
- Vossloh AG*
- Alstom/Bombardier Transportation Germany GmbH

Rosemary Martin

Deputy Chairperson (until 31. December 2022)

General Counsel and Company Secretary, Vodafone Group Plc

Most recently held mandates:

- Vodafone Corporate Secretaries Ltd.
- Vodafone Foundation
- Lloyds Register Foundation
- Panel on Takeovers and Mergers (UK)
- University of Sussex

Michael Bird

Group M&A Director, Vodafone Group Plc

Current mandates:

- None

Katja von Doreen**

Chairperson of the Remuneration and Nominating Commitee

Chief Financial Officer and Chief Human Resources Officer, RWE Generation SE

Curent mandates:

- RWE Generation NL B.V.
- Société Électrique de l'Our S.A., Luxembourg

Charles C. Green III**

Chairperson of the Audit, Risk and Compliance Committee

Non-Executive Director,
Frontier Tower Associates

Current mandates:

- Pinnacle Towers Pte. Ltd.
- Delmec Engineering Ltd.
- Amane Towers SA
- PowerX Technology Ltd.

Pierre Klotz

(since 5 May 2023)

Group Corporate Finance Director of Vodafone Group Plc

Current seats

- Vodacom Group Limited, Southafrica*
- TPG Telecom Limited, Australia*

Amanda Jane Nelson

(since 28 July 2022)

CEO Vodafone Ireland Ltd

Current seats

- None

Terence Rhodes**

Professional Supervisory Board Member

Current mandates:

- none

1 All members of the Supervisory Board marked with ** are independent within the meaning of recommendation C.6 of the GCGC.
2 All companies marked with an * are listed companies.

Alberto Ripepi
(since 5 May 2023)

Group Chief Network Officer and member of the Executive Committee of Vodafone Group Plc

Current mandates:

- Vodafone Italia S.p.A., Board Director
- Vodafone Servizi E Tecnologie S.R.L., Board Director

Johan Wibergh
(until 31 December 2022)

Chief Technology Officer, Vodafone Group Plc

Current mandates:

- Trimble Inc.*

Pinar Yemez

Human Resources Director,
Vodafone Business and Group Functions

Current seats

- None

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Combined Management Report

Company profile

Fundamentals of the Group

We are a leading tower company in Europe with approximately 84,600 macro sites across ten markets including our joint venture and associate investments in Cornerstone and INWIT. Vantage Towers Group (hereinafter also referred to as "Vantage Towers" or the "Group") comprises the parent company Vantage Towers AG, a stock corporation under the laws of the Federal Republic of Germany, and its subsidiaries. The Company commenced trading in 2020 with business operations conducted by Vantage Towers AG as well as by its direct and indirect subsidiaries. As of 31 March 2023, Vantage Towers employed 711 people, excluding our equity accounted investments in INWIT and Cornerstone, and its headquarters are located in Duesseldorf, Germany.

Business model

Our business model combines four key factors:

(i) Owning fully-integrated nationwide grids that are underpinned by secure, long-term contractual arrangements with a high-quality customer base, including leading MNOs in each market[1];

(ii) Controlling or co-controlling towers (except INWIT after termination of a shareholder agreement with Telecom Italia S.p.A.) that are part of the **essential** consolidated grid of at least two of the largest MNOs in markets where the Vodafone Group has already signed nationwide Active Sharing Agreements, including Spain, Greece, Portugal, Italy, the United Kingdom, and Romania;

(iii) Expanding the services offered by a tower company beyond the traditional role of an infrastructure landlord to MNOs to the role of a **network enabler** for a range of existing and new customers; and

(iv) **Being at the forefront** of enabling a resilient, inclusive digital society with a clear focus on sustainable infrastructure to **minimise environmental impact**.

Our portfolio of assets includes towers, masts, rooftop sites, DAS and small cells. By building, operating and leasing this passive infrastructure to our customers, we are making a **significant** contribution to better connectivity and the **sustainable** digitisation of Europe.

Our assets are supported by long-term contractual commitments with MNOs that largely hold investment grade credit ratings, which provide predictable revenues typically adjusted periodically for inflation. This includes the inflation-linked Vodafone master services agreements (MSAs) with members of the Vodafone Group. Where **our contracts** with other MNO customers are not currently linked to inflation, we aim to include CPI (Consumer Price Index) escalators in our customer contracts as they expire and are renegotiated. Overall, more than 95% of our revenues are linked to inflation.

In most of our markets, the majority of our tower assets have been developed organically over three decades with the aim to provide a **first-class infrastructure** network. Consequently, the international site portfolio is **well-integrated**, benefits from the strategic locations of its sites, and is an **attractive potential** host for MNO but also for other customers looking to build, expand or densify their networks.

[1] Source: GSMA Q1 2023

Business segments

Vantage Towers has four reporting segments, comprising Germany, Spain, Greece, and Other European Markets. These reporting segments reflect the basis on which we manage our business and are reconciled to the Group's consolidated financial statements for the twelve months ended 31 March 2023 in line with IFRS 8 "Operating Segments".

The reporting segments Germany, Spain and Greece include the Group's operations in each of these jurisdictions, respectively. The reporting segment Other European Markets comprise our operations in the Czech Republic, Hungary, Ireland, Portugal, and Romania.

In addition to these four segments, we account for the results of our equity investments in INWIT and Cornerstone under "Share of results of equity accounted joint ventures" in our income statement.

Germany

As our largest market, Germany comprises 43% of our total macro sites and 36% of our tenancies in our consolidated markets as of 31 March 2023.

Our site portfolio in Germany is well-balanced. The sites have capacity to co-locate additional tenants, and a significant proportion of our sites does not have competitors' sites nearby. As of 31 March 2023 Vantage Towers Germany's portfolio comprised approximately 19,800 macro sites.

As of 31 March 2023, the tenancy ratio amounted to 1.24x on our macro sites in Germany.

Spain

Spain represents our second largest market, comprising 18% of our macro sites and 23% of our tenancies in our consolidated markets as of 31 March 2023.

The Group's site portfolio in Spain is well-balanced, has capacity for colocation and has moderate overlap with the site portfolios of its competitors. Our portfolio of Spanish sites comprised approximately 8,400 macro sites as of 31 March 2023.

The Group's overall tenancy ratio in Spain amounted to 1.84x as of 31 March 2023.

Greece

Vantage Towers Greece is the largest telecommunications tower company in Greece by number of sites. Greece is the Group's third largest market, comprising 11% of the Group's macro sites and 12% of the Group's tenancies in our Consolidated Markets as of 31 March 2023.

Our portfolio comprises approximately 4,900 macro sites in Greece as of 31 March 2023.

As of 31 March 2023, we recorded a tenancy ratio of 1.72x regarding our sites in Greece.

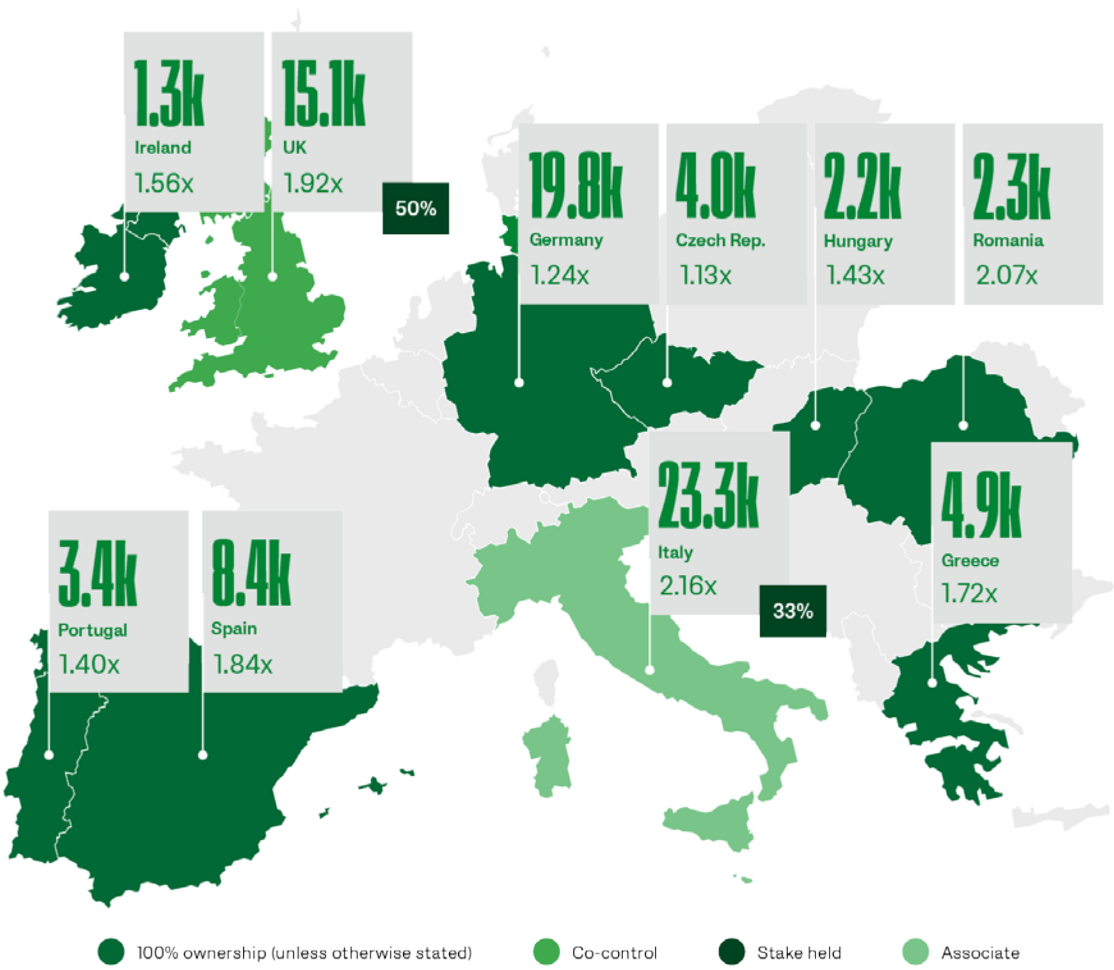
Other European Markets

The Group's Other European Markets segment includes its operations in Portugal, the Czech Republic, Hungary, Ireland, and Romania. We rank first in the market by number of sites in the Czech Republic, second in Ireland, third in Portugal and Hungary and fifth in Romania. Across these markets, the Group operated a total of approximately 13,100 macro sites, comprising 28% of the Group's macro sites and 28% of the Group's tenancies in its Consolidated Markets as of 31 March 2023.

Joint ventures and Associates

The Group's joint ventures and associates comprise Cornerstone and INWIT. INWIT operates approximately 23,300 macro sites with a tenancy ratio of 2.16x. Cornerstone operates approximately 15,100 macro sites with a tenancy ratio of 1.92x. Vantage Towers currently holds 50% of Cornerstone and 33.2% of INWIT shareholdings.

The following map sets out a breakdown of the Group's site portfolio by market, including the portfolios of its joint ventures and Associates, showing the number of macro sites as of 31 March 2023.



Products & Innovation

Vantage Towers constantly strives to develop new technical solutions to improve our products and services, as well as to create **innovative** products with the **highest efficiency** to fulfil our customers' needs and create future economic benefits.

In addition, we believe that our innovative strength is one of the key enablers to deliver our mission to power Europe's digital transformation. For this reason, the Company is working on various innovations to create a sustainable and digital society, as well as to develop new solutions for a world that is rapidly changing with 5G.

In the reporting year, we have initiated and continued the development of the following projects in joint collaboration between the Commercial and Technology teams (which include a product development and a technology innovation team):

- **Digitisation** is a **key technological initiative for Vantage Towers** and is being approached in three aspects: (i) Digitising the Customer Journey by changing the existent TowerCo customer life cycle; (ii) Digitising our assets to have a complete inventory and reporting (e.g., towers, energy, and other operational KPIs); and (iii) Digitising our internal Operational Model which is creating operational efficiencies. Examples of digitisation initiatives are **Smart sites** (solution to capture real-time data and enable remote controls) and EMF tools (to assess the site lease up potential and improve the overall performance)
- **Developing new technical solutions** and products leveraging our assets for the public administration, energy sector, transport, manufacturing, Industry 4.0, **IoT, smart cities, smart lamp poles** (as new tower site) smart agriculture, touristic, healthcare, and commerce & retail sectors. Vantage Towers is working on deploying urban fixtures able to host the new 5G telecommunications equipment and other service equipment such as EV-chargers, cameras and sensors all without visual impact.
- **Leading 5G hosting**: Vantage Towers is developing new solutions to enhance 5G deployment, which may help in the future to "expand" and "evolve" the business to become a leading 5G host and digital enabler as **antenna as a service, site densification and site sustainability**. Vantage Towers is also developing new technology **OpenRAN**, as a way to improve mobile services deployment through Hardware as a Service and Neutral Host Concept.
- **Green Planet:** Vantage Towers has a strong focus on energy savings and renewable energy sources based on wind turbines, gas turbines, solar panels, and new structural designs for our towers to enable Net Zero Infrastructure. Vantage Towers is currently working on upgrading energy technology using energy-efficient rectifiers and free cooling systems. In addition, the Group is also experimenting new materials for the construction of new towers. Through fully remote monitoring and energy metering, Vantage Towers is able to deliver a smart platform that digitalizes operations, drives efficiency and expands the value to our customers.

Financial performance system

Key performance indicators (KPIs)

We have designed our internal performance management system and defined appropriate indicators for measuring our performance. Detailed monthly reports are an important element of our internal management and control system. The financial performance measures we use are aligned with the interests and expectations of our shareholders. For measuring the success in implementing our strategy, we use both financial and non-financial performance indicators.

Financial performance indicators

Vantage Towers steers its operations with the following key financial performance indicators.

- Group Revenue (excl. pass through): Total Group revenue excluding pass-through recharged capital expenditure. Recharged capital expenditure revenue represents direct recharges to Vodafone of capital expenditure in connection with upgrades to existing sites.
- Adjusted EBITDAaL: Adjusted EBITDA on Group level less recharged capital expenditure revenue[1], and after depreciation on ground lease-related right-of-use assets and deduction of interest on leases.
- Recurring Free Cash Flow (RFCF): Adjusted EBITDA less recharged capital expenditure revenue, cash cost of leases, and maintenance capital expenditure, which the Group defines as capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure, excluding capital investment in new sites or growth initiatives, less tax paid and interest paid and adjusted for changes in operating working capital.
- Recurring Operating Free Cash Flow (ROFCF) is Adjusted EBITDA less recharged capital expenditure revenue, less cash costs for ground leases, less maintenance capital expenditure. Maintenance capital expenditure is defined as capital expenditure required to maintain and continue the operation of the existing tower network and other Passive Infrastructure, excluding capital investment in new sites or growth initiatives.
- Leverage: Net Financial Debt divided by adjusted EBITDAaL.

The indicators described above are, or can be, so called financial measures. Other companies that use financial measures with a similar designation may define them differently.

Non-financial performance indicators

In addition to the above stated financial performance indicators, we use non-financial performance indicators to measure the economic success of business activities. The current key non-financial performance indicators is:

- Tenancy ratio: Total number of tenancies (including active sharing tenancies) on Vantage Towers' macro sites divided by the total number of macro sites. Active sharing tenancies refer to the circumstance that a customer shares its Active Equipment on a site with a counterparty under an Active Sharing Agreement.

Non-financial reporting directive

Under the Non-financial Reporting Directive (NFRD), capital market-oriented corporations in the EU have to report, under certain conditions, about the aspects that are required for understanding the business performance and the impact of business operations on environmental protection, social responsibility and treatment of employees, respect for human rights, anti-corruption and bribery. As of 31 March 2023, Vantage Towers was not required to publish a non-financial report in accordance with the NFRD as the respective threshold for number of employees was not exceeded for two consecutive years.

[1] Recharged capital expenditure revenue represents direct recharges to odafone of capital expenditure in connection with upgrades to existing sites.

Economic report

Macroeconomic and sector-related framework conditions

Macroeconomic situation

According to the International Monetary Fund (IMF)[1], global gross domestic product (GDP) in 2022 had seen a decelerating growth of 3.4% compared to 6.1% growth in 2021, with the prior year including a strong economic recovery from the COVID-19 pandemic.

In the first months of 2022, the recovery of the global economy was impacted by the war in Ukraine and supply chain disruptions. This led to severe commodity, food, and energy price shocks globally and record-high inflation especially impacting low-income countries. Consequently, in the second half of 2022, the global economy continued to be impacted by the increase of living costs, the effects of the Ukraine war and the lingering COVID-19 pandemic e.g., the lockdown in China. For 2022, global inflation was sustained on a level higher than seen in several decades at 8.7%[1].

In January 2023, the IMF had expected global economic growth of 2.9% in 2023, which was then revised to 2.8% in April 2023[1]. Central banks globally have sharpened their monetary policies and increased interest rates to fight the high levels of inflation[1].

In 2022, the countries of the Eurozone recorded GDP growth of 3.5% according to IMF. In Germany, GDP grew by 1.8%, while Spain and Greece recorded increases of 5.5% and 5.9%, respectively[1].

The global economy had started 2023 weaker than previously expected by the IMF. On one hand the global economy seems to be ready for a recovery from the cumulative shocks of the past three years such as the COVID-19 pandemic and the war in Ukraine, which have been accompanied by price increases, supply chain disruptions and record-high inflation. On the other hand, the inflationay effects are only partly mitigated. The tightening of monetary policy – for the first time since over a decade - by most central banks globally should start to show effects, however, we have seen severe instability in the banking sector as well.

Industry environment

Increased demand from mobile network operators (MNOs) to extend coverage and densify networks is expected to drive growth in the European tower infrastructure sector. As a result, there are substantial opportunities for growth through increases in the number of sites and points of presence (PoPs).

Mobile data traffic in Western, Central, and Eastern Europe is expected to grow at a compound annual growth rat (CAGR) of around 18% from 2022 through 2028. Over the long term, growing data traffic is driven by both the rising number of smartphone subscriptions and an increasing average data volume per subscription fuelled by more video content viewing as well as higher 5G penetration.[2]

As consumers demand faster communication speeds and higher bandwidth, MNOs will be looking to compete on network quality. For Europe, the GSM Association (GSMA) expects smartphone connections to account for 91% of all mobile connections by 2030. This would account for an increase of 10 percentage points compared to 2022[3].

With the roll-out of each new generation of mobile technology, users have consumed more data and data usage in Europe continues to grow rapidly in response to the increasing adoption of smartphones and internet-based applications.

In order to expand their networks and improve quality as subscribers and data usage increase, MNOs have to maintain effective capacity to ensure the stability of their networks and reduce congestion. This in turn requires them to densify networks and increase tenancies. Furthermore, network densification is required to support the rollout of their 5G networks following the national spectrum auctions. The technology has already become mainstream in several markets, notably South Korea and the US, where 5G now accounts for more than 40% of total connections. According to GSMA, mobile operators will focus on generating returns on their investments, which is supposed to decrease capex[3].

[1] Source: International Monetary Fund, World Economic Outlook Update, April 2023
[2] Source: Ericsson Mobility Report, November 2022, p. 22, 23
[3] Source: GSMA, The Mobile Economy 2023, p. 14f

It is estimated that 92% of mobile operator capex will be spend on 5G between 2023 and 2030[1]. In Western Europe, 5G mobile subscription penetration is expected to increase from 11% in 2022 to 88% by the end of 2028[2]. As this development necessitates densification, MNOs demand for towers will further grow. Thus, the number of towers in Europe is expected to increase by around 1% to 3% p.a. over the next five years[3].

MNOs will also need additional tenancies to address short-term and medium-term coverage obligations. In many European markets, national regulators have established coverage obligations that require MNOs to provide network coverage of certain quality over specific areas. These developments will continue to drive the demand for towers.

Furthermore, further trends in the sector are IoT and private networks. In 2022 for example China recorded already more IoT connections than mobile users. The GSMA forecasts that Europe and the US combined are supposed to account for 20% of total connections by 2030. As 5G allows to offer dedicated solutions for the customers' needs, mobile private networks are an important growth driver for the industry targeting not only factories but also the transport and logistic sector.[4]

Another focus of MNOs, according to GSMA and the Ericsson Mobility Report, is their environmental impact. This trend increases the demand for renewable energy sources and smart operation capabilites of the infrastrcutre.[5]

1 Source: GSMA, The Mobile Economy 2023, p. 19
2 Source: Ericsson Mobility Report, November 2022, p. 6
3 Source: The economic contribution of the European tower sector, February 2022, p. 10

Development of the business-Introduction

We have a business model with clear and predictable structural growth drivers and high cash conversion.

We believe that the factors discussed below have had, and/or will continue to have, a significant impact on the results of operations of the Towers Business in the past and operations, financial position and cash flows in future periods.

Public offers for the acquisition of the shares of Vantage Towers AG and structural measures

- On 9 November 2022, Oak Holdings GmbH ("Oak Holdings"), which is part of a Joint Venture between Vodafone GmbH and Oak Consortium GmbH, a holding company controlled by investment funds managed and advised by Global Infrastructure Partners ("GIP") and by various subsidiaries of Kohlberg Kravis Roberts & Co. ("KKR") advised and managed investment funds, special purpose entities and/or accounts controlled holding company ("Oak Consortium") announced their decision to submit a voluntary public takeover offer to all shareholders of Vantage Towers at €32.00 per share
- On 23 March 2023, Oak Holdings announced the completion of the acquisition of Vodafone GmbH shares in Vantage Towers AG and of the public voluntary takeover offer and, as a result of these transactions held 89.26% of the shares of Vantage Towers AG
- On 3 May 2023 the acceptance period for the public delisting tender offer, announced by Oak Holdings on 20 March 2023, to all shareholders of Vantage Towers AG at a price of €32.00 per share expired. The completion of the public delisting tender offer resulted in the tender of an additional 0.05% of the shares in Vantage Towers AG to Oak Holdings, with Oak Holdings currently holding 89.31% of the shares in Vantage Towers AG. Trading of Vantage Towers AG shares on the regulated market of the Frankfurt Stock Exchange ended at the end of 9 May 2023.
- On 5 May 2023, the extraordinary general meeting of the Company approved the draft domination and profit and loss transfer agreement between Oak Holdings as the controlling company and Vantage Towers AG as the controlled company. Under the domination and profit and loss transfer agreement, Oak Holdings would undertake, among other things, to acquire the Vantage Towers share of any outside shareholder of Vantage Towers AG upon request in return for cash compensation.

4 Source: GSMA, The Mobile Economy 2023, p. 4,17
5 Source: GSMA, The Mobile Economy 2023, p.4; Ericsson Mobility Report, November 2022, p. 2

Voluntary public takeover offer

On 9 November 2022, the Company's former majority shareholder, Vodafone GmbH, and Oak Consortium entered into an investment agreement providing for the formation of a joint venture that would indirectly hold the shares in the Company held by Vodafone GmbH and additional shares acquired in a voluntary public tender offer (the "Oak Transaction"). On 13 December 2022, Oak Holdings published the offer document for the voluntary public offer (cash offer) to acquire all shares of Vantage Towers AG for a cash compensation of €32.00 per share. The acceptance period of the offer ended on 10 January 2023. In the offer document, Oak Holdings stated, among other things, its intention to support Vantage Towers in its next phase of growth and strengthen its position as one of Europe's leading tower companys. The offer price of €32.00 per share represented a premium of 19% over the relevant volume-weighted average share price of the last three months (€26.89 as reported by BaFin) and 33% over the IPO price. The Management Board and the Supervisory Board of Vantage Towers welcomed the voluntary public takeover offer and recommended to the shareholders in their joint reasoned statement dated on 20 December 2022 to accept it.

Public delisting tender offer

As announced by Oak Holdings on 20 March 2023, Oak Holdings and Vantage Towers have entered into a delisting agreement on the same day. On 5 April 2023, Oak Holdings published the public delisting tender (cash offer) to acquire all remaining shares of Vantage Towers AG for a cash compensation of €32.00 per share. The acceptance period ended on 3 May 2023 with a final acceptance rate of 0.05% of the shares. The Management Board and the Supervisory Board of Vantage Towers welcomed the delisting tender offer and recommended to the shareholders in their joint reasoned statement from 18 April 2023, to accept it. In the course of the public delisting offer, the revocation of the admission of the shares of Vantage Towers AG to trading on the regulated market of the Frankfurt Stock Exchange and simultaneously on the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard), as applied for by Vantage Towers AG, became effective as of the end of 9 May 2023 (delisting).

Domination and Profit and Loss Transfer Agreement

Following the closing of the Oak transaction, the Management Board, with the consent of the Supervisory Board, approved the conclusion of a domination and profit and loss transfer agreement pursuant to Section 291 et seq AktG between Vantage Towers AG as the controlled company and Oak Holdings as the controlling company on the basis of a draft agreement agreed between the parties.

At the extraordinary general meeting of Vantage Towers AG held in Düsseldorf on 5 May 2023, an updated version of the draft agreement was approved with 98.25% of the votes.

The domination and profit and loss transfer agreement became effective on 13 June 2023 through registration on the commercial register.

Following the conclusion and the effectiveness of the Domination and Profit and Loss Transfer Agreement, Oak Holdings will, at the request of any outside shareholder of Vantage Towers AG, acquire its Vantage Towers AG shares in return for a cash compensation pursuant to Section 305 AktG in the amount of €28.24 per share. The annual compensation payment for outside shareholders pursuant to Section 304 AktG will amount to €1.63 gross (€1.52 after deduction of corporate income tax (including solidarity surcharge)) per Vantage Towers AG share.

Demand for mobile telecommunication services

Demand for new sites and additional tenancies on our sites is primarily driven by coverage obligations and densification requirements which are in turn impacted by consumer and enterprise demand for mobile voice and data services as well as advances in technology such as the roll out of 5G. To expand networks and improve quality of service as subscribers and data usage increase, MNOs must maintain effective capacity to ensure network stability and a lack of congestion. This in turn requires an increase in tenancies by locating additional active equipment on existing sites, contracting new sites to ensure network coverage and density, or entering into sharing arrangements with other MNOs. Mobile data usage in Europe continues to grow rapidly given increasing smartphone use and the growing adoption of internet-based applications. In response to this growth, MNOs are deploying additional equipment on existing networks while also rolling out more advanced 5G mobile networks to address short- to medium-term coverage obligations and capacity needs. In a number of our consolidated markets, as well as those of our associate undertaking INWIT and joint venture Cornerstone, national regulators have established coverage obligations that require MNOs to provide network coverage of certain quality over certain areas.[1]

[1] Source: Analysys Mason; 5G Observatory, company press releases

Revenue from our relationship with Vodafone

Subsidiaries of the Vantage Towers Group have entered into MSAs with subsidiaries of the Vodafone Group in each of the markets in which both companies operate and these provide consistent CPI-linked revenues that support our margins. While the Vodafone MSAs vary from market to market, their key provisions are broadly the same. As discussed further below, the terms of the Vodafone MSAs provide us with a high degree of visibility and predictability over our future revenues and cash flows, and we believe that the recurring nature of the payments under these Vodafone MSAs will support the stability and growth of our revenues and cash flows over the medium and long-term.

The Vodafone MSAs have been entered into for an initial term of eight years (until November 2028), and renew automatically following the expiration of their initial term for three additional eight-year terms, subject to the Vodafone Operator's right, at the end of each term, not to extend the agreement. Under the terms of the Vodafone MSAs, we charge a tenant fee to Vodafone for use of our sites and related services. This includes a base service charge and additional service charges. The additional service charges include charges for services provided on sites that Vodafone has designated as strategic sites (if applicable), sites that Vodafone has designated as critical sites and sites subject to Active Sharing Arrangements. If a new MNO tenancy is added to a site, Vodafone as the anchor tenant may receive an additional tenant discount to its base service charge unless the tenant was already co-locating on the site at the effective date of the Vodafone MSA and is installing more active equipment or renewing its site agreement. Other than in Greece (where the discount does not apply) and within certain Central and Eastern European markets (where the discount is lower), the additional tenant discount can be up to 15% of the original anchor tenant fee. This additional tenant discount does not apply on "white spot" sites in Germany to Deutsche Telekom and Telefónica Deutschland, who are sharing the "white spot" sites with Vodafone, or to any other additional sharing counterparties on those sites.

A "strategic site" is a site that is of strategic importance to Vodafone from a network management perspective. Vodafone has consent rights over other MNOs co-locating on strategic sites. As of 31 March 2023, approximately 3% of our sites were designated as strategic sites (FY 2022: 3%).[1]

A "critical site" is a site subject to higher service levels. A site can be designated as both strategic and critical. We also receive additional service charges to recover portions of ground lease increases over stipulated thresholds (input cost recovery) and if Vodafone requires additional space, weight or power at a site over and above the configuration reserved under a Vodafone MSA (loading charges).

For the year ended 31 March 2023, we generated a total revenue (ex pass through) of €1,075.1 million. This represents an increase of 6.4% compared to the prior year total of €1,010.9 million. Revenue (ex pass through) for Vodafone amounted to €855.7 million (FY 2022: €802.9 million) with an additional pass through revenue of €20.2 million (FY 2022: €12.4 million) from capital expenditure recharge income.

Revenue from other customers

In addition to the revenue generated from the Vodafone MSAs, we also benefit from strong revenue visibility and predictability from long-term contractual commitments with our other MNO customers, which include the leading MNOs in each of our markets, and from agreements with a number of non-MNOs. Our contracts with other MNOs have a typical duration of eight years, and the majority include automatic rollover or extension clauses that are either long-term or without limitation. The annual payments vary depending upon numerous factors, such as the number of sites related to the contracts, site location and classification (including height), the configuration of equipment on the site, and ground space required by the customer.

Between 1 April 2022 and 31 March 2023, we added approximately 1,440 non-Vodafone net tenancies. For the year ended 31 March 2023, we generated revenue of €219.4[2] million from customers other than Vodafone (FY 2022: €208.0m)[3].

Tenancy ratio and impact of colocations

Our operating leverage is supported by the addition of new tenancies. Prior to the establishment of Vantage Towers, there was limited focus on adding new tenants to the Towers Portfolio across Europe. As a dedicated mobile telecommunications tower infrastructure operator, we are aiming to increase our tenancy ratios and our returns by adding new tenants on our sites and installing new active equipment for our customers.

We are actively seeking to generate additional revenues and improve our margins by attracting new customers (also referred to as "tenants"), whether MNOs or non-MNOs, onto our sites with relatively low additional cost. Due to the relatively fixed nature of our costs, if we attract additional tenants or add additional active equipment to our sites, we can generate higher margins and create significant value for our business. Tenancies can

[1] Source: company information
[2] Non-VF revenue now includes revenues from Hungary since the sale of VF Hungary in Feb. 23
[3] Please note there has been a transfer of revenues. Revenue related to the active sharing agreement in Spain was previously classified as Vodafone revenue and is now classified as Non-Vodafone revenue.

be physical tenancies (i.e. when a customer locates its active equipment on a site) or active sharing tenancies (i.e. when a customer shares their active equipment on a site with a counterparty under an active sharing agreement). Where more than one customer is physically hosted on a single site, this is known as co-location. By co-locating additional physical tenants on our sites or adding active sharing tenancies, we increase our tenancy ratio.

We define tenancy ratio as the total number of tenancies (including physical tenancies and active sharing tenancies) on macro sites divided by the total number of macro sites. Therefore, tenancy ratio counts two tenancies where the physical tenant (Vodafone or another MNO) is actively sharing its active equipment on a macro site. Overall, we have good visibility on the drivers of tenancy growth in the medium-term.

BTS commitments and white spot obligations are expected to represent a significant portion of tenancy growth. Furthermore, in December 2021, we announced an agreement with 1&1 to provide them with at least 3,800 co-locations across Germany, which will further drive our tenancy growth. Overall, in FY 2023 we have added 1,750 net new tenancies on our sites across Europe.

As of 31 March 2023, our average tenancy ratio in the Consolidated Markets was 1.46x, in comparison to the prior year figure of 1.44x. The table below sets out the tenancy ratios in our consolidated markets, and those of our investment entities INWIT and Cornerstone at their respective financial year ends.

Markets by segment

	As of 31/03/2023	As of 31/03/2022
Germany	1.24x	1.23x
Spain	1.84x	1.79x
Greece	1.72x	1.68x
Other European Markets	1.46x	1.42x
Total	**1.46x**	**1.44x**
Associate and Joint Venture		
Italy (INWIT)*	2.16x	2.01x
United Kingdom (Cornerstone)	1.92x	1.96x

* INWIT numbers based on 31 December 2021 and 2022

Number of sites

Our results are impacted by the number of sites in the portfolio. In addition to generating revenue from providing space on sites and related services, we also receive revenue from new sites. New sites constructed during the course of a financial year earn revenue from the point of commissioning, meaning that a site typically does not generate full run-rate revenue until the financial year after it is commissioned. As of 31 March 2023, our consolidated macro site portfolio, excluding INWIT and Cornerstone, comprised approximately 46,100 macro sites (FY 2022: 45,700 sites).

The BTS programme[1] accelerated in FY 2023 and we delivered 910 new macro sites (FY 2022: 510) across our consolidated markets, of which 490 were in Germany. Whilst the BTS programme maintained its momentum in the last three quarters of FY 2023, we will continue to closely manage the new site build programme and undertake direct measures in a number of areas including process and operations; supplier and sourcing; steering and control; and organisation and governance in order to reach our new build commitment until FY 2026.

The increase in new build sites was partially offset by 540 planned decommissionings of sites, in particular driven by the Active Sharing Agreements of our anchor tenants, mainly in Spain and Portugal. This type of decommissioning creates efficiencies in our network since our revenues are maintained by portfolio fee mechanisms.

[1] BTS: built to suit, refers to our programme to built a total of up to 7,100 committed new BTS sites across our markets until FY 2026. 5,500 of them in Germany with the optionality to source up to 1,200 sites from third-party TowerCos in Germany.

Ground lease optimisation programme

Ground leases (calculated as the sum of depreciation on the right-of-use assets and interest on lease liabilities) are our largest efficiency opportunity. To optimise ground lease costs, we have established dedicated teams in each market to identify potential buy-out or long-term rights of use targets and to oversee our leases and landlord management.

Pursuant to the ground lease optimisation programme, we are seeking to reduce our ground lease costs by selectively acquiring land on which our sites are located or the long-term rights of use (RoU) assets in respect of such land or property (typically between 10 and 30 years) on margin accretive terms. We believe that the ground lease optimisation programme will allow us to increase tenancies on a number of our roof top towers by removing restrictions under certain of our leases and will protect us from companies seeking to consolidate land ownership in order to increase lease costs.

We assess land or long-term RoU acquisitions based on internal rates of return and return on capital employed alongside other factors, including the strategic nature of the sites and the ability to unlock active sharing and passive sharing opportunities. We have budgeted for at least €200 million of ground lease capital expenditure over the medium-term to target approximately 10% of our current sites, subject to achieving appropriate returns. In addition to acquiring land or RoU assets, we also optimise our lease portfolio through the active re-negotiation of leases where possible and advantageous to do so, in some cases offering landlords longer lease terms in exchange for reduced rental costs or removal of inflation escalators.

Capital expenditure

Our capacity to maintain a high level of service depends on our ability to develop, expand, and maintain the infrastructure. We classify capital expenditure into four main categories, (i) maintenance capital expenditure; (ii) growth capital expenditure, which includes new site capital expenditure, ground lease optimisation capital expenditure, and other growth capital expenditure; (iii) non-recurring capital expenditure and (iv) recharged capital expenditure.

Maintenance capital expenditure consists of capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure (excluding capital investment in new sites or other growth initiatives). New site capital expenditure is capital expenditure in connection with the construction of new BTS sites. The cost of constructing new BTS sites may vary depending on a number of factors, including, but not limited to, site type, location, terrain, and regulatory approvals; however, we have some protection against higher construction costs as part of the Vodafone MSAs. Ground lease optimisation capital expenditure is capital expenditure on the ground lease optimisation programme.

Other growth capital expenditure comprises capital expenditure linked to initiatives to grow earnings, including, but not limited to, upgrade capital expenditure to enable non-Vodafone tenancies, efficiencies investments and DAS/indoor small cell roll out, as well as the residual portion of capital expenditure in connection with upgrades to existing sites that is not recharged directly to tenants. Other non-recurring capital expenditure includes capital expenditure on IT transformation, infrastructure, and research and development, as well as investment in energy infrastructure.

Under the terms of the Vodafone MSAs and some of our other customer agreements, recharged capital expenditure comprises capital expenditure in connection with upgrades to existing sites recharged to tenants. The Group receives revenue from recharges of capital expenditure in connection with upgrades to existing sites recharged to the Operator following the provision of upgrade services up to standard configuration on sites.

Performance of INWIT and Cornerstone

The operational performance of INWIT and Cornerstone is impacted by various factors, including changes in the revenue derived from their anchor tenants, Telecom Italia and Vodafone Italia SpA (Vodafone Italy) in the case of INWIT, and Vodafone UK and Telefónica UK in the case of Cornerstone, demand for telecommunications services in Italy or the United Kingdom, respectively, and as a result of changes in the market, entry of new potential competitors in the fixed line and mobile sphere, and/or potential governmental procedures or constraints delaying the implementation of new strategies.

