VANTAGE TOWERS

Vantage Towers AG: FY22 Preliminary Results

16 May 2022

Vantage Towers: strong delivery in FY22 and continued focus on driving acceleration

- Successful commercialisation of our tower footprint continues:
  - ✓ In FY22 we added 1,680 net new tenancies in total across our footprint with more than 840 non-committed and c. 1,670 non-VF net additions, increasing the tenancy ratio by 0.04x YoY to 1.44x
  - ✓ We increased our commercial footprint whilst expanding our value proposition as a 5G enabler in Spain and in Distributed Antennae Systems ("DAS") in Spain, the Czech Republic and Hungary
- Macro site new build ramp up further progressed with more than 190 new sites in Q4 compared to 130 in Q3, 90 in Q2 and 100 in Q1, taking the total to over 510 in FY22
- FY22 results in line with our FY22 guidance
  - ✓ Group Revenue (ex. pass through) at €1,011m in FY22, a 4.6% year-on-year (YoY) growth driven mainly by other chargeable services to MNOs in addition to tenancy growth and inflation escalators
  - ✓ Adj. EBITDAaL at €543m (+3.6% YoY) and EBITDAaL margin of 54%, which is in line with guidance
  - ✓ RFCF increased by 8.0% YoY to €415m in FY22, which is at the top end of our guidance range and includes a recurring €15m benefit derived from optimizing cash interest costs and cash tax expenses
- We intend to propose a dividend of €0.63 per share, a total of approximately €319m in dividend payout
- We have revised the approach to our roll out plan in Germany leading to an adaptation of the built-to-suit (BTS) programme and the MSA terms, adding optionality to source up to 1,200 sites for Vodafone from third-party TowerCos
- In FY23, we will further invest in our business, incurring costs to facilitate 1&1 access on our existing sites, accelerate the ramp up of our BTS programme and build out our supporting teams, all ahead of the corresponding revenue contribution. Consequently, we announce our FY23 guidance as follows whilst reaffirming our medium-term targets: Revenue (ex. pass through) growth of 3.0-5.0% YoY; Adj. EBITDAaL €550m-€570m EUR and RFCF of €405m-€425m.

Consolidated financial results summary (EUR m)	FY21[(i)] (unaudited)	FY22 *(unaudited)*
Group Revenue	545	1,023
Operating Profit	287	537
Profit Before Tax	218	466
Cash generated by operations	329	1,008

(i) The comparative information for FY21 includes only the financial results relating to the tower business in Germany following its hive-down on 25 May 2020 and the results of other Vantage operations from the date of their acquisition on 17 December 2020, except Vantage Greece and CTIL, which were acquired on 22 December 2020 and 14 January 2021 respectively. Management does not consider it appropriate to consolidate financial information for its operational units prior to their acquisition. Accordingly, the FY22 results are not directly comparable to the prior year and proforma financial data has been presented for FY21.

Financial Performance (EUR m)[1]	FY21 pro forma[2] *(unaudited)*	FY22 *(unaudited)*	Movement
Revenue (ex. pass through)	966	1,011	4.6%
Adj. EBITDA	830	865	4.2%
Adj. EBITDAaL[3]	524	543	3.6%
Recurring Free Cash Flow	384	415	8.0%

Vivek Badrinath, CEO of Vantage Towers, commented:

"We look back on a successful first year as a listed company, in which we've delivered our financial targets and continued the successful commercialisation of the business. As more companies seek to benefit from access to our tower infrastructure, we have secured significant additional tenancies, won a new contract with mobile operator 1&1 in Germany and signed new partnerships with businesses in the telecoms, retail, transport and IoT sectors. For the coming year, we will focus on further investing and accelerating our business – in what remains a challenging operational environment – and leverage our high-quality grid and powerful value propositions to deliver value for our shareholders."