Cornerstone's operational performance is also impacted by the UK Electronic Communications Code (ECC) and the result of its impact on ground lease costs. Changes in these factors would in turn have an impact on the operational performance and results of Cornerstone.

Inflation

We have contractual escalators linked to CPI in each of the Vodafone MSAs. Our results of operations are therefore protected to a large degree from the impact of inflation and deflation, which helps to better predict future cash flows.

The contractual escalators related to inflation are typically linked to the CPI in the countries in which we operate and are applied once a year based on the preceding twelve-month period for the succeeding twelve months.In the case of the Vodafone MSAs, the CPI escalators are subject to caps and floors which differ to some degree from market to market and contract to contract.

The following table sets out the Vodafone MSA CPI escalators for the twelve months ended 31 March 2023.

Inflation

	Twelve months ended 31/03/2023 %
Germany	2.0
Spain	2.0
Greece	2.0
Other European Markets	2.0

Following the completion of the Oak transaction, the Vodafone MSA terms in Germany, Spain, Romania, Portugal, the Czech Republic and Ireland regarding the contractual CPI escalators were amended. From the 1st of April 2023 the CPI cap in these six markets is set at 3%, however, only 85% of the re-spective inflation rate is applied. No changes were made to the Vodafone MSA terms in Greece and Hungary[1].

[1] Source: company information; Example: An actual infaltionrate of 3% would lead to an inflation escalator of (85% * 3%) 2.6%

Overall assessment by the Management Board of the current situation

Highlights during the year ended 31 March 2023 include:

- Closing of the voluntary public takeover offer and the Oak transaction with our new main shareholder now owning 89.3% of Vantage Towers AG
- Further successful commercialisation of our business increasing our tenancy ratio to 1.46x
- BTS programme with 910 new macro sites built across our footprint, of which 490 built in Germany
- Strong progress of our ground lease buyout programme (GLBO)
- Exceeded our FY 2023 financial guidance range for Group Revenue (ex. pass through) of 3% to 5% YOY with Group Revenue growing 6.4 % year-on-year to €1,075.1 million
- Achieved our FY 2023 financial guidance for adjusted EBTIDAaL with €564.3 million at the upper end of the guidance range of €550-€570 million
- Recurring Free Cash Flow increased by 5.6% year-on-year to €438.2 million exceeding the guidance range of €405-€425 million

The Management Board of Vantage Towers looks back at an exciting and successful year. Also, we achieved or even slightly outperformed our financial targets for FY 2023 and have made progress in ramping up our business to deliver 910 new macro sites and a closing tenancy ratio of 1.46x. Together with our new partners, we will continue our journey and further strengthen our position as one of the leading tower companies in Europe.

Results of operations of the Group

During FY 2023, we saw consistent revenue growth across all markets driven by contractual inflation escalators, tenancy growth, and other chargeable services to MNOs.

Group Revenue (ex. pass-through) grew 6.4 % YoY in FY 2023 to €1,075.1 million, mainly driven by Macro site and Energy and other revenue and was above the guidance range which expected an increase of 3% to 5% compared to the prior year.

Adjusted EBITDA increased from €865.2 million to €908.3 million with the adjusted EBITDA margin slightly lower at 83% (FY 2022: 85%) reflecting revenue mix and increases in nonlease operating expenses. In FY 2023, adjusted EBITDAaL increased by 4.0 % YoY to €564.3 million with a corresponding margin of 53% (FY 2022: 54%).

Summarised Group performance

	31/03/2023 €m	31/03/2022 €m
Revenue (ex. pass through)	**1,075.1**	**1,010.9**
Capex recharge revenue	20.2	12.4
Revenue	**1,095.3**	**1,023.3**
Maintenance costs	(46.1)	(46.4)
Staff costs	(68.6)	(45.3)
Other operating expenses	(81.0)	(67.8)
Adjustment: One off items	8.5	1.4
Adj. EBITDA	**908.3**	**865.2**
EBITDA margin	83%	85%
Capex recharge revenue	(20.2)	(12.4)
Ground lease expense	(323.7)	(310.2)
Adj. EBITDAaL	**564.3**	**542.7**
EBITDAaL margin	53%	54%

Revenue and profitability

Revenue disaggregation

	31/03/2023		31/03/2022	
	€m	**%**	€m	%
Macro site revenue	976.2	89.1%	923.1	90.2%
Other rental revenue	43.9	4.0%	43.2	4.2%
Energy and other revenue	54.9	5.0%	44.6	4.4%
Recharged capital expenditure	20.2	1.8%	12.4	1.2%
Consolidated	**1,095.3**	**100.0%**	**1,023.3**	**100.0%**

Revenue by segment

	31/03/2023 €m	31/03/2023 %	31/03/2022 €m	31/03/2022 %
Germany	544.4	49.7%	503.2	49.2%
Spain	185.5	16.9%	172.8	16.9%
Greece	141.9	13.0%	134.7	13.2%
Other European Markets	223.5	20.4%	212.6	20.8%
Consolidated	**1,095.3**	**100.0%**	**1,023.3**	**100.0%**

During FY 2023, we generated revenues of €1,095.3 million, which is comprised of €976.2 million (89.1%) macro site revenue, €54.9 million (5.0%) energy and other revenue, €43.9 million (5.0%) other rental revenue and €20.2 million (1.8%) of recharged capital expenditure. In FY 2023 we added 1,750 net new tenancies in total across our footprint, resulting in a tenancy ratio of 1.46x. Revenue from customers other than Vodafone principally comprised macro site revenue. During FY 2023, we generated revenue of €218.9 million (FY 2022: €208.0 million) from customers other than Vodafone.

The increase in energy and other revenue was mainly driven by other chargeable services to MNOs.

Germany is our largest segment earning total revenue of €544.4 million. The other reporting segments Spain and Greece earned total revenue of €185.5 million and €141.9 million, respectively, with the Other European Markets earning €223.5 million.

Adjusted EBITDAaL by segment

	31/03/2023 €m	31/03/2022 €m
Germany	302.8	298.6
Spain	89.1	80.6
Greece	53.3	50.2
Other European Markets	119.1	113.3
Consolidated	**564.3**	**542.7**

Adjusted EBITDAaL (being EBITDA adjusted for recharged capital expenditure revenue, depreciation of ground lease related right-of-use assets and for interest expenses on recognised lease liabilities), increased to €564.3 million from €542.6 million in the prior period,and was at the upper end of FY 2023 guidance of €550-€570 million . The year on year increase of 4% in consolidated adjusted EBITDAaL mostly reflects the increase in revenue (ex. pass through) offset by a margin impact from the revenue mix, and planned increases in operating expenses in FY23 to support and accelerate the build out of our supporting teams to ramp up our BTS programme and to facilitate 1&1's access on our existing sites, and, all ahead of the corresponding revenue contribution from FY24 onwards.

Results from operations in Germany (€302.8 million or 53.8% of total EBITDAaL), Spain (€89.1 million or 15.7%), Greece (€53.3 million or 9.4%), and Other European Markets (€119.1 million or 21,1%) are broadly in line with management's expectations. The results in Germany reflect planned investment costs in FY23 to accelerate the BTS programme and the 1&1 rollout, all ahead of the corresponding revenue contribution from FY24 onwards.

We use Adjusted EBITDAaL as a measure of underlying profitability to support the capital investment and capital structure after the cost of leases, which represent a significant cost for us and our peers. The measure is also used as a reference point for valuation purposes across the broader telecommunication sector.

Ground lease expenses

Ground lease expense by segment

	31/03/2023 €m	31.03.2022 €m
Germany	114.8	106.4
Spain	71.0	70.2
Greece	67.9	65.2
Other European Markets	70.1	68.4
Consolidated	**323.7**	**310.2**

Ground lease expenses increased year on year to €323.7 million from €310.2 million. Ground lease expenses comprise the depreciation on ground lease-related right-of-use assets, amounting to €267.6 million (FY 2022: €257.3 million) and the interest on lease liabilities, amounting to €56.2 million (FY 2022: €52.9 million).

Ground lease costs comprise the rents that we pay to landlords to locate telecommunications infrastructure on the landlords' property, accounted for under IFRS 16: "Leases".

As outlined in our Interim Financial Report for FY23, we are seeking to reduce our ground lease costs by selectively acquiring land on which certain of our sites are located or the long-term RoU (right-of-use) assets in respect of such land or property (typically between 10 and 30 years) on margin accretive terms. We believe that the ground lease optimisation programme will allow us to increase tenancies on a number of our roof top towers by removing restrictions under certain of our leases and will protect us from companies seeking to consolidate land ownership in order to increase lease costs.

We assess land or long-term RoU acquisitions based on internal rates of return and return on capital employed alongside other factors, including the strategic nature of the sites and the ability to unlock active sharing and passive sharing opportunities. In addition to acquiring land or RoU assets, we have also begun to optimise our lease portfolio through the active renegotiation of leases where possible and advantageous to do so, in some cases offering landlords longer lease terms in exchange for reduced rental costs.

Maintenance costs

Maintenance costs for the year ended 31 March 2023 amounted to €46.1 million (FY 2022: €46.4 million). In Germany, Ireland, Hungary, the Czech Republic, and Romania we incur maintenance costs from the Vodafone Group under the terms of long-term service agreements, pursuant to which Vodafone enables us to access the services of third-party service providers with which the Vodafone Group has contracted through a small number of regional or national maintenance contracts in each market (except in the case of Romania, where maintenance services are provided directly by Vodafone Romania). With the exception of Spain and Romania, these contracts have been in place since before the formation of Vantage Towers, and the maintenance services provided under them are continuations of services provided prior to this time.

The contracts relate to both Active Equipment and Passive Infrastructure because they were negotiated when our assets were operated as an integrated part of the Vodafone Group. However, we plan to negotiate stand-alone Passive Infrastructure maintenance contracts directly with third-party service providers on a rolling basis as the current third-party service contracts come to an end. In Spain, Vantage Towers Spain incurs maintenance costs directly with a third-party service provider. In Greece, maintenance costs are incurred from Victus.

Staff costs

Staff costs for the year ended 31 March 2023 of €68.6 million has increased by 51.4 % year on year. This is due to the increase in average FTE employed by the Group from 457 FTE in the prior year to 627 FTE in FY 2023, salary increases and other one off payments to employees. Staff costs mainly consisted of wages and salaries (€55.0 million), social security contributions (€7.1 million), share based payment expense (€5.2 million) and pension costs (€1.3 million). €50.7 million, or 73.9%, of staff costs were incurred in Germany and also include head office costs.

Other operating expenses

We incurred other operating expenses of €81.0 million and these were primarily made up of energy costs, transitional services agreements, long-term services agreements and our support agreements.

Other non-operating expenses and one-off costs

The Group incurred one-off costs of €8.5 million in the year ended 31 March 2023 (FY 2022: €1.5 million) including one-off staff costs and other expenses included within operating profit. Additionally, the Company incurred €30.7 million of non-operating expenses in the year, being consultancy and advisory fees incurred in relation to the change in ownership arising from the Oak transaction. The fees have been incurred directly by the Company on its own behalf, including accruals of €29.1 million within current trade and other payables. The total of other non-operating expenses and one-off costs, being €39.2 million in the year ended 31 March 2023 (FY 2022: €6.0 million), has been excluded in the derivation of the key performance indicators, notably adjusted EBITDA, adjusted EBITDAaL and recurring free cash flow.

Equity Accounted Results from investments

The share of profit from equity accounted investments was €85.8 million (FY 2022: €30.2 million). For our joint venture investment, Cornerstone, the Vantage Towers share of profit was €22.7 million for the year. For our associate investment, INWIT, the Vantage Towers share of profit was €97.3 million in relation to INWIT's financial year ended 31 December 2022, which is offset by the amortisation of €34.2 million relating to associated intangible assets.

INWIT added 4.200 new tenants and 480 new sites between 1 January 2022 and 31 December 2022, bringing the tenancy ratio to 2.16x with a total of 23.3k sites. The renegotiation and land acquisition programme continued with further 510 agreements. INWIT has declared a final dividend for the financial year ended 31 December 2022 of €332.9 million, with the Group's share of €110.4 million being received in May 2023.

Cornerstone's performance was in line with expectation with a good operational performance. At 31 March 2023, Cornerstone's total number of macro sites was approximately 15.100 with tenancy ratio of 1.92x. In addition, the renewals of the existing lease agreements under the Electronic Communication Code (ECC) are progressing as planned. A final dividend was declared and paid by Cornerstone in respect of the financial year ended 31 March 2023 totalling £60.0 million, with the Group's share of £30.0 million (€ 34.0 million) being received in March 2023.

Earnings per share

Earnings per share is calculated as profit for the period attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding, which totalled 505.8 million shares as of 31 March 2023. This resulted in an earnings per share of 93.5 eurocents.

Diluted earnings per share is calculated as profit for the period attributable to owners of the Company, divided by the weighted average number of ordinary and dilutive shares outstanding, which totalled 506.7 million shares as of 31 March 2023. This resulted in a diluted earnings per share of 93.4 eurocents.

Net assets of the Group

Assets and liabilities in the Group

Assets

	31/03/2023 €m	31/03/2022 €m
Non-current assets		
Goodwill	3,324.2	3,319.6
Intangible assets	282.0	268.9
Property, plant and equipment	3,561.8	3,201.9
Investments	3,170.8	3,217.9
Deferred tax assets	74.7	29.5
Trade and other receivables	22.5	23.5
	10,436.0	**10,061.3**
Current assets		
Receivables due from related parties	291.5	512.4
Trade and other receivables	130.8	126.2
Cash and cash equivalents	177.5	21.7
	599.8	**660.3**
Total assets	**11,035.8**	**10,721.6**

Equity and liabilities

	31/03/2023 €m	31/03/2022 €m
Equity		
Share capital	505.8	505.8
Share premium	6,751.5	6,751.5
Merger reserve	(2,250.2)	(2,266.3)
Other reserves	21.9	12.8
Retained earnings	514.3	359.8
Total equity attributable to shareholders of the parent	**5,543.3**	**5,363.7**
Non-current liabilities		
Bonds	–	2,189.5
Lease liabilities	1,751.5	1,758.8
Provisions	476.3	457.3
Post employment benefits	0.6	0.3
Deferred tax liabilities	73.4	128.9
Trade and other payables	92.2	89.3
	2,393.9	**4,624.1**
Current liabilities		
Lease liabilities	261.8	247.5
Bonds	2,199.0	–
Current income tax liabilities	24.3	12.2
Provisions	9.1	8.7
Payables due to related parties	81.6	117.7
Trade and other payables	522.9	347.7
	3,098.6	**733.8**
Total liabilities	**5,492.5**	**5,357.9**
Total equity and liabilities	**11,035.8**	**10,721.6**

Non-current assets

Non-current assets amounted to €10,436.0 million (or 94% of total assets) as of 31 March 2023 with an increase of €374.7 million compared to the prior period. Our non-current assets comprised mainly of goodwill, investments in associate and joint venture undertakings and property, plant and equipment.

Goodwill amounting to €3,324.2 million has arisen mainly in Germany (€2.6 billion). The majority of goodwill arose on historical transactions in the Vodafone Group and has subsequently been allocated in the formation of the Group between the Group's tower businesses and the remaining Vodafone Group operating businesses in proportion to the relative value of the cash generating units for each market at the respective demerger date.

Intangible assets are €282.0 million related mainly to the acquisition of customer relationships in Greece, with a value of €236.5 million.

Property, plant and equipment of €3,561.8 million consisted of lease-related right-of-use-assets of €2,073.6 million (FY 2022: €2,059.2 million), which are being depreciated over their reasonably certain lease terms, and property, plant and equipment of €1,488.2 million (FY 2022: €1,142.7 million) of which €110.3 million (FY 2022: €105.0 million) related to land and buildings and €1,378.0 million (FY 2022: €1,037.6 million) to other property, plant and equipment.

Investments in joint ventures and associates of €3,170.8 million solely related to the investments in INWIT €2,811.4 million and CTIL €359.4 million.

Deferred tax assets amounted to €74.7 million and related mainly to Spain with €47.3 million, the Czech Republic with €21.8 million and Portugal with €4.9 million. New deferred tax assets in Spain arose in the year following the Oak Holdings transaction, and deconsolidation from the Vodafone Group, which resulted in the step-up of asset values transferred from Vodafone in the formation of the Group and the expected utilisation of past tax losses in Vantage Spain. The related deferred tax credit recognised in the income statement in FY 2023 is €42.2 million.

Long-term trade and other receivables comprised prepayments of €15.3 million (FY 2022: €15.8 million), other receivables due greater than one year of €6.5 million (FY 2022: €6.8 million) and accrued income of €0.7 million (FY 2022: €0.9 million). The year on year reduction in accrued income relates mainly to the finalisation of contractual terms with a third party customer in Vantage Spain, with an off-setting increase in related party receivables under the MSA terms.

Current assets

Current assets of €599.8 million (or 6% of total assets) consisted of receivables due from related parties of €291.5 million, trade and other receivables of €130.8 million and cash and cash equivalents of €177.5 million.

Receivables due from related parties of €291.5 million (FY 2022: €512.4 million) primarily consisted of balances due from the Vodafone Group operating businesses under the terms of the MSAs of €291.5 million (FY 2022: €240.1 million). Upon deconsolidation on 23 March 2023, the cash pooling arrangements previously in place with the Vodafone Group ceased and the cash deposited with Vodafone Group at 31 March 2023 has reduced to €nil million (FY 2022: €272.3 million).

Trade and other receivables of €130.8 million (FY 2022: €126.2 million) were mainly comprised of accrued income of €28.3 million (FY 2022: €64.9 million), prepayments of €4.1 million (FY 2022: €2.6 million), tax receivables of €64.8 million (FY 2022: €41.0 million), other receivables of €16.3 million (FY 2022: €5.1 million), and of trade receivables of €17.3 million (FY 2022: €12.6 million). The year on year reduction in accrued income relates mainly to the finalisation of contractual terms with a third party customer in Vantage Spain, with an off-setting increase in related party receivables under the MSA terms.

Cash and cash equivalents of €177.5 million (FY2022: €21.7 million) are held at 31 March 2023. The increase compared with prior year follows completion of the Oak transaction and the subsequent termination of cash pooling arrangements with Vodafone Group on 23 March 2023. Prior to this change, surplus cash balances under the Vodafone Group cash-pooling arrangements were disclosed within related party receivables. Under our new arrangements surplus cash balances are mostly held as overnight deposits on Vantage Towers' call accounts at our relationship banks carrying solid investment grade credit ratings. Such surplus cash is split among those banks to avoid concentration risk and limit our default exposure. Cash balances in the prior year mainly related to balances held in Vantage Greece.

Equity

Equity amounted to €5,543.3 million (or 50% of total assets) as of 31 March 2023 and was mainly comprised of share capital €505.8 million, share premium €6.7 billion (almost entirely relating to Germany) and a negative merger reserve of €2.3 billion. For further details refer to the Consolidated Statement of Changes in Equity and section "Formation of the Group" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2021.

Non-current liabilities

Non-current liabilities of €2,393.9 million (or 43% of total liabilities) consisted of lease liabilities, provisions, post-employment benefits, deferred tax liabilities, payables due to related parties and trade and other payables.

Non-current lease liabilities decreased by 0.4% following our efficiency programme to optimise ground leases through buyouts and amounted to €1,751.5 million. This relates mainly to lease contracts in Germany with €764.2 million or 43.6% (FY 2022: €713.6 million or 41%), Spain with €374.9 million or 21.4% (FY 2022: €408.0 million or 23%) and Greece with €257.3 million or 14.7% (FY 2022: €268.0 million or 15%).

Provisions of €476.3 million (FY 2022: €457.3 million) related almost entirely to asset retirement obligations of €473.4 million (FY 2022: €456.1 million). The increase in the year was predominantly due to inflationary increases on current year costs, offset by the effect of discounting of the future liabilities, with a consequent impact on our estimate of the future financial obligation related to asset retirements.

Deferred tax liabilities amounted to €73.4 million (FY 2022: €128.9 million) of which €57.9 (FY 2022: €53.6 million) related to acquired intangible assets in Greece and €13.3 million to Germany. The deferred tax liability in Germany has decreased by €55.5 million in the year due to a setp-up in the book values in Vantage Towers AG as a consequence of the Oak transaction. For further details refer to note 5 "Income Taxes" in the notes to the consolidated financial statements.

Non-current trade and other payables of €92.2 million (FY 2022: €89.3 million) were almost entirely comprised of non-current deferred income arising from the recharge of capital expenditure costs to Vodafone under the MSA.

Current liabilities

Current liabilities of €3,098.6 million (or 57% of total liabilities) consisted of short-term borrowings, lease liabilities, provisions, payables due to related parties, trade and other payables and overdrafts.

Bonds with a nominal value equivalent of €2.2 billion were in issue by the Group at 31 March 2023. These consisted of €750 million 0.000% notes due 2025, €750 million 0.375% notes due 2027 and €700 million 0.750% notes due 2030. On 23 March 2023, the Group announced the intention to redeem all of its outstanding bonds with a notional value of €2.2 billion. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023 and the bonds have, therefore, been reclassified as current liabilities. Settlement of the bonds has since been completed.

Current lease liabilities amounted to €261.8 million related mainly to Germany with €91.8 million or 35.1% (FY 2022: €85.7 million or 35%), Spain with €65.2 million or 24.9% (FY 2022: €59.1 million or 24%), and Greece with €53.0 million or 20.2% (FY 2022: €51.4 million or 21%).

Current income tax liabilities of €24.3 million (FY 2022: €12.2 million) mainly resulted from Spain, Greece and Romania.

Current provisions of €9.1 million (FY 2022: €8.6 million) relate to asset retirement obligations €7.4 million (FY 2022: €4.5 million) and other current provisions of €1.7 million (FY 2022: €4.1 million).

Current trade and other payables of €522.9 million (FY2022: €347.7 million) comprised accruals of €246.7 million (FY 2022: €152.4 million), trade payables of €195.8 million (FY 2022: €115.5 million), deferred income of €60.0 million (FY 2022: €54.7 million), other taxation and social security of €11.2 million (FY 2022: €14.8 million), and other payables of €9.2 million (FY 2022: €10.3 million. The year on year increase in accruals and trade payables mostly reflects the increase in capital expenditure activity of the Group. The increase in the deferred income balance mainly reflects the recharge of capital expenditure costs to Vodafone under the MSA, net of revenue recognised in the year.

Cash flow and capital expenditure analysis

Summary Consolidated Statement of Cash Flows

	31/03/2023 €m	31/03/2022 €m
Operating profit	**568.5**	**536.7**
Adjustments for:		
Share of results of equity accounted investments	(85.8)	(30.2)
Share-based payments and other non-cash charges	3.8	3.9
Depreciation of other property, plant and equipment	122.5	84.9
Depreciation of lease-related right-of-use assets	273.7	258.2
Amortisation of intangible assets	19.7	13.2
(Increase) / Decrease in trade receivables from related parties	(95.7)	48.6
Decrease in trade payables to related parties	(7.0)	(1.8)
Decrease / (Increase) in trade and other receivables	30.0	(56.9)
Increase in trade and other payables	77.2	151.1
Cash generated by operations	**906.9**	**1,007.7**
Net tax paid	(109.4)	(91.8)
Net cash from operating activities	**797.5**	**915.9**
Investing activities		
Purchase of interests in subsidiaries, net of cash acquired	–	(0.7)
Purchase of intangible assets	(36.7)	(18.6)
Purchases of property, plant and equipment	(398.4)	(288.2)
Disposal of property, plant and equipment	3.9	4.3
Dividends from investments	154.5	95.6
Net cash used in investing activities	**(277.1)**	**(207.6)**
Financing activities		
Issue of ordinary share capital	–	(0.2)
Repayment of lease liabilities including interest	(306.4)	(293.0)
Net movements in cash management activities with related parties	272.6	(121.9)
Interest paid	(11.9)	(10.2)
Group dividends paid	(260.4)	(231.6)
External dividends paid	(58.2)	(51.7)
Net cash used in financing activities	**(364.4)**	**(708.7)**
Net increase / (decrease) in cash and cash equivalents	**156.1**	**(0.4)**
Effect of foreign exchange rates	(0.3)	–
Cash and cash equivalents at beginning of period	21.7	22.1
Cash and cash equivalents at end of period	**177.5**	**21.7**

Cash generated by operations for the year was €906.9 million (FY 2022: €1,007.7 million). The increased cash inflow from operating activities was offset by a smaller year on year improvement in the Group working capital position of €4.5 million (FY 2022: working capital improvement €140.9 million), with the prior year result reflecting a normalization of working capital balances following the formation of the Group in FY 2021.

Additionally, net tax paid in the year increased by 19% to €109.4 million (FY 2022: €91.8 million) due to the realisation in the prior year of initial cash tax benefits from the towers business carve-outs. The normalization of both working capital movements and cash tax payments has, therefore, resulted in a €118.4 million reduction in net cash inflow from operating activities to €797.5 million (FY 2022: €915.9 million).

Net cash used in investing activities increased by €69.5 million to €277.1 million. The year-on-year increase of €128.3 million in the Group's total capital expenditure on intangible assets and PP&E, from €306.8 million to €135.1 million, was offset by a €58.9 million increase in cash dividends received from the Group's investments, to €154.5 million.

Net cash used in financing activities reduced to €364.4 million for the year ended 31 March 2023, from €708.7 million in the previous year. Cash payments in respect of ground lease liabilities to landlords increased by 4.6% to €306.4 million, reflecting an effective management of inflationary pressures in the Group's main markets through proactive measures, which include the Group's GLBO programme. The cash dividend to shareholders increased by €35.3 million to €318.6 million, reflecting a progressive dividend policy, offset by a net cash inflow from cash management activities with related parties of €272.6 million (FY 2022: net cash outflow €121.9 million) following termination of the cash pooling arrangements with Vodafone on 23 March 2023 – see Note 8 to the Consolidated Financial Statements.

Consolidated Recurring Free Cash Flow

	31/03/2023 €m	31/03/2022 €m
Adj. EBITDA	**908.3**	**865.2**
Capex recharge revenue	(20.2)	(12.4)
Cash lease costs	(306.4)	(293.0)
Maintenance capex	(24.0)	(28.8)
Recurring OpFCF	**557.6**	**531.0**
Cash conversion	99%	98%
(–) Tax paid	(109.4)	(91.8)
(–) Interest	(11.9)	(10.2)
(–) Changes in operating working capital	1.9	(14.2)
Recurring Free Cash Flow (RFCF)	**438.2**	**414.8**

Recurring free cash flow for the year ended 31 March 2023 increased by 5.6% year-on-year to €438.2 million (FY 2022: €414.8 million) exceeding the guidance range of €405-€425 million.

Management uses recurring free cash flow as a measure of the underlying cash flow available to support the capital investment and capital structure of the Company.

Maintenance capital expenditure

	31/03/2023		31/03/2022	
	€m	**%**	€m	%
Germany	7.7	32.1%	12.0	42%
Spain	6.6	27.5%	7.3	25%
Greece	1.7	7.1%	2.5	9%
Other EuropeanMarkets	8.0	33.3%	7.0	24%
Consolidated	**24.0**	**100.0%**	**28.8**	**100%**

Maintenance capital expenditure is defined as capital expenditure required to maintain and continue the operation of the existing tower network and other Passive Infrastructure, excluding capital investment in new sites or growth initiatives.

Liquidity and financial position of the Group

Financing

Following the co-control transaction between Vodafone and a consortium comprised of KKR and GIP, which closed on 22 March 2023, the Group's financing arrangements and funding structure has undergone a significant change.

On 23 March 2023, the Group announced its intention to redeem all of the outstanding bonds, with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023. To refinance the redemption of its outstanding bonds, the Group entered into a shareholder loan agreement in the corresponding amount of €2,200 million granted by Oak Holdings 2 GmbH, an intermediate parent company.

On 11 April 2023, the rating agency S&P announced the discontinuation of the Group's credit rating due to the announced repayment of the outstanding bonds. On 25 April 2023, the rating agency Moody's announced the withdrawal of the Group's credit rating citing business reasons. As a consequence, the Group is no longer carrying a credit rating with any rating agency.

Leverage

Leverage is Net Financial Debt divided by Adjusted EBITDAaL for a rolling twelve-month period and is used to assess the indebtedness of Vantage Towers.

The leverage ratio for the year ended 31 March 2023 is shown in the table below, with comparision against the prior year:

	31/03/2023 €m	31/03/2022 €m
Bonds in issue by the Group	(2,199.0)	(2,189.5)
Cash and cash equivalents	177.5	21.7
Cash deposits held with related parties	–	272.3
Market to market derivative financial instruments	–	(0.5)
Net financial debt	**(2,021.5)**	(1,895.9)
Adjusted EBITDAaL	**564.3**	542.6
Leverage ratio	**3.6x**	3.5x

Financial position of the Group

Our primary sources of liquidity are cash flows from operating activities and the new revolving credit facilities entered into following the co-control transaction.

Our policy is to borrow using long-term facilities to meet anticipated funding requirements. These long-term borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries.

The Group's €300 million revolving credit facility was terminated on 14 April 2023 due to a change of control event. The Group replaced the revolving credit facility on 25 May 2023 by acceding directly to a new bank loan financing in the form of a €1,750 million facility. Additionally, the Group extended an existing €250 million shareholder loan facility with Vodafone GmbH, which will terminate at the latest on 24 July 2023.

Our capital allocation policy will focus on organic growth and value accretive inorganic investments as well as attractive cash returns for shareholders. We have a risk-adjusted return focus.

Results of operations – Vantage Towers AG

Position of Vantage Towers AG

The primary business of Vantage Towers AG (here- inafter also referred to as “the Company”) is the acquisition, leasing, construction, maintenance and management of passive network infrastructure for mobile communications. The Company holds the assets and the operations for the German Tower Business and the investment in Central Tower Holding Company (CTHC), which in turn holds the investments in the other European entities.

The annual financial statements and the management report of Vantage Towers AG are prepared in accordance with the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The management report is combined with the Group management report pursuant to section 315, para. 5 in conjunction with section 298, para. 2 HGB.

Prior to the acquisition of the tower business on 25 May 2020, Vantage Towers AG had no operating activities.

Vodafone Germany transferred the German Towers Business to the company by way of a hive-down by absorption within the meaning of section 123 para. 3 no. 1 of the German Transformation Act. The hive-down was concluded on 4 May 2020 and became legally effective on 25 May 2020 upon registration with the commercial register entry of Vodafone Germany. The Company automatically acquired all of the assets and liabilities under the hive-down belonging to the Vodafone Germany Tower Business by way of partial universal succession in exchange for new shares in the Company being issued to Vodafone Germany.

On 28 September 2020, Vodafone Germany and the Company concluded a downstream spin-off and transfer agreement pursuant to which 390 non-enterprise DAS sites, together with a number of easements, were transferred to the Company by way of a spin-off by absorption within the meaning of section 123 para. 2 no. 1 of the German Transformation Act, whereby the shareholders of Vodafone Germany waived their right to receive shares in the Company. The downstream spin-off became legally effective upon its registration with the commercial register entry of Vodafone Germany on 13 October 2020.

On 7 December 2020, Vodafone Germany and the Company concluded an upstream spin-off and transfer agreement, pursuant to which 545 sites were transferred from the Company to Vodafone Germany by way of a spin-off by absorption within the meaning of section 123 para. 2 no. 1 of the German Transformation Act, whereby the shareholders of Vodafone Germany waived their right to receive shares in the Company. The upstream spin-off became legally effective upon its registration with the commercial register on 17 December 2020.

On 17 December 2020, CTHC was acquired by the Company from Vodafone Europe BV, a subsidiary of Vodafone Group Plc for €7,791.6 million. As a business combination under common control, this has been accounted for using the pooling of interests method.

On 18 January 2021 (legally effective on 26 January 2021), the legal form of the Company was changed from a GmbH (Vantage Towers GmbH) to an AG. As a result, the share capital of the GmbH was converted into the share capital of the AG in an identical amount. Due to the identity-preserving character of the change in legal form, there were no further effects on the assets, liabilities, and equity reported in the balance sheet.

The IPO took place on 18 March 2021 with a place- ment of 92,372,558 shares, representing 18.3% of the ownership of Vantage Towers AG.

Results of operations of the Company

Income Statement

	Twelve months ended 31/03/2023 €m	Twelve months ended 31/03/2022 €m
Revenue	560.0	517.7
Own work capitalised	13.8	8.3
Other operating income	104.1	93.6
Cost of materials	(275.6)	(358.2)
Personnel expenses	(50.1)	(37.3)
Depreciation on intangible assets and tangible assets	(65.3)	(51.9)
Other operating expenses	(105.0)	(81.0)
Operating profit	**181.9**	**91.3**
Income from investments	244.0	160.0
Other interest receivable and similar income	23.7	14.0
thereof from affiliated companies	21.2	14.0
thereof from discounting	0.2	–
Interest payable and similar expenses	(29.3)	(14.0)
thereof to affiliated companies	(4.9)	(1.7)
thereof from interest accruing	(5.6)	(0.4)
Financial result	**238.4**	**160.0**
Profit before tax	**420.3**	**251.3**
Taxes on income	(37.6)	(22.2)
Profit after taxes	**382.7**	**229.1**
Net profit for the year	382.7	229.1
Withdrawals from capital reserve	–	101.0
Allocations to retained earnings	(5.6)	(11.5)
Balance sheet profit	**377.1**	**318.6**

During FY 2023, the Company generated revenue of €560.0 million (FY 2022: €517.7 million) entirely within Germany. The revenue included rental income €509.0 million (FY 2022: €474.1 million) and other revenue €51.0 million (FY 2022: €43.6 million) derived from the German Towers Business.

Own work capitalised amounting to €13.8 million (FY 2022: €8.3 million) was in respect of the tower infrastructure.

Other operating income of €104.1 million (FY 2022: €93.6 million) was mainly comprised of energy revenue €86.9 million (FY 2022: €86.0 million), income from the release of other provisions €13.1 million (FY 2022: €1.1 million) and cost transfers to affiliated companies €1.8 million (FY 2022: €3.0 million). The cost transfers were not based on an exchange of services or goods between the Company and the affiliated companies.

Material costs of €275.6 million (FY 2022: €358.2 million) related to energy €98.6 million (FY 2022: €97.1 million) and purchased services €177.0 million (FY 2022: €261.1 million). Purchased services contained rental expenses for the sites €134.6 million (FY 2022: €127.7 million), maintenance and repair costs €38.7 million (FY 2022: €129.9 million), and other costs €3.7 million (FY 2022: €3.5 million). The Company has revised the cost assumptions related to the asset retirement obligation provision in the accounts, which relates to the future decommissioning obligations in respect of the Company's tower infrastructure assets. The cost assumptions have been updated for the current run-rate costs incurred during FY 2023 with a resulting increase in the asset retirement obligation provision, and charge to the maintenance and repair costs, of €29.1 million.

Personnel expenses amounted to €50.1 million (FY 2022: €37.3 million) and included €4.5 million (FY 2022: €2.7 million) of social security contributions and expenses for pensions and other benefit costs.

Depreciation and amortisation amounted to €65.3 million (FY 2022: €51.9 million) and was almost exclusively attributable to the towers.

Other operating expenses of €105.0 million (FY 2022: €81.0 million) included intercompany charges and service fees amounting to €0.5 million (FY 2022: €32.6 million) as well as charges and service fees amounting to €34.5 million from Vodafone Group companies and other costs €70.0 million (FY 2022: €33.5 million) mainly for losses from the disposal of fixed assets, audit and consulting services, central support functions and resulting from currency losses. Miscellaneous other expenses in FY 2023 mainly relate to one-off overheads of €30.6 million, including specific costs incurred in connection with the change in shareholder structure. As a result of the completion of the Oak transaction on 23 March 2023 charges and services from Vodafone Group companies are not anymore subsumed in charges and services fees from affiliated companies.

The operating profit amounted to €181.9 million (FY 2022: loss of €91.3 million).

The financial result of €238.4 million (FY 2022: €160.0 million) consisted of income from investments of €244.0 million (FY 2022: €160.0), relating to dividends received by the Company from CTHC, other interest and similar income of €23.7 million (FY 2022: €14.0 million) (thereof €21.2 million from affiliated companies; FY 2022: €14.0 million) (thereof €0.2 million from discounting; FY 2022: €nil million) comprising interest received on cash deposits, and interest expenses of €29.3 million (FY 2022: €14.0 million) (thereof €4.9 million to affiliated companies; FY 2022: €1.7 million).

The combined operating and financial results led to a profit before tax of €420.3 million (FY 2022: €251.3 million).

Taxes on income amounted to €37.6 million (FY 2022: €22.2 million) and contained corporate income tax including a solidarity surcharge of €19.9 million (FY 2022: €6.9 million), trade tax of €21.9 million (FY 2022: €11.0 million) and deferred tax credit of €4.2 million (FY 2022: charge €4.1 million).

FY 2023 closed with a balance sheet profit of €377.1 million (FY 2022: €318.6 million).

Net assets and financial position of the Company

Balance Sheet

	31/03/2023 €m	31/03/2022 €m
Assets		
Fixed assets		
Intangible assets	46.6	26.3
Tangible assets	883.5	617.4
Investments	9,004.7	9,004.7
	9,934.9	**9,648.4**
Current assets		
Trade receivables	174.2	2.0
Receivables from affiliated companies	284.4	711.1
Other assets	75.4	40.8
thereof from taxes	65.1	40.1
Cash and cah equivalents	123.6	–
	657.6	**753.9**
Prepaid expenses	**61.7**	**70.2**
Total assets	**10,654.2**	**10,472.5**

	31/03/2023 €m	31/03/2022 €m
Equity and Liabilities		
Equity		
Share capital	505.8	505.8
Capital reserve	6,705.1	6,684.1
Retained earnings	17.1	11.5
Balance sheet profit	377.1	318.6
	7,605.0	**7,519.9**
Accruals		
Accruals for pensions and similar obligations	0.5	0.1
Other accruals	502.6	403.5
	503.1	**403.6**
Liabilities		
Loans payable	2,200.0	2,200.0
Trade payables	160.0	77.0
Payables to affiliated companies	63.4	128.0
Other liabilities	0.6	7.3
thereof from taxes	0.6	7.3
	2,424.1	**2,412.2**
Deferred income	**122.0**	**132.6**
Deferred tax liabilities	**–**	**4.2**
Total equity and liabilities	**10,654.2**	**10,472.5**

As of 31 March 2023, the total assets of the Company amounted to €10,654.2 million (FY 2022: €10,472.5 million) and mainly included financial assets of €9,004.7 million (FY 2022: €9,004.7 million) and receivables and other assets and cash and cash equivalents of €657.6 million (FY 2022: €753.9 million). Total liabilities and equity were mainly comprised of current liabilities of €2,424.1 million (FY 2022: €2,412.2 million) and equity of €7,605.0 million (FY 2022: €7,519.9 million).

Intangible assets amounted to €46.6 million (FY 2022: €26.3 million) and were mainly comprised of licence fees for software of €37.9 million (FY 2022: €21.5 million) and prepayments of €7.2 million (FY 2022: €nil million).

Tangible assets of €883.5 million (FY 2022: €617.4 million) included network infrastructure €737.6 million (FY 2022: €550.2 million) mainly relating to the tower assets, payments on account and assets under construction €122.6 million (FY 2022: €46.2 million), as well as freehold land and buildings €23.4 million (FY 2022: €21.0 million) mainly relating to owned land of €22.8 million (FY 2022: €20.3 million).

Current assets amounted to €657.6 million (FY 2022: €753.9 million) and are comprised of trade receivables of €174.2 million (FY 2022: €2.0 million), receivables from affiliated companies of €284.4 million (FY 2022: €711.1 million), other assets of €75.4 million (FY 2022: €40.8 million) and cash and cash equivalents of €123.6 million (FY 2022: €nil million).

Receivables from affiliated companies included loan receivables and receivables from cash pooling of €280.0 million (FY 2022: €548.4 million) and trade receivables of €4.4 million (FY 2022: €161.0 million). As a result of the completion of the Oak transaction on 23 March 2023 receivables from Vodafone Group companies are not anymore subsumed in receivables from affiliated companies.

The loan receivables and receivables from cash pooling mainly related to Vantage Towers Greece (€157.1 million loan at an interest rate of 3.45% with the termination date 21 December 2025; FY 2022: €175.5 million), Vantage Towers Czech Republic (€111.2 million, of which €107.8 million loan at an interest rate of 3.30% with the termination date 1 September 2025; FY 2022: €98.5 million).

Other assets of €75.4 million (FY 2022: €40.8 million) primarily consisted of tax receivables amounting to €65.1 million (FY 2022: €40.1 million).

The Company received a dividend from its directly owned subsidiary holding company, Central Tower Holding Company B.V., in the amount of €244.0 million during the year. This represents a distribution of profits from the Company's indirectly owned tower businesses and joint ventures.

Prepaid expenses of €61.7 million (FY 2022: €70.2 million) were mainly comprised of prepayments for ground lease of €55.7 million (FY 2022: €53.8 million).

The share capital of €505.8 million (FY 2022: €505.8 million) is fully paid. The capital reserve amounted to €6,705.1 million (FY 2022: €6,684.1 million), €17.1 million (FY 2022: €11.5 million) was transferred to retained earnings as a legal reserve, and the balance sheet profit to €377.1 million (FY 2022: €318.6 million).

Accruals of €503.1 million (FY 2022: €403.6 million) were made up of asset retirement obligations for sites of €306.4 million (FY 2022: €279.9 million), energy for sites of €106.9 million (FY 2022: €64.5 million), and other accruals of €89.7 million (FY 2022: €59.2 million).

Bonds with a nominal value equivalent of €2,200 million were in issue by the Group at 31 March 2023. These consisted of €750 million 0.000% notes due 2025, €750 million 0.375% notes due 2027 and €700 million 0.750% notes due 2030. On 23 March 2023, the Group announced the intention to redeem all of its outstanding bonds with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023. Early redemption of the bonds was also completed on this day.

Trade payables from third parties of €160.0 million (FY 2022: €77.0 million) mainly consisted of investments in the sites of €116.4 million (FY 2022: €68.8 million).

Liabilities to affiliated companies amounting to €63.4 million (FY 2022: €128.0 million) related to intercompany loans from cash pooling of €63.2 million (FY 2022: €101.9 million), there of Vantage Towers Spain €7.6 million (FY 2022: €28.9 million), Vantage Towers Romania €20.1 million (FY 2022: €27.4 million), Vantage Towers Portugal €27.2 million (FY 2022: €26.2 million), Vantage Towers Hungary €1.2 million (FY 2022: €18.5 million), Vantage Towers Greece €6.4 million (FY 2022: €nil), Central Tower Holding Company €0.8 million (FY 2022: €nil) and Vantage Towers Ireland €nil million (FY 2022: €1.0 million), and trade payables €0.2 million (FY 2022: €25.7 million). As a result of the completion of the Oak transaction on 23 March 2023 liabilities to Vodafone Group companies are not anymore subsumed in liabilities to affiliated companies.

Other liabilities of €0.6 million (FY 2022: €7.3 million) primarily consisted of tax liabilities amounting to €0.6 million (FY 2022: €7.3 million).

The Company has revised the cost assumptions related to the asset retirement obligation provision in the accounts, which relates to the future decommissioning obligations in respect of the Company's tower infrastructure assets. The cost assumptions have been updated for the current run-rate costs incurred during FY 2023 with a resulting increase in the asset retirement obligation provision, and charge to the profit and loss account, of €29.6 million.

Deferred income of €122.0 million (FY 2022: €132.6 million) comprised of advance rental payments from third parties for towers of €31.8 million (FY 2022: €30.5 million) and services based on the Vodafone Germany MSA of €90.2 million (FY 2022: €93.2 million). Deferred income is credited to the profit and loss account over the period to which the service relates.

General statement on business development

The Company's key highlights during the year ended 31 March 2023 included new commercial agreements signed with additional telecom operators and ramp-up of the organization consistent with the extension plan.

The Company has fully achieved its FY 2023 guidance with total revenue and operating profit both in line with expectations.

The total headcount increased from 198 to 310 as planned and consistent with the expansion of the business.

Overall, the Management Board believes that the Company is well positioned for its continued development as of the reporting date of 31 March 2023 and at the time of preparing this report. In order to reach this conclusion, it has assessed the net assets, financial position, and results of operations.

Proposal for the appropriation of profit

The Management Board proposes to use the balance sheet profits of €377.1 million in a partial amount of €20.2 million for the distribution to the shareholders and that the remaining amount of €356.9 million be transferred to retained earnings.

Risks and opportunities report

Overview of risk and opportunity management system and reporting

Vantage Towers' risk and opportunity policy is formed by one of the organisation's objectives; to maintain and enhance the company's values by utilising opportunities, while at the same time recognising and managing risks from an early stage in their development. Vantage Towers consciously takes risks and continuously explores and develops opportunities. Our consistent risk and opportunity management system and principles provide the framework for our company to operate in a well-controlled environment.

Risk and opportunity management principles

The primary objective of risk and opportunity management is to:

- Support business success and protect Vantage Towers as a going concern through the use of a risk-aware decision-making framework in exploring opportunities.

Our Risk Management Framework outlines the principles, processes, tools, risk areas, key responsibilities, reporting requirements and communication timelines within Vantage Towers. Risk and opportunity management is a company-wide activity that leverages key insights from the members of the Vantage Towers Management Team, the global and local Vantage Towers operating companies, and various corporate functions.

We define risk as a positive (opportunity) or negative (threat) event/development that, if it occurs, could potentially affect the strategic objectives of a company in either direction.

Risk and opportunity management system

As a tower company, we are subject to all kinds of uncertainties and changes. In order to operate successfully in this ongoing volatile environment, we must anticipate developments at an early stage and systematically identify, assess and manage the resulting risks. It is equally important that we recognise and exploit any opportunities, including the opportunities associated with identified risks. Therefore, a functioning risk and opportunity management system is a critical element of robust corporate governance.

The Vantage Towers Management Team has overall responsibility for establishing a risk and opportunity management system that promotes the comprehensive and consistent management of material risks and opportunities. The Group Risk Team governs, operates, and develops the company's risk and opportunity management system and is the owner of the centrally managed risk and opportunity management process on behalf of the Vantage Towers Management Team. The Supervisory Board is responsible for monitoring the effectiveness of the risk and opportunity management system. The Supervisory Board's Audit, Risk and Compliance Committee undertakes these duties. Working independently from all other functions of the organisation, the Internal Audit department provides objective assurance to the Vantage Towers Management Team and the Audit, Risk and Compliance Committee regarding the adequacy and effectiveness of the company's risk and opportunity management system on a regular basis.

Governance structure

Our risk and opportunity management system is based upon established methodologies for Risk Management (e.g. COSO ERM Integrated Framework), leveraging best practice and experience gathered over time. It is adapted to fulfil the needs and size of the Company. This system focuses on the identification, measurement, treatment, assurance, oversight of, and decision-making regarding risks and opportunities.

A risk and opportunity management system is required by laws and regulations; in particular the German Stock Corporation Act (Aktiengesetz – AktG). As required by AktG, the Vantage Towers Audit, Risk and Compliance Committee will monitor the effectiveness of the Internal Control System and the Risk Management System.

Our risk and opportunity management system covers strategic, technological, financial and operational risks, as well as the corresponding opportunities for our fully consolidated entities.

The aim is to identify these risks and opportunities early on, and monitor and manage them in accordance with the desired risk profile. For this purpose, we make use of internal and external information sources. The standard process outlined below provides a framework. Once risks and opportunities have been identified, we move on to analyse and assess them in more detail. We then decide on the specific course of action to be taken in order to reduce risks or seize opportunities. The respective Risk Owner implements, monitors, and evaluates the associated measures. These steps are repeated as required and modified to reflect the latest developments and decisions. The process is detailed below.

Risk identification

Vantage Towers continuously monitors the macroeconomic environment and industry developments. This is further complemented by internal processes identifying risks and opportunities as early as possible. On a regular basis[1] the Vantage Towers Group Risk Team holds discussions with members of the Vantage Towers Management Team and other senior leaders from across the business as well as all local markets.

The focus of these discussions is to identify risks to the achievement of the Group strategy, either identified when the strategy was developed or that have subsequently emerged. They will also consider Functional Risks and Local Priority Risks.

The impact of these would be group wide and may prevent Vantage Towers from achieving its strategic objectives. Any risks to major projects and programmes that are currently being implemented to support the Group strategy will also be considered.

Furthermore, any emerging risk areas that could impact the strategy in the future, and any risks that originate from a local Vantage Towers operating company that may prevent it from achieving its strategic objectives, are taken into consideration.

[1] At least bi-annually or more frequently in the event of a major change or impact to the core business operation

Risk measurement

It is important to assess all risks on a consistent basis to ensure equal comparison and prioritisation, allowing management to clearly focus on the most important risks to Vantage Towers. We assess identified risks and opportunities individually according to our own systematic evaluation methodology. This allows adequate prioritisation as well as allocation of resources.

Risk and opportunity evaluation is part of the responsibility of the Group Risk Team, which is supported by senior Risk Owners, subject matter experts as well as internal and external data. The Group Risk Team also conducts workshops and interviews with the Vantage Towers Management Team and senior leaders to validate the evaluation of risks and opportunities.

According to our methodology, the assessment of each risk first requires the Risk Owner to clearly articulate the cause, event, and effect of the risk, as well as consideration of when the risk could materialise.

Therefore, the assessment of identified risks within the Risk Management System is always carried out in the context of potential existence-threatening developments and against the background of the current risk-bearing capacity of Vantage Towers.

Risks and opportunities are then evaluated by assessing two dimensions considering an annual time period:

1. the potential impact; and

2. the likelihood that this impact materialises.

Risks are also assessed quantitatively at a net risk level (the impact and likelihood of each risk after considering existing mitigations) and aggregated by using a simulation model. Since existence-threatening developments can also result from the interaction of several risks which, when viewed in isolation, do not threaten Vantage Towers' existence, interdependencies between risks have to be considered and assessed as well.

The resulting overall risk position of Vantages Towers is then compared to the risk-bearing capacity in order to obtain an overview of the probability of existence-threatening developments for Vantage Towers. If the overall risk profile provides an indication that the risk-bearing capacity is at risk the following countermeasures will be considered:

4. additional mitigation measures addressing the most significant risks can be taken into account to reduce the overall risk profile; or
5. increasing the risk bearing capacity.

Risk bearing capacity

In order to identify existence threatening developments and to fulfill the requirements of § 91 (2) of the German Stock Corporation Act (AktG), the Management Board has determined Vantage Towers risk bearing capacity. Vantage Towers uses the solvability limit as the basis for the calculation. It is generally determined on an annual basis. Adjustments during the year are made at the discretion of the Management Board if significant events occur.

Risk treatment

Risks and opportunities are treated in accordance with the company's risk and opportunity management principles as described in the Risk Management Framework. Risk Owners are in charge of developing and implementing appropriate risk mitigating actions within their area of responsibility. In addition, the Risk Owners need to determine a general mitigation plan for the identified risks, which is either risk avoidance, risk reduction with the objective to lower impact and/or likelihood, risk transfer to a third party or risk acceptance. The decision on the implementation of the respective mitigation plan also takes into account the costs in relation to the benefit of any planned mitigating action, if applicable. The Group Risk Team supports the Risk Owners to monitor the continuous progress of planned mitigating actions and assess the success of already implemented mitigating actions.

Risk related early warning system

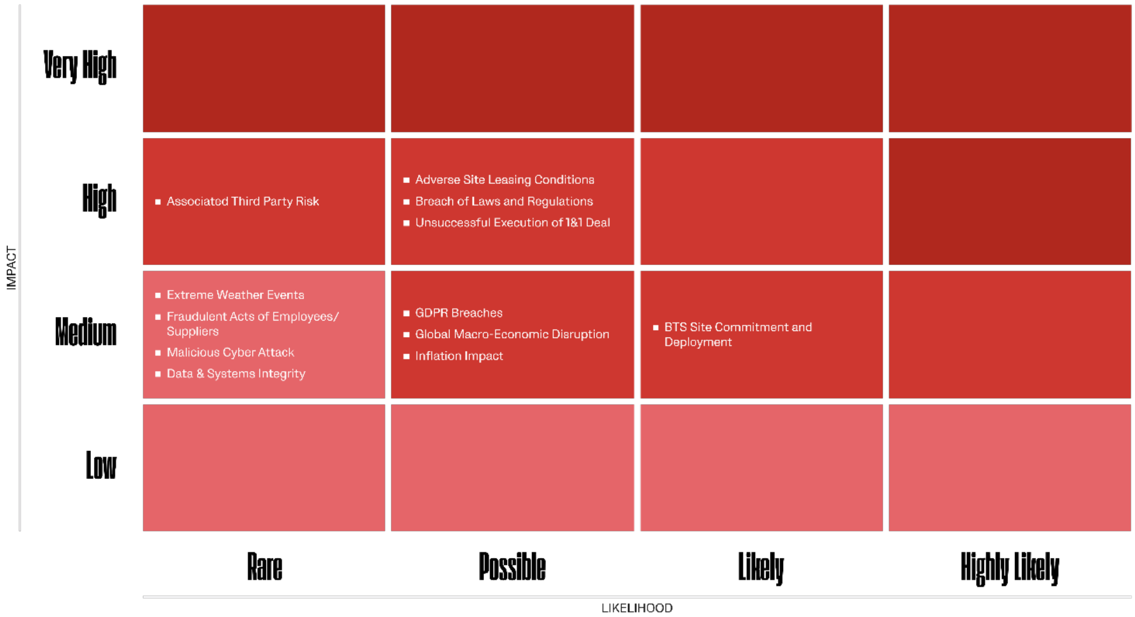
The risk related early warning system identifies emerging risks with the potential to have a considerable impact and are evolving in an unpredictable way. These emerging risks are evaluated and monitored to ensure a stable and clear foresight for Vantage Towers´ management.

To report these risks in urgent cases, an ad-hoc reporting process is established. Whilst the Group Risk Team leads this activity, it is a collaborative process involving Risk Owners, subject experts, functional leads, local Vantage Towers operating company management and other employees. The data for this exercise is obtained from internal and external sources to ensure a comprehensive view is achieved, evaluating trends and collated data points.

Initially, it may be difficult to apply defined risk assessment criteria. In many cases, some parameters might be unknown to accurately measure an emerging risk. To compensate for these unknown parameters, the Group Risk Team monitors each emerging risk until the point it is fully identified and formally recognised. This is when the measurement will be performed. The assessment criteria to measure such a risk will include the risk and impact to strategic objectives followed by an evaluation performed on the organisation's level of preparedness to manage and treat such a risk.

Principal risks

This report includes an explanation of financial and non-financial risks that we deem to be most relevant to the achievement of the company's objectives in Fiscal Year 2024 and beyond. In this report, we therefore present a holistic assessment of the Principal Risks the business is proactively addressing. We define Principal Risks as key risks to the Group that might endanger its strategic goals. The risks overview table details these Principal Risks below



Description	Impact
Very High	Reduction in EBIT in excess of 10% vs. plan
High	Reduction in EBIT by more than 5% but less than 10% vs. plan
Medium	Reduction in EBIT by more than 1% but less than 5% vs. plan
Low	Reduction in EBIT of up to 1% vs. Plan

Description	Likelihood
Rare	0% - 20%
Possible	21% - 50%
Likely	51% - 80%
Highly Likely	81% - 100%

Risk category	Risk	Change to prior Year-end
Strategic	Associated Third Party Risk	Stable
	Extreme Weather Events	Stable
	BTS Site Commitment and Deployment	Decreased
	Unsuccessful execution of 1&1 Deal	Increased
Financial	Inflation Impact	Decreased
	Global Macro-economic Disruption	Stable
Operational	Adverse Site Leasing Conditions	Stable
	Breach of Laws and Regulation	Increased
	GDPR Breaches	Increased
	Fraudulent acts of employees/suppliers	Stable
	Data & Systems integrity	Stable
Technological	Malicious Cyber Attack	Stable

Strategic

Associated third party risk

The group has major investments in two companies with a 50% ownership interest in Cornerstone Telecommunications Infrastructure Limited (Cornerstone) and its 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A. (INWIT). Any failure to align shareholder interests in these joint venture and associate companies, which are expected to pay dividends to the Group, may have a material adverse effect on the Group's financial condition and results. Significant asset impairments, material asset or business sales, changes in operational performance or loss of key personnel at INWIT or Cornerstone, amongst other factors, could impact the performance of the Group's equity investments and impair their ability to achieve their guidance and targets, which could impact the value of the Group's investment.

Extreme weather events

The Group's sites and other facilities are subject to risks associated with natural disasters, extreme weather or other catastrophic events, which are increasing with the global climate change. These can include ice, windstorms, floods, landslides, mudslides, avalanches, earthquakes and weather-driven power outages. The Group's operating procedures may not be adequate to materially limit the potential damage that could be caused by these unforeseen events. Any damage or destruction, in whole or in part, to any of the Group's sites or support facilities as a result of these or other events could impact its ability to operate normally and to continue to provide services to its customers and could in turn impact the Group's reputation and cause a loss to certain customers that could give rise to a claim for damages and negatively impact the financial condition and results of operations.

BTS site commitment and deployment

Under the Vodafone MSAs, Vodafone has committed to contract for the construction of up to 6,850 new BTS sites across our eight European Markets of the Group between 1 April 2021 and 31 March 2026. After deployment and acceptance these BTS sites will be charged to the customer and generate stable revenue for the Group. The timely deployment of the BTS sites depends largely on a certain number of external factors such as the availability of an appropriate location, the necessary permissions and approvals, the availability of suppliers and material for the planning and deployment as well as the availability and provisioning of energy and fixed network access. Any delay caused by these factors can lead to delayed deployment and revenue recognition for the BTS Site. The Group aims to fulfil all deployment commitments in time but faces the risk of delays due to scarce external resources and limited availability in certain markets.

Unsuccessful execution of 1&1 Deal

The Group's operating leverage is supported by the addition of new tenancies. As a dedicated mobile telecommunications tower infrastructure operator, the Group is aiming to increase its tenancy ratios and its returns by adding new tenants on its sites and installing new active equipment for its customers. Where more than one customer is physically hosted on a single site, this is known as colocation. Colocation procedures for a third-party MNO can be delayed or disturbed by various reasons such as disrupted supply chains caused by the Corona pandemic and the war in Ukraine and a subsequent shortage of building materials, an ongoing shortage of skilled workers to fill vacant positions, a limited pool of suitable service providers to provide the necessary technical services such as acquisition and site planning for which there is fierce competition amongst all network operators who are engaging in their 5G roll-out activities, longer than anticipated landlord negotiations due to the complex changes to existing passive infrastructure as well as EMF capacity. This might impact the delivery commitment towards customers and lead to loss or delay of revenues as well as liquidity damages. We are facing these risks especially in the execution of the contract we signed with the German telecommunications company 1&1 and are managing them with a dedicated focus and delivery programme.

Financial

Inflation impact

The Group earns most of its revenue from relationships with Vodafone and other Mobile Network Operators (MNOs) as defined in the Master Service Agreements (MSA). Each of the Vodafone MSAs includes contractual escalators linked to the consumer price index (CPI) of the respective country of operation. Whilst the majority of the Group's contracts with other MNO customers are not currently linked to inflation, the Group aims to include CPI escalators in its customer contracts as they expire and are renegotiated. The Group's results of operations are therefore only protected to a certain degree from the impact of inflation. The contractual escalators related to inflation are typically linked to the CPI in the countries in which the Group operates and are applied once a year based on the preceding twelve-month period for the succeeding twelve months. In the case of the Vodafone MSAs, the CPI escalators are subject to caps and floors, which differ to some degree from market to market and contract to contract. The base and additional service charges vary annually by reference to an agreed consumer price index that typically has a cap of 3% (recently adjusted to 3%). If the relevant price increase exceeds these caps within the countries, in which the Group operates, it may not be fully reflected in a succeeding increase of the revenues from an MSA. The Group's ground leases for towers are often linked to CPI without corresponding caps and the Group uses steel and other material for the roll-out of towers, which prices are also impacted by inflation. However, inflation of the energy costs the Group incurs in relation to Active Energy, which is the energy consumed by Active Equipment of their customers, should not affect its results of operation. These costs are passed through to the Group's customers based on consumption with no margin for the Group and are therefore netted out of the Group's income statement.

Global macroeconomic disruption

As an international corporation, Vantage Towers operates in several countries. A weak or uncertain economic environment in the markets in which the Group operates, including related fluctuations in growth or inflation rates, may potentially affect the success of the business and put pressure on the prices the Group charges for its services or increase the costs it incurs. A substantial economic downturn could generally reduce the purchasing power of our customers and hence our future potential for growth. Tighter economic conditions and recessions could originate from lagging effects of interest rate hikes in the euro area and other national markets and a continued stress in the US' regional banking sector which may spill-over to Europe. Furthermore, the duration and outcome of the war in the Ukraine influences the likelihood of such a global macroeconomic disruption.

Operational

Adverse site leasing conditions

Whilst the Group operates all its tower assets, almost all the land on which the Group's tower assets are located is operated and managed under leases, licenses or administrative concessions with third parties or public authorities, there is a risk that certain ground leases governing the Group's use of the land on which its tower assets are located may be subject to non-renewal or renewal on commercially unattractive terms. They may also be subject to general disputes with landowners. If disputes were to occur to a significant extent, they could have a material adverse effect on the Group's margins and profitability, and reputation in the markets in which it operates.

Breach of laws and regulations

The Group's business, and that of its customers, is subject to evolving laws and regulations which could restrict the Group's ability to operate its business. Non-compliance with applicable laws and regulations, including environmental and tax laws, could restrict the growth of the business, lead to significant disruptions in our business processes and adversely impact the reputation of Vantage Towers. The main compliance risk areas are Antitrust Law, Economic Sanctions and Anti-Bribery and Corruption. We are following up on any changes of relevant laws and regulations adapting our policies and procedures accordingly and focusing on employee trainings, awareness campaigns and monitoring to manage these risk areas and avoid any breaches.

GDPR Breaches

All of our Group companies are subject to the European General Data Protection Regulation (GDPR) and its enaction into local legislation. We are committed to implementing these requirements in a compliant manner, in accordance with GDPR and local data protection laws. Data Privacy breaches can be sanctioned with very high fines (up to 2 or 4 % of our Group´s annual revenue). Data Privacy risks could result in a data breach in case of an external threat and in a data breach in case of an internal threat e.g. human error or negligent management of personal data in a system. With a focused data privacy management system promoting continuous monitoring and improvement of our policies, processes and tools, targeting at training and awareness campaigns, we are making the ongoing effort to further eliminate the risk of a data breach or mitigate it in relation to our products, services, systems and suppliers´ relationships.

Fraudulent acts of employees/suppliers

Fraudulent activities of employees or suppliers could affect the groups reputation and financial resources which could occur in form of larceny, billing and payroll schemes or bribery. Therefore, the group has set up policies and controls to avoid and detect such fraudulent activities. The company is aware that such activities are globally increasing and is therefore in the process of establishing a Group wide Fraud Management Framework adapted to fulfill the needs and size of the Company. A fine-tuned Fraud Management System within the optimization could detect and deter possible perpetrators in advance, but fraudulent activities cannot be fully excluded.

Data & Systems integrity

The Group engages third-party contractors to provide various services in connection with Site construction, power management, access management, security and the maintenance of sites. An overreliance or lack of control on third-party services has the potential to create issues for Vantage Towers. The Group is therefore exposed to the risk that the services rendered by its third-party contractors will not always be satisfactory or will not match the Group's and/or its customers' targeted quality levels, standards and operational specifications. As a result, the Group's customers may be dissatisfied with its services. The integrity of the necessary data for the provided services may also be at risk due to access, storage or handling of them by these external parties or the systems they use for it. This could adversely affect the Group's reputation, business, financial condition and results of operations.

Technological

Malicious Cyber Attack

Vantage Towers relies upon the systems and networks of other providers and suppliers, to provide support services. The Group is exposed to the risk that third parties or malicious insiders may attempt to use cybercrime techniques, including distributed denial of service attacks to disrupt the availability, confidentiality and integrity of the information technology ("IT") systems on which the Group relies. This could result in disruption to key operations, make it difficult to recover critical services, and damage assets. Physical intrusions, security breaches and other disruptions of or to IT systems and network infrastructure, could affect the Group's ability to provide its services properly. This could lead to a reduction in service quality, damage the Group's reputation and jeopardize the security of the information recorded or transmitted across customer networks or Vantage Towers' systems, or the integrity of their technical systems. Any such disruption could have a material adverse impact on the Group's business.

Emerging risk

Access regulations of European TowerCos coupled with price regulations has have the potential to impact our strategy and bottom-line profitability. This could be the case with the recent European Commission's Gigabit Infrastructure Act proposal which extends the access obligation to physical infrastructure that is not part of a network at fair and reasonable terms including prices. Furthermore, geopolitical tensions leading to sanctions or structural changes within a market may lead to declines in demand for the Group's services. This could also result in unexpected, short-term responses from governments in the markets in which the Group operates which could negatively affect the Group's operations ultimately resulting in lower revenue for the Group.

Health & Safety

Part of our commitment to our people is to offer them a robust Health & Safety environment to work in. A site related accident or collapse could result in the Group or its senior management being subject to civil damages and criminal penalties under local law. Such a situation could also have a negative impact on the Group's reputation and its ability to win or service future businesses or recruit employees. It could also increase the risk of local community opposition to the Group's existing sites or the construction of new sites. The consequences Vantage Towers may suffer could have a material adverse effect on the Group's business, financial condition and results of operations.

Management report opportunities

Overall opportunities landscape

Vantage Towers is a leading European mobile telecommunications tower infrastructure operator as measured by scale and geographic diversification, with approximately 84,600 macro sites.

Vantage Towers has a business model with clear and predictable structural growth drivers, a consistent cost base, and high rate of cash conversion. The Group generates revenue by leasing space on its sites and providing related services as well as by constructing new BTS sites. The Group provides its services pursuant to long-term contractual arrangements with the Vodafone Group, other MNOs, and customers other than MNOs (referred to as "non-MNOs"). The Group is seeking to further grow its revenues by adding new MNO customers as well as non-MNO customers to its sites.

The Group intends to capitalise on the rapid growth of mobile data usage in Europe. This is a trend driven by increasing smartphone use and the growing adoption of internet-based applications. In response to this growth, there will be an increased demand for new sites and additional tenancies on the Group's sites. MNOs are deploying additional equipment on existing networks while also rolling out more advanced 5G mobile networks to address coverage and capacity needs. The Group expects that the need to densify networks in order to meet the range and capacity requirements of the high-frequency spectrum used to deliver full 5G will provide growth in demand for its sites. The Group also expects that MNOs will progressively need further tenancies to address short to medium-term coverage obligations. In several of the Group's principal markets national regulators have established coverage obligations that require MNOs to provide network coverage of certain quality over certain areas. These obligations are expected to drive significant roll-out in underserved areas.

The non-MNO customer growth opportunities in Vantage Towers' markets include different segments like Public Protection Disaster Relief (PPDR) networks, utility and other private customers or enterprises with a need for a mobile private network, Low Power Wide Area (LPWA)-IoT networks, and Fixed Wireless Access (FWA) operators. The focus of the Group will be PPDR networks and utility and enterprise customers.

5G will be one of the most critical building blocks of the digital economy and digital society in the next decade. It will provide ultra-stable and low latency communication across many industries and applications, including factory automation, smart cars, and large-scale machine-type communication used within smart cities. As part of the 5G technology deployment, governments have allocated higher band spectrum for mobile usage that requires dedicated indoor coverage infrastructure, a segment that is likely to experience rapid evolution. Tower companies are also exploring investment in the fibreisation of their sites or reselling available spare fibre capacity and offering access to the various MNOs and non-MNOs in exchange for a lease fee or a resell management fee.

Another opportunity in the IoT space is "sensing networks" where sites can host a wide range of sensors to generate real-time and high-resolution special data needed to run many AI algorithms. These power a wide range of applications across many industries, including transport, insurance, manufacturing, and farming. The sector is also experiencing growing demand for distributed computing. Edge facilities have the potential to make tower companies ready to enable cloud Radio Access Network (RAN)-based architectures for MNOs.

In summary, the key drivers of growth are:

- strong data usage driving further densification requirements;
- acceleration of 5G roll-outs generating long-term growth;
- regulatory requirements, including coverage obligations imposed by various governments and regulators on MNOs alongside spectrum auctions;
- demand from non-MNO customers; and
- growth beyond the core including the fibreisation of sites, indoor coverage demand (DAS and indoor small cells), outdoor small cells, edge data centres, and IoT services.

European recovery fund & other funding opportunities

The European Union has adopted a recovery fund of €723.8 billion (in current prices), which will be in the form of grants and loans for the period 2021–2026. As a part of the Next Generation EU programme, the Recovery and Resilience Facility (RFF) fund is a temporary instrument designed to help repair the immediate economic and social damage caused by the COVID-19 pandemic. With these funds, Europe wants to become greener, more digital, and more resilient to better adapt to current and future challenges. The group intends to take part in applications for European Recovery Funds for the funding of projects to foster European optimization by building the necessary infrastructure. Any relevant grant funding from the EU that optimize the RFF or the Connecting Europe Facility, which is focused on large-scale deployment of 5G corridors, would be an opportunity for further growth as well as a chance to recover a part of the costs for the roll-out of infrastructure in areas currently not served by the market. Funded projects as well as further tendering activities are currently ongoing to cover White Spots in Germany, and to provide cross-border motorways and railway coverage in the EU.

Cost management opportunities

As part of its strategy and effective fiduciary oversight, the Group will aim to enhance its margins by further reducing its ground leases, maintenance and energy costs. The Group operates a ground lease optimization program. This program seeks to reduce ground lease costs by selectively acquiring either the land of its sites (GLBO) or the long-term rights of use of land, or property on margin accretive terms. The ground lease optimization program is expected to increase the attractiveness of the Group's sites by reducing long-term costs and securing land ownership or long- term rights of use. In addition, the Group is focused on improving its maintenance costs and energy efficiency. By carrying out these cost efficiencies, the Group aims to achieve the cost reductions or other financial or performance benefits to continuously deliver robust margins.

Assessment of overall risks and opportunities

Our Group Risk Management Team aggregates all risks and opportunities identified through the half-yearly risk and opportunity assessment process. Results from this process are analysed and reported to the Vantage Towers Management Team accordingly.

In addition, the Vantage Towers Management Team discusses and assesses risks and opportunities on a regular basis. Following due consideration of the simulated value-at-risk compared to our calculated risk-bearing capacity and considering the strong balance sheet as well as the current business outlook, we do not foresee any material threats to the viability of the company as a going concern neither from a single risk nor from the portfolio of risks. Looking to the future, towers will form an integral part of the 5G digital ecosystem by providing secure space to host operators' macro network equipment. Establishing a series of well-distributed towers will serve as an enabler for real time applications to be run for enterprises and consumers.

We are convinced that we will be able to master challenges and exploit opportunities in the future without having to take on any unacceptably high risks either for our business or for society and the environment. We strive to achieve a good overall balance between opportunities and risks, with the aim of increasing added value for our stakeholders by analysing and seizing new market opportunities.

In conclusion, we remain confident that our earnings strength forms a solid basis for our future business development and provides the resources necessary to pursue the opportunities available to the company.

Statement of effectiveness

The Management Board, based on its examination and dealing with the System as well as the independent assurance provided, is not aware of any circumstances that undermine the appropriateness and effectiveness of the Risk and Opportunity Management System.

At the end of 2022, an external audit of the Risk Management System was carried out in accordance with DIIR Auditing Standard No. 2.1. This audit did not identify any reasons that cast doubt on the appropriateness or effectiveness of the Risk and Opportunity Management System.

Internal control system

The Group's internal control system ("ICS") is based on the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for internal control ("Internal Control – Integrated Framework" as amended in May 2013).

The Group's Supervisory Board has delegated responsibility to the Audit, Risk & Compliance Committee of Vantage Towers to monitor the effectiveness of the ICS in accordance with section 107 (3) sentence 2 of the German Stock Corporation Act (Aktiengesetz, AktG) in conjunction with section 107 (4) sentence 1 AktG. The Management Board is responsible for defining the scope and design of the ICS at its discretion in line with section 91 (3) AktG.

The Group's ICS is continuously developed to reflect changes in business operations, internal structures or processes. It is strongly focussed on internal controls over external financial reporting but not limited to these. The ICS's key objective is to ensure that the consolidated financial statements of Vantage Towers AG are prepared in accordance with International Financial Reporting Standards (IFRS) as well as with the regulations under commercial law as set forth in § 315e (1) of the German Commercial Code (Handelsgesetzbuch, HGB). In that respect the preparation of the annual financial statements and the combined management report in accordance with German GAAP are objectives of equal importance.

Pursuant to these objectives the Group's ICS comprises principles, methods and activities to ensure proper accounting.

Due to its inherent limitations, and regardless its specific structure and monitoring responsibilities, there can be no guarantee that an organisation's ICS will fully achieve its objectives. Therefore, there can only ever be a relative, but no absolute, certainty that material accounting misstatements can be prevented or detected.

The Group's finance function manages the group-wide accounting and reporting processes in respect of the above-mentioned ICS objectives. Reporting requirements and interpretation of accounting standards applicable to the Group are set forth in the "Vantage Towers Group Financial Reporting and Governance Manual" which is shared with all Vantage Towers markets and forms the basis for a common accounting throughout the Group. Together with oversight from Vantage Towers' group functions it is the responsibility of the local market teams, which include local finance experts, to ensure adherence with Group-wide policies and procedures, thus ensuring compliance with defined processes. The group finance function monitors the accounting related processes, offers support and ensures a consistent application of policies and processes during the preparation of the Group consolidated results.

Internal controls are embedded within defined processes to adequately mitigate risks. Given the ICS focus on processes and procedures relevant for financial reporting these controls shall primarily prevent the risk of material misstatements in the consolidated financial statements.

The ICS comprises both preventive and detective controls which including IT-based and manual reconciliations, segregation of duty controls, monitoring controls as well as general IT controls.