Investor Relations
www.vantagetowers.com/investors
ir@vantagetowers.com

Media Relations
www.vantagetowers.com/media
media@vantagetowers.com

Commercial update

Continued commercial momentum across the business

Fully owned segments

31 March 2022	DE		ES		GR		Other European Markets		Consolidated	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Macro sites	19.4k	19.4k	8.7k	8.6k	4.8k	4.8k	12.7k	12.9k	45.7k	45.7k
Tenancy ratio	1.21x	1.23x	1.70x	1.79x	1.65x	1.68x	1.39x	1.42x	1.40x	1.44x

In FY22, Vantage Towers delivered strong commercial momentum signing new agreements and partnerships in line with our mission – "Powering Europe's digital transformation". Most prominent was the landmark agreement signed with 1&1 in December 2021. Further, in Q4 FY22 we maintained our growth by leveraging our superior grid and value propositions across our European footprint in our eight consolidated markets.

- **Further commercialisation** included more than 1,680 net new tenancies in FY22, taking our tenancy ratio to 1.44x. Of these, c. 1,670 were non-Vodafone and more than 840 are non-committed net additions, moving closer towards our medium-term tenancy target of >1.50x. Our results and commercial highlights underpin our confidence to deliver further growth and reach our mid-term guidance.
- **Powering Europe's digital transformation:** Vantage Towers' consolidated portfolio remained broadly stable at 45.7k macro sites across the eight European markets. The increase in new build sites was offset by some decommissioning of sites, in particular driven by the active sharing agreement in Spain and other European markets, which create efficiencies in our network. Whilst the new build programme accelerated in the second half of the financial year 2022 (H2FY22) and we have added over 510 new macro sites in total across our markets in FY22, the macro site build has been challenged, mainly by supply chain issues. We expect these challenges to persist into FY23 and to require continued management. Hence, we are focused on enhancing our BTS production through direct measures in a number of areas including: process and operations; supplier and sourcing; steering and control: and organisation and governance.
- **Revised approach to roll-out plan in Germany:** we have agreed with Vodafone to adapt the BTS programme and the MSA terms in Germany which will provide optionality to Vantage Towers, support the coverage requirements of Vodafone while protecting value for our shareholders. Vodafone's commitment to take 5,500 new sites until end of FY26 remains unchanged and Vantage Towers can now source up to 1,200 sites from third-party Tower Companies (TowerCos) in Germany as opposed to building from the ground up.
- **Efficiency programme:** Our programme to optimise ground leases through buyouts or renegotiations (GLBO) is showing continued progress with c. 630 signed contracts across our European footprint since inception; and another c. 450 commitments in the pipeline. The following milestones have been achieved since inception:
  - ✓ Spain: ~420 contracts signed or committed
  - ✓ Germany: ~315 contracts signed or committed
  - ✓ Other European markets: ~345 contracts signed or committed
- **Accelerating Europe's transition to 5G**: We are at the forefront of enabling 5G and, notably, we have signed an agreement with Telefonica in Spain for their 5G equipment upgrades in over 1,500 existing sites over the next three years. Vantage Towers will modify the infrastructure to host 5G equipment where Telefonica already uses previous technologies.
- **Strengthening indoor connectivity:** In the Czech Republic, we signed a new 10-year agreement to provide DAS for the Military hospital in Prague to empower better coverage of surgical halls. Furthermore, in Hungary, we signed a deal with Futureal Group to build a DAS solution for the 'Budapest One' Office building, Phase II. In Spain, we also signed agreements to provide indoor coverage solutions for a leading supermarket chain across the country and the metro line of one of the major cities.
- **Empowering a sustainably connected Europe:** In Hungary, we signed a 10-year agreement with the e-mobility company Elektromotive Hungaria to install electro-car chargers on Vantage Towers' sites. To maximize the impact of better connectivity, we continue to enable different technologies and critical infrastructures. In Greece, we signed a 5-year agreement with a telecommunications service provider to deploy a country-wide backbone microwave network. In Germany, we signed a fibre sales agent agreement with 1&1 Versatel by which Vantage Towers will sell 1&1 Versatel's fibre services in Vantage Towers' sites. Furthermore, in the Czech Republic, we signed a 10-year deal with the Ministry of Interior for the Public Protection Disaster Relief (PPDR) sites within the new ecosystem of vendors for government in specific safety regulations and PPDR standards.

Group Summary Financial Results

Revenue breakdown (EUR m)	FY21 pro forma[2] *(unaudited)*	FY22 *(unaudited)*	Movement
Macro site revenue	899	923	2.7%
Other rental revenue	41	43	5.3%
Energy and other revenue	26	45	71.6%
Revenue (ex. pass through)	**966**	**1,011**	4.6%

Our financial performance in FY22 was in line with our guidance. Our revenue (ex. pass-through) grew from €966m to €1,011m, an increase of €45m (+4.6%). This was driven mainly by other chargeable services to MNOs, tenancy growth and CPI escalators. Macro site revenue increased from €899m to €923m, an increase of €24m (+2.7%) with the increase primarily driven by revenue from non-Vodafone customers, which totalled €208m. Energy and other revenue grew by 71.6% from €26m to €45m, which was driven by other chargeable services to MNOs.

In the current inflationary environment over 95% of our revenue is inflation linked and we are actively managing both ground lease (GLBO) (to the extent that current contracts have inflation escalators) and maintenance costs, whilst energy consumption is recharged directly.

These increased revenues flowed through to Adjusted EBITDA, which increased from €830m to €865m (+4.2%) with the adjusted EBITDA margin slightly decreasing to 85% (FY21 PF: 86%). Our maintenance cost increased by €9m due to costs for other chargeable services to MNOs and one-off costs incurred on Neutral Host projects[4]. Staff costs increased by 13% from €40m to €45m as a result of the stand-up of the organisation. There was a €8m increase in ground lease costs compared to FY21PF primarily reflecting inflation escalators and tenancy growth, partly offset by savings from our ground lease buyout (GLBO) projects. Our adjusted EBITDAaL increased by 3.6% from €524m to €543m maintaining a stable adjusted EBITDAaL margin of 54% in line with our guidance.

Recurring OpFCF increased from €498m to €531m (+6.6%) whilst Recurring FCF increased by 8.0% YoY to €415m in FY22, which is at the top end our updated FY22 guidance range (€405m-415m). Within the overall cash result is a recurring €15m benefit derived from optimizing cash interest costs on borrowings and cash tax expenses. Net Debt decreased from €2,001m to €1,896m, resulting in a leverage ratio of 3.5x Net Financial Debt to EBITDAaL.

The Management Board aims to distribute an attractive dividend to our shareholders. Our targeted payout-ratio amounts to 60% of the sum of Recurring Free Cash Flow and dividends received from INWIT and Cornerstone. For the financial year ended 31 March 2022, the Management Board intends to propose a dividend of €0.63 per share, approximately €319m, to the 2022 Annual General Meeting.

Vantage Towers' co-controlled joint ventures

31 March 2022	INWIT (ii)		Cornerstone (iii)	
Co-controlled joint ventures	**100% Share (Unaudited)**	**33.2% Share (Unaudited)**	**100% Share (Unaudited)**	**50% Share (Unaudited)**
Revenue	785	261	436	218
Adj. EBITDA	715	237	283	142
Adj EBITDAaL	520	173	113	57
Recurring Free Cash Flow	366	122	165	83

(ii) INWIT results have been extracted from the INWIT FY21 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts and refer to their financial year ending 31 December 2021.
(iii) Cornerstone revenue includes pass through revenue which consists of recovery of business rates passed through to the tenants.

The performance of both of our co-controlled joint ventures is in line with our expectations.

INWIT added 3.1k new tenants and 380 new sites between 1 January 2021 and 31 December 2021, bringing the tenancy ratio to 2.0x with a total of 22.8k sites. The INWIT renegotiation and land acquisition programme continues with further 475 agreements.