We have implemented procedures for monitoring the effectiveness of controls managed within the ICS throughout the Group. Controls are regularly assessed depending on their contribution to mitigate the risk of possible misstatements in the consolidated financial statements or their impact on the combined management report.

Identified control weaknesses are analysed and remediation activities are initiated. Control weaknesses that could have a material impact to financial statements or the combined management report are brought to the attention of Vantage Towers AG's Management Board and additionally to the Audit, Risk & Compliance Committee of the Supervisory Board.

To ensure a high-quality ICS the group functions responsible to monitor the effectiveness of the ICS within the Group regularly aligns with other governance, risk and compliance functions established within the Group as well as Internal Audit.

Within its audit activities, the Group's Internal Audit function provides independent assurance on the effectiveness of the Group's ICS and has been granted unrestricted access to the Company's and the Group's records, personnel and property for this purpose.

Up to the time of the preparation of the combined management report, the Management Board has not become aware of any circumstances which contradict the appropriateness and effectiveness of the internal control system in its entirety.

Subsequent events

For information on events after the reporting period, please refer to Note 12 "Events after the reporting period" in the notes to the consolidated financial statements and to the notes to the annual financial statements of Vantage Towers AG as of 31 March 2023.

Report on relationships with affiliated companies

The Management Board of Vantage Towers AG has prepared a report on relations with affiliated companies pursuant to section 312 German Stock Corporation Act for FY 2023 and issued the following concluding declaration: "We declare that Vantage Towers AG received appropriate consideration for the legal transactions and measures listed in the report in relation to affiliated companies according to the circumstances known to us at the time the legal transactions were carried out or the measures were taken or omitted, and that it was not disadvantaged by the fact that measures were taken or omitted."

Outlook

According to its World Economic Outlook from April 2023, the IMF expects the global economy to grow by 2.8% in 2023[1], whereas the IfW anticipates an increase of only 2.5% compared to the previous year[2]. In January 2023, IMF analysts still had expected the global economy to grow by 2.9% in 2023[3]. IMF's outlook is characterized by a high level of uncertainty and the continuation of the effects from the prior year. Whilst the economy profited from the reopening of the markets after the pandemic, the war in Ukraine is still ongoing. As a consequence, the geological and political separation increases and leads to a loss of outputs, hence direct foreign investments are much more difficult in an uncertain global environment[1]. Central banks have sharpened their monetary policies and increased interest rates to bring down inflation but debt is at an all-time high, severely limiting the room for manoeuvre of players. Recent events in the financial sector also increase uncertainty and suggest the risk of a downside. In addition, labour markets continue to be tight, underlying price pressures remain high. The IMF expects global inflation to decline, even though slower than

[1] Source: International Monetary Fund, World Economic Outlook, April 2023
[2] Source: IfW, Kieler Konjunktur-Berichte, World Economy in Spring 2023
[3] Source: International Monetary Fund, World Economic Outlook Update, January 2023

expected before, from 8.7% in the previous year to 7.0% in 2023.

According to the IMF, the GDP in the Euro Zone is expected to grow by only 0.8% in 2023 compared to the previous year. The difference compared to the global GDP is mainly driven by higher growth rates in emerging markets and developing economies compared to the Euro Zone[1].

Looking at our markets, the outlook is mixed. Whilst a rather stable outlook is expected for Germany (-0.1%), Spain and Greece are expected to grow by 1.5% and 2.6% respectively.

Furthermore, the European telecommunications tower infrastructure market is expected to grow this year as well as over the medium-term (see Industry environment, p. 24).

The key drivers of growth in our sector are:

- strong data usage driving further densification requirements;
- regulatory requirements, including coverage obligations imposed by various governments and regulators on MNOs alongside spectrum auctions;
- acceleration of 5G roll-outs generating long-term growth;
- demand from non-MNO customers; and
- growth beyond the core including the fiberisation of sites, indoor coverage demand, outdoor small cells, edge data centres, mobile private networks and IoT (Internet of Things) services.

Group outlook

Outlook for FY 2024

We remain focused on our core business and continue to deliver on our new macro site roll-out commitment and co-locations for our MNO and non-MNO customers in FY 2024. We expect to deliver a tenancy ratio of around 1.49x by 31 March 2024 and to grow our Group revenue (ex. pass-through) approximately 5.0% year-on-year.

We will further invest in our business and expect Adjusted EBITDAaL margin to remain broadly in line with FY 2023. The Group continues to generate strong cash flows and expects to grow Recurring Operating Free Cash Flow (ROFCF) in FY 2024. Due to the new financing arrangements following the repayment of the bonds and expected effectiveness of the DPLTA after the Oak Holdings transaction, future interest and cash tax payments will be impacted and therefore previous Recurring Free Cash Flow (RFCF) guidance is no longer comparable. We expect the leverage ratio to slightly increase in FY 2024.

For Vantage Towers AG, the Management Board expects statutory revenue to grow moderately in FY 2024 as a result of further commercialization of the business. Statutory profitability will increase, yet at a lower rate given further investment costs in our business.

Measure	FY23 guidance	FY23 results	FY24 guidance
Tenancy ratio for consolidated Vantage Towers	–	1.46x	~1.49x
Group revenue (ex. pass through)	3.0%–5.0% YOY	€1,075.1m	~5.0% YOY
Adj. EBITDAaL (margin)	€550m–€570m	€564.3m (53%)	margin in line with FY 2023
Recurring free cash flow (RFCF)	€405m–€425m	€438.2m	–
Recurring operating free cash flow (ROFCF)	–	€567.7m	growing vs. FY 2023
Net financial debt to adjusted EBITDAaL	–	3.6x	slightly increasing

Corporate Governance Report

Declaration on Corporate Governance

Corporate Governance is an important aspect of the business operations of Vantage Towers AG ("the Company") that promotes the trust of investors, customers, employees, and the public in the Company, creates long-term sustainable value for shareholders and employees, and incorporates respect and integrity into the Company's day-to-day business activities.

This joint declaration by the Management Board and the Supervisory Board covers the fundamental aspects of corporate governance at the Company) in accordance with section 289f and section 315d respectively of the German Commercial Code (Handelsgesetzbuch, HGB). As of the end of 9 May 2023 the delisting became effective. The Company has also not issued any securities other than shares for trading on a regulated market. The Company therefore no longer meets the requirements of section 289f paragraph 1 sentence 1 HGB. The requirements of 289f section 4 sentence 1 HGB are also not met by the Company as it is not subject to co-determination. Notwithstanding this, in the following the Company issues a statement on corporate governance on a voluntary basis, oriented to the requirements of Section 289f paragraph 2 of HGB, without completely compying with them, and expressly reserves the right to report for the current financial year only within the scope of its statutory obligations. Pursuant to section 317, paragraph 2, sentence 6 HGB the independent auditor's review of the disclosures made in the declaration on corporate governance is to be limited to ascertaining whether the disclosures required by law have been made.

Declaration of Conformity in accordance with the German Corporate Governance Code

The Management Board and the Supervisory Board of the Company have adopted the following declaration pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) on the extent to which the Company has followed and intends to follow in the future the recommendations of the Government Commission on the German Corporate Governance Code (the "Code") . The Management Board and Supervisory Board of the Company published the following Declaration of Conformity on 6 February 2023:

Declaration of the Management Board and the Supervisory Board of Vantage Towers AG regarding the recommendations of the "Government Commission of the German Corporate Governance Code" pursuant to section 161 AktG

I. The Management Board and the Supervisory Board of Vantage Towers AG hereby declare pursuant to section 161 AktG, that since submission of the last declaration of conformity on 7 February 2022 Vantage Towers AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019 ("**Code 2019**"),until the date of announcement of the revised version of the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022, on 27 June 2022 ("**Code 2022**"), apart from the following exceptions:

1. **Maximum number of Supervisory Board mandates at non-group listed companies or comparable functions (recommendation C.4)**

According to **recommendation C.4** (maximum number of Supervisory Board mandates at non-group listed companies or comparable functions), a Supervisory Board member who is not a member of any Management Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, whereby an appointment as Chairperson of a Supervisory Board is being counted twice.

The Chairperson of the Supervisory Board, Prof. Dr. Rüdiger Grube, has two other Supervisory Board mandates at listed companies (Hamburger Hafen und Logistik AG and Vossloh AG); he serves as Chairperson in both of these Supervisory Boards. Furthermore, he is a member of the Supervisory Board of Deufol SE and the Chairperson of the Supervisory Board of Alstom/ Bombardier Transportation Germany GmbH, which are both non-listed companies. The latter two mandates may be considered a "comparable function" within the meaning of recommendation C.4.

As a matter of precaution, the Management Board and the Supervisory Board therefore declare a deviation from recommendation C.4. The Supervisory Board has thoroughly reviewed and verified that Prof. Dr. Grube's other mandates allow him to nevertheless dedicate the full amount of time required to fulfil his duties as Chairman of Vantage Towers AG's Supervisory Board. Such view also takes into consideration the size and time commitments required by the other mandates, Prof. Dr. Grube has furthermore assured the Supervisory Board that his other mandates will not restrict him from exercising his role at Vantage Towers AG. This view of the Supervisory Board is shared by the Management Board.

2. Publication periods for mandatory interim financial information (recommendation F.2)

According to **recommendation F.2** (publication periods for consolidated financial statements, group management report and mandatory interim financial information), the consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year and mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

With respect to the half-yearly financial reports required under statutory laws or applicable stock exchange rules, Vantage Towers AG has decided, in deviation from Section F.2, to publish the respective half-yearly financial reports only within the respective publication periods stipulated by mandatory law or the applicable stock exchange rules. Vantage Towers AG believes that a publication within such periods will sufficiently satisfy the need for information of the shareholders, creditors and other stakeholders as well as the public.

3. Access to long-term variable remuneration components (recommendation G.10 sentence 2)

According to **recommendation G.10 sentence 2** (access to long-term variable remuneration components), the granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.

The members of the Management Board currently still participate in long term incentive awards (so called "**Long Term Incentive-Programs**") granted to them in connection with their previous occupations at Vodafone group in the fiscal years which ended on 31 March 2019, 2020 and 2021, respectively. Such awards do not provide for a minimum period of four years until they are accessible to the beneficiaries and will or have become due beginning of fiscal year 2021/2022, 2022/2023 and 2023/2024, respectively.

For the long-term incentive awards which will become due in the fiscal years 2022/2023 and 2023/2024, instead of shares in Vodafone Group Plc shares in Vantage Towers AG will be granted. In addition, granting of such shares will be based on performance criteria which refer to targets of Vantage Towers AG's business.

The obligations under these long-term incentives were granted in a period in which the Code 2019 did not apply and are to be fulfilled by Vodafone group entities, not by Vantage Towers AG. It is therefore questionable whether recommendation G.10 sentence 2 also applies to such long-term incentive awards.

As a matter of precaution, the Management Board and the Supervisory Board declare a deviation from recommendation G. 10 sentence 2. As such remuneration components were awarded in the past, the Supervisory Board takes the view that it is appropriate to permit a continued participation of the Management Board members in these awards as this does not harm the interests of Vantage Towers AG.

II. The Management Board and the Supervisory Board of Vantage Towers AG hereby further declare pursuant to section 161 AktG, that Vantage Towers AG has complied and will comply with the recommendations contained in the Code 2022 in the period since its announcement on 27 June 2022, with the exceptions and in the periods specified as follows:

1. Consideration of sustainability aspects (recommendation A.1)

According to recommendation A.1, the Management Board shall systematically identify and assess the risks and opportunities for the company associated with social and environmental factors, as well as the ecological and social impacts of the company's activities.

In this context, ecological and social objectives shall also be given appropriate consideration in the corporate strategy and corporate planning should include corresponding financial and sustainability-related objectives.

The consideration of sustainability aspects is an integral part of the management of the Company and sustainability aspects are taken into account in the operation of the towers of Vantage Towers AG. However, the focus of corporate planning to date has still been on financial targets and risks.

Against that background and since it is not sufficiently clear what requirements are to be placed on a systematic identification and evaluation of the sustainability aspects mentioned in sentence 1 of recommendation A.1 and what their influence is on the corporate strategy and corporate planning mentioned in sentences 2 and 3 of recommendation A.1, the Management Board and the Supervisory Board declare that recommendation A.1 has not been complied with and will not be complied with for the time being

2. Consideration of sustainability aspects as part of the internal control and risk management system (recommendation A.3)

According to **recommendation A.3**, the internal control and risk management system shall also cover sustainability-related objectives, which shall include the processes and systems for collecting and processing sustainability-related data.

Currently, sustainability-related objectives are not yet explicitly covered by the internal control and risk management system. Against this background and purely for precautionary reasons, the Management Board and Supervisory Board declare a deviation from recommendation A.3.

3. Supervisory Board competence profile and reporting (recommendation C.1 sentences 3, 5 and 6)

According to recommendation C.1 sentence 3, the competence profile of the supervisory board shall also include expertise on sustainability issues of importance to the company. According to recommendation C.1 sentence 5, the status of the implementation of the competence profile shall be reported in the form of a qualification matrix, which shall also provide information on the number of independent shareholder representatives on the supervisory board that is appropriate in the opinion of the shareholder representatives and the names of these members.

The Supervisory Board has set specific objectives regarding its composition as well as a competence profile for the composition of the entire Supervisory Board and also reports on the status of the implementation of these targets and the competence profile.

However, the competence profile of the Supervisory Board does not explicitly include expertise on sustainability issues, whereby the consideration of expertise on sustainability issues relevant to Vantage Towers AG shall be discussed in the context of a future update of the competence profile of the Supervisory Board. Therefore, a deviation from recommendation C.1 sentence 3 is declared.

Vantage Towers AG will continue to report on the implementation of the specific objectives regarding its composition as well as the competence profile for the composition of the entire Supervisory Board but will refrain from reporting in the form of a qualification matrix.

Against this background, a deviation from recommendation C.1 sentence 5 is to be explained. Since sentence 6 of recommendation C.1 is linked to the reporting in the form of a qualification matrix recommended in sentence 5 with regard to the reporting on the number of independent shareholder representatives on the Supervisory Board (including their names), a deviation from this recommendation is also declared as a precautionary matter

4. Maximum number of Supervisory Board mandates at non-group listed companies or comparable functions (recommendation C.4)

For purely precautionary reasons, the Management Board and Supervisory Board declare a deviation from **recommendation C.4**. The reasons for this deviation are described above under point I.1.

5. Publication periods for mandatory interim financial information (recommendation F.2)

For purely precautionary reasons, the Management Board and Supervisory Board declare a deviation from **recommendation F.2**. The reasons for this deviation are described above under point I.2.

6. Access to long-term variable remuneration components (recommendation G.10 sentence 2)

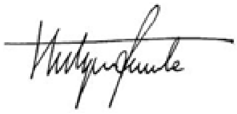
For purely precautionary reasons, the Management Board and Supervisory Board declare a deviation from **recommendation G.10 sentence 2**. The reasons for this deviation are described above under point I.3.

Düsseldorf, 6 February 2023

For the Management Board

Vivek Badrinath

For the Supervisory Board



Professor Rüdiger Grube

The Declaration of Conformity can be found on the Company's website **at www.vantagetowers.com/en/investors/corporate-governance**.

Relevant disclosures on corporate governance practices

Code of Conduct

The Management Board believes that the Company's mission to power Europe's digital transformation should be underpinned by ethical practices and integrity. For that reason, the Company developed a value compass as a framework for actions that are in line with the values that guide the Company. Those values are Honesty, Accountability, Respect, and Teamwork. Based on these four values, the Company has created a new Code of Conduct, *i.e.* a moral compass by which employees are expected to live. The Code of Conduct therefore forms the basis for a healthy corporate culture, and it is an expression of the Company's commitment to doing what's right. It sets out the duties and responsibilities of, and towards, the Company's people, partners, customers, and society. It also guides business decisions and empowers everyone to find solutions that are aligned with the Company's values and principles. The Code of Conduct sets out the Company's value based commitments to all relevant issues and policies, including antibribery, business continuity management, competition law, cybersecurity, data protection, economic sanctions, ESG, health and safety as well as topics such as diversity and "our way of working together". All of the commitments are integrated into the Company's three strategic pillars of People, Planet, and Performance in order to provide a value framework guiding the Company's mission to power a sustainable digital Europe. Further information on this subject can be found on the Company's website at **www.vantagetowers.com/en/ investors/corporate-governance/compliance-integrity.**

Annual General Meeting

Company shareholder resolutions are passed at the Annual General Meeting. The Annual General Meeting is held at least once a year. It passes resolutions on the appropriation of distributable profits, the ratification of the acts of the Management Board and Supervisory Board, and the election of the Company's financial statements auditor. Shareholders may exercise their voting rights in person or by proxy. To make it easier for shareholders to exercise their rights the Company nominates a voting representative who acts upon their instructions and can also be reached during the Annual General Meeting. Shareholders can also cast votes by means of electronic communication in accordance with the stipulations of the invitation to the Annual General Meeting. For reasons relating to the global COVID-19-pandemic, the Annual General Meeting in 2022 was held in virtual format without the physical presence of the shareholders or their proxies. An Extraordinary General Meeting with physical presence of the shareholders or their proxies was held in Düsseldorf on 5 May 2023. The Annual General Meeting in 2023 will be held with physical presence of the shareholders or their proxies. Reports, documents, and information to be disclosed by law at an Annual General Meeting are published on the Company's website at www.vantagetowers.com/en/investors/annual-general-meeting-en.

Reporting

Until the Delisting, the Company informed shareholders and analysts, as well as the media and the general public, about the development of its business and the business situation in its quarterly reports. Until the Delisting, it also regularly hosted analyst and investor conference calls and attended investor conference.

In addition to the regular reporting format, the Company published ad-hoc announcements containing information that were not public and which, if disclosed, could have significantly affected the price of the Company's financial instruments (inside information). Ad-hoc announcements can be found on the Company's website at www.vantagetowers.com/en/investors/regulatory-news.

Members of the Management Board, the Supervisory Board, and other persons discharging managerial responsibilities within the Company, as well as persons closely associated with them, were obliged to notify the Company as well as the Federal Financial Supervisory Authority ("**BaFin**") of own transactions involving Company financial instruments totalling or exceeding €20,000 in the calendar year. In addition to publication on the Company's website, ad-hoc announcements and relevant own transactions were published in the relevant European Union media and on the website at www.vantagetowers.com/en/investors/regulatory-news. They were also forwarded to the Company Register.

After 9 May 2023, with regard to the shares of the Company, all transparency obligations associated with a stock exchange listing on a regulated or organized market, such as the ad-hoc disclosure obligation and the obligation to prepare half-yearly financial reports and quarterly statements, will cease to apply for the future.

Compliance and risk management

The Group has a compliance, risk, and opportunity management system in place for the ongoing and sustainable monitoring of compliance with all applicable regulatory requirements. The Group strives to manage compliance risks and to reduce the probability of occurrence and/or potential impacts of the various risks to which it is exposed. For this reason, the Group has implemented a compliance system to monitor anti-bribery, competition law, and data protection compliance in order to prevent, detect, and respond to potential incidents of non-compliance. The compliance, risk, and opportunity management system operates on a Group-wide basis and is an essential part of its corporate governance system.

Compliance

High standards of compliance with the Group's statutory and regulatory obligations form the basis for its decisionmaking, define its corporate culture, and integrate the values across the entire Group.

Compliance creates the framework for the Group's business activities and safeguards the Group's long term business success. Vantage Towers AG ensures that compliance is an integral component of every business process. Antitrust law and corruption prevention training is given, and compliance counselling is provided with regard to business needs and obligations. Employees are informed about compliance requirements, risks, and possible sanctions. The requirements are based on laws and Groupwide policies and they serve the implementation of international standards. Vantage Towers AG informs all of its employees about compliance measures and new developments by publishing customised content in various target audience-appropriate communication channels.

The Group's compliance officers also advise the operating units on how to integrate compliance into their business processes. Vantage Towers AG regularly reviews critical business operations in a risk-oriented and structured process. Another element is the identification of compliance risks through the Group's Whistleblowing Speak Up Tool that was implemented in compliance with EU Directive 2019/1937 and the respective applicable national regulations. Anonymous reporting of potential violations against laws or directives is possible to the extent provided for under national legislation due to the implementation of the directive in the Group's markets. The Group investigates all reports of such alleged violations. Any violations identified are investigated and processed as necessary,regardless of the name and function of the person involved, and appropriate measures are derived with the aim of improving prevention. Further information about the Whistleblowing Speak Up Tool can be found on the Company's website at www.vantagetowers.com/en/investors/corporate-governance/compliance-integrity.

The Chief Legal Officer is responsible for ensuring a system in accordance with legal and regulatory compliance requirements, which is implemented by the legal department under the Chief Legal Officer. Operative compliance responsibility in these areas remains with the competent corporate functions and business units.

Risk management

The Group's risk and opportunity strategy focuses on supporting the management in their pursuit of strategic and operational objectives whilst safeguarding the Group's critical assets. The Group's business success depends on opportunities being recognised and the associated risks being identified and appropriately managed in accordance with the Group's risk appetite. The Group's risk and opportunity strategy defines that business risks should be entered into consciously and responsibly, and managed proactively by all employees.

The Group's risk and opportunity management system is based upon established methodologies for risk management, leveraging best practice and experience, and designed to fulfil the requirements of section 91, paragraph 2 AktG. It is adapted to the requirements and size of Vantage Towers AG. This system focuses on the identification, measurement, and aggregation of risks and opportunities, their risk profile relative to risk bearing capacity, the treatment, hedging, and monitoring of risks and opportunities, and decision-making in their respect.

The effectiveness of the risk and opportunity management system is assured with a coordinated, systemic three-lines approach, consisting of: (i) risk ownership and management, typically undertaken by the business units, (ii) risk monitoring and functional oversight, typically undertaken by the Group's supervisory bodies and specialist functions, and (iii) independent audits and controls, typically undertaken by the Group's internal audit function, external auditors, and other independent auditing service providers. The purpose of this approach is to integrate activities across all three lines to ensure that mitigation mechanisms are in place and operating effectively, and to provide a line of sight on the status of the current risk and opportunity profile to the management. The various risk management instruments are designed to ensure that the subprocesses are integrated into a continuous risk and opportunity management loop and all relevant individuals and/or management teams are involved appropriately in the risk and opportunity management process.

The aim is the timely identification of risks and opportunities and to monitor and manage them in accordance with the desired risk profile. For this purpose, the Company draws on internal and external sources of information. The Group's standard process provides a framework for this. Once risks and opportunities have been identified, the Group moves on to analyse and assess them in more detail. A decision is then made on the specific course of action to be taken in order to reduce risks or exploit opportunities. The respective risk owner implements, monitors, and evaluates the actions taken. These steps are repeated as required and modified to reflect the latest developments and decisions. Ad-hoc risks are reported immediately to the risk management officers and documented through the established reporting channels.

Risks are also regularly evaluated by the Company's Risk and Compliance Committee and the Supervisory Board's Audit, Risk, and Compliance Committee. These standardised risk management processes ensure that the Management Board and Supervisory Board receive prompt and structured information about the Group's current risk situation.

Description of the operating principles of the Management Board and the Supervisory Board and the composition and operating principles of their committees

The Company is a stock corporation in accordance with the AktG. It has a two-tier management and control system, consisting of the Management Board and the Supervisory Board. The powers and responsibilities of these governing bodies are determined by the AktG, the Articles of Association and the internal Rules of Procedure for both bodies.

Management Board

Operating principles of the Management Board

The Management Board of Vantage Towers AG manages the Company's business in accordance with the law, the Articles of Association of the Company, the resolutions of the Annual General Meeting and of the Supervisory Board and its Rules of Procedure. In managing the Company's business, the members of the Management Board take into account the interests of shareholders, employees, and other relevant stakeholders. Once the domination and profit and loss transfer agreement with the Company (as the controlled company) and Oak Holdings (as the controlling company), resolved by the Extraordinary General Meeting on 5 May 2023, has become effective, Oak Holdings in principle would be entitled to issue binding instructions to the Management Board with regard to the management of the Company.

The members of the Management Board are responsible for developing and implementing the Company's strategy. Their decision scope extends to important matters concerning the Company, the annual business plan, and the budget as well as the multi-year plan and the financial control and reporting activities. They have prepared the annual, interim, and quarterly (consolidated) financial statements and reports and the combined management report. With the Delisting, all transparency obligations regarding the shares of the Company and associated with a stock exchange listing on a regulated or organized market, such as the ad-hoc disclosure obligation and the obligation to prepare half-yearly financial reports and quarterly statements, will cease to apply after 9 May 2023 for the future. In the years ahead, the Company will continue to prepare a (consolidated) annual report in accordance with the legal requirements applicable to it. The Management Board's managerial duties also extend to the management of the direct and indirect subsidiaries of the Company. Material transactions and business decisions are subject to the approval of the Supervisory Board.

The Management Board is also required to ensure that all applicable statutory provisions and internal Company policies are observed and to ensure their observation by the members of the Group. The Management Board has established adequate systems for control, integrity, and compliance management, internal audit, risk and opportunity management, and internal controls.

The Management Board members are jointly responsible for the management of the Company. Notwithstanding such joint responsibility, the members act autonomously within the area(s) of responsibility allocated to them by the Supervisory Board while being obliged to always subordinate the interests specific to their area(s) of responsibility to the interests of the Company as a whole. The current functional assignments of Management Board members are appended to the Rules of Procedure of the Management Board and set out under **Composition of the Management Board on p. 644.**

The Management Board makes collective decisions on matters to be decided upon by the entire Management Board pursuant to mandatory law, the Articles of Association, or the Rules of Procedure of the Management Board.

The Management Board makes decisions in meetings which are convened by the Chairperson of the Management Board. Each member of the Management Board may convene a meeting, indicating the matters to be dealt with at the meeting. Management Board decisions are adopted by simple majority of votes cast. Decisions taken outside meetings require a simple majority of members. This does not apply if otherwise prescribed by mandatory law, the Articles of Association of the Company, or the Rules of Procedure of the Management Board. Management Board decisions are generally made in meetings which can also be held with individual members attending via telephone or video conference. In urgent cases, or if no member of the Management Board immediately objects to such procedure, decisions may also be made outside of meetings via telephone or video conference or by votes transmitted in writing, by facsimile, by email, or by other commonly used means of communication.

The Company is represented vis- à -vis third parties and in legal proceedings by two members of the Management Board or one member of the Management Board in conjunction with an authorised signatory (*Prokurist*).

Members of the Management Board are subject to a non-competition obligation. Furthermore, they are not permitted to take advantage of the Company's business relationships with other companies and persons to request or receive advantages for themselves or for other persons that could be detrimental to the Company or damage the reputation or interests of the Company. Management Board members must obtain Supervisory Board approval before assuming sideline activities, particularly supervisory board mandates outside the Group. Each member of the Management Board is required to notify the Chairperson of the Supervisory Board and the other members of the Management Board without delay of any conflicts of interest arising from their activities.

During the reporting period, no conflicts of interests involving Management Board members occurred.

Cooperation with the Supervisory Board

The Chairperson of the Management Board represents the Management Board vis-à-vis the Supervisory Board. He regularly informs the Supervisory Board about the business policy, other fundamental corporate planning issues, the profitability of the Company and the Group, the course of business of the Company and the Group and their economic situation as well as transactions that may have a significant impact on the profitability or liquidity of the Company or the Group. Furthermore, the Chairperson of the Management Board informs the Chairperson of the Supervisory Board on all matters of particular importance for the Company or the Group without undue delay and requests the approval of the Supervisory Board in the cases where this is a requirement under applicable laws, the Articles of Association of the Company, and the Rules of Procedure of the Management Board.

Composition of the Management Board

Pursuant to the Articles of Association, the Management Board of the Company consists of at least two members. The Supervisory Board determines the exact number of members and may appoint a member of the Management Board as Chairperson of the Management Board and another member as Deputy Chairperson.

Currently, the Management Board is composed of three members (see table below). The current members of the Management Board were appointed by the Supervisory Board until 31 December 2023. The Supervisory Board has appointed Vivek Badrinath as Chairperson of the Management Board.

On 6 February 2023, Vivek Badrinath, informed the Chairman of the Supervisory Board of the Company that for personal reasons he does not wish to renew his contract beyond the current term that runs until the end of the year 2023. He will remain a member of the Management Board until the end of June 2023, whereafter he will leave Vantage Towers. Immediately after the announcement, the Nomination Committee of the Supervisory Board began the process of searching for and selecting a suitable successor candidate. On June 6, 2023, the Supervisory Board appointed Christian Hillabrant as the new CEO. The appointment is expected to take effect in about two months after his appointment, until then Interim CEO and CFO Thomas Reisten will lead the company.The Management Board consists of the following members:

Name	Position	Areas of responsibility	Memberships of Supervisory Boards and comparable supervisory bodies
Vivek Badrinath (born in 1969)	Board member (first appointed to the Board in 2021 until June 2023; CEO from 2021 to May 2023)	· Development of the long-term strategic vision · Seek out and leverage global partnership opportunities · Drive the digital transformation agenda · Identify new opportunities and develop commercial models to generate revenue, including technology optimisation · Portfolio management for joint ventures · Drive the standardisation of tower infrastructure · Drive efficiency initiatives incl. energy · Technical reporting and KPIs/performance management · Standardisation and optimisation of deployment processes · Lead the technology to support the business	· Atos SE (France)
Thomas Reisten (born in 1972)	Interim CEO and CFO (first appointed to the Board as CFO in 2021; appointed until 31. Dec 2023; Interim CEO since May 2023)	· Drive performance in the entire Vantage Towers Group · Budgeting, capital management and allocation · Financial planning, control, and optimisation · Transactions · Investor relations, M&A, treasury, taxes · Listed company reporting obligations · Group technical accounting · Supply chain management for the Vantage Towers Group · Internal audits	· Indus Towers Ltd. (India)
Christian Sommer (born in 1967)	Chief Legal Officer (first appointed to the Board in 2021; appointed until 31 Dec 2023)	· Company secretary obligations and compliance with corporate governance requirements · Ensure statutory and regulatory compliance · Definition of standard framework agreements and terms for local implementation · Litigation · External affairs (incl. external communications) · Data protection · Risk management	· None

Supervisory Board

Function of the Supervisory Board

The Supervisory Board advises and supervises the Management Board in its management of the Company. It regularly discusses the Company's business development, planning and strategy, as well as all other matters of relevance for the Company among its members and with the Management Board, and it monitors the Management Board's and Company's adherence to applicable statutory provisions and Company policies. In accordance with the Articles of Association, the Supervisory Board has issued Rules of Procedure which can be found at www.vantagetowers.com/ en/investors/corporate-governance.

The Supervisory Board reviews the annual financial statements, the consolidated financial statements, and the combined management report. It decides upon the adoption of the annual financial statements, the approval of the consolidated financial statements and the approval of the combined management report, in each case after taking into account the auditor's report and explanations. The Supervisory Board also reviews the Management Board's proposal on the appropriation of distributable profits and decides with the Management Board upon the submission of a corresponding resolution proposal to the Annual General Meeting. The Supervisory Board also proposes an auditor to the Annual General Meeting for election on the basis of a substantiated recommendation from its Audit, Risk, and Compliance Committee.

Moreover, with the support of the Remuneration and Nomination Committee, the Supervisory Board determines the number of Management Board members above the minimum number, appoints and dismisses the members of the Management Board, and decides upon and regularly reviews the Management Board remuneration system and the specific remuneration of each Management Board member, including the performance criteria for the variable remuneration components.

Pursuant to applicable law, the Articles of Association of the Company, and the Rules of Procedure of the Management Board, some decisions made by the Management Board are subject to Supervisory Board approval.

The Chairperson of the Supervisory Board coordinates the activities of the Supervisory Board, represents the Supervisory Board externally, and chairs the meetings of the Supervisory Board. He is also available – within reasonable limits – to discuss Supervisory Board-related issues with investors. Furthermore, the Chairperson coordinates the collaboration with the Management Board and ensures that the Management Board complies with its information and reporting obligations. In this context, they maintain regular contact with the Management Board, in particular with the Chairperson of the Management Board, to discuss matters relating to Company strategy, business development, risk situation, risk management, and compliance. If the Chairperson of the Supervisory Board is informed by the Management Board about important events that are of material significance for the assessment of the Company's position, future outlook, and its management, they brief the Supervisory Board and, if necessary, convene an extraordinary meeting.

Meetings of the Supervisory Board shall be held - save for a deviating decision by the Supervisory Board - once a calendar quarter and have to be held at least twice in any one calendar half-year. Due to the COVID-19-pandemic in the course of the last fiscal year, and short notice, meetings were partly held virtually but also in person. Absent members of the Supervisory Board may vote on a resolution by asking another member to submit a written vote on their behalf. Supervisory Board resolutions may also be passed outside meetings in writing, by telephone, by video conference, or by other means of electronic communication, as well as by way of a combination of a meeting and votes cast by members of the Supervisory Board who are not present in person at the meeting. The Supervisory Board shall constitute a quorum if at least half of the members of which it must consist in total participate in the adoption of the resolution. Unless otherwise prescribed by mandatory law, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The members of the Supervisory Board are bound to act in line with the Company's best interests. No member of the Supervisory Board may pursue a personal interest when making a decision or exploit business opportunities intended for the Company or any of its affiliates for their own benefit. Every Supervisory Board member is required to disclose any conflicts of interest, especially those that may arise as a result of advisory roles with or service on the governing bodies of customers, suppliers, lenders, or other third parties or significant competitors, without undue delay to the Supervisory Board. In its report to the Annual General Meeting, the Supervisory Board provides information relating to any conflicts of interests that have arisen and how they have been dealt with. Any substantial and not merely temporary conflicts of interest on the part of any member of the Supervisory Board result in the termination of that member's mandate.

In connection with the Oak Transaction, the Company entered into a so called Business Combination Agreement with Oak Holdings GmbH as bidder, Vodafone GmbH and the Consortium on 9 November 2022 with the consent of the Supervisory Board. In addition, on 20 December 2022, the Supervisory Board adopted a resolution on the reasoned joint statement on the voluntary public takeover offer of Oak Holdings to all shareholders of the Company. Due to the potential conflicts of interest arising for the members of the Supervisory Board employed by the Vodafone Group, these members of the Supervisory Board partly did not participate in the relevant discussions of the Supervisory Board on the Business Combination Agreement and the reasoned joint statement on the voluntary public takeover offer of 13 December 2022 and in any case all these members abstained from voting on the relevant resolution. In order to address potential conflicts of interest in future resolutions on certain measures affecting Oak Holdings, a committee of the Supervisory Board was established by resolution of the Supervisory Board dated 14 March 2023 (the "Oak Committee"). In order to avoid conflicts of interest with regard to the tasks assigned to the Oak Committee, the Oak Committee consists exclusively of members who are independent of the Vodafone Group, namely Rüdiger Grube, Katja van Doren, Charles Green and Terence Rhodes. The Supervisory Board delegated to the Oak Committee the resolution on measures relating to the conclusion of a domination and profit and loss transfer agreement between Vantage Towers AG and Oak Holdings, a Delisting of the shares of Vantage Towers AG and the squeeze-out of the minority shareholders of the Company. Conflicts of interest were also conceivable in the Supervisory Board's resolution on the agenda regarding the extraordinary shareholders' meeting on 5 May 2023, as the agenda concerned the resolution on the draft domination and profit and loss transfer agreement between Oak Holdings as the controlling company and the Company as the controlled company, as well as the Supervisory Board's election proposals for the election of the two new Supervisory Board members, as the candidates were employed by the Vodafone Group. In order to address a possible conflict of interest, the members of the Supervisory Board who are employed by the Vodafone Group partially did not participate in the discussion and resolution on these two agenda items at the meeting of the Supervisory Board on 23 March 2023 and at the meeting of the Supervisory Board on 5 May 2023 with regard to the agenda item draft domination and profit and loss transfer agreement, and at both meetin-gs all affected members present abstained from voting on the resolution. In other respects, no conflicts of interest arose among the members of the Supervisory Board during the reporting period.

The Supervisory Board assesses at regular intervals how effectively the body as a whole and its committees are performing their duties. The selfassessment covers, in particular, the Supervisory Board meeting procedures, the supply of information to the Supervisory Board, the information flows between the committees and the Supervisory Board, the composition of the committees, and the content of their work. The findings of the assessment and opportunities to introduce improvements are then discussed at a Supervisory Board meeting.

Detailed information about the work of the Supervisory Board can be found in the Report of the Supervisory Board on p.7. The curricula vitae of the members of the Supervisory Board are published at www.vantagetowers.com/en/investors/our-leadership.

Composition of the Supervisory Board

In accordance with the Articles of Association and sections 95 and 96 AktG, the Supervisory Board consists of nine members. All members are elected by the Annual General Meeting. The Annual General Meeting may additionally appoint substitute members to replace members of the Supervisory Board who retire before the expiration of their term without a successor having been elected. The term of office of such a substitute member expires at the end of the Annual General Meeting at which a successor is elected and, at the latest, at the end of the departing member's term of office.

The Supervisory Board elects a Chairperson and one or several Deputy Chairpersons from among its members to serve for the duration of their terms of office on the Supervisory Board, or a shorter period if so determined by the Supervisory Board.

All members of the Supervisory Board are elected for a period ending with the close of the Annual General Meeting where the resolution is passed ratifying the acts of the Supervisory Board in the fourth financial year after the commencement of their term of office, unless a shorter term of office is determined by the Annual General Meeting. For purposes of calculation, the financial year in which the term of office commences is disregarded. The members of the Supervisory Board may be removed by resolution of the Annual General Meeting if such resolution is passed by at least a majority of votes cast.

Rosemary Martin and Johan Wibergh have resigned from their positions as a Supervisory Board member withs effect as of 31 December 2022 and thus before the expiry of the term of office. There were no elected substitute members. In this case, the Articles of Association of the Company provide in Section 9.4 that an election shall be held to determine a successor for the remainder of his or her term of office unless the successor is specifically elected for a different term of office. On 5 May 2023, new members of the Supervisory Board were elected by the Extraordinary General Meeting – Pierre Klotz and Alberto Ripepi.

Further changes to the Supervisory Board will take place in the near future. It is planned to resolve to amend the Company's articles of association at the annual general meeting on 27 July 2023 and to reduce the number of Supervisory Board members from currently nine to six. Oak Holdings GmbH had already announced the corresponding intention in its offer document for the voluntary public takeover offer on 13 December 2022. In this context, the majority shareholder had also announced that the composition of the Supervisory Board should be identical to that of the shareholders' committee of Oak Holdings 1 GmbH. For this reason, the Supervisory Board members Dr. Rüdiger, Grube, Katja van Doren, Pinar Yemez, Amanda Nelson, Terence E. Rhodes und Charles Green will have handed in their resignation letters mid-June 2023 and they will resign from office with effect from the end of the next annual general meeting.

The Supervisory Board currently has the following members:

Name/function	Membership on the Supervisory Board	Principal occupation	Memberships of Supervisory Boards and comparable supervisory bodies
Rüdiger Grube (born in 1951) Chairperson	Member of the Supervisory Board (since 18 January 2021, appointed until 2025)	Management consultant	· Deufol SE · Hamburger Hafen und Logistik AG (HHLA)[1] · Vossloh AG[1] · Alstom/Bombardier Transportation Germany GmbH
Michael Bird (born in 1982) Member	Member of the Supervisory Board (since 18 January 2021, appointed until 2025)	Group M&A Director, Vodafone Group Plc	· None
Katja van Doren (born in 1966) Member and Chairperson of the Remuneration and Nomination Committee	Member of the Supervisory Board (since 8 February 2021, appointed until 2025)	Chief Financial Officer and Chief Human Resources Officer, RWE Generation SE	· RWE Generation NL B.V. · Société Électrique de l'Our S.A., Luxembourg · Großkraftwerk Mannheim AG (GKM)
Charles C. Green III (born in 1946) Member and Chairperson of the Audit, Risk and Compliance Committee	Member of the Supervisory Board (since 8 February 2021, appointed until 2025)	Non-Executive Director and Consultant, edotco Group Sdn Bhd Non-Executive Director, Frontier Tower Associates	· Pinnacle Towers Pte. Ltd. · PowerX Technology Ltd. · Amane Towers SA · Delmec Engineering Ltd.
Pierre Klotz (born 1975) Member	Member of the Supervisory Board (since 5 May 2023, appointed until the end of the General Meeting resolving on the ratification of the acts of the members of the Supervisory Board for the financial year 2024/2025)	Group Corporate Finance Director of Vodafone Group Plc	· Vodacom Group Limited, South Africa[1] · TPG Telecom Limited, Australia[1]
Amanda Jane Nelson (born in 1973) Member	Member of the Supervisory Board (since 28 July 2022, appointed until 2025)	CEO of Vodafone Ireland Ltd.	· None
Terence Rhodes (born in 1955) Member	Member of the Supervisory Board (since 8 February 2021, appointed until 2025)	Supervisory Board Member	· None
Alberto Ripepi, (born in 1960) Member	Member of the Supervisory Board (since 5 May 2023, appointed until the end of the General Meeting resolving on the ratification of the acts of the members of the Supervisory Board for the financial year 2024/2025)	Group Chief Network Officer and Member of the Executive Committee of Vodafone Group Plc	· Vodafone Italia S.p.A. · Vodafone Servizi E Tecnologie S.R.L.
Pinar Yemez (born in 1974) Member	Member of the Supervisory Board (since 18 January 2021, appointed until 2025)	Human Resources Director, Vodafone Business and Group Functions	· Vodafone Group Services Ltd.

[1] Listed companies

Detailed information about changes to the composition of the Supervisory Board can be found in the Report of the Supervisory Board on .p7.

Under the German Act to Strengthen Financial Market Integrity (Gesetz zur Stärkung der Finanzmarktintegrität, FISG), according to which Section 100 (5) AktG has been redrafted, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member must have expertise in financial statements auditing. In accordance with section 107, paragraph 4, sentence 3 AktG, the same requirements apply to members of the audit committee. At the Company, Supervisory Board members Charles C. Green III, Michael Bird and Amanda Nelson who are also members of the Audit, Risk and Compliance Committee, have expertise in accounting and expertise in financial statements auditing. Therefore, the Company's Supervisory Board and the Audit, Risk and Compliance Committee have at least two members with the necessary expertise.

Supervisory Board committees

The Supervisory Board currently has two committees, the Remuneration and Nomination Committee and the Audit, Risk and Compliance Committee. The chairpersons of the committees report at regular intervals on committee activities to the Supervisory Board.

The working methods and composition of the committees fulfil the requirements of the AktG and the Code.

The Audit, Risk and Compliance Committee assists the Supervisory Board in fulfilling its responsibilities to oversee the accounting and financial reporting processes. It holds meetings at least four times a year.

The responsibilities of the Audit, Risk and Compliance Committee include, among other things, the examination of the financial statements, including the consolidated financial statements, the Group management report (including CSR report), intrayear financial information, and the singleentity financial statements in accordance with the German Commercial Code (Handelsgesetzbuch, HGB); the monitoring of the accounting process; and the review of the effectiveness of the internal control system, internal risk management, and the risk management system as well as the internal audit and the internal audit system. The committee also discusses the six-monthly, quar terly, and other financial disclosures with the Management Board. On the basis of the auditor's report, it prepares the Supervisory Board's resolutions on the adoption of the annual financial statements and the approval of the consolidated financial statements as well as on the proposed resolution on the appropriation of distributable profits.

The Audit, Risk and Compliance Committee is also responsible for the Company's relationship with the auditor. It submits a substantiated recommendation to the Supervisory Board on the auditor to be elected at the Annual General Meeting. In cases where the audit is being retendered, the recommendation must contain at least two proposals for the audit mandate. The committee indicates its preference for one of the two proposed auditors, stating its reasons. The Audit, Risk and Compliance Committee also monitors the quality of the audit on a regular basis, at least every two years. The engagement of the auditor for non-audit services requires the approval of the committee.

Furthermore, the Audit, Risk and Compliance Committee monitors the compliance of the Company and the Group with applicable laws, official regulations, and internal policies. It regularly discusses the existing policy framework and makes recommendations on the implementation of new or the amendment of existing policies. It also supports the Supervisory Board in compliance with applicable laws, official regulations, and internal policies.

The Audit, Risk and Compliance Committee has at least three members. Current committee members are Charles C. Green III (Chairperson), Michael Bird (both since 9 February 2021) and Amanda Nelson (since 16 November 2022). Rosemary Martin joined the Audit, Risk and Compliance Committee from the beginning on 9 February 2021 and resigned from the Supervisory Board on 13 December 2022 and thus from her membership of the Audit, Risk and Compliance Committee with effect from 31 December 2022).

The Remuneration and Nomination Committee submits recommendations to the Supervisory Board on the election of members of the Supervisory Board for proposal to the Annual General Meeting. It also suggests suitable candidates for appointment to the Management Board to the Supervisory Board. It has also been conferred with the duty to prepare the Management Board remuneration system and the annual remuneration report. The committee furthermore regularly, and at least annually, assesses the knowledge, skills, and professional experience of the Supervisory Board members and reviews the adopted competence and qualification profile for the Supervisory Board and Management Board and prepares any recommendations for amendment.

The Remuneration and Nomination Committee has at least three members. Current committee members are Katja van Doren (Chairperson), Pinar Yemez (both since 9 February 2021) and Michael Bird (since 6 February 2023).

The Oak Committee's responsibilities include advising and making decisions on matters related to the Oak Transaction. This expressly includes the passing of resolutions on the conclusion of a domination and profit and loss transfer agreement between Vantage Towers AG and Oak Holdings GmbH, a Delisting of the shares of Vantage Towers AG and the squeeze-out of the minority shareholders of the Company. The Oak Committee is composed of such members as are deemed independent of the principal shareholder in accordance with the provisions of the Code. The current members of the Oak Committee are Rüdiger Grube (Chairman), Katja van Doren, Charles Green and Terrence Rhodes (all since March 14, 2023.

Diversity concept for the composition of the Management Board and long-term succession planning

Description and objectives of the diversity concept

As a listed company, the Company complied with the diversity requirements of the AktG and the relevant requirements of the Code until the delisting. Taking these requirements into account, the Supervisory Board has adopted the following diversity concept for the composition of the Management Board.

The Company has set itself the task of creating a working environment that is geared towards diversity. The diversity concept is based on both professional and personal diversity. It aims to consciously exploit the advantages of diversity and to specifically further the Company through employee diversity.

When evaluating, selecting, and appointing candidates for Management Board positions, the Supervisory Board always acts in the Company's interests. The decisive factors, in particular, are professional and personal aptitude. The Supervisory Board therefore ensures that the Management Board, as a whole, has the necessary competencies to perform its functions to the best possible standards.

Candidates are selected in accordance with the recognised rules of non-discrimination. In particular, the following diversity criteria are taken into account in the selection process: Age, gender, educational and professional background, internationality, and personal abilities in general.

Age

The Supervisory Board has followed recommendation B.5 of the Code and established an age limit for the Management Board. Accordingly, the age limit for members of the Management Board is seventy years.

Internationality

The Company aims to power Europe's digital transformation by accelerating infrastructure deployment and simplifying connectivity. With this Europewide focus, and subsidiaries in various European countries, the Company places strong emphasis on internationality. To meet the requirements associated with this internationality, the Management Board has to have an international focus. However, internationality should not only be limited to the nationality of members, but also take intercultural backgrounds and experience into account. Due to the international environment that the Company operates in and its strategic direction, the Supervisory Board ensures that the Management Board composition is characterised by intercultural openness and intercultural understanding to ensure that international issues and contexts are adequately addressed.

Professional skills and experience, educational background

The Company considers it essential and indispensable for the Management Board, as a collegial body, to have the necessary professional competence to adequately meet the demands of the day-to-day business of the Company and to sustainably advance the strategic and economic development of the Company. The individual members of the Management Board can have different professional qualifications. The most important thing, as far as the Company is concerned, is to ensure that the competences of the Management Board as a whole are as broad as possible. This will ensure that the various needs of the Company, customers, and stakeholders are sufficiently taken into account. In particular, the members of the Management Board should have experience in the areas of telecommunications services, HR and organisational responsibility, strategic competence, and financial competence as well as experience in the areas of corporate governance best practices, including ESG, regulatory requirements, law, and compliance.

Long-term succession planning

The Supervisory Board is addressing the issue of long-term succession planning for the Management Board.

The long-term succession plan for the Management Board will enable the Supervisory Board to plan Management Board appointments in the long-term, to develop a qualification requirements profile, and to react promptly to short-notice changes such as the unexpected resignation of a Management Board member.

Timing

The Supervisory Board will regularly assess when a vacant Management Board position may occur. In this connection it will, in particular, discuss the current Management Board members' future plans with them and ascertain whether they would be generally available for a subsequent term of office.

Given that the maximum term of office at a stock corporation is five years, "long-term" succession planning is oriented on this period, *i.e.* the Supervisory Board's planning horizon is generally five years.

Qualification requirements

The qualifications profile which was used in connection with the appointment of the current members of the Management Board will also be used for future appointments. The decisive factors, in particular, are professional and personal aptitude. The Supervisory Board therefore ensures that the Management Board, as a whole, has the necessary competencies to perform its functions to the best possible standards. All prospective candidates must have sufficient abilities and expertise to perform the duties associated with the board position for which they are applying. The relevant duties are defined by the Supervisory Board and included in the allocation of responsibilities, which is attached to the Rules of Procedure of the Management Board. The Remuneration and Nomination Committee regularly assesses whether the qualifications profile requires updating.

Candidate list

The Remuneration and Nomination Committee will create a list of candidates who are considered to be prospective members of the Management Board (internal and external candidates). In order to be able to identify suitable internal candidates, the Management Board will regularly inform the Remuneration and Nomination Committee of persons who, in the Management Board's opinion, are suitable candidates. The Remuneration and Nomination Committee and, where appropriate, the Supervisory Board will closely monitor the development of such candidates and make an own assessment.

The Remuneration and Nomination Committee aims to identify at least one alternative member for each current member of the Management Board who could replace a current member at short notice.

In addition, the Supervisory Board, supported by the Remuneration and Nomination Committee, will regularly discuss potential candidates. The Chairperson of the Management Board will be involved in such discussions unless the matter being discussed is their succession.

Actual vacancies

In the case of (imminent) vacancies, the Remuneration and Nomination Committee prepares a detailed qualifications profile for the vacant position using the aforementioned general qualifications profile for guidance and selects suitable candidates on this basis. After interviewing the candidates, the Remuneration and Nomination Committee submits a proposal to the Supervisory Board for resolution.

Diversity

The composition of the Management Board must be adequately diverse in terms of age, gender, professional or educational background, internationality, and personality (please refer to the diversity concept above).

Regular assessment

The Supervisory Board will regularly discuss its succession planning activities with the Management Board. In consultation with the Management Board and at least once a year, or without undue delay if changes in the structure of the Management Board occur, the Supervisory Board will review the current succession planning system and make any necessary adjustments.

Targets for the composition of the Supervisory Board and the competence profile and expertise of the entire Supervisory Board, including the diversity concept for the composition of the Supervisory Board

The Supervisory Board has set specific targets for its composition and developed a competence profile for the entire Supervisory Board, which also includes the diversity concept.

The objective of the adopted standards and regulations is to ensure that the Supervisory Board can perform the advisory and supervisory functions assigned to it by law, the Articles of Association, and the Rules of Procedure in the best possible way. Candidates with sufficient personal and professional experience for appointment to the Supervisory Board are proposed to the Annual General Meeting for resolution. The diversity of the Supervisory Board will also be ensured. Both, the targets for the Supervisory Board's composition and the competence profile for the entire Supervisory Board take diversity into account and are the basis of the diversity concept. In particular, the Supervisory Board's diversity concept is oriented on internationality, professional skills and educational background, balanced age distribution, and an appropriate proportion of women. This comprehensive diversity is the starting point for the composition of the Supervisory Board and the benchmark for its future composition.

Targets for the composition of the Supervisory Board

In accordance with recommendation C.1 of the Code, the Supervisory Board has the following objectives as regards its composition, taking into account diversity:

Independence, conflicts of interest

The Supervisory Board in its entirety must be sufficiently independent. The Supervisory Board has decided that the appropriate number of its members who should be independent of the Company, the Management Board of the Company, as well as its controlling shareholder – in each case within the meaning of the Code – is three.

In accordance with recommendation C.7 of the Code more than half of the shareholder representatives are to be independent of the Company and the Management Board. Supervisory Board members are to be considered independent of the Company and its Management Board if they have no personal or business relationship with the Company or its Management Board that may cause a significant and not merely temporary conflict of interest.

In accordance with recommendation C.10 of the Code, the Chairperson of the Supervisory Board, the Chairperson of the Audit, Risk and Compliance Committee, and the Chairperson of the Remuneration and Nomination Committee of the Company are to be independent of the Company and the Management Board. The Chairperson of the Audit, Risk and Compliance Committee must also be independent of the controlling shareholder. These requirements are still met by the current Supervisory Board members who hold these positions, although the recommendations of the Code no longer apply after the delisting.

The individual members of the Supervisory Board shall always be guided by the interests of the Company in the performance of their duties. The Supervisory Board endeavours to avoid potential conflicts of interest to the greatest possible extent. Existing conflicts of interest are to be disclosed to the Supervisory Board by the respective member without delay. The members of the Supervisory Board may not have any permanent conflicts of interest.

No more than two former members of the Management Board may be members of the Supervisory Board.

Supervisory Board members may not be members of governing bodies of, or exercise advisory functions at significant competitors of the Company, and they may not have a personal relationship with a significant competitor.

Age and term of office

Unless exceptional circumstances exist, only persons who have not reached the age of seventy-five may be proposed for election as a member of the Supervisory Board. The Supervisory Board members may not serve on the Supervisory Board for more than twelve years.

Professional skills and experience, educational background, and availability

The Supervisory Board must be composed in such a way that its members jointly possess the necessary personal integrity, expertise, time, and professional experience to execute their duties. The members of the Supervisory Board should also be familiar with the sector in which the Company operates, and certain members should have experience in the leadership or oversight of medium-sized or large companies.

Members of the Supervisory Board must have diverse professional and educational backgrounds and represent various occupations.

All members of the Supervisory Board must additionally be sufficiently available and willing to devote the necessary time to performing their Supervisory Board duties. In addition to the regular meetings, the Supervisory Board members are required to invest time in preparatory activities, *i.e.* each Supervisory Board member must familiarise themselves with the details of the items on the agenda and any pertinent documents or materials. Supervisory Board members are also required to attend extraordinary Supervisory Board meetings and prepare themselves accordingly. For members of the committees, this applies accordingly to the respective committee meetings.

Internationality

Reflecting the Company's international focus, both the composition of the Management Board and the composition of the Supervisory Board must be suitably international. As described above, internationality is not limited to the nationality of the members, but also takes into account intercultural backgrounds and experience. Due to the international environment that the Company operates in and its strategic direction, the Supervisory Board composition must be characterised by intercultural openness and intercultural understanding to ensure that international issues and contexts are adequately addressed. It is therefore necessary to ensure that members of the Supervisory Board be persons with a significant international background (non-German citizenship or several years of professional experience outside Germany).

Competence profile for the entire Supervisory Board

In accordance with recommendation C.1 of the Code, which no longer applys after the delisting, the Supervisory Board has stipulated the following competence profile for the entire Supervisory Board. The competence profile is should be taken into account when proposing nominees for election as members of the Supervisory Board to the Annual General Meeting:

- expertise in the area of telecommunications, mobile communications, or other business segments or sectors which are of material importance for the Company;
- expertise in the fields of accounting or auditing and risk management;
- expertise in the fields of law and compliance;
- expertise in the field of capital markets;

- expertise in the fields of marketing and sales;
- expertise in the field of HR;
- expertise in the field of IT/technology; and
- expertise in the field of passive infrastructure (towers) and/or real estate.

Current implementation of the Supervisory Board composition targets, the competence profile for the entire Supervisory Board, and the diversity concept

The current composition of the Supervisory Board is in line with the targets for Supervisory Board composition and the competence profile for the entire Supervisory Board.

In particular, the Chairperson of the Supervisory Board, the Chairperson of the Audit, Risk and Compliance Committee, and the Chairperson of the Remuneration and Nomination Committee are independent of the Company, the Management Board, and the controlling shareholder.

According to the requirements of the Code, and in the Supervisory Board's opinion, the Supervisory Board should consist of at least five members who are independent of the Company and the Management Board and at least three members who are also independent of the controlling shareholder. As regards the latter, and in the Supervisory Board's opinion, of the nine members of the current Supervisory Board, all members are independent of the Company and the Management Board and the following four members are independent of the Company, the Management Board, and the controlling shareholder: Prof. Dr. Rüdiger Grube, Katja van Doren, Charles C. Green III, and Terence Rhodes. Moreover, the Supervisory Board is broadly diverse in multiple dimensions. The Board currently consists of five representatives from Vodafone and four independent members. The Supervisory Board has a wide range of experience in the following disciplines: in-depth knowledge and experience of the German tower industry and market environment, professional supervisory board activities, experience in financial and human resources management and valuation experience, and business management know-how in the areas technology and IT.

Duesseldorf, 16 June 2023 Vantage Towers AG

The Board of Management

Thomas Reisten　　Vivek Badrinath　　Christian Sommer

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Consolidated Financial Statements

Consolidated Income Statement

For the years ended 31 March

	Note	**2023 €m**	2022 €m
Revenue	**2**	**1,095.3**	**1,023.3**
Maintenance costs		(46.1)	(46.4)
Staff costs	4	(68.6)	(45.3)
Other operating expenses	3	(81.0)	(67.8)
Depreciation on lease-related right-of-use assets	7	(273.7)	(258.2)
Depreciation on other property, plant and equipment	7	(122.5)	(84.9)
Amortisation of intangible assets	6	(19.7)	(13.3)
Loss on disposal of other property, plant and equipment		(1.1)	(0.9)
Share of results of equity accounted investments	14	85.8	30.2
Operating profit		**568.5**	**536.7**
Interest on lease liabilities	11	(56.2)	(52.9)
Net finance costs	3	(29.3)	(13.5)
Other non-operating expenses	3	(30.7)	(4.5)
Profit before tax		**452.4**	**465.8**
Income tax	5	20.7	(108.9)
Profit for the period		**473.1**	**356.9**
Attributable to:			
Owners of the Company		473.1	356.9
Non-controlling interests		–	–
Profit for the period		473.1	356.9
Earnings per share (€ct)			
Basic	15	93.5	70.6
Diluted	15	93.4	70.5

Consolidated Statement of Comprehensive Income

For the years ended 31 March

	2023 €m	2022 €m
Profit for the period	**473.1**	**356.9**
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation differences, net of tax	5.8	(9.9)
Items that will not be reclassified subsequently to profit or loss:		
Net actuarial losses on defined benefit pension schemes, net of tax	(0.0)	(0.2)
Other recognised income and expenses	(0.3)	–
Total items that will not be reclassified to the income statement in subsequent years	**(0.3)**	**(0.2)**
Other comprehensive income for the period, net of income tax	**5.4**	**(10.1)**
Total comprehensive income for the period	**478.5**	**346.8**
Attributable to:		
Owners of the Company	*478.5*	*346.8*
Non-controlling interests	–	–
	478.5	**346.8**

Consolidated Statement of Financial Position

At 31 March

Assets

	Note	31/03/2023 €m	31/03/2022 €m
Non-current assets			
Goodwill	6	3,324.2	3,319.6
Intangible assets	6	282.0	268.9
Property, plant and equipment	7	3,561.8	3,201.9
Investments in joint ventures and associates	14	3,170.8	3,217.9
Deferred tax assets	5	74.7	29.5
Trade and other receivables	9	22.5	23.5
		10,436.0	**10,061.3**
Current assets			
Receivables due from related parties	8	291.5	512.4
Trade and other receivables	9	130.8	126.2
Cash and cash equivalents	18	177.5	21.7
		599.8	**660.3**
Total Assets		**11,035.8**	**10,721.6**

Equity and liabilities

	Note	31/03/2023 €m	31/03/2022 €m
Equity			
Share capital	17	505.8	505.8
Share premium		6,751.5	6,751.5
Merger reserve	17	(2,250.2)	(2,266.3)
Other reserves	17	21.9	12.8
Retained earnings		514.3	359.8
Total equity attributable to shareholders of the parent	**17**	**5,543.3**	**5,363.7**
Non-current liabilities			
Long-term borrowings	19	–	2,189.5
Lease liabilities	11	1,751.5	1,758.8
Provisions	12	476.3	457.3
Post-employment benefits	20	0.6	0.3
Deferred tax liabilities	5	73.4	128.9
Trade and other payables	10	92.2	89.3
		2,393.9	**4,624.1**
Current liabilities			
Lease liabilities	11	261.8	247.5
Short-term borrowings	19	2,199.0	–
Current income tax liabilities	5	24.3	12.2
Provisions	12	9.1	8.7
Payables due to related parties	8	81.6	117.7
Trade and other payables	10	522.9	347.7
		3,098.6	**733.8**
Total liabilities		**5,492.5**	**5,357.9**
Total equity and liabilities		**11,035.8**	**10,721.6**

Consolidated Statement of Changes in Equity

For the years ended 31 March

	Note	Share capital €m	Share premium €m	Merger reserve €m	Other reserves €m	Retained earnings €m	Equity attributable to owners €m	Non-controlling interest €m	Total equity €m
01/04/2021		**505.8**	**6,876.6**	**2,266.3**	**20.0**	**158.2**	**5,294.3**	**–**	**5,294.3**
Formation of the Group		–	–	–	–	2.9	2.9	–	2.9
Deferred tax liability on equity items	5	–	–	–	(0.7)	–	(0.7)	–	(0.7)
Share based payments	20	–	–	–	3.7	–	3.7	–	3.7
Dividends		–	(125.2)	–	–	(158.2)	(283.4)	–	(283.4)
Profit for the period		–	–	–	–	356.9	356.9	–	356.9
Other comprehensive expense for the period		–	–	–	(10.1)	–	(10.1)	–	(10.1)
Total comprehensive income for the period		–	–	–	(10.1)	356.9	346.8	–	346.8
31/03/2022		**505.8**	**6,751.5**	**(2,266.3)**	**12.8**	**359.8**	**5,363.7**	**–**	**5,363.7**
01/04/2022		**505.8**	**6,751.5**	**(2,266.3)**	**12.8**	**359.8**	**5,363.7**	**–**	**5,363.7**
Formation of the Group	17	–	–	16.1	–	–	16.1	–	16.1
Deferred tax liability on equity items	5	–	–	–	0.6	–	0.6	–	0.6
Share based payments	20	–	–	–	3.8	–	3.8	–	3.8
Dividends		–	–	–	–	(318.6)	(318.6)	–	(318.6)
Dividend due to other NCI of subsidiaries		–	–	–	(0.7)	–	(0.7)	–	(0.7)
Profit for the period		–	–	–	–	473.1	473.1	–	473.1
Other comprehensive expense for the period		–	–	–	5.4	–	5.4	–	5.4
Total comprehensive income for the period		–	–	–	5.4	473.1	478.5	–	478.5
31/03/2023		**505.8**	**6,751.5**	**(2,250.2)**	**21.9**	**514.3**	**5,543.3**	**–**	**5,543.3**

Consolidated Statement of Cash Flows

For the years ended 31 March

	Note	2023 €m	2022 €m
Operating profit		**568.5**	**536.7**
Adjustments for:			
Share of results of equity accounted joint ventures and associates	14	(85.8)	(30.2)
Share-based payments and other non-cash charges		3.8	3.9
Depreciation of other property, plant and equipment	7	122.5	84.9
Depreciation of lease-related right-of-use assets	7	273.7	258.2
Amortisation of intangible assets	6	19.7	13.3
(Increase) / Decrease in trade receivables from related parties	8	(95.7)	48.6
Decrease in trade payables to related parties	8	(7.0)	(1.8)
Decrease / (Increase) in trade and other receivables	9	30.0	(56.9)
Increase in trade and other payables	10	77.2	151.1
Cash generated by operations		**906.9**	**1,007.7**
Net income tax paid		(109.4)	(91.8)
Net cash from operating activities		**797.5**	**915.9**
Investing activities			
Purchase of interests in subsidiaries, net of cash acquired	15	–	(0.7)
Purchase of intangible assets	6	(36.7)	(18.6)
Purchases of property, plant and equipment	7	(398.4)	(288.2)
Disposals of property, plant and equipment	7	3.9	4.3
Dividend from joint venture and associate investments	14	154.5	95.6
Net cash used in investing activities		**(277.1)**	**(207.6)**
Financing activities			
Issue of ordinary share capital and proceeds from capital contributions	18	–	(0.2)
Repayment of lease liabilities including interest		(306.4)	(293.0)
Net movements in cash management activities with related parties	8	272.6	(121.9)
Interest paid		(11.9)	(10.2)
Group Dividends paid		(260.4)	(231.6)
External dividends paid		(58.2)	(51.7)
Net cash from financing activities		**(364.4)**	**(708.7)**
Net increase / (decrease) in cash and cash equivalents		**156.1**	**(0.4)**
Effect of foreign exchange rates		**(0.3)**	**–**
Cash and cash equivalents at beginning of period		21.7	22.1
Cash and cash equivalents at end of period		**177.5**	**21.7**

Notes to the Consolidated Financial Statements

1. Significant accounting policies

Corporate information

Vantage Towers AG (the "Company") is incorporated and domiciled in Germany (registered as a stock corporation in the Commercial Register of the Duesseldorf District Court under HRB no. 92244), and together with its subsidiaries, joint venture and associate interests hereinafter referred to as the "Group". The registered address of the Company is Prinzenallee 11–13, 40549 Duesseldorf. The Company is ultimately and indirectly co-controlled by (i) Vodafone Group Plc ("Vodafone"), a company incorporated and domiciled in England and Wales, with a registered address of Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England and (ii) GIM Participation Fund Holding GP, Limited, KKR SP Limited and KKR Management LLP (the companies mentioned under this (ii) also executing co-control). The Company's immediate parent is Oak Holdings GmbH.

Vantage Towers is a European mobile telecommunications tower infrastructure operator and the Group's principal business is building and operating mobile 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.

The Company itself prepares consolidated financial statements for the smallest group of consolidated companies to which it belongs.

The annual financial statements of Vantage Towers AG and the consolidated financial statements of Vantage Towers AG, to which the auditors, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, have issued an unqualified audit opinion, are published electronically in the German Federal Gazette (Bundesanzeiger).

The consolidated financial statements of the Group for fiscal year 2023 were prepared by the Board of Management of the Company and authorised for issue on 16 June 2023.

Basis of preparation

The consolidated financial statements of the Group are prepared on a going concern basis, using uniform accounting policies in accordance with 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 (1) of the German Commercial Code (Handelsgesetzbuch, HGB).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value.

Our fiscal year for these consolidated financial statements ("fiscal year 2023") is starting on 1 April 2022 and ending on 31 March 2023. The consolidated statement of financial position includes comparative amounts for one reporting date. The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows include one comparative year.

The principal accounting policies are set out below. The consolidated financial statements are prepared in euro (€). Amounts are presented in million euros (€ million) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, subsidiaries controlled by the Company (see note 26 "Related undertakings" to the consolidated financial statements) and joint ventures and associates (see note 14 "Investments" to the consolidated financial statements).

Formation of the Group

A detailed description of the formation of the Group is included in the Group's consolidated financial statements for the year ended 31 March 2021. Please refer to section "1. Significant accounting policies" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2021.

The tower infrastructure assets of Vodafone GmbH, Duesseldorf ("Vodafone Germany") were hived down into the Company on 25 May 2020. Prior to this, the Company was a shell company and had total assets and equity each of 25,000 EUR at 31 March/1 April 2020.

On 17 December 2020, Central Tower Holding Company B.V. ("CTHC") was acquired by the Company from Vodafone Europe BV, a subsidiary of Vodafone, which included ownership of the tower companies in Spain, Portugal, the Czech Republic, Hungary, Romania and Ireland, and the 33.2% interest in Infrastrutture Wireless Italiane S.p.A. ("INWIT"), in Italy. Accordingly, prior to 17 December 2020, the financial results of the Group only represent those relating to the tower business in Germany.

On 22 December 2020, the Group acquired a 62% shareholding of Vantage Towers Greece, which contained the assets of both Vodafone Greek TowerCo and 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 Group acquired Vodafone's 50% shareholding in Cornerstone Telecommunications Infrastructure Limited ("Cornerstone") in the United Kingdom.

Significant accounting policies applied in the current reporting period that relate to balances without a separate note

Presentation currency

The consolidated financial statements are presented in euro, which is also the Group's and each entity's functional currency with the exception of Vantage Towers Czech Republic, Vantage Towers Hungary, and Cornerstone, which have functional currencies of Czech Koruna, Hungarian Forint, and Pound Sterling, respectively.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency are analysed between translation differences and other changes in the carrying amount of the security. Translation differences are recognised in the consolidated income statement and other changes in carrying amount are recognised in the consolidated statement of comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than euro are expressed in euro using exchange rates prevailing at the reporting period date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised in other comprehensive income. On disposal of a foreign entity, the cumulative amount previously recognised in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in profit or loss in the consolidated income statement.

Going concern

The Management Board is satisfied that, at the time of approving the consolidated financial statements, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The Management Board has reviewed the financial performance and position of the Company and have assessed the monthly cash flow forecasts through to June 2024.

On 9 November 2022, the former major shareholder of the company Vodafone GmbH, and Oak Consortium GmbH, a managed and advised investment fund by Global Infrastructure Partners as well as by various subsidiaries of KKR & Co. Inc. controlled holding company ("Oak Consortium"), managing and advising investment funds, special purpose vehicles and/or accounts, entered into an investment agreement to form a joint venture which would indirectly hold the shares in Vantage Towers AG previously held by Vodafone GmbH and additional shares acquired pursuant to a voluntary public takeover offer (the "Oak Transaction"). Following the completion of the Oak Transaction on 22 March 2023, material changes were made to the Group's financing arrangements and structure.

On 23 March 2023, the Company announced its intention to redeem all of the outstanding bonds, with a notional value of €2,200 million. On 27 March 2023, the Company issued a notice to bondholders setting the early redemption date to 26 May 2023. To refinance the redemption of its outstanding bonds, the Company entered into a shareholder loan agreement in the corresponding amount of €2,200 million granted by Oak Holdings 2 GmbH, Düsseldorf.

Furthermore, the Company's €300 million revolving credit facility was terminated on 14 April 2023 due to a change of control event. The Company replaced the revolving credit facility on 25 May 2023 by acceding directly to a new bank loan financing in the form of a €1,750 million facility. Additionally, the Company extended an existing €250 million shareholder loan facility with Vodafone GmbH, which will terminate at the latest on 24 July 2023.

For future periods, the Company will borrow from bank facilities with a maturity of seven years arranged in the context of the Oak transaction between Vodafone and the Oak consortium.

Despite the potential for a sustained macroeconomic downturn, the Management Board is satisfied that, due to stable profit margins from operations and significant headroom in the cash flow forecast, the business will continue to have sufficient cash available even in the event of any reasonably possible downturn in trading. There has been limited impact on the business as a result of Covid-19 and the war in Ukraine. (see note 13 "Capital and financial risk management").

On the basis of their assessment, the Management Board of Vantage Towers AG expect that the Company will be able to continue in operational existence for the period to June 2024 from the date of approving the consolidated financial statements, and hence continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Current or non-current classification

Assets are classified as current in the consolidated statement of financial position where recovery is expected within 12 months of the reporting date. All assets where recovery is expected more than 12 months from the reporting date and all deferred tax assets, goodwill, other intangible assets, investments in joint ventures and associates as well as property, plant and equipment are reported as non-current.

Liabilities are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. For provisions, where the timing of settlement is uncertain, amounts are classified as non-current where settlement is expected more than 12 months from the reporting date. In addition, deferred tax liabilities and post-employment benefits are reported as non-current.

New accounting pronouncements to be adopted on or after 1 April 2022

There have been no new mandatory first-time application of accounting pronouncements in the fiscal year ended 31 March 2023.

The below table illustrates the mandatory first-time application of accounting pronouncements due in the fiscal year 2024, in accordance with the International Financial Reporting Standards (IFRS) and their related interpretations (IFRIC) published by the International Accounting Standards Board (IASB) endorsed by the European Union (EU). None of the amendments to IFRS will have a material impact on the consolidated financial statements of the Group.

Pronouncements that have been endorsed by the EU:

	Effective for annual periods beginning on or after:	Impact:
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	1 Jan 2023	No material impact
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 Jan 2023	No material impact
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 Jan 2023	No material impact
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	1 Jan 2023	No material impact
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 Jan 2023	No material impact

Pronouncements not yet endorsed by the EU:

	Effective for annual periods beginning on or after:	Impact:
Amendments to IAS 1 - Classification of Liabilities as Current or Noncurrent	1 Jan 2024	No material impact expected
Amendments to IAS 1 - Non-current Liabilities with Covenants	1 Jan 2024	No material impact expected
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 Jan 2024	No material impact expected

Critical accounting judgements and key sources of estimation uncertainty

IFRS requires the Management Board to adopt accounting policies that are the most appropriate to the Group's circumstances. In determining and applying accounting policies, Management Board is required to make judgements and estimates in respect of items where the choice of specific policy, accounting judgement, estimate or assumption to be followed could materially affect the Group's reported financial position, results or cash flows and disclosure of contingent assets or liabilities during the reporting period; it may later be determined that a different choice may have been more appropriate.

The Group's critical accounting judgements and key sources of estimation uncertainty are detailed below. Actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Management regularly reviews, and revises as necessary, the accounting judgements that significantly impact the amounts recognised in the consolidated financial statements and the estimates that are considered to be "critical estimates" due to their potential to give rise to material adjustments in the Group's financial statements in the following period. As at 31 March 2023, management has identified critical judgements in respect of revenue recognition, lease accounting, valuation of goodwill, business combinations, taxation and useful life of property plant and equipment. In addition, management has identified critical accounting estimates in relation to the impairment of goodwill and estimation of asset retirement obligations.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Management Board has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition

Revenue recognition under IFRS 15 "Revenue from contracts with customers" necessitates the use of management judgements to produce financial information. The most significant accounting judgement is the presenation of revenue on a gross or net basis.