Between 1 April 2021 and 31 March 2022, Cornerstone added 366 macro sites bringing total macro sites to 14.5k and a stable tenancy ratio of 2.0x. In addition, the renewals of the existing lease agreements under the Electronic Communication Code (ECC) are progressing as planned.

Dividends received from the Group's equity accounted joint ventures have increased by €25m, from €96m in FY21 to €121m in FY22. This includes the first interim dividend declared by Cornerstone at the end of March 2022, the Vantage Group share being €18m.

Our Group Guidance

Positive outlook for FY 2023 and medium-term targets reiterated

Our FY22 Group results are in line with FY22 guidance for adjusted EBITDAaL margin and RFCF, and we slightly exceeded our guidance for Revenue (ex. pass through). Our medium-term targets remain unchanged.

Group Measure	FY22 guidance	FY22 results	FY23 guidance	Medium-term Targets[5]
Tenancy Ratio		1.44x		>1.50x
Revenue (ex. pass through)	€995m-€1,010m	€1,011m	3.0%-5.0% YoY	Mid-single digit CAGR
Adj. EBITDAaL	EBITDAaL margin broadly stable	€543m (54%)	€550m-€570m	High 50s percentage margin (based on Revenue (ex. pass through)
Recurring free cash flow (RFCF)	€405m-€415m	€415m	€405m-€425m	Mid to high single digit CAGR
Net Financial Debt to Adjusted EBITDAaL		3.5x		Flexibility to exceed for growth investment
Net Financial Debt		€1,896m		>€1bn leverage capacity[6]

We expect to continue to drive forward the commercialisation of our business in FY23. Whilst leveraging on our strong infrastructure network, we will focus on the execution of our BTS programme and attracting incremental third-party tenants. We expect Group revenue (ex. pass-through) to increase in the range of 3.0% to 5.0% YoY and reaffirm our medium-term guidance at mid-single digit revenue growth.

In FY23, we will further invest €10-15m in our business, incurring costs to facilitate 1&1's access on our existing sites, accelerate the ramp up of our BTS programme and build out our supporting teams, all ahead of the corresponding revenue contribution from FY24.

Therefore, we expect Adjusted EBITDAaL between €550m to €570m in FY23. The Group's expectation, which is to achieve an adjusted EBITDAaL margin in the medium-term in the high fifties per cent through operating leverage and optimisation initiatives, remains unchanged.

The Group continues to generate strong cash flows with Recurring Free Cash Flow (RFCF) expected to be in the range of €405m to €425m in FY23. In the medium-term, we expect RFCF growth rate to be mid-to high-single-digit, in line with our previous medium-term guidance.

---

1. The non-IFRS measures presented in this release are defined and reconciled on pages 7-9.

2. The pro forma financial information has been extracted from the Annual Report for the year ended March 31 2021.

3. For the purposes of the Unaudited Pro Forma Financial Information in FY21, "cash cost of leases" has been calculated as the sum of depreciation on lease-related right-of-use assets and interest on lease liabilities that were incurred by the Group on a pro forma basis, excluding the 10m EUR non-cash increase for the pro forma period from the reassessment of the IFRS 16 lease liability performed during the twelve months ended 31 March 2021.

4. In Neutral Host projects we incur the costs of providing passive and active infrastructure in establishing a multi-operator DAS and Small Cell site.

5. Medium-term guidance is stated relative to FY21PF; excluding INWIT and Cornerstone.

6. Assuming capacity to invest in organic or inorganic opportunities up to leverage of 5.5x Net Financial Debt / Adj. EBITDAaL to maintain investment grade rating

APPENDIX

Pro forma Financial Results

The consolidated financial performance for FY21 only reflects results from the date operations were acquired by the Group during FY21. i.e. the results relating to the tower business in Germany following its hive-down on 25 May 2020 and the results of other Vantage operations from the date of their acquisition on 17 December 2020, except Vantage Greece and CTIL, which were acquired on 22 December 2020 and 14 January 2021 respectively. Management does not consider it appropriate to consolidate financial information for its operational units prior to their acquisition.

Accordingly, in this section we have presented pro forma FY21 financial information alongside the FY22 consolidated financial information in order to show a like for like comparison between the FY21 pro forma figures and our performance in FY22. The comparative proforma information is taken from the Vantage Towers Annual for the year ended 31 March 2021, where we published updated pro forma financial information that illustrated the performance of Vantage Towers as if the business combination and IPO had occurred as at 1 April 2019 for FY21.

The comparative Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and does not purport to be indicative of the results of the Company, its consolidated subsidiaries and its equity accounted investments in INWIT and Cornerstone had the business combination and IPO occurred on 1 April 2019.

Consolidated Vantage Towers (EUR m)	Pro forma FY21 (Unaudited)	Consolidated FY22 (Unaudited)
Revenue (ex. pass through)	966	1,011
Capex recharge revenue	4	12
Revenue	970	1,023
Maintenance costs	(37)	(46)
Staff costs	(40)	(45)
Other operating expenses	(63)	(66)
Adj. EBITDA	830	865
margin	86%	86%
Capex recharge revenue	(4)	(12)
Ground lease expense	(302)	(310)
Adj. EBITDAaL	524	543
margin	54%	54%

Consolidated Vantage Towers (EUR m)	Pro forma FY21 (Unaudited)	Consolidated FY22 (Unaudited)
Adj. EBITDA	**830**	**865**
Capex recharge revenue	(4)	(12)
Cash cost of leases	(292)	(293)
Maintenance capex	(36)	(29)
Recurring OpFCF	**498**	**531**
(+/-) Change in Operating Working Capital	n/r	(14)
(–) Tax paid	(98)	(92)
(–) Interest	(16)	(10)
Recurring free cash flow (RFCF)	**384**	**415**

For the purposes of the Unaudited Pro Forma Financial Information in FY21, "cash cost of leases" has been calculated as the sum of depreciation on lease-related right-of-use assets and interest on lease liabilities that were incurred by the Group on a pro forma basis, excluding the 10m EUR non-cash increase for the pro forma period from the reassessment of the IFRS 16 lease liability performed during the twelve months ended 31 March 2021.

For the purposes of the FY21 pro forma reconciliation, net tax paid on a pro forma basis is calculated taking into account current taxes as well as prepayments to tax authorities in Germany, as no pro forma cash flow statement has been produced. Amounts disclosed for FY22 are calculated based on cash payments made. Accordingly, amounts disclosed for this measure in each period are not strictly comparable and are provided for illustrative purposes only.

For the purposes of the FY21 pro forma reconciliation, the pro forma interest paid, excluding interest paid on lease liabilities has been used as a proxy for cash paid as no pro forma cash flow statement has been produced. Amounts disclosed for FY22 are calculated based on cash payments made. Accordingly, amounts disclosed for this measure in each period are not strictly comparable and are provided for illustrative purposes only.

Alternative Performance Measures

The Group presents financial measures, ratios and adjustments that are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles on a consolidated basis ("**Non-IFRS Measures**") and on a pro forma basis ("**Alternative Performance Measures**" or "**APMs**").

These Non-IFRS Measures on a consolidated basis and Alternative Performance Measures on a pro forma basis should not be considered as an alternative to the consolidated financial results or other indicators of the Group's performance based on IFRS measures. They should not be considered as alternatives to earnings after tax or net profit as indicators of the Group's performance or profitability or as alternatives to cash flows from operating, investing, or financing activities as an indicator of the Group's liquidity. The Non-IFRS Measures on a combined basis and Alternative Performance Measures on a pro forma basis, as defined by the Group, may not be comparable to similarly titled measures as presented by other companies due to differences in the way the Group's Non-IFRS Measures on a combined basis and Alternative Performance Measures on a pro forma basis are calculated. Even though the Non-IFRS Measures on a consolidated basis and Alternative Performance Measures on a pro forma basis are used by management to assess ongoing operating performance and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of the Group's results or cash flows as reported under IFRS