If the Group has control of goods or services before they are delivered to a customer, then the Group is the principal in the sale to the customer; otherwise the Group is acting as an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on the analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating expenses (see note 2 "Revenue disaggregation and segmental analysis") but do not impact reported assets, liabilities or cash flows. Scenarios requiring judgement to determine whether the Group is a principal or an agent include, for example, those where the Group delivers energy to operator equipment, in which control of energy is not obtained prior to delivery to customers.

Lease accounting

Lease accounting under IFRS 16 “Leases” necessitates the collation and processing of very large amounts of data which, together with application of management judgements and estimates, is aggregated to produce financial information. The most significant accounting judgements are disclosed below.

Lessor classification of arrangements as either operating or finance lease

Management judgement is required in determining whether leases where the Group is lessor are classified as operating or finance leases. This has a significant impact on revenue recognition. Operating lease revenue is recognised on a straight line basis over the lease term, while finance lease income is recognised largely up front, with interest income recognised over the remainder of the term.

IFRS 16 contains a number of indicators that a lease may be a finance lease. The relevant indicators considered in the context of the leases of tower space to telecommunication companies were:

- whether the lease term is for the major part of the economic life of the asset; and
- whether the present value of payments are substantially all of the fair value of the asset.

Management considered the following factors when assessing lease classification:

- the lease term is significantly shorter than the useful life of tower assets. Where aged towers are being used to fulfil the Vodafone Master Services Agreement (MSA) and third-party contracts, it is expected that the assets will be maintained rather than replaced;
- Management analysis concluded that the present value of lease payments was not ‘substantially all’ of the fair value of the tower asset; and
- consideration of the nature of the arrangement, which is more consistent with short-term hire agreement (operating lease) than financing the acquisition of assets (finance lease)

On the basis of the factors considered, management determined that leases under the MSA should be classified as operating leases. See note 11 “Leases” for further details.

Lessee – Lease term

Where leases include additional optional periods after a fixed lease term, significant judgement is required in determining whether these optional periods should be included when determining the lease term. As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option; this depends on an analysis by management of all relevant facts and circumstances including the leased asset’s nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. The value of the right-of-use asset and lease liability will be greater when extension options are included in the lease term.

The assessed lease term is subject to the non-cancellable period and rights and options in each contract. Generally, lease terms are judged to include the non-cancellable contractual periods including any reasonably certain extension periods. For the Group’s site leases, extension options are assumed to be exercised if they are exercisable within the non-cancellable MSA term. In most instances the Group has options to renew or extend leases for additional periods after the end of the initial non-cancellable lease term, which are assessed using the criteria above.

Lease terms are reassessed if a significant event or change in circumstances occurs relating to the leased assets that is within the control of the Group; such changes usually relate to commercial agreements entered into by the Group, or business decisions made by the Group. Where such events or circumstances change the Group’s assessment of whether it is reasonably certain to exercise options to extend, or not terminate leases, then the lease term is reassessed and the lease liability is remeasured, which in most cases will increase the lease liability.

Valuation of goodwill

Goodwill previously attributed to Vodafone Group businesses in each market, recorded at cost less accumulated impairment, has been accounted under the pooling of interests approach in the formation of the Group in the fiscal year ended 31 March 2021.

Goodwill, has been allocated to the Group's businesses in proportion to the relative value of the cash-generating units for each, market, the allocation of goodwill between cash-generating units being assessed from the enterprise value of the relevant Vodafone Group operations at the date of carve-out. See note 6 "Goodwill and intangible assets" for further details.

Business combinations

When the Group completes a business combination, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities is based, to a considerable extent, on management's judgement. If the purchase consideration exceeds the fair value of the net assets acquired, then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the assets and liabilities acquired, then the difference is recorded as a gain in the income statement.

Allocation of the purchase price between finite lived assets (discussed below) and indefinite lived assets such as goodwill affects the subsequent results of the Group as intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

Where intangible assets are acquired through business combinations and no active market for the assets exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Estimates relating to the future cash flows and discount rates used may have a material effect on the reported amounts of finite lived intangible assets.

The useful life over which intangible assets are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. Useful lives are periodically reviewed to ensure that they remain appropriate. Management's estimates of useful life have a material impact on the amount of amortisation recorded in the year, but there is not considered to be a significant risk of material adjustment to the carrying values of intangible assets in the year to 31 March 2023 if these estimates were revised.

Taxation

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge requires management to exercise judgement in respect of the recognition of deferred tax assets.

The recognition of deferred tax assets, particularly in respect of tax losses, is based upon whether management judge that it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity or tax group against which to utilise the assets in the future. The Group assesses the availability of future taxable profits using the same undiscounted forecasts for the Group's operations as are used in the Group's value in use calculations for goodwill impairment purposes.

Changes in the judgements taken which underpin the Group's forecasts could have an impact on the amount of deferred tax asset recognised. The Group only considers substantively enacted tax laws when assessing the amount and availability of tax losses to offset against future taxable profits (see note 5 "Income taxes").

Key sources of estimation uncertainty

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

Impairment – goodwill

IFRS requires management to perform impairment tests annually for indefinite lived assets. For goodwill in particular, the value in use calculations required to support the goodwill balance involve significant estimates, including those involved in management's forecast, any longterm growth rates applied to this, and the appropriate discount rate to use to reflect risks (amongst others). Given the level of estimation involved and the size of the goodwill balance, impairment reviews are considered to be a key source of estimation uncertainty. See note 6 "Goodwill and intangible assets" for further details and sensitivity analysis.

Asset retirement obligation provision – Estimation of future costs

The Group is required to recognise provisions for site restoration costs on its leased assets. There is uncertainty around the cost of asset retirement obligations as cost estimates can vary in response to many factors, including from changes in market rates for goods and services, to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. Therefore, estimates and assumptions are made in determining the provision for asset retirement obligations. The estimated asset retirement obligation costs are reviewed annually. The asset retirement obligation provision is based on current legal and contractual requirements, technology, and price levels.

An increase or decrease in the cost estimates by 10% at 31 March 2023 would result in an increase or decrease in the liability and corresponding asset by approximately €38.5 million.

2. Revenue disaggregation and segmental analysis

The Group's businesses are managed on a geographical basis. Selected financial data is presented on this basis below.

Accounting policies

Revenue

When the Group enters into an agreement with a customer, service deliverables under the contract are identified as separate performance obligations ("obligations") to the extent that the customer can benefit from the goods or services on their own and that the separate services are considered distinct from other services in the agreement. Where individual services do not meet the criteria to be identified as separate obligations they are aggregated with other services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts, but might typically be separately identified for energy, maintenance of the underlying tower infrastructure and allied services provided to customers. The provision of space on the Group's tower infrastructure is considered to be a lease, see note 11 "Leases" for further information. Where services have a functional dependency (for example, services are required to be provided alongside the lease) this does not, in isolation, prevent those services from being assessed as separate obligations.

The Group determines the transaction price to which it expects to be entitled in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and, where applicable, discounts.

The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same services included in the obligation to a similar customer on a standalone basis; where standalone selling prices are not directly observable, estimation techniques are used maximising the use of external inputs.

Revenue is recognised when the respective obligations in the contract are delivered to the customer and cash collection is probable.

Revenue from leases is recognised on a straight line basis over the term of the lease; see note 11 "Leases" for details. Revenue for the provision of services is recognised when the Group provides the related service during the agreed service period.

When the Group has control of energy prior to delivery to a customer, then the Group is the principal in the sale to the customer. As a principal, receipts from customers and payments to suppliers are reported on a gross basis in revenue and operating costs. If another party has control of services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue in respect of the relevant obligations is recognised net of any related payments to the supplier and recognised revenue represents the margin earned by the Group. See "Critical accounting judgements and key sources of estimation uncertainty" in note 1 for details.

Segmental analysis

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Group has determined the chief operating decision maker to be the Management Board. The Group has a single group of similar services and products, being the supply of infrastructure leases and related services. Revenue is attributed to a country or region based on the location of the tower assets and company reporting the associated revenue.

The aggregation of operating segments into the Germany, Spain, Greece and other European Markets, in the opinion of management, reflects the basis on which the Group manages its interests. The aggregation of operating segments reflects, in the opinion of management, the similar economic characteristics within each of those countries as well as the similar services offered and supplied, classes of customers and the regulatory environment.

	01/04/2022 – 31/03/2023				
	Total revenue €m	Adjusted EBITDA €m	Ground lease expense[1] €m	Recharged capital expenditure revenue €m	Adjusted EBITDAaL €m
Germany	544.4	434.8	(114.8)	(17.2)	302.8
Spain	185.5	160.9	(71.0)	(0.9)	89.1
Greece	141.9	121.2	(67.9)	–	53.3
Other European Markets	223.5	191.3	(70.1)	(2.1)	119.1
Consolidated	1,095.3	908.3	(323.7)	(20.2)	564.3

[1] Ground lease expense represents the sum of depreciation on ground lease-related right-of-use assets and interest on lease liabilities.

				01/04/2021 – 31/03/2022	
	Total revenue €m	Adjusted EBITDA €m	Ground lease expense[1] €m	Recharged capital expenditure revenue €m	Adjusted EBITDAaL €m
Germany	503.2	416.3	(106.4)	(11.3)	298.6
Spain	172.8	151.1	(70.2)	(0.4)	80.6
Greece	134.7	115.4	(65.2)	-	50.2
Other European Markets	212.6	182.4	(68.4)	(0.7)	113.3
Consolidated	**1,023.3**	**865.2**	**(310.2)**	**(12.4)**	**542.6**

[1] Ground lease expense represents the sum of depreciation on ground lease-related right-of-use assets and interest on lease liabilities.

The Group measures segment profit using adjusted EBITDA, defined as operating profit before depreciation on ground lease-related right-of-use assets, depreciation, amortisation, share of results of equity accounted joint ventures and gains/losses on disposal for other property, plant and equipment, and excluding impairment losses, restructuring costs arising from discrete restructuring plans, other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group. A reconciliation of adjusted EBITDA to operating profit is shown below. For a reconciliation of operating profit to segment profit for the period, see the consolidated income statement.

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Adjusted EBITDA	908.3	865.2
One off items	(8.5)	(1.5)
Depreciation on lease-related right-of-use assets	(273.7)	(258.2)
Depreciation on other property, plant and equipment	(122.5)	(84.9)
Amortisation of other intangible assets	(19.7)	(13.2)
Loss on disposal of other property, plant and equipment	(1.1)	(0.9)
Share of results of equity accounted joint ventures and associates	85.8	30.2
Operating profit	**568.6**	**536.7**

The Group also measures segment performance using Adjusted EBITDAaL, calculated as adjusted EBITDA less recharged capital expenditure revenue, and after depreciation on ground lease-related right-of-use assets and deduction of interest on lease liabilities.

One off items in the year ended 31 March 2023 relate primarily to non-recurring overhead costs, including specific costs incurred in relation to the changes in ownership as described in section 1 above.

Segmental assets and capital expenditure

01/04/2022 –31/03/2023					
	Non-current assets[1] €m	Lease-related right-of-use assets €m	Maintenance capital expenditure[2] €m	Other capital expenditure €m	Depreciation and amortisation €m
Germany	982.6	920.3	(7.7)	(343.9)	(178.0)
Spain	159.5	439.9	(6.6)	(29.9)	(66.9)
Greece	113.0	305.6	(1.7)	(21.9)	(80.2)
Other European Markets	255.7	407.8	(8.0)	(70.8)	(85.9)
Consolidated	**1,510.8**	**2,073.6**	**(24.0)**	**(466.5)**	**(410.9)**

[1] Comprises other property, plant and equipment and non-current trade and other receivables.

[2] Maintenance capital expenditure is capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure, excluding capital investment in new sites or growth initiatives.

01/04/2021 –31/03/2022					
	Non-current assets[1] €m	Lease-related right-of-use assets €m	Maintenance capital expenditure[2] €m	Other capital expenditure €m	Depreciation and amortisation €m
Germany	712.1	855.4	(12.0)	(179.7)	(133.3)
Spain	143.8	463.3	(7.3)	(19.7)	(64.6)
Greece	104.2	317.5	(2.5)	(14.9)	(76.6)
Other European Markets	206.2	423.0	(7.0)	(41.0)	(81.9)
Consolidated	**1,166.2**	**2,059.2**	**(28.8)**	**(255.3)**	**(356.4)**

[1] Comprises other property, plant and equipment and non-current trade and other receivables.

2 Maintenance capital expenditure is capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure, excluding capital investment in new sites or growth initiatives.

Revenue disaggregation

The Group generates revenue based on the different services it offers. The Group earns the vast majority of its revenue based on long-term contracts with Vodafone and other Mobile Network Operators (MNO) on macro sites. Macro sites are the physical infrastructure, either ground-based or located on the top of a building, where communications equipment is placed to create a cell in a mobile network. Macro site revenue represents revenue earned from renting space and providing services to customers on macro sites. Fees are charged on a per site basis, except in the case of certain Active Sharing Arrangements in Spain and Portugal pursuant to which Vodafone and the contracting MNO have agreed to apply a single portfolio fee to all sites. Other rental revenue (DAS/small cell) represents revenue earned from renting space and providing services to tenants on DAS/small cell sites. The Group also earns ancillary revenue providing micro sites and from providing energy and upgrade services to its customers. Recharged capital expenditure revenue includes direct recharges to tenants of capital expenditure in connection with upgrades to existing sites. Recharged capital expenditure revenue is recognised over the term of the associated Vodafone MSA, resulting in deferred income recognition. €20.2 million (FY 2022: €12.4 million) of recharged capital expenditure revenue was generated during the twelve months ended 31 March 2023.

Revenue reported for the year includes revenue from contracts with customers, comprising service revenue as well as other revenue items including energy revenue and other income items such as the infrastructure upgrade revenue. Lease revenue is revenue recognised under IFRS 16 “Leases”. The table below disaggregates the Group’s revenue into the various categories.

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Service revenue from lease contracts	257.2	243.7
Other service revenue	56.4	45.2
Total service revenue	**313.6**	**288.9**
Lease revenue from contracts	761.4	722.0
Other lease revenue	20.2	12.4
Total revenue	**1,095.3**	**1,023.3**
Split as:		
Macro site revenue	976.2	923.1
Other rental revenue	43.9	43.2
Energy and other revenue	54.9	44.6
Recharged capital expenditure	20.2	12.4
Total revenue	**1,095.3**	**1,023.3**

Included in total revenue are revenues which arose in each of the Group's segments from sales to the Group's largest customer Vodafone, and its subsidiaries (see note 8 "Related party transactions"). No other single customer contributed 10% or more to the Group's revenue in the twelve-month period to 31 March 2023.

The total future revenue expected to be recognised relating to performance obligations that are unsatisfied or partially unsatisfied at the reporting date, including revenue in accordance with IFRS 16, is as follows:

31.03.2023	Within one year €m	In more than one year but less than two years €m	In more than two years but less than three years €m	In more than three years but less than four years €m	In more than four years but less than five years €m	In more than five years €m	Total €m
Committed revenue from contracts with customers	262.3	263.0	264.5	265.6	266.5	165.9	1,487.7
Committed lease revenue due to the Group as a lessor	773.9	775.8	779.1	781.5	783.6	467.6	4,361.4
Total	**1,036.3**	**1,038.8**	**1,043.6**	**1,047.0**	**1,050.1**	**633.5**	**5,849.2**

31.03.2022	Within one year €m	In more than one year but less than two years €m	In more than two years but less than three years €m	In more than three years but less than four years €m	In more than four years but less than five years €m	In more than five years €m	Total €m
Committed revenue from contracts with customers	242.9	239.3	239.4	239.4	238.4	370.5	1,569.9
Committed lease revenue due to the Group as a lessor	723.9	712.8	712.4	711.8	709.1	1,104.5	4,674.4

	Within one year €m	In more than one year but less than two years €m	In more than two years but less than three years €m	In more than three years but less than four years €m	In more than four years but less than five years €m	In more than five years €m	31.03.2022 Total €m
Total	**966.8**	**952.1**	**951.8**	**951.2**	**947.5**	**1,475.0**	**6,244.3**

There are no contract assets or contract liabilities recognised for the service revenues. Therefore, no further disclosures were made.

3. Operating and non-operating expenses

Detailed below are the significant expenses recognised in arriving at profit before tax:

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Other operating expenses:		
Energy costs	31.7	27.7
Net foreign exchange loss	(0.1)	0.2
Net related party costs	11.9	11.1
Outsourced operations	7.7	4.6
Other	29.7	24.3
Total	**81.0**	**67.8**
Net finance costs:		
Finance costs	32.1	14.7
Finance income	(2.8)	(1.2)
Total	**29.3**	**13.5**
Other non-operating expenses:		
Restructuring costs	–	2.2
Set-up costs	–	2.3
Costs related to changes in ownership	30.7	–
Total	**30.7**	**4.5**

Included within Other Operating Expenses of €81.0 million (FY 2022: €67.8 million) in the Consolidated Income Statement is an adjustment for Capitalised Overheads totalling € 21.6 million (FY2022: €14.3 million). This includes capitalised staff costs of €16.6 million, representing 77% of capitalised overheads (FY 2022: €11.5 million, representing 80%).

4. Employees

This note shows the average number of people directly employed by the Group during the year, in which areas of our business our employees work and where they are based. It also shows total employment costs.

	2023 Employees	2022 Employees
By segment:		
Germany	310	198
Spain	55	47
Greece	88	76
Other European Markets	174	137
Total	**627**	**457**
By function:		
Technology	394	286
Finance	134	96
Legal	37	28
Commercial	37	26
CEO/MDs	12	12
HR	13	8
Total	**627**	**457**

The cost incurred in respect of these individuals (including Management Board) was:

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Wages and salaries	55.0	36.8
Social security costs	7.1	4.8
Pension costs	1.3	(0.3)
Share-based payments	5.2	3.9
Total	**68.6**	**45.3**

5. Income taxes

Accounting policies

Income tax expense represents the sum of current and deferred taxes.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting period date.

The Group recognises provisions for uncertain tax positions when the Group has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits from the Group to settle the obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate either using management's estimate of the most likely outcome where the issues are binary, or the expected value approach where the issues have a range of possible outcomes. The Group recognises interest on late paid taxes and penalties depending on their qualification in the local markets as financing costs, income taxes or other expenses.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that temporary differences or taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted to reflect changes in the Group's assessment that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting period date.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the tax is recognised in other comprehensive income or in equity.

This year's deferred tax expense has been significantly impacted at Vantage Towers AG and Vantage Towers S.L.U. by the shareholder restructuring arising from the co-control partnerhip between Vodafone, KKR & GIP.

As a result of the transaction, Vodafone GmbH has transferred its shares in Vantage Towers AG to Oak Holding GmbH. This transfer includesshares in Vantage Towers AG that were subject to a lock-up period following the original business carve-out and the related steps in the formation of the Group. The sale by Vodafone of such lock-up shares in relation to the shareholder restructuring has resulted in Vantage AG being able to benefit from an increase of €245 million in the tax carrying value of the assets originally transferred at the time of carve-out; there is no impact to the IFRS carrying value of these assets. The increase in the value of the taxable assets of €245 million is mainly allocated to goodwill amounting to €228 million, with a useful life of 12.5 years, and €17 million allocated to other assets. An amount of €15 million has been written off immediately in the current tax year. Deferred tax income was recognised in the income statement on the step-up amount of €245 million. As of 31 March 2023 deferred tax assets of €65.4 million are accounted for.

Additionally, due to the aforementioned shareholder restructuring, Vantage Towers S.L.U. (Spain) exited the tax consolidation group with Vodafone Holdings Europe S.L.U. (Spain) as of 22 March 2023 (with retroactive effect from 1 April 2022) since the shareholding of Vodafone Group in Vantage Towers S.L.U. is now below the threshold of 75% defined by the Spanish corpo-rate income tax law. The implications for Vantage Towers S.L.U. of exiting the Spanish tax consoli-dation group are two-fold in respect of the fiscal year ended 31 March 2023. First, the previous accounting treatment whereby the entity recognised its annual tax expense as intercompany paya-bles against the ultimate taxpayer of the tax consolidation group is no more applicable. Second, tax loss carry forwards attributed to the tower business in the amount of €187.7 million, that previously could not be utilised for Vantage Towers S.L.U on a stand-alone basis and which were subject to a valuation allowance in their entirety, can now be utlised and are considered to be recoverable in the foreseeable future. For this reason, the corresponding deferred tax income was recognised in the income statement as of 31 March 2023.

An internal controls assessment was made in the year and it was determined that assets and liabilities had not been fully allocated from Vodafone GmbH to Vantage Towers AG in the course of the original business carve-out according to the hive-down agreement, which has now been corrected. This correction was made in the current financial year and has led to a contribution of further assets as a business opportunity (contracts) to Vantage Towers AG in the amount of approximately €56 million in the tax accounts. The initial recognition of these assets falls under the exception of initial recognition according to IAS 12.24 and is therefore not taken into account in the calculation of deferred taxes assets.

Income taxes are comprised as follows:

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Current taxes	**78.8**	**58.6**
thereof current year	*79.6*	*59.4*
thereof prior year	*(0.8)*	*(0.8)*
Deferred taxes	**(99.5)**	**50.3**
thereof changes in temporary differences	*(57.4)*	*34.8*
thereof changes in deferred taxes on losses carried forward	*(42.1)*	*15.5*
Total tax expense (+)/income (-)	**(20.7)**	**108.9**

The following table shows a reconciliation of the expected tax expense at the Group tax rate of 30.945% (FY 2021 30.805%) applicable to German group companies to the effective tax expense at a tax rate of -4.6% (FY 2022: 23.4%).The expected tax expense is calculated using an average trade tax rate of 15,12% (FY 2022: 14.98%) in addition to the statutory corporate income tax and solidarity surcharge rate of 15.825% (FY 2022: 15.825%).

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Profit before tax	452.4	465.8
Expected income tax expense at Group rate	**140.0**	**143.5**
International rate differences[1]	(22.2)	(16.8)
Correction of equity investment[2]	(22.1)	(9.4)
Goodwill depreciation IAS 2.24[3]	(2.9)	(2.9)
Step-up in book values[4]	(75.8)	–
Recognition of deferred tax assets on tax losses carried forward in Spain	(47.0)	0.3
Local business tax[5]	0.5	(0.6)
Changes in tax rate	0.3	(5.9)
Tax credit Portugal	–	(0.9)
Prior year taxes	4.8	0.2
Permanent differences and other	2.7	0.3
Outside basis differences	1.1	1.1
Income tax expense (+)/income (-)	**(20.7)**	**108.9**
Effective tax rate	**(4.6%)**	**23.4%**

[1] Tax rate differences reflect the difference between the theoretical group tax rate of 30.945% and the various local tax rates of the markets.

[2] Shares of profit from at equity investments are included in the PBT in the amount of €85.8 million (FY 2022: €30.2 million) without consideration of a corresponding tax expense.

[3] As a result of the transfer of the NE-DAS Sites in 2020 Vantage Towers AG has considered additional depreciation of €9.4 million for tax purposes. Due to IAS 12.24 no deferred tax has been considered.

[4] Step-up in tax book values as a result of the sale shares (for detailed information see section above).

[5] Local taxes are other business taxes than corporation and trade taxes. The amounts relate to Hungary and Portugal. Local taxes are other business taxes than corporation and trade taxes. The amounts relate to Hungary and Portugal.

	01/04/2022 €m	01/04/2022 Reclassification €m	Charged to the income statement €m
Property plant and equipment	(65.6)	-	(19.4)
Intangibles, investments, goodwill	(57.0)	-	64.7
Receivables and deferred revenues	15.9	3.1	(1.8)
ARO asset and provision	22.0	(0.1)	4.9
Other liabilities and provisions	(0.5)	-	16.8
Lease-related right of use assets	(487.9)	(2.4)	(12.9)
Lease liabilities	474.9	(0.7)	5.3
Other	**-**	**-**	**0.9**
Total	(98.3)	(0.1)	58.5
Non-recognition on temporary differences	**–**	**-**	**-**
Total deferred taxes on temporary differences	(98.3)	-	58.5
Tax loss carry-forwards	47.5	-	(4.9)
Non-recognition on tax loss carry-forwards	**(47.5)**	**-**	**47.0**
Recognised tax loss carry-forwards	-	-	42.1
Offsetting of deferred taxes	–	-	-
DTL on outside bases differences	**(1.1)**	**-**	**(1.1)**
Total charged to the income statement		**-**	**-**
Net deferred tax asset/(liability)	(99.4)		–

	01/04/2021 €m	01/04/2021 Reclassification €m	Charged to the income statement €m
Property plant and equipment	(17.5)	(8.2)	(44.6)
Intangibles, investments, goodwill	(4.0)	(53.6)	7.5
Receivables and deferred revenues	5.2	14.9	(4.2)
ARO asset and provision	14.0	2.3	5.6
Other liabilities and provisions	2.4	(3.0)	0.3
Lease-related right of use assets	(491.7)	(0.4)	8.9
Lease liabilities	493.7	(14.4)	(8.3)
Other	–	(1.5)	–
Total	**2.1**	**(63.9)**	**(34.8)**
Non-recognition on temporary differences	–	–	–
Total deferred taxes on temporary differences	**–**	**–**	**–**
Tax loss carry-forwards	62.6	–	(15.1)
Non-recognition on tax loss carry-forwards	(47.2)	–	(0.3)
Recognised tax loss carry-forwards	**15.5**	**–**	**(15.5)**
Offsetting of deferred taxes	–	–	–
Purchase price allocation Greece	(63.9)	63.9	–
DTL on outside bases differences	–	–	(1.1)
Total charged to the income statement	**–**	**–**	**(51.3)**
Net deferred tax asset/(liability)	**(46.3)**	**–**	**–**

Deferred taxes as of 31/03/2023

		Balance sheet movements:			
FX Adjustment	OCI – (Pension) €m	Other equity movements €m	31/03/2023 €m	Deferred tax asset €m	Deferred tax liability €m
0.6	-	0.5	(83.9)	19.0	(102.9)
-	-	-	7.7	65.4	(57.7)
-	-	-	17.2	27.5	(10.3)
0.1	-	0.1	27.0	32.1	(5.1)
(0.1)	-	-	16.2	17.5	(1.3)
(0.5)	-	-	(503.7)	-	(503.7)
0.5	-	-	480.0	480.0	-
0.0	**-**	**-**	**0.9**	**0.9**	**-**
0.7	-	0.6	(38.6)	642.4	(681.0)
-	-	-	-	-	-
0.7	-	0.6	(38.6)	642.4	(681.0)
-	-	-	42.6	42.6	-
-	**-**	**-**	**(0.5)**	**(0.5)**	**-**
-	-	-	42.1	42.1	-
-	-	-	-	(609.8)	609.8
-	**-**	**-**	**(2.2)**	**-**	**(2.2)**
0.7	**-**	**-**	**-**	**-**	**-**
–	–	–	–	74.7	(73.4)

Deferred taxes as of 31/03/2022

					Balance sheet movements:
FX Adjustment €m	OCI – (Pension) €m	Other equity movements €m	31/03/2022 €m	Deferred tax asset €m	Deferred tax liability €m
1.0	–	3.6	(65.7)	17.7	(83.4)
–	–	(6.9)	(57.0)	–	(57.0)
–	–	–	15.9	21.1	(5.2)
0.1	–	–	22.0	27.5	(5.5)
–	–	(0.2)	(0.5)	0.4	(0.9)
(1.2)	–	(3.5)	(487.9)	–	(487.9)
1.2	–	2.7	474.9	474.9	–
–	–	1.5	–	–	–
1.1	**–**	**(2.8)**	**(98.3)**	**541.6**	**(639.9)**
–	–	–	–	–	–
–	**–**	**–**	**–**	**541.6**	**(639.9)**
–	–	–	47.5	–	–
–	–	–	(47.5)	–	–
–	**–**	**–**	**–**	**–**	**–**
–	–	–	–	(512.1)	512.1
–	–	–	–	–	–
–	–	–	–	–	(1.1)
1.1	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**–**	**29.5**	**(128.9)**

The table above shows deferred taxes on temporary differences and tax loss carry-forward.

Regarding the so called “outside basis differences”, the following should be noted: No deferred taxes were recognised on taxable temporary differences arising from investments in subsidiaries as Vantage AG is able to control the reversal of the temporary differences and no reversals will be made in the foreseeable future. However, for expected dividend payments within the next year from subsidiaries deferred tax liabilities of €2.2 million were recognized as of March 31, 2023 (FY 2022: €1.1 million).

As of 31 March 2023, the Company has recognised deferred tax assets in the amount of €42.1 million (FY 2022: €0 million) on tax loss carry-forwards (TLCF).

		2023
	Amount of TLCF €m	Gross DTA €m
Germany	0.0	0.0
Spain	168.5	42.1
Greece	0.0	0.0
The Netherlands	1.8	0.5
Total	**170.3**	**42.6**
Non-recognition		(0.5)
Net deferred tax asset		**42.1**

		2022
	Amount of TLCF €m	Gross DTA €m
Germany	0.0	0.0
Spain	187.6	46.9
Greece	–	–
The Netherlands	2.3	0.6
Total	**189.9**	**47.5**
Non-recognition		(47.5)
Net deferred tax asset		**0.0**

Vantage Towers S.L.U. has a positive taxable income in the amount of €76.6 million prior to utilizing tax loss carry forwards in respect of fiscal year ended 31.03.2023. To the extent permitted by tax law, the taxable income has been offsetted against the tax loss carryforwards. For the unutilized portion of the tax loss carry forwards deferred tax assets were recognised in the amount of €42.1 million.

Tax loss carry-forwards in Spain can be carried forward for an indefinite period whereas the Dutch tax losses expire at the end of fiscal year 2027 and 2028 respectively.

6. Goodwill and intangible assets

The statement of financial position contains significant intangible assets, mainly in relation to goodwill and software. Goodwill, which arises when the Company acquires a business and pays a higher amount than the fair value of its net assets primarily due to the synergies the Company expects to create, is not amortised but is subject to annual impairment reviews. Software is amortised over the life of the software licence. For further details see "Critical accounting judgements and key sources of estimation uncertainty" in note 1 to the consolidated financial statements.

Accounting policies

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Goodwill

A significant proportion of the carrying value of goodwill was transferred to the Group under the pooling of interests approach (see note 1 "Significant accounting policies") and relates to goodwill previously held by the Vodafone Group, recorded at cost less accumulated impairment, and which has been allocated to the tower business cash-generating units at the date of demerger for each entity. The transferred goodwill has been initially recognised at the Vodafone Group carrying value immediately prior to demerger of each tower business and is subsequently measured at this value less any accumulated impairment losses.

Additionally, purchased goodwill has arisen on transactions completed by the Group following its formation. This mainly relates to the purchase transaction completed in Greece on 25 March 2021 (see additional details in note 15 "Acquisitions" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022).

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that an impairment may have occurred.

Finite lived intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The estimated useful lives of finite lived intangible assets are as follows:

Intangible assets

Customer relationships	32 years
Software	2–8 years

	Goodwill €m	Intangibles €m	Total €m
Cost			
01/04/2021	**3,316.4**	**236.3**	**3,552.6**
Arising on acquisitions	(5.4)	29.1	23.8
Additions	–	18.3	18.3
Foreign exchange differences	8.6	–	8.6
31/03/2022	**3,319.6**	**283.7**	**3,603.3**
01/04/2022	3,319.6	283.7	3,603.3
Additions	–	32.4	32.4
Foreign exchange differences	4.6	0.0	4.7
31/03/2023	**3,324.2**	**316.2**	**3,640.4**
Accumulated impairment losses and amortisation			
01/04/2021	**–**	**(1.6)**	**(1.6)**
Amortisation charge for the year	–	(13.2)	(13.2)
31/03/2022	**–**	**(14.9)**	**(14.9)**
01/04/2022	–	(14.9)	(14.9)
Amortisation charge for the year	–	(19.7)	(19.7)
Disposals	–	0.3	0.3
31/03/2023	**–**	**(34.2)**	**(34.2)**
Net book value			
31/03/2022	**3,319.6**	**268.9**	**3,588.5**
31/03/2023	**3,324.2**	**282.0**	**3,606.2**

Included within the net book value of intangibles in the above table, total €282.0 million at 31 March 2023 (FY2022: €268.9 million), is an amount of €236.5 million (FY2022: €244.0 million) in relation to the acquisition of customer relationships in Greece, which arose from the purchase price allocation completed upon the acquisition of Wind Hellas in the formation of the Group. The balance is being amortised over 32 years.

The goodwill in the above table mostly represents the goodwill previously accounted by Vodafone and which was allocated to the Group's cash generating units at the time of carve out from the Vodafone Group. The allocation of the carrying value of goodwill to the cash-generating units at 31 March was as follows:

Cash generating unit

	31/03/2023 €m	31/03/2022 €m
Germany	2,565.0	2,565.0
Portugal	246.0	246.0
Ireland	151.0	151.0
Greece	123.3	123.3
Czech Republic	144.2	138.6
Romania	58.0	58.0
Hungary	26.7	27.7
Spain	10.0	10.0
Total	**3,324.2**	**3,319.6**

Impairment assessment

Impairment occurs when the carrying value of assets (or the cash-generating unit) is greater than their recoverable amount. The recoverable amount, the higher of fair value less costs of disposal and the value in use is typically determined as the present value of the net cash flows these assets are expected to generate. We review the carrying value of non-current assets for each country in which we operate at least annually.

Accounting policies

Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. The determination of the Group's cash-generating units is primarily based on the country where the Group's towers assets are located.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversible in subsequent periods.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Management prepares formal management plans for a minimum period of five years for the Group's cash-generating units, which are the basis for the value in use calculations.

Property, plant and equipment and finite lived intangible assets

At each reporting period date, the Group reviews the carrying amounts of its property, plant and equipment, finite lived intangible assets and equity-accounted investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount and an impairment loss is recognised immediately in the income statement.

Impairment assessment at 31 March 2023

Following our annual impairment review, no impairment charges have been recognised in the consolidated income statement for the year ended 31 March 2023 or prior year.

	31/03/2023 €m	31/03/2022 €m
Germany	2,565.0	2,565.0
Portugal	246.0	246.0
Ireland	151.0	151.0
Greece	123.3	123.3
Czech Republic	144.2	138.6
Romania	58.0	58.0
Hungary	26.7	27.7
Spain	10.0	10.0
Total	**3,324.2**	**3,319.6**

Key assumptions used in the value in use calculations

The key assumptions used in determining the value in use are:

Assumption	How determined
Pre-tax risk adjusted discount rate	The discount rate applied to the cash flows of each of the cash-generating units is generally based on the risk-free rate for ten-year bonds issued by the government in the respective market. Where government bond rates contain a material component of credit risk, high-quality local corporate bond rates may be used. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific cash-generating unit. In making this adjustment, inputs required are the equity market risk premium (that is the required return over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific cash-generating unit relative to the market as a whole. In determining the risk adjusted discount rate, management has applied an adjustment for the systematic risk to each of the cash-generating companies determined using an average of the betas of comparable listed tower companies and, where available and appropriate, across a specific territory. Management has used a forward-looking equity market risk premium that takes into consideration both studies by independent economists, the long-term average equity market risk premium and the market risk premiums typically used by valuations practitioners. The risk adjusted discount rate is also based on typical leverage ratios of tower companies in each cash-generating unit's respective market or region.
Long-term growth rate	A long-term growth rate into perpetuity is applied immediately at the end of the five-year forecast period and is based on the lower of: – the nominal GDP growth rate forecasts for the country of operation; and – the long-term compound annual growth rate in adjusted EBITDA as estimated by management. Long-term compound annual growth rates determined by management may be lower than forecast nominal GDP growth rates due to market-specific factors.
Projected adjusted EBITDAaL	Means operating profit before depreciation, amortisation and gains/losses on disposal for fixed assets, and excluding impairment losses, restructuring costs arising from discrete restructuring plans, other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group, less recharged capital expenditure revenue and deduction of interest on lease liabilities.
Projected capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to maintain our infrastructure. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and computer software.

Value in use assumptions

The table below shows key assumptions used in the value in use calculations:

	31/03/2023		
	Germany %	Portugal %	Other European Markets %
Pre-tax adjusted discount rate	7.9	8.7	7.4 - 12.9
Long-term growth rate	1.5	1.5	1.5 - 1.5
Projected adjusted EBITDAaL[1]	12.6	6.7	3.9 - 8.6
Projected capital expenditure[2]	15.7 - 78.5	12.3 - 27.3	11.2 - 42.2
Average capital expenditure	46.4	17.0	15.4 - 24.6

[1] Adjusted EBITDAaL is projected for all cash-generating units in the first five years as part of our forecasting process for impairment testing.

[2] The capital expenditure, expressed as a percentage of revenue, is projected for all cash-generating units in the first five years as part of our forecasting process for impairment testing.

				31/03/2022
	Germany	Portugal	Ireland	Other European Markets
	%	%	%	%
Pre-tax adjusted discount rate	6.1	8.6	6.4	6.2 - 10
Long-term growth rate	1.5	1.5	1.5	1.5 - 2
Projected adjusted EBITDAaL[1]	11.1	9.5	10.4	5.2 - 8.5
Projected capital expenditure[2]	32 - 62.1	13.5 - 24	13.3 - 51.4	10.4 - 34.6
Average capital expenditure	50.3	19.3	29.9	12.2 - 26.2

[1] Projected adjusted EBITDAaL is expressed as the compound annual growth rates in the initial five years for all cash-generating units of the plans used for impairment testing.