Definitions

Measure	Definition	Relevance of its Use
Adjusted EBITDA	Adjusted EBITDA is operating profit before depreciation on lease-related right of use assets, depreciation, amortization, and gains/losses on disposal for fixed assets, share of results of equity accounted joint ventures, 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.	Management uses Adjusted EBITDA to assess and compare the underlying profitability of the company before charges relating to capital investment, capital structure, tax, and leases. The measure is used as a reference point for cross-industry valuation.
Adjusted EBITDAaL	Adjusted EBITDAaL is Adjusted EBITDA less recharged capital expenditure revenue, and after depreciation on lease-related right of use assets and deduction of interest on lease liabilities. Recharged capital expenditure revenue represents direct recharges to Vodafone of capital expenditure in connection with upgrades to existing sites.	Management uses Adjusted EBITDAaL as a measure of underlying profitability to support the capital investment and capital structure of the Company after the cost of leases, which represent a significant cost for Vantage Towers and its peers. The measure is also used as a reference point for valuation purposes across the broader telecommunication sector.
Adjusted EBITDAaL margin	Adjusted EBITDAaL margin is Adjusted EBITDAaL divided by revenue excluding recharged capital expenditure revenue.	Management uses Adjusted EBITDAaL margin as a key measure of Vantage Towers' profitability and as a means to track the efficiency of the business.
Recurring Operating Free Cash Flow	Recurring Operating Free Cash Flow is Adjusted EBITDAaL plus depreciation on lease-related right of use assets and interest on lease liabilities, less cash lease costs and Maintenance capital expenditure. On a pro forma basis cash lease costs are calculated based on the sum of depreciation on lease-related right of use assets and interest on lease liabilities that were incurred by the Group excluding the effects from lease reassessment of the IFRS 16 lease liability and	Management uses Recurring Operating Free Cash Flow as a measure of the underlying cashflow available to support the capital investment and capital structure of the Company.

	right of use asset on the sum of the associated depreciation on lease-related right of use assets and interest on lease liabilities, which have a non-cash impact in the respective period. 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 (“**maintenance capital expenditure**”).	
Recurring Free Cash Flow	Recurring Free Cash Flow is Recurring Operating Free Cash Flow less tax paid and interest paid and adjusted for changes in operating working capital.	Management uses Recurring Free Cash Flow to assess and compare the underlying cash flow available to shareholders, which could be distributed or reinvested in Vantage Towers for growth as well as reference point for cross industry valuation
Cash Conversion	Cash Conversion is defined as Recurring Operating Free Cash Flow divided by Adjusted EBITDAaL.	Management uses Cash Conversion to assess and compare the capital intensity and efficiency of Vantage Towers.
Net Financial Debt	Net Financial Debt is defined as long-term borrowings, short-term borrowings, borrowings from Vodafone Group companies and mark-to-market adjustments, less cash and cash equivalents and short-term investments and excluding lease liabilities.	Management uses Net Financial Debt to assess the capital structure of Vantage Towers without including the impact of lease liabilities which typically have different types of rights to financial debt and can be impacted by the Company’s accounting policies.

Reconciliations of APMs

Adjusted EBITDA

The table below sets forth the reconciliation of the Group’s non-IFRS metrics Adjusted EBITDA on a consolidated basis to profit before tax in the consolidated income statements for the periods indicated.

	Pro forma FY21	Consolidated FY22
Profit before tax	**372**	**466**
Interest on lease liabilities	55	53
Net financial costs	16	14
Other non-operating expenses	45	5
Operating Profit	**488**	**537**
Share of results of equity accounted joint ventures	(13)	(30)
Amortisation of intangibles	2	13
Depreciation on property, plant & equipment	105	85
Depreciation on lease related rights of use assets	247	258
Gain/loss on disposal of property, plant & equipment	1	1
One-off and other items	0	2
Adjusted EBITDA	**830**	**865**

Adjusted EBITDAaL

The table below sets forth the reconciliation of the Group's non-IFRS metrics Adjusted EBITDAaL on a consolidated basis to profit before tax