[2] Projected capital expenditure is expressed as a percentage of revenue in the initial five years for all cash-generating units of the plans used for impairment testing.

Sensitivity analysis

The estimated recoverable amount of the Group's operations in Germany and Portugal exceeds their carrying values by €3.3 billion and €0.2 billion, respectively. If the assumptions used in the impairment review were changed to a greater extent than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the year ended 31 March 2023.

		31/03/2023
	Change required for carrying value to equal recoverable amount	
	Germany pps	Portugal pps
Pre-tax adjusted discount rate	4.9	4.6
Long-term growth rate	(4.3)	(4.6)
Projected adjusted EBITDAaL[1]	(11.7)	(9.9)
Projected capital expenditure[2]	19.4	15.4

[1] Projected adjusted EBITDAaL is expressed as the compound annual growth rates in the initial five years for all cash-generating units of the plans used for impairment testing.

[2] Projected capital expenditure is expressed as a percentage of revenue in the initial five years for all cash-generating units of the plans used for impairment testing.

		31/03/2022
	Change required for carrying value to equal recoverable amount	
	Germany pps	Portugal pps
Pre-tax adjusted discount rate	6.4	4.2
Long-term growth rate	(6.1)	(4.2)
Projected adjusted EBITDAaL[1]	(21.2)	(9.7)
Projected capital expenditure[2]	196.6	63.7

[1] Projected adjusted EBITDAaL is expressed as the compound annual growth rates in the initial five years for all cash-generating units of the plans used for impairment testing.

[2] Projected capital expenditure is expressed as a percentage of revenue in the initial five years for all cash-generating units of the plans used for impairment testing.

7. Property, plant and equipment

Accounting policies

Land and infrastructure assets held for use are stated in the statement of financial position at their cost, which is made up of direct costs and costs in relation to asset retirement obligations, less any subsequent accumulated depreciation and any accumulated impairment losses.

Amounts for other assets are primarily made up of towers and other infrastructure assets such as electricity substations and cables. It also includes fixtures and fittings and IT hardware. These are all stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than land, using the straight-line method, over their estimated useful lives, as follows:

Land and buildings

Freehold buildings	25–50 years
Leasehold premises	The term of the lease

Depreciation is not provided on freehold land.

Other

Towers	25 years
Other infrastructure assets	4–8 years
Other tangible assets	1–8 years

The tangible asset that is recorded in respect of the asset retirement obligation provision is related to the asset classifications in the above table and depreciated over a corresponding asset life.

Right-of-use assets arising from the Group's lease arrangements are depreciated over their reasonably certain lease term, as determined under the Group's leases policy (see note 11 "Leases" and "Critical accounting judgements and key sources of estimation uncertainty" in note 1 for details).

The gain or loss arising on the disposal, retirement or granting of a lease on an item of property, plant and equipment is determined as the difference between any proceeds from sale, or receivables arising on a lease, and the carrying amount of the asset and is recognised in the income statement.

At each reporting period date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. See note 6 "Goodwill and intangible assets" for further details.

Management also performs an annual assessment of the useful economic life of assets, reflecting any changes in its business operations. If expectations differ from previous estimates, the changes are recognized as changes in accounting estimates in accordance with IAS 8.

	Land and buildings €m	Other €m	Total €m
Cost			
01/04/2021	**104.9**	**780.8**	**885.7**
Arising on acquisitions	-	(15.3)	(15.3)
Additions	2.1	276.6	278.7
Changes in estimates of asset retirement obligations (see note 12)	(1.4)	139.3	138.0
Disposals	(0.9)	(1.9)	(2.8)
Foreign exchange differences	(0.0)	3.6	3.6
31/03/2022	**104.8**	**1,183.0**	**1,287.8**
01/04/2022	104.8	1,183.0	1,287.8
Transfers from related parties (note 8)	0.2	8.1	8.3
Additions	6.5	443.1	449.6
Changes in estimates of asset retirement obligations (see note 12)	0.8	10.2	11.0
Disposals	-	(2.6)	(2.6)
Foreign exchange differences	0.1	2.3	2.4
31/03/2023	**112.2**	**1,636.0**	**1,748.2**
Accumulated depreciation and impairment			
01/04/2021	**(0.3)**	**(60.2)**	**(60.5)**
Charge for the period	0.6	(85.4)	(84.9)
Disposals	-	0.7	0.7
Foreign exchange differences	-	(0.5)	(0.5)
31/03/2022	**0.3**	**(145.4)**	**(145.1)**
01/04/2022	0.3	(145.4)	(145.1)
Charge for the period	(2.4)	(120.1)	(122.5)
Disposals	-	(0.2)	(0.2)
Foreign exchange differences	-	(0.5)	(0.5)
31/03/2023	**(2.2)**	**(266.2)**	**(268.4)**
Net book value			
31/03/2022	**105.0**	**1,037.6**	**1,142.7**
31/03/2023	**110.3**	**1,378.0**	**1,488.2**

Included in the net book value of infrastructure assets are assets in the course of construction, which are not depreciated, with a cost of €175.2 million (FY 2022: €91.3 million). Also included in the book value of other assets are tower and infrastructure assets leased out by the Group under operating leases, with a cost of €1,464.8 million (FY 2022: €1,206.3 million), accumulated depreciation of €257.1 million (FY 2022: €197.2 million) and net book value of €1,207.7 million (FY 2022: €1,009.1 million). The book value of right-of-use assets disclosed below are leased out by the Group under operating leases.

Right-of-use assets arising from the Group's lease arrangements are recorded within property, plant and equipment:

	2023 €m	2022 €m
Other property, plant and equipment	1,488.2	1,142.7
Lease-related right-of-use assets[1]	2,073.6	2,059.2
31/03	**3,561.8**	**3,201.9**

[1] Additions of €321.0 million (FY 2022: €261.4 million) and a depreciation charge of €271.8 million (FY 2022: €257.2 million) were recorded in respect of right-of-use assets during the twelve-month period to 31 March 2023. Right-of-use assets predominantly relate to ground leases (land and buildings).

At 31 March 2023, no indications of impairment were identified in relation to the property, plant and equipment. See note 6 "Goodwill and intangible assets" for further details on impairment considerations.

8. Related party disclosures

The Group was directly and indirectly controlled by Vodafone Group Plc until 22 March 2023. Since this day, the Company is ultimately and indirectly co-controlled by (i) Vodafone Group Plc and (ii) GIM Participation Fund Holding GP, Limited, KKR SP Limited and KKR Management LLP (the companies mentioned under this (ii) also executing co-control).

For the year ended 31 March 2023, the related parties of the Vantage Towers Group according to IAS 24.9 were the subsidiaries, joint ventures and associates of Vodafone Group Plc as well as, since 22 March 2023, the subsidiaries, joint ventures and associates of GIM Participation Fund Holding GP, Limited, KKR SP Limited and KKR Management LLP. The active members of the Management Board and the Supervisory Board of the Group (including their family members) as well as their majority-owned or jointly controlled shareholdings were also related parties.

Transactions with related parties

Related Party transactions with Vodafone companies primarily comprise revenue for the lease of the space on tower infrastructure assets and related services, which has been agreed under the terms of the signed Vodafone master service agreements ("MSAs"). The provision of certain maintenance and support shared services is also in place under the terms of the signed Long-Term Agreements ("LTAs"), and other Support Agreements.

During the year, Group entities entered into the following transactions with related parties who are not members of the Group:

	01/04/2022 – 31/03/2023	
	Revenue €m	Purchase of services €m
Vodafone Group Plc	–	0.1
Subsidiaries of Vodafone Group Plc	875.9	140.1

	01/04/2021 – 31/03/2022	
	Revenue €m	Purchase of services €m
Vodafone Group Plc	–	–
Subsidiaries of Vodafone Group Plc	816.7	126.1

The following amounts were outstanding at the reporting date:

	31/03/2023	
	Receivables due from related parties €m	Payables due to related parties €m
Vodafone Group Plc	–	0.1
Subsidiaries of Vodafone Group Plc	291.5	81.5

	31/03/2022	
	Receivables due from related parties €m	Payables due to related parties €m
Vodafone Group Plc	273.1	0.5
Subsidiaries of Vodafone Group Plc	239.3	117.2

Related party receivables represent amounts owed by Vodafone where the right to payment is conditional only on the passage of time. All related party receivables are recorded at amortised cost.

No material transactions were undertaken with any other related parties, including with the Group's associate and joint venture entities, in the year ended 31 March 2023 or prior period.

The Group's cash management activities with Vodafone Group were terminated on 22 March 2023. Included within the amounts outstanding at the reporting date is a net € nil million (FY 2022: €272.3 million) receivable in relation to the Group's cash management activities and € nil million (FY 2022: €13.4 million) cash deposits with subsidiaries of Vodafone Group Plc. Net movements in cash management activities with related parties in the period to 22 March 2023 were €272.6 million (financial year ended 2022: €123.0 million).

Capital expenditure recharges to related parties totalled €22.1 million in the period (FY 2022: €103.1 million). Revenue recognised in respect of capital expenditure recharges was €20.2 million for the current year (FY 2022: €12.4 million) and an accumulated balance of €111.2 million (FY 2022: €108.2 million) has been deferred within trade and other payables (see note 10 "Trade and other payables"), which is to be released to the income statement over the relevant term.

During the current year the foreign currency swap with Vodafone Group Plc as the counterparty matured on 31 March 2023. The Company has entered into a foreign currency swap on 31 March 2023 with an external party (Deutsche Bank AG) to cover the CZK denominated loan issued by the Company to its subsidiary Vantage Towers s.r.o.

For the year ended 31 March 2023 the CZK loan swaps are recognised and measured at fair value through profit and loss. Furthermore, the Company has entered into FX forward contracts with Vodafone Group Plc as counterparty to cover transactions undertaken in Hungary and Romania.

The total carrying value of the foreign currency hedging instruments on 31 March 2023 was €0.1 million (FY 2022: €0.8 million). Given the short dated nature of the foreign currency swap, the carrying value is the fair value.

The Group's receivables and payables due from as well as to related parties are financial assets and financial liabilities recorded at amortised cost. The receivables due from related parties are measured after allowances for future expected credit losses, see note 13 "Capital and financial risk management" for more information on credit risk.

Receivables due from related parties are unsecured.

All related-party transactions are performed on an arm's length basis.

Remuneration of the Management Board

Aggregate compensation for the Management Board, being the managing directors of Vantage Towers AG, was as follows:

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Short-term employee benefits	4.3	5.3
Share-based payments	6.4	3.9
Post-employment benefit	0.2	0.2
	10.9	**9.4**

Remuneration of the Supervisory Board

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Total remuneration paid to supervisory board	0.6	0.6

9. Trade and other receivables

Accounting policies

Trade receivables represent amounts owed by customers where the right to payment is conditional only on the passage of time. All trade and other receivables are recorded at amortised cost.

The carrying value of all trade and other receivables at amortised cost is reduced by allowances for lifetime estimated credit losses, see note 13 "Capital and financial risk management" for more information on credit risk. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balances, historical experience and forward-looking considerations. Individual balances are written off when management deems them not to be collectible.

	31/03/2023 €m	31/03/2022 €m
Included in non-current assets		
Accrued Income	0.7	0.9
Prepayments	15.3	15.8
Other receivables	6.5	6.8
	22.5	**23.5**
Included in current assets		
Trade receivables	17.3	12.6
Accrued Income	28.3	64.9
Prepayments	4.1	2.6
Tax receivables	64.8	41.0
Other receivables	16.3	5.1
	130.8	**126.2**

Trade and other receivables are financial assets with the exception of prepayments which is expected to be settled by receiving goods and services in the future.

The carrying amounts of trade and other receivables, which are measured at amortised cost, approximate their fair value and are predominantly non-interest bearing.

10. Trade and other payables

Accounting policies

Trade payables are not interest-bearing and are stated at their nominal value. They are all financial liabilities, with the exception of deferred income which is expected to be settled by provision of services in the future.

	31/03/2023 €m	31/03/2022 €m
Included in non-current liabilities		
Deferred Income	92.1	89.2
Other payables	0.1	0.1
	92.2	**89.3**
Included in current liabilities		
Trade payables	195.8	115.5
Accruals	246.7	152.4
Deferred income	60.0	54.7
Other taxation and social security	11.2	14.8
Other payables	9.2	10.3
	522.9	**347.7**

The carrying amounts of trade and other payables approximate their fair value.

11. Leases

Accounting policies

As a lessee

When the Group leases an asset a “right-of-use asset” is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease, less any lease incentives receive.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the reasonably certain lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is ‘reasonably certain’ to exercise any extension options (see below). The useful life of the asset is determined in a manner consistent to that for other property, plant and equipment (as described in note 7 “Property, plant and equipment”). If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments over the lease term, excluding amounts paid at the commencement date, discounted using the incremental borrowing rates of the applicable Group entity (unless the rate implicit in the lease is readily determinable). Lease payments included in the lease liability include both fixed payments and in-substance fixed payments during the term of the lease.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group’s assessment of the lease term changes; any changes in the lease liability as a result of these changes also results in a corresponding change in the recorded lease-related right-of-use asset.

As a lessor

Where the Group is a lessor, it determines at inception whether the lease is a finance or an operating lease. When a lease transfers substantially all the risks and rewards of ownership of the underlying asset then the lease is a finance lease; otherwise the lease is an operating lease.

Where the Group is an intermediate lessor, the interests in the head lease and the sub-lease are accounted for separately and the lease classification of a sub-lease is determined by reference to the right-of-use asset arising from the head lease.

Income from operating leases is recognised on a straight-line basis over the lease term. Income from finance leases is recognised at lease commencement with interest income recognised over the lease term.

Lease income is recognised as revenue for transactions that are part of the Group's ordinary activities (primarily leases over the utilisation of infrastructure assets). The Group uses IFRS 15 principles to allocate the consideration in contracts between any lease and non-lease components.

The Group's leasing activities

As a lessee

The Group leases ground and rooftop sites on which to construct and operate passive infrastructure for mobile base stations. The Group's general approach to determining lease term is described under "Critical accounting judgements and key sources of estimation uncertainty" in note 1.

Most of the Group's leases include future price increases through fixed percentage increases, indexation to inflation measures on a periodic basis, or rent review clauses. Other than fixed percentage increases the lease liability does not reflect the impact of these future increases unless the measurement date has passed. The Group's leases contain no material variable payments clauses.

Lease periods

Where practicable the Group seeks to include extension or break options in leases to provide operational flexibility, therefore many of the Group's lease contracts contain optional periods. The Group's policy on assessing and reassessing whether it is reasonably certain that the optional period will be included in the lease term is described under "Critical accounting judgements and key sources of estimation uncertainty" in note 1.

After initial recognition of a lease, the Group only reassesses the lease term when there is a significant event or a significant change in circumstances, which was not anticipated at the time of the previous assessment. Significant events or significant changes in circumstances could include merger and acquisition or similar activity, significant expenditure on the leased asset not anticipated in the previous assessment, or detailed management plans indicating a different conclusion on optional periods to the previous assessment. Where a significant event or significant change in circumstances does not occur the lease term, and therefore lease liability and right-of-use asset value, will decline over time.

The Group's recurring cash outflow for ground leases in the twelve months ended 31 March 2023 was €306.4million (FY 2022: €293.0 million). The future cash flows included within lease liabilities are shown in the maturity analysis below. The maturity analysis only includes the reasonably certain payments to be made; cash outflows in these future periods will likely exceed these amounts as payments will be made on optional periods not considered reasonably certain at present, and on new leases entered into in future periods.

The amounts recognised in the primary financial statements in relation to lessee transactions are as follows:

Right-of-use assets

The carrying value of the Group's right-of-use assets, depreciation charge for the year and additions during the year are disclosed in note 7 "Property, plant and equipment".

Lease liabilities

The maturity profile of the Group's lease liabilities is as follows:

	31/03/2023 €m	31/03/2022 €m
Within one year	329.8	293.5
In more than one year but less than two years	297.7	275.3
In more than two years but less than five years	820.9	764.4
In more than five years	966.9	917.5
	2,415.3	2,250.8
Effect of discounting	(402.0)	(244.3)
Lease liability	**2,013.3**	**2,006.5**
Analysed as:		
Non-current	1,751.5	1,758.8
Current	261.8	247.5

Amounts recognised in the income statement are as follows:

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Depreciation on lease-related right of use assets	273.7	258.2
Interest on lease liabilities	56.2	52.9
Income from sub-leasing right-of-use assets	781.6	734.4
Expense relating to variable lease payments not included in the measurement of the lease liability	-	1.3

The Group has no material liabilities under residual value guarantees and makes no material payments for variable payments not included in the lease liability.

As a lessor

The Group's lessor activities are with telecommunication companies and other entities which lease space on the Group's other infrastructure property, plant and equipment assets. The majority of these lessor contracts contain inflation linked pricing arrangements.

Lessor transactions are classified as operating or finance leases based on whether the lease transfers substantially all of the risks and rewards incidental to ownership of the asset. Leases are individually assessed; generally, the Group's lessor transactions are classified as operating leases.

The Group's income as a lessor in the year and the committed future amounts to be received from the Group's operating leases is disclosed in note 2 "Revenue disaggregation and segmental analysis".

The Group has no material lease income arising from variable lease payments.

12. Provisions

A provision is a liability recorded in the statement of financial position, where there is uncertainty over the timing or amount that will be paid, and is therefore often estimated. The main provisions held by the Group are in relation to asset retirement obligations, which include the cost of returning network infrastructure sites to their original condition at the end of the lease.

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Management Boards' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Where the timing of settlement is uncertain amounts are classified as non-current with settlement expected more than twelve months from the reporting date.

Asset retirement obligations

In the course of the Group's activities, a number of sites and other assets are utilised which are expected to have costs associated with decommissioning. The associated estimated cash outflows are substantially expected to occur at the dates of decommissioning of the assets to which they relate, and are long-term in nature. The discount rate applied to calculate the net present value of the cash outflows relating to asset retirement obligation is based on the risk-free rate. See note 1 "Significant accounting policies" for further details on the estimated cash outflows.

Other provisions

Other provisions comprise various amounts including those for restructuring costs. The associated cash outflows for restructuring costs are primarily less than one year.

	Asset retirement obligations €m	Other €m	Total €m
01/04/2021	**329.2**	**6.1**	**335.3**
Arising on formation of the Group under pooling of interests method	0.8	–	0.8
Amounts capitalised in the year	138.0	0.1	138.1
Unwinding of discounting	1.7	(0.2)	1.5
Utilised in the year – payments	(10.1)	(0.8)	(10.9)
Effects of foreign exchange	1.0	0.0	1.0
31/03/2022	**460.7**	**5.3**	**466.0**
01/04/2022	460.7	5.2	465.9
Amounts capitalised in the year	19.0	(0.5)	18.5
Unwinding of discounting	6.1	–	6.1
Utilised in the year – payments	(5.2)	(0.2)	(5.4)
Effects of foreign exchange	0.2	0.0	0.2
31/03/2023	**480.8**	**4.6**	**485.4**
31/03/2022			
Current liabilities	4.5	4.1	8.6
Non-current liabilities	456.1	1.1	457.3
	460.7	**5.2**	**465.9**
31/03/2023			
Current liabilities	7.4	1.7	9.1
Non-current liabilities	473.4	2.9	476.3
	480.8	**4.6**	**485.4**

The increase in asset retirement obligation provision was predominantly due to the growth in estimated future commitments, as a consequence of inflationary increases on current year costs.

13. Capital and financial risk management

This note details the treasury management and financial risk management objectives and policies, as well as the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks.

Accounting policies

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of a financial instrument.

The Group's financial liabilities, other than derivatives, comprise borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade receivables, and cash and deposits that derive directly from its operations. The Group also holds investments in equity instruments and enters into derivative transactions.

The fair value of the Group's financial assets and financial liabilities held at amortised cost approximate to fair value with the exception of the bonds with a carrying value of €2,199.0 million (FY2022: €2,189.5 million) which have a fair value at 31 March 2023 of €2,191.0 million (FY 2022: €2,054.0 million). Fair value is based on level 1 of the fair value hierarchy using quoted market prices.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that provides a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Capital management

The following table summarises the capital of the Group at 31 March:

	2023 €m	2022 €m
Total borrowings (note 20)	4,212.2	4,195.9
Cash and cash equivalents (note 19)	(177.5)	(21.7)
Equity	5,543.3	5,363.7
Capital	**9,578.0**	**9,537.9**

Until 31 March 2023 it was the Group's policy to borrow using a mixture of long-term and short-term capital market issues and bank borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries.

On 23 March 2023, the Group announced the intention to re-deem all of its outstanding long-term bonds with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023. To refinance the redemption of its outstanding bonds, Vantage Towers AG entered into a shareholder loan agreement in the corresponding amount of €2,200 million granted by Oak Holdings 2 GmbH, the sole shareholder of Oak Holdings GmbH, Düsseldorf. On 26 May 2023 early redemption of the bonds has been completed.

For future periods, the Company will mainly borrow from bank facilities with a maturity of seven years arranged in the context of the Oak transaction between Vodafone and the Oak consortium.

Financial risk management

The Group's treasury function centrally manages the Group's funding requirement, net foreign exchange exposure, interest rate management exposures, and counterparty risk in accordance with the framework of policies and guidelines as approved by the Management Board.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial asset leading to a financial loss for the Group. The Group is exposed to credit risk from its operating activities and from its financing activities. The Group considers its maximum exposure to credit risk at 31 March to be cash and cash equivalents and trade receivables and receivables due from related parties as disclosed in the statement of financial position, note 8 "Related party transactions", and note 9 "Trade and other receivables".

Estimated future credit losses are based on the probability of default, which is defined as balances that have to be written off when management deems them not to be collectible. The Group has an immaterial level of default due to the creditworthiness of its counterparties.

Expected credit loss

The Group has financial assets classified and measured at amortised cost that are subject to the expected credit loss model requirements of IFRS 9. Cash at bank and in hand and trade and other receivables are classified and measured at amortised cost and subject to these impairment assessments. The measured expected credit loss is considered to be, as in prior year, immaterial for the year ended 31 March 2023.

Operating activities

For trade receivables, expected credit losses are required to be measured based on lifetime expected losses, calculated with reference to the contractual cash flows due to the entity and the cash flows the entity expects to receive. Customer credit ratings and relevant macroeconomic factors that may impact the required expected credit loss provision are monitored on a regular basis and the expected credit loss provision updated whenever a significant change is identified. The majority of the Group's trade receivables are due from Vodafone Group companies, which have investment grade credit ratings and no history of default, while other trade receivables are from third-party customers that also have investment grade credit ratings. Expected credit losses are therefore considered to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery and enforcement activity has ceased. The majority of the Group's trade receivables are due for maturity within 30 days and largely comprise amounts receivable from business customers.

The following tables presents information on trade receivables past due and their expected credit losses:

31/03/2023

	Current €m	30 days or less €m	31–60 days €m	61–180 days €m	180 days+ €m	Total €m
Gross carrying amount	290.8	2.2	0.8	0.6	0.4	294.7
Expected credit loss allowance	–	–	–	–	(0.1)	(0.1)
Net carrying amount	**290.8**	**2.2**	**0.8**	**0.6**	**0.3**	**294.6**

31/03/2022

	Current €m	30 days or less €m	31–60 days €m	61–180 days €m	180 days+ €m	Total €m
Gross carrying amount	181.6	6.5	16.3	2.1	0.5	207.0
Expected credit loss allowance	–	–	–	–	(0.0)	(0.0)
Net carrying amount	**181.6**	**6.5**	**16.3**	**2.1**	**0.5**	**207.0**

Liquidity Risk

Liquidity is reviewed on at least a twelve-month rolling basis and stress tested on the assumption that any liabilities outstanding mature and are not extended. During the period to 23 March 2023, the Group managed its liquidity risk by maintaining a varied maturity profile with a target average life of debt of at least four years and limits on the level of debt maturity in any one calendar year, therefore minimising refinancing risk.

The Group did not experience any payment shortfalls in the current year or prior year.

Following the completion of the Oak Transaction on 22 March 2023, material changes were made to the Group's financing arrangements and structure.

On 23 March 2023, the Group announced the intention to redeem all of its outstanding long-term bonds with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bond-holders setting the early redemption date to 26 May 2023. To refinance the redemption of its out-standing bonds, Vantage Towers AG entered into a shareholder loan agreement in the corre-sponding amount of €2,200 million granted by Oak Holdings 2 GmbH, Düsseldorf, the sole share-holder of Oak Holdings GmbH.

Furthermore, the Group’s €300 million revolving credit facility was terminated on 14 April 2023 due to a change of control event. The Group replaced the revolving credit facility on 25 May 2023 by acceding directly to a new bank loan financing in the form of a €1,750 million facility. Additionally, the Group extended an existing €250 million shareholder loan facility with Vodafone GmbH, which will terminate at the latest on 24 July 2023.

For future periods, the Company will mainly borrow from bank facilities with a maturity of seven years arranged in the context of the Oak transaction between Vodafone and the Oak consortium.

The maturity profile of the anticipated future cash flows, including interest in relation to the Group's non-derivative financial liabilities on an undiscounted basis which therefore differs from both the carrying value and fair value, is as follows:

Maturity profile

	Bonds €m	Lease liabilities €m	Total borrowings €m	Trade paya-bles and other financial liabilities €m	Total €m
Within one year	8.1	293.5	301.6	315.7	617.3
In one to two years	8.1	275.3	283.4	0.1	283.4
In two to three years	758.1	265.7	1,023.7	0	1,023.7
In three to four years	8.1	254.3	262.4	0	262.4
In four to five years	758.1	244.4	1,002.4	0	1,002.4
In more than five years	715.8	917.5	1,633.3	0	1,633.3
Sub total	2,256.1	2,250.7	4,506.8	315.8	4,822.6
Effect of discounting/financing rate	(66.6)	(244.3)	(310.9)	0	(310.9)
31/03/2022	**2,189.5**	**2,006.4**	**4,195.9**	**315.8**	**4,511.7**
Within one year	2,201.3	329.8	2,531.1	496.4	3,027.6
In one to two years	–	297.7	297.7	0.1	297.8
In two to three years	–	284.8	284.8	–	284.8
In three to four years	–	274.1	274.1	–	274.1
In four to five years	–	262.0	262.0	–	262.0
In more than five years	–	966.9	966.9	–	966.9
Sub total	2,201.3	2,415.3	4,616.6	496.5	5,113.1
Effect of discounting/financing rate	(2.4)	(402.0)	(404.4)	–	(404.4)
31/03/2023	**2,199.0**	**2,013.3**	**4,212.2**	**496.5**	**4,708.8**

Market risk

Interest rate management

Other than for short-term working capital, and where it is envisaged that loan debt shall be repaid prior to maturity, the Group's policy prior to the completion of the Oak transaction was to maintain interest rates on indebtedness on a fixed rate basis. The Group's sensitivity to interest rate risk has therefore been immaterial for the year ended 31 March 2023

The Group's new €2,200 million shareholder loan from Oak Holdings 2 GmbH, Düsseldorf, and the new €1,750 million revolving credit facility will carry floating interest rates linked to EURIBOR. The Group understands that the new shareholder loan exposure will be hedged at the level of Oak Holdings 2 GmbH and that it is also foreseen to fully hedge the interest rate risk exposure resulting from the utilisation of the new credit facilty.

The Group is planning to carry out further interest rate hedging activities in future to manage any incremental interest rate risk exposure, if necessary, from the Group's policy perspective.

Foreign exchange management

The Group predominantly maintains the currency of debt and interest charges in euros and has a policy to hedge external foreign exchange risks on transactions denominated in other currencies above a certain de minimis level. The Group's sensitivity to foreign exchange risk is therefore immaterial.

Acquisition risks

The Group's strategy includes the aim to strengthen and expand its operations through acquisitions. This strategy of growth exposes the Group to operational challenges and risks as well as the acquisition of liabilities or other claims from acquired businesses.

Covid-19

The Covid-19 pandemic has brought some disruption to our business, suppliers, and customers. However, the situation across the Group and direction has been coordinated through a robust centralised Crisis Management process which is based on and supported by the established Covid-19 response services of Vodafone. Risk areas include Health & Safety risk management; maintaining vital network coverage and services; and ensuring our Customer Service teams are able to work and support our customers.

The demand for services offered by the Group has not been diminished by Covid-19. As the Group is mainly an infrastructure-led business, it has not been adversely impacted by the restrictions caused by the pandemic with customer activity remaining in line with expectations. Appropriate changes in processes, systems and security requirements were, implemented to enable all operational activities to move to remote working models with no disruption to the service provided. These are sustainable models and have not had a detrimental impact on customer relations. The business is not significantly reliant on customers and suppliers outside of the Vodafone Group companies. The Covid-19 impact on the Group is minimal. There is no adverse impact anticipated to future plans for the business as a consequence of Covid-19, therefore we consider the current forecast to remain appropriate.

There are no indicators resulting from Covid-19 that would lead to concern over the recoverability of trade and other receivables or the deferred tax asset.

War in Ukraine

As long as the war remains isolated between Russia and Ukraine, Vantage Towers Group currently sees the volatility of steel price and inflationary developments in particular as the main risk. We are closely monitoring the situation and any potential risks and necessary remediation. We expect volatility in steel prices due to the loss of steel production capacity but currently do not foresee any material shortfall of supply, also due to our precaution and remediation measures. We have also ensured that we do not trade with a banned individual on the sanctions lists in any of our markets.

Changes in liabilities arising from financing activities

		Cash flows			Non-cash flows			
	01/04/2022	Net proceeds of borrowings €m	Interest paid €m	Net movement in short-term borrowings €m	Lease liabilities €m	Net financing costs €m	Other €m	31.03.2023
Liabilities arising from financing activities[1]	4,195.9	–	(11.8)	–	6.9	20.4	0.8	4,212.3

[1] This balance comprises gross borrowings of €2,199.0 million and lease liabilities of €2,013.3 million.

		Cash flows			Non-cash flows			
	01/04/2021	Net proceeds of borrowings €m	Interest paid €m	Net movement in short-term borrowings €m	Lease liabilities €m	Net financing costs €m	Other €m	31.03.2022
Liabilities arising from financing activities[1]	4,204.2	–	(10.2)	–	(10.0)	13.5	(1.5)	4,195.9

[1] This balance comprises gross borrowings of €2,189.5 million, lease liabilities of €2,006.4 million and net derivative financial liabilities of €0.2 million.

14. Investments

Accounting policies

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the relevant activities that significantly affect the investee's returns require the unanimous consent of the parties sharing control. The financial and operating activities of the Group's joint ventures are jointly controlled by the participating shareholders. The participating shareholders have rights to the net assets of the joint ventures through their equity shareholdings.

Associates are companies on which Vantage Towers has a significant influence, and that are neither subsidiaries nor joint ventures. As with joint ventures, associates are accounted for using the equity method.

Joint ventures and associates

The Group's investments in joint ventures, being a 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A (INWIT) and 50% equity interest in Cornerstone Telecommunications Infrastructure Limited (Cornerstone), were acquired during formation of the Group in FY 2021. They have been accounted under the pooling of interests method, meaning that the investments have been recognised based on their historical carrying values transferred on formation of the Group.

The Group's 33.2% equity interest in INWIT was previously characterised as a joint venture, considering the rights held by the Group under the terms of a shareholder agreement (SHA) with Telecom Italia S.p.A. (TIM). In August 2022 the Group and TIM agreed to terminate the SHA. As a consequence of this change, the Group is considered to have significant influence and INWIT is now classified as an associate. There is no change in accounting, with INWIT continuing to be consolidated under equity accounting.

The results and assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of a joint venture or associate in excess of the Group's interest in that investment are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Our investments in INWIT (Italy) and Cornerstone (UK) mean we hold leading market positions in two significant additional markets in Europe, in line with our overall strategy. Our 33.2% stake in INWIT, Italy's largest tower company, brings 23,300 macro sites and a tenancy ratio of 2.16x to our overall portfolio. Cornerstone is the largest tower company in the UK, with 15,055 macro sites serving users across England, Scotland, Wales and Northern Ireland and a tenancy ratio of 1.96x. The Group continues to receive attractive dividend returns from these strategic investments, with a combined cash dividend return from our investments of €154.5 million for the year ended 31 March 2023 (FY2022: €95.6 million).

Unless otherwise stated, the Company's joint ventures and associates have share capital consisting solely of ordinary shares and are all indirectly held. The country of incorporation or registration of joint ventures and associates is also their principal place of operation.

		Principle activity	Country of incorporation or registration	Percentage shareholdings %
Infrastrutture Wireless Italiane (INWIT) S.p.A.	Associate	Network infrastructure	Italy	33.2
Cornerstone Telecommunica-tions Infrastructure Limited (Cornerstone)	Joint venture	Network infrastructure	UK	50

The following table provides aggregated financial information for the Group's joint ventures and associates as it relates to the amounts recognised in the income statement, statement of comprehensive income and statement of financial position.

	Investment in joint ventures and as-sociates 2023 €m	**Profit from continuing operations 2023 €m**	**Other comprehensive income 2023 €m**	**Total comprehensive income 2023 €m**
Infrastrutture Wireless Italiane (INWIT) S.p.A.	2,811.4	63.1	(0.3)	62.8
Cornerstone Telecommunica-tions Infrastructure Limited (Cornerstone)	359.4	22.7	4.1	26.8
Total	**3,170.8**	**85.8**	**3.8**	**89.6**

	Investment in joint ventures 2022 €m	Profit from continuing operations 2022 €m	Other comprehensive income 2022 €m	Total comprehensive income 2022 €m
Infrastrutture Wireless Italiane (INWIT) S.p.A.	2,851.4	27.2	–	27.2
Cornerstone Telecommunica-tions Infrastructure Limited (Cornerstone)	366.5	3.0	(14.8)	(11.8)
Total	**3,217.9**	**30.2**	**(14.8)**	**15.4**

Summarised financial information for the Group's joint ventures and associates on a 100% ownership basis is set out below.

For the purposes of the consolidated financial statements of the Group, the results of INWIT are derived from the previous quarter's financial reporting issued by the company. This approach has been consistently applied. Accordingly, reported results for INWIT for the twelve months ended 31 December 2022, being the most recently available public information, has been used with adjustments being made for the effects of any significant events or transactions occurring between the accounting period ends.

In addition following the merger between INWIT and Vodafone Towers Italy and the subsequent acquisition of shares in INWIT, a purchase price allocation exercise was performed in accordance with IFRS 3 which resulted in, inter alia, a step up in property plant and equipment and intangible asset values and a corresponding increase in depreciation and amortisation charges. The resulting additional expenses from the purchase price allocation and the associated tax effect are included within the equity accounted results for INWIT for the 12 months ended 31 December 2022.

On 25 May 2022, Vantage Towers AG has received a dividend payment from INWIT for the previous financial year ended 31 December 2021, with the Group's share being €102.7 million (26 May 2021: €95.6 million for the financial year ended 31 December 2020).

On 12 May 2022, Vantage Towers AG has received a dividend payment from Cornerstone declared in the previous financial year ended 31 March 2022, with the Group's share being £15.0 million (€ 17.7 million). A final dividend was declared and paid in respect of the financial year ended 31 March 2023 totalling £60.0 million, with the Group's share of £30.0 million (€ 34.0 million) being received in March 2023.

Income statement

		INWIT		Cornerstone
	2023 €m	2022 €m	**2023 €m**	2022 €m
Revenue	**853.0**	**785.1**	**475.4**	**452.3**
Operating expenses	(73.8)	(70.3)	(141.7)	(157.8)
Operating profit or loss before amortisation, depreciation, capital gains/(losses) and reversals/(write-downs) of non-current assets (EBITDA)	779.2	714.9	333.7	294.5
Amortisation, depreciation, capital gains/ (losses) on disposals and write-downs of non-current assets	(363.7)	(360.1)	(169.1)	(246.3)
Operating profit (EBIT)	**415.5**	**354.7**	**164.6**	**48.2**
Net finance costs	(57.4)	(60.4)	(21.8)	(6.0)
Interest on lease liabilities	(23.8)	(29.7)	(62.3)	(27.2)
Other non-operating expenses	–	–	(19.6)	(11.2)
Profit before taxation	**334.3**	**264.7**	**60.9**	**3.9**
Taxation	(40.9)	(73.3)	(15.5)	2.1
Profit for the period	**293.4**	**191.4**	**45.4**	**6.0**

Statement of financial position

	INWIT S.p.A. 2023 €m	2022 €m	Cornerstone 2023 €m	2022 €m
Non-current assets	8,994.7	9,091.8	2,506.1	2,578.0
Current assets	267.2	270.0	142.0	187.4
Out of which: Cash and cash equivalents	*72.9*	*96.3*	*59.0*	*85.7*
Total assets	**9,261.9**	**9,361.8**	**2,648.1**	**2,765.4**
Equity shareholders' funds	(4,466.4)	(4,483.5)	(718.5)	(704.5)
Non-current liabilities	(4,327.5)	(4,343.1)	(1,436.4)	(1,543.3)
Out of which: Non-current financial liabilities (excluding trade and other payables and provisions)	*(3,878.8)*	*(3,849.1)*	*(1,264.2)*	*(1,371.3)*
Current liabilities	(467.9)	(535.2)	(493.2)	(517.7)
Out of which: Current financial liabilities (excluding trade and other payables and provisions)	*(272.8)*	*(300.6)*	*(137.9)*	*(251.2)*
Total equity and liabilities	**(9,261.9)**	**(9,361.8)**	**(2,648.0)**	**(2,765.4)**

Reconciliation of summarised financial information

The reconciliation of summarised financial information presented to the carrying amount of our interest in joint ventures and associates is set out below:

	INWIT S.p.A. 2023 €m	2022 €m	Cornerstone 2023 €m	2022 €m
Equity shareholder funds	**4,466.4**	**4,483.5**	**718.5**	**704.5**
Investments	1,481.7	1,487.5	363.5	351.7
Purchase price adjustment	1,329.7	1,363.9	–	–
Foreign currency translation	–	–	(4.1)	14.8
Carrying value	**2,811.4**	**2,851.4**	**359.4**	**366.5**
Profit for the period	**293.4**	**191.4**	**45.4**	**6.0**
Share of profit	97.3	63.5	22.7	3.0
Purchase price adjustment – amortisation	(34.2)	(36.3)	–	–
Share of profit	**63.1**	**27.2**	**22.7**	**3.0**

The fair value of the investment in INWIT, based on its closing market price as at 31 March 2023 of €12.12 per share (31 March 2022: €10.17 per share), was €3,860.6 million (31 March 2022: €3,239.4 million).

15. Earnings per share

Basic earnings per share is the amount of profit generated for the financial year attributable to equity shareholders divided by the weighted average number of shares in issue during the year.

	2023 €m	2022 €m
Weighted average number of shares for basic earnings per share	505.8	505.8
Effect of dilutive potential shares: restricted shares and share options	0.9	0.7
Weighted average number of shares for diluted earnings per share	**506.7**	**506.5**

	2023	2022
Earnings for earnings per share (million €)	**473.1**	**356.9**
Basic earnings per share (€c)	**93.5**	**70.6**
Diluted earnings per share (€c)	**93.4**	**70.5**

16. Equity dividends

Dividends are one type of shareholder return.

For the twelve months ending 31 March 2023, the Company intends to declare an annual dividend of approximately €20.2 million which it intends to pay in July 2023.

17. Shareholders' equity

Called up share capital

Called up share capital is the number of shares in issue at their notional value.

Accounting policies

Equity instruments issued by the Group are recorded at the amount of the proceeds received, net of direct issuance costs.

Ordinary shares of €1 each allotted, issued and fully paid

	2023		2022	
	Number	€	Number	€
01/04	505,782,265	505,782,265	505,782,265	505,782,265
Allotted during the year	–	–	–	–
31/03	**505,782,265**	**505,782,265**	**505,782,265**	**505,782,265**

The Company was established with an original share capital of €25,000 against contribution in cash on 1 April 2020. Through a series of share capital increases and other transactions related to the formation of Vantage Towers AG and the Group, which were executed between 4 May 2020 and 7 January 2021, the share capital was increased to €505,782,265 and a share premium reserve of €6,751,476,175 was established. No other increases to share capital or share premium reserve have occurred since the year ended 31 March 2021.

Merger reserve

The merger reserve represents the balance to equity on consolidation due to the application of the pooling of interests method from the formation of the Group. The formation of the Group and the pooling of interests method is explained in detail in note 1 “Basis of preparation”.On the basis of the German Transformation Act, the economic effective date of the Company’s demerger from Vodafone Germany was 1 October 2019. In the period up to the legal effective date of demerger, being 25 May 2020, the Company incurred a loss of €190.2 million since the Master Services Agreement and other agreements with Vodafone Germany only came into effect on 25 May 2020 (the so-called “Für-Rechnungs-Phase”). The Company was funded by Vodafone Germany during this period. Through board resolution, it was agreed that the compensation claim of Vodafone Germany would be contributed to the equity of the Company and is therefore presented as a capital contribution in the Statement of Changes in Equity.

An internal controls assessment was made in the year and it was determined that assets and liabilities had not been fully allocated from Vodafone GmbH to Vantage Towers AG in the course of the original business carve-out according to the hive-down agreement. This was made in the current financial year and has led to a contribution of further assets to Vantage Towers AG at a net book value of €16.1 million, with a corresponding adjustment in the merger reserve.

Other reserves

Other reserves primarily comprise of differences arising on the translation of net assets of operations not in the presentational euro currency and which will be translated at each period end going forward. The remaining balances affecting other reserves are share based payments, actuarial movements on the defined benefit pension scheme (note 21 “Employee benefits – pension schemes and share awards”) and deferred tax.

18. Cash and cash equivalents

The majority of the Group’s cash is held in bank deposits or money market funds which have a maturity of three months or less to enable us to meet our short-term liquidity requirements.

Accounting policies

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. All other cash and cash equivalents are measured at cost.

	2023 €m	2022 €m
Cash at bank and in hand	177.5	21.7
Cash and cash equivalents as presented in the statement of financial position	177.5	21.7
Cash and cash equivalents as presented in the statement of cash flows	177.5	21.7

19. Borrowings

For the period to 23 March 2023, the Group’s sources of borrowing for funding and liquidity purposes came from a range of committed bank facilities and through short-term and long-term issuances in the capital markets including bond and commercial paper issues. We managed the basis on which we incur interest on debt between fixed interest rates and floating interest rates depending on market conditions using interest rate derivatives.

Following the closing of the Oak transaction on 22 March 2023, the Group's existing financing arrangements and funding structure underwent a significant change.

On 23 March 2023, the Group announced the intention to redeem all of its outstanding long-term bonds with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023. To refinance the redemption of its outstanding bonds, Vantage Towers AG entered into a shareholder loan agreement in the corresponding amount of €2,200 million granted by Oak Holdings 2 GmbH, Düsseldorf, the sole shareholder of Oak Holdings GmbH, Düsseldorf.

Liabilities arising from the Group's lease arrangements are also reported in borrowings; see note 11 "Leases".

The Group enters into foreign exchange contracts to mitigate the impact of exchange rate movements on certain monetary items.

Accounting policies

Interest-bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The value of the Group's borrowings approximate to fair value with the exception of the bonds with a carrying value of €2,199.0 million (FY 2022: €2,189.5 million) which have a fair value at 31 March 2023 of €2,191.0 million (FY 2022: €2,054.0 million). Fair value is based on level 1 of the fair value hierarchy using quoted market prices.

Borrowings

	2023 €m	2022 €m
Short-term borrowings		
Short-term borrowings excluded from net debt	–	–
Lease liabilities	261.8	247.5
Short-term borrowings included in net debt:		
Bonds	2,199.0	–
	2,460.8	247.5
Long-term borrowings		
Long-term borrowings excluded from net debt	–	–
Lease liabilities	1,751.5	1,758.8
Long-term borrowings included in net debt:		
Bonds	–	2,189.5
	1,751.5	3,948.3
Total borrowings	**4,212.2**	**4,195.9**

Bonds

Bonds with a nominal value equivalent of €2,200 million were in issue by the Group at 31 March 2023. These consisted of €750 million 0.000% notes due 2025, €750 million 0.375% notes due 2027 and €700 million 0.750% notes due 2030. The transaction represented a drawdown of the debt issuance programme launched by Vantage Towers AG in the financial year ended 31 March 2021. On 23 March 2023, the Group announced the intention to redeem all of its outstanding bonds with a notional value of €2,200 million. On 27 March 2023, the Group issued a notice to bondholders setting the early redemption date to 26 May 2023. Early redemption of the bonds was also completed on this day.

20. Employee benefits – pension schemes and share awards

The Group provides employee benefits to our employees in the form of pension scheme entitlements and share awards. These pension scheme entitlements and share awards include benefits that were accrued under Vodafone administered plans in the year ended 31 March 2023. The Group operates defined benefit plans in Germany and Greece. Defined contribution plans are currently provided in Germany, Greece, Hungary, Ireland, Portugal, and Spain.

Employee benefits included in the income statement and statement of financial position are summarised in the following tables.

Income statement expense

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Defined contribution plans	0.5	0.3
Defined benefit plans	0.8	(0.6)
Share based payments	5.2	3.9

Statement of financial position – defined benefit pension

	2023 €m	2022 €m
Total fair value of plan assets attributed to the Group	4.5	4.2
Present value of plan liabilities attributed to the Group	(5.1)	(4.6)
Net surplus / (deficit) for defined benefit plans	(0.6)	(0.3)

In the year ended 31 March 2023, there were no changes in the administration of the Group's pension schemes or benefits granted to employees under the Group's share plans. New arrangements have been put in place since the end of the financial year on comparable terms, with no significant impact to the costs incurred by the Group in respect of these employee benefits.

21. Commitments

A commitment is a contractual obligation to make a payment in the future, mainly in relation to agreements to buy assets, such as network infrastructure and IT systems, and leases that have not commenced. These amounts are not recorded in the consolidated statement of financial position since we have not yet received the goods or services from the supplier. The amounts below are the minimum amounts that we are committed to pay.

Capital commitments

	Company and subsidiaries		Share of joint ventures and associates		Group	
	2023 €m	2022 €m	**2023 €m**	2022 €m	**2023 €m**	2022 €m
Contracts placed for future capital expenditure not provided in the financial statements[1]	303.3	209.5	0	0	303.3	209.5

[1] Commitment includes contracts placed for property, plant and equipment and intangible assets.

22. Contingent liabilities and financial commitments

Contingent liabilities are potential future cash outflows from a past event, where the likelihood of payment is considered more than remote, but is not considered probable or cannot be measured reliably. The Group does not have any contingent liabilities required to be disclosed.

Bank guarantees are mainly used as long-dated performance guarantees to landlords (e.g., cities, municipalities) to cover asset retirement obligations.

Before the closing of the co-control transaction between Vodafone and a consortium of KKR and GIP, Vantage Towers used Vodafone credit lines and shared services for issuing bank guarantees, whereby Vantage Towers indemnified Vodafone. Following the closing, Vantage Towers is using its own credit lines to issue guarantees with its relationship banks.

23. Declaration of conformity with the German Corporate Governance Code in accordance with Section 161 AktG

In accordance with section 161 AktG, the Management Board and the Supervisory Board of Vantage Towers AG have submitted the mandatory declaration of conformity and made it available to shareholders on Vantage Towers AG's website. The full text of the Declaration of Conformity is available on the website under www.vantagetowers.com.

24. Events after the reporting period

The Oak transaction completed on 23 March 2023, by when Oak Holdings GmbH, Düsseldorf, held 89.3% of the shares in Vantage Towers. This triggered further transactions and subsequent events after 31 March 2023, summarised below.

Public delisting tender offer

On 20 March 2023, Oak Holdings GmbH, Düsseldorf, and Vantage Towers announced that they had entered into a delisting agreement to withdraw from the stock exchange ("delisting"). On 5 April 2023, Oak Holdings made a delisting offer to all shareholders of Vantage Towers at a price of €32 per share. The offer expired on 3 May 2023 with a final acceptance rate of 0.05% and the company was delisted from the regulated market of the Frankfurt Stock Exchange under ISIN DE000A3H3LL2 and simultaneously on the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) on May 9, 2023.

As a consequence of the delisting, which completed between the year ended 31 March 2023 and the date of publication of these accounts, the Company has determined that certain reporting obligations are no longer required, including those related to the European Single Electronic Format (ESEF) reporting.

Domination and Profit and Loss Transfer Agreement

Following the completion of the Oak transaction the Management Board, with the approval of the Supervisory Board, approved the conclusion of a domination and profit and loss transfer agreement pursuant to Sections 291 et seq. of the German Stock Corporation Act (AktG) between Vantage Towers AG as the controlled company and Oak Holdings GmbH as the controlling company on the basis of a draft agreement agreed between the parties. On 5 May 2023, the Company's Extraordinary General Meeting approved the draft of a domination and profit and loss transfer agreement.

The domination and profit and loss transfer agreement became effective on 13 June 2023 through registration on the commercial register.

After the conclusion and effectiveness of the domination and profit and loss transfer agreement, Oak Holdings GmbH, Düsseldorf, will, at the request of any outside shareholder of Vantage Towers AG, acquire the shares of Vantage Towers AG for a cash consideration pursuant to Section 305 of the German Stock Corporation Act (AktG) in the amount of € 28.24 per share. The annual compensation payment for outside shareholders pursuant to Section 304 of the German Stock Corporation Act will amount to € 1.63 gross (€ 1.52 after deduction of corporate income tax (including solidarity surcharge)) per Vantage Towers AG share.

Borrowings

On 23 March 2023, the Group announced its intention to redeem all outstanding bonds with a nominal value of €2,200 million. On 27 March 2023, the Group issued a notice to holders of the Notes setting the date for early redemption at 26 May 2023. In order to finance the repayment of its outstanding bonds, Vantage Towers AG entered into an agreement with Oak Holdings 2 GmbH, the sole shareholder of Oak Holdings GmbH, Düsseldorf, for a shareholder loan in the corresponding amount of €2,200 million. On 26 May 2023, the full early redemption of the bonds was made.

Changes in the composition of the Management Board and Supervisory Board

On 22 May 2023, CFO Thomas Reisten took over as Interim CEO from CEO Vivek Badrinath, who had already announced in February 2022 that he would not be available for an extension of his contract ending on 31 December 2023, for personal reasons. On June 6, 2023, the Supervisory Board appointed Christian Hillabrant as the new CEO. The appointment is expected to take effect in about two months after his appointment, until then Interim CEO and CFO Thomas Reisten will lead the company.

Further changes to the Supervisory Board will take place in the near future. It is planned to re-solve to amend the Company's articles of association at the annual general meeting on 27 July 2023 and to reduce the number of Supervisory Board members from currently nine to six. Oak Holdings GmbH had already announced the corresponding intention in its offer document for the voluntary public takeover offer on 13 December 2022. In this context, the majority shareholder had also announced that the composition of the Supervisory Board should be identical to that of the shareholders' committee of Oak Holdings 1 GmbH. For this reason, the Supervisory Board members Dr. Rüdiger Grube, Katja van Doren, Pinar Yemez, Amanda Nelson, Terence E. Rhodes und Charles Green have handed in their resignation letters mid-June 2023 and they will resign from office with effect from the end of the next annual general meeting.

25. Auditor's remuneration

The total remuneration of the Group's auditor, Ernst & Young GmbH and other member firms of Ernst & Young Global Limited, for services provided to the Group is analysed below.

	01/04/2022 – 31/03/2023 €m	01/04/2021 – 31/03/2022 €m
Parent company[1]	1.6	0.8
Subsidiaries	1.0	0.9
Audit fees	**2.6**	**1.7**
Other assurance services	0.4	0.5
Tax advisory services	0	–
Other non-audit services	0	–
Non-audit fees	**0.4**	**0.5**
Total fees[2]	**3.0**	**2.2**

[1] Thereof €0.5 million related to prior periods.

[2] Thereof €1.1 million to related parties of Ernst & Young GmbH.

26. Related undertakings

A full list of all our subsidiaries, joint ventures and associates as at 31 March 2023 is detailed below. No subsidiaries are excluded from the Group consolidation and there are no changes compared to the prior year. Unless otherwise stated the Company's subsidiaries all have share capital consisting solely of ordinary shares and are indirectly held. The percentage held by Group companies reflect both the proportion of nominal capital and voting rights unless otherwise stated.

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has existing rights that give it the current ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity. The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Company name	Country	Address	% of share class held by the Group
Vantage Towers, S.L.U	Spain	San Severo 22, Madrid, 28042, Spain	100
Vantage Towers Limited	Ireland	Mountainview, Leopardstown, Dublin 18, Ireland	100
Vodafone Towers Portugal S.A.	Portugal	Avenida Dom João II, nº 36, 8º, Parque das Nações, 1998-017 Lisboa, parish of Parque das Nações, municipality of Lisbon, Portugal	100
Vantage Towers s.r.o.	Czech Republic	Závišova 502/5, Nusle, 140 00 Prague 4, Czech Republic	100
Vantage Towers Zrt.	Hungary	Boldizsár utca 2, 1112 Budapest, Hungary	100
Vodafone Towers S.R.L.	Romania	Calea Floreasca 169A, AFI Park Floreasca, Building A, 3rd Floor, District 1, Bucharest, Romania	100
Vantage Towers Single Member S.A.	Greece	2 Adrianeiou & Papada Str, 11525, Athens, Greece	100
Central Tower Holding Company B.V.*	The Netherlands	Rivium Quadrant 175, 6th floor, 2909 LC Capelle aan den IJssel, The Netherlands	100
Vantage Towers Erste Verwaltungsgesell-schaft mbH*	Germany	Prinzenallee 11–13, 40549 Duesseldorf	100
Vantage Towers Zweite Verwaltungsgesell-schaft mbH*	Germany	Prinzenallee 11–13, 40549 Duesseldorf	100

* Direct ownership

Joint Ventures and Associates

Company name	Classification	Country	Address	% of share class held by the Group
Infrastrutture Wireless Italiane S.p.A.	Associate	Italy	Via Gaetana Negri 1, 20123, Milan, Italy	33.2
Cornerstone Telecommunications Infrastructure Limited	Joint venture	United Kingdom	Hive 2, 1530 Arling-ton Business Park, Theale, Reading, Berkshire, RG7 4SA, United Kingdom	50

The Group's 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A (INWIT) was previously characterised as a joint venture, considering the rights held by the Group under the terms of a shareholder agreement with Telecom Italia S.p.A. In August 2022 the shareholder agreement was terminated. As a result of this change, the Group has a significant influence as of March 31, 2023 and INWIT is classified as an associate. As INWIT will continue to be consolidated using the equity method, there will be no change in accounting.

Duesseldorf, 16 June 2023

Vantage Towers AG

The Board of Management

Thomas Reisten　　Vivek Badrinath　　Christian Sommer

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Further Information

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group, and the Group management report, which is combined with the management report of Vantage Towers AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Duesseldorf, 16 June 2023

Vantage Towers AG

The Board of Management

Thomas Reisten   Vivek Badrinath   Christian Sommer

Independent Auditor’s Report

Independent auditor’s report

To Vantage Towers AG

Opinions

We have audited the consolidated financial statements of Vantage Towers AG, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from 1 April 2022 to 31 March 2023, and the consolidated statement of financial position as at 31 March 2023, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Vantage Towers Group for the fiscal year from 1 April 2022 to 31 March 2023, which is combined with the management report of Vantage Towers AG. In accordance with the German legal requirements, we have not audited the content of the declaration of compliance in accordance with the German Corporate Governance Code contained in the “Corporate Governance Report” section of the combined management report and the Group declaration on corporate governance, named “Relevant Disclosures on Corporate Governance Practices”.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2023 and of its financial performance for the fiscal year from 1 April 2022 to 31 March 2023, and

- the accompanying combined management report as a whole provides an appropriate view of the Group´s position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the group statement on German Corporate Governance Code and the content of the Group declaration on corporate governance referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and of the combined management report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Other information

The supervisory board is responsible for the report of the supervisory board in section “To our Shareholders” in the annual report. The supervisory board and the management board are responsible for the group statement on corporate governance following Sec. 161 AktG with is part of the Statement of “Corporate Governance Report” in the combined management report. In all other respects, the executive directors are responsible for the other information. The other information comprises of the group statement on corporate governance referred to above. Additionally, other information comprises other parts of the planned annual report, of those we received a version until we issued our audit opinion, especially

- sections „Key data Vantage Towers“, „FY 2023 Highlights” and “Who we are“;
- section „Letter from our CEO“;
- the „report of the supervisory board“;
- the responsibility statement of the management board on consolidated financial statements and the management report, which is combined with the group management report

but not the consolidated financial statements, those sections of the combined management report, which have been subject to the audit and not our related audit opinion.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

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

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Cologne, 20 June 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Ueberschär Hillebrand

Wirtschaftsprüfer Wirtschaftsprüferin

[German Public Auditor] [German Public Auditor]

Reconciliations of consolidated non-IFRS metrics

Adjusted EBITDA

The table below sets forth the reconciliation of the Group's non-IFRS metrics Adjusted EBITDA on a consolidated basis to profit for the period in the consolidated income statements for the periods indicated.

		Consolidated basis
	Twelve months ended 31 March 2023 (audited) €m	Twelve months ended 31 March 2022 (audited) €m
Profit for the period	**473.1**	**356.9**
Income taxes	(20.7)	108.9
Interest on lease liabilities	56.2	52.9
Other finance costs	29.3	13.5
Other non-operating expenses	30.7	4.5
Operating profit	**568.5**	**536.7**
Share of results of equity accounted investments	(85.8)	(30.2)
Amortisation of intangibles	19.7	13.2
Depreciation on other property, plant and equipment	122.5	84.9
Depreciation on lease-related right-of-use assets	273.7	258.2
Gains/losses on disposal of property, plant and equipment	1.1	0.9
One-off and other items	8.5	1.5
Adjusted EBITDA	**908.3**	**865.2**

Adjusted EBITDAaL

The table below sets forth the reconciliation of the Group's non-IFRS metrics Adjusted EBITDAaL on a consolidated basis to profit for the period in the consolidated income statements for the periods indicated.

		Consolidated basis
	Twelve months ended 31 March 2023 (audited) €m	Twelve months ended 31 March 2022 (audited) €m
Profit for the period	**473.1**	**356.9**
Income tax expense	(20.7)	108.9
Other finance costs	29.3	13.5
Other non-operating expenses	30.7	4.5
Share of results of equity accounted joint ventures	(85.8)	(30.2)
Amortisation of intangibles	19.7	13.2
Depreciation on other property, plant and equipment	122.5	84.9
Recharged capital expenditure revenue	(20.2)	(12.4)
Gains/losses on disposal of property, plant and equipment	1.1	0.9
One-off and other items	14.6	2.4
Adjusted EBITDAaL	**564.3**	**542.6**

Recurring Operating Free Cash Flow and Recurring Free Cash Flow

The table below sets forth the reconciliation of the Group's non-IFRS measures Recurring Operating Free Cash Flow and Recurring Free Cash Flow to cash generated by operations in the consolidated statements of cash flows for the periods indicated.

	Consolidated basis	
	Twelve months ended 31 March 2023 (audited) €m	Twelve months ended 31 March 2022 (audited) €m
Cash generated by operations	**906.9**	**1,007.7**
Increase/(decrease) in trade and other payables	(77.2)	(151.1)
Decrease/(increase) in trade and other receivables	(30.0)	56.9
Increase/(decrease) in trade payables to related parties	7.0	1.8
Decrease/(increase) in trade receivables from related parties	95.7	(48.6)
Share based payments and other non-cash charges	3.3	(3.9)
One-off and other items	2.5	2.4
Adjusted EBITDA	**908.3**	**865.2**
Recharged capital expenditure revenue	(20.2)	(12.4)
Cash cost of leases	(306.4)	(293.1)
Maintenance capital expenditure	(24.0)	(28.8)
Recurring operating free cash flow	**557.6**	**531.0**
Net tax paid	(109.4)	(91.8)
Interest paid, excluding interest paid on lease liabilities	(11.9)	(10.3)
Changes in operating working capital	1.9	(14.2)
Recurring free cash flow	**438.2**	**414.8**

Net Financial Debt

The table below sets forth the calculation of the Group's non-IFRS measure Net Financial Debt from the Consolidated statement of financial position as of 31 March 2023 and 31 March 2022.

	Consolidated basis	
	As of 31 March 2023 (audited) €m	As of 31 March 2022 (audited) €m
Bonds	(2,199.0)	(2,189.5)
Commercial paper	-	–
Bank loans	-	–
Cash collateral liabilities	-	–
Overdrafts	-	–
Sum of short-term borrowings from related parties and long-term borrowings from related parties	-	-
Borrowings included in net financial debt	**(2,199.0)**	**(2,189.5)**
Cash and cash equivalents	177.5	21.7
Cash deposits held with related parties	-	272.3
Other financial instruments	-	-
Mark to market derivative financial instruments	0.1	(0.5)
Short-term investments	-	-
Total cash and cash equivalents and other financial instruments	**177.6**	**293.3**
Net financial debt	**(2,021.5)**	**(1,895.9)**

Equity accounted results from investments

	Cornerstone[2] 31/03/2023		INWIT[1] 31/12/2022	
	100% share (unaudited) €m	50% share (unaudited) €m	100% share (audited) €m	33.2% share (audited) €m
Revenue	475	238	853	283
Adj. EBITDA	314	157	779	259
Adj. EBITDAaL	162	81	587	195
RFCF	115	58	491	163

[1] INWIT results are for the financial year ended 31 December 2022 extracted from the INWIT FY 2022 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts/fy-2022-financial-results.

[2] Cornerstone revenue includes pass through revenue of €95 million, which consists of recovery of business rates passed through to Cornerstone's tenants.

	Cornerstone[2] 31/03/2022		INWIT[1] 31/12/2021	
	100% share (unaudited) €m	50% share (unaudited) €m	100% share (audited) €m	33.2% share (audited) €m
Revenue	452	218	785	261
Adj. EBITDA	283	142	715	237
Adj. EBITDAaL	113	57	520	173
RFCF	165	83	366	122

[1] INWIT results are the INWIT FY 2021 results that have been extracted from the INWIT FY 2021 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts/fy21-financial-results.

2 Cornerstone revenue includes pass through revenue of €86 million, which consists of recovery of business rates passed through to Cornerstone's tenants.

Disclaimer on forward-looking statements

This announcement contains “forward-looking statements” with respect to Vantage Towers’ results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include, but are not limited to, statements regarding objectives, targets, strategies, outlook and growth prospects, including guidance for the financial year ending 31 March 2024, new site builds, tenancy targets and the tenancy pipeline; Vantage Towers’ working capital, capital structure; future plans, events or performance, economic outlook and industry trends.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “could”, “may”, “should”, “expects”, “intends”, “prepares” or “targets” (including in their negative form or other variations). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. All subsequent written or oral forward-looking statements attributable to Vantage Towers or any member of the Vantage Towers Group, or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Any forward-looking statements are made of the date of this announcement. Subject to compliance with applicable law and regulations, Vantage Towers does not intend to update these forward-looking statements and does not undertake any obligation to do so.

References to Vantage Towers are to Vantage Towers AG and references to Vantage Towers Group are to Vantage Towers AG and its subsidiaries unless otherwise stated.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Glossary

Active Equipment

means the customers' equipment used to receive and transmit mobile network signals.

Active Sharing Arrangement

means MNOs' sharing of Active Equipment that they install on the Group's sites.

Adjusted EBITDA

means operating profit before depreciation on lease-related right-of-use assets, de- preciation, amortisation and gains/losses on disposal for fixed assets, and excluding impairment losses, restructuring costs aris- ing from discrete restructuring plans, other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.

Adjusted EBITDAaL

means Adjusted EBITDA less recharged capital expenditure revenue, and after depre- ciation on lease-related right-of-use assets and deduction of interest on lease liabilities. Recharged capital expenditure revenue repre- sents direct recharges to Vodafone of capital expenditure in connection with upgrades to existing sites.

Adjusted EBITDAaL margin

means Adjusted EBITDAaL divided by reve- nue excluding recharged capital expenditure revenue.

AktG

means the German Stock Corporation Act.

Articles of Association

means the Company's articles of association dated 18 January 2021 and registered with the commercial register on 26 January 2021.

Audit, Risk and Compliance Committee

means the Supervisory Board's audit committee.

BaFin

means the German Federal Financial Supervisory Authority.

BTS

means built-to-suit.

CAGR

means compound annual growth rate

Cash Conversion

means Recurring Operating Free Cash Flow divided by Adjusted EBITDAaL.

CEO

means Chief Executive Officer.

CFO

means Chief Financial Officer.

Code

means the German Corporate Governance Code.

Committees

means Audit, Risk and Compliance Committee, together with the Remuneration and Nomination Committee and the Oak Commitee.

Company

means Vantage Towers AG.

Consolidated Markets

means Germany, Spain, Greece, Portugal, the Czech Republic, Romania, Hungary, and Ireland.

Cornerstone

means Cornerstone Telecommunications Infrastructure Limited.

CPI

means consumer price index.

COSO

means Committee of Sponsoring Organizations of the Treadway Commission

CTHC

means Central Tower Holding Company BV.

DAS

means distributed antenna systems.

Delisting

means the listing of the Company in ac- cordance with Section 39 (2) German Stock Exchange Act (AktG) terminates.

DPLTA

means Domination and Profit and Loss Transfer Agreeement

ECC

means the UK Electronics Communications Code.

EMF

means electromagnetic field.

ESG

means environmental, social, and governance.

EU

means the European Union.

Frankfurt Stock Exchange

means the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

Free Cash Flow

means Recurring Free Cash Flow less growth and other capital expenditure, including ground lease optimisation and dividends paid to non-controlling shareholders in subsidiaries plus recharged capital expenditure receipts from Vodafone, gains/losses for disposal of fixed assets, and dividends received from joint ventures, and adjusted for changes in non-operating working capital and one-off and other items. One-off and other items comprise impairment losses, restructuring costs arising from discrete restructuring plans, and other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group. These items are not a recognised term under IFRS. One-off and other items are subject to certain discretion in the allocation of various income and expenses and the application of discretion may differ from company to company. One-off and other items might also include expenses that will recur in future accounting periods.

FWA

means fixed wireless access.

FY 2021

means the Financial year ended 31 March 2021.

FY 2022

means the Financial year ended 31 March 2022.

FY 2023

means the Financial year ending 31 March 2023

FY 2024

means the Financial year ending 31 March 2024

FY 2025

means the Financial year ending 31 March 2025

FY 2026

means the Financial year ending 31 March 2026

GBT

means ground based tower.

GCGC

means the German Corporate Governance Code.

GDP

means gross domestic product

GDPR

means General Data Protection Regulation

German GAAP

means German generally accepted account- ing principles.

German Hive-Down

means the transfer of the German Towers Business to the Company by way of a hive- down by absorption within the meaning of sec. 123(3) No. 1 of the German Transforma- tion Act.

GIP

Means Global Infrastructure Partners

Ground Lease Expense

means depreciation on the lease-related right-of-use assets and interest on lease liabilities.

GLBO

Means Ground Lease Optimisation Programme. This is our programme to buyout leases or acquire long-term right of use.

Ground Lease Optimisation Capital Expenditure

means capital expenditure on the ground lease optimisation programme

Group or Vantage Towers Group or Vantage Towers

except as otherwise indicated, means the Company, its consolidated subsidiaries, and its Joint Venture and Asscociate investments Cornerstone and INWIT, respectively.

GSMA

means GSM Association

HGB

means the German Commercial Code (Handelsgesetzbuch).

ICS

means internal control system

IDW

means the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer e. V.).

IfW

means institut für Weltwirtschaft

IFRS

means International Financial Reporting Standards including IAS and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and (Commission Regulation (EC) No. 1126/2008 of 3 November 2008, as amended) available at www.ifrs.org/issued- standards.

IMF

means the International Monetary Fund.

Indoor Small Cells

means low-powered radio access nodes typically used to complement macro cells to provide indoor coverage and/or capacity, which are better suited to smaller or lower footfall venues.

INWIT

means Infrastrutture Wireless Italiane SpA.

IoT

means internet of things.

IPO

means initial public offering.

ISIN

means International Securities Identification Number.

IT

means information technology.

KKR

means Kohlberg Kravis Roberts & Co.

KPIs

means key performance indicators.

Long-term Incentive-Programs

means entitlements of members of the Management Board under long-term incentives.

Long-term Mobile Sites

means transpor table passive infra- structure units with a vertical element capable of hosting active equipment. These can be used by Vantage Towers to deliver a hosting service while a new Site is developed, or to provide a more long- term hosting solution.

LPWA

means low power wide area.

M&A

means mergers and acquisitions.

Macro Sites

means the physical infrastructure, either ground-based or located on the top of a building, where communications equipment is placed to create a cell in a mobile network, including streetworks and long-term mobile sites.

Maintenance Capital Expenditure

means capital expenditure required to maintain and continue the operation of the existing tower network and other Passive

Infrastructure, excluding capital investment in new sites or growth initiatives.

Management Board

means the Company's management board.

MD

means a managing director that heads a local Group operating company.

Micro Sites

means DAS sites, repeater sites and small cell sites.

MNO

means mobile network operator.

MSA

means master services agreement.

Net Financial Debt

means long-term borrowings, short-term borrowings, borrowings from Vodafone Group companies and mark-to-market ad- justments, less cash and cash equivalents and short-term investments and excluding lease liabilities.

Net Financial Debt to Adjusted EBITDAaL

means Net Financial Debt divided by Adjusted EBITDAaL for a rolling twelve-month period.

New Site Capital Expenditure

means capital expenditure in connection with the construction of new BTS sites.

NFRD

means Non-financial Reporting Directive 2014/95/EU.

Non-MNO

means other than mobile network operator.

Oak Committee

means the Supervisory Board's Oak committee.

Oak Holdings

Means Oak Holdings GmbH, a Joint Venture between Vodafone and a consortium of long-term infrastructure investors led by GIP and KKR

Offer Price

means the placement price of the Offer Shares.

Other Growth Capital Expenditure

means capital expenditure linked to initi- atives to grow earnings, including, but not limited to, upgrade capital expenditure to enable non-Vodafone tenancies, efficiencies investments and DAS/indoor small cell roll out, as well as the residual portion of capital expenditure in connection with upgrades to existing sites that is not recharged directly to tenants.

Passive Infrastructure

means an installation comprising a set of different elements located at a site and used to provide support to the Active Equipment, including, amongst others, vertical support structures, including masts, towers, tower foundations, substructures and antenna supports (excluding bracketry), civil infra- structure (including steelworks) and related works, storage surfaces or shelters, access, surveillance and security systems, safety installations, and protective devices.

PoP

means point of presence. When they are hosted by Vantage Towers or another named tower company, the Group refers to PoPs as tenancies and except where otherwise noted, these are hosted on macro sites.

PPDR

means Public Protection and Disaster Relief.

RAN

means radio access network.

Recharged Capital Expenditure

means upgrade capital expenditure recharged to tenants.

Recharged Capital Expenditure Revenue

means direct recharges to Vodafone of cap- ital expenditure in connection with upgrades to existing sites.

Recurring Free Cash Flow

means Recurring Operating Free Cash Flow less tax paid and interest paid and adjusted for operating working capital.

Recurring Operating Free Cash Flow

means Adjusted EBITDAaL plus depreciation on lease-related right-of-use assets and interest on lease liabilities, less cash lease costs and maintenance capital expenditure.

Remuneration and Nomination Committee

means the Remuneration and Nomination Committee.

RoU

means right of use

RTT

means rooftop tower.

Site

means the Passive Infrastructure on which Active Equipment is mounted as well as its physical location.

Small Cells

means low-powered radio access nodes typically used to complement macro cells in areas of high traffic concentration, which have smaller cell radio than macro cells.

Strategic Site

means a site that is of strategic importance to a Vodafone Operator from a network management perspective.

Streetworks

means compact and visually discreet monopole masts that are used to provide infill coverage, increased capacity or general cov- erage in urban areas as an alternative to RTTs.

Supervisory Board

means the Company's supervisory board.

Telecom Italia

means Telecom Italia SpA.

Telefónica UK

means Telefónica UK Limited.

Tenancies

means customer points of presence hosted on macro sites unless otherwise noted, in- cluding physical tenancies and active sharing tenancies.

Tenancy Ratio

means the total number of tenancies (including physical tenancies and active sharing tenancies) on the Group's macro sites divided by the total number of macro sites. Therefore, the Group's tenancy ratio counts two tenan- cies where the physical tenant (Vodafone or another MNO) is actively sharing on a macro site.

Tenants

means customers.

TowerCos

Tower Companies

UK

means United Kingdom

Upgrade capital expenditure

means capital expenditure in connection with upgrades to existing sites.

Vantage Towers

see definition of "Group."

Vantage Towers Czech Republic

means Vantage Towers s.r.o.

Vantage Towers Greece

means Vantage Towers SA.

Vantage Towers Group

see definition of "Group."

Vantage Towers Hungary

means Vantage Towers Zrt.

Vantage Towers Ireland

means Vantage Towers Limited.

Vantage Towers Portugal

means Vodafone Towers Portugal SA.

Vantage Towers Romania

means Vantage Towers SRL.Vantage Towers Spain means Vantage Towers, SL.

Victus

means Victus Networks S.A.

Vodafone

means Vodafone Group Plc together with its consolidated subsidiaries.

Vodafone Germany

means Vodafone GmbH.

Vodafone Greek TowerCo

means Vodafone Greece Towers SA.

Vodafone Group

means Vodafone Group Plc, a public limited company incorporated in England and Wales, and its consolidated subsidiaries.

Vodafone Italy

means Vodafone Italia SpA.

Vodafone MSAs

means the MSAs entered into between members of the Vodafone Group and members of the Group in each of the Group's markets.

Vodafone UK

means Vodafone Limited.

Wind Hellas Greek TowerCo

means Crystal Almond Towers Single Member SA.

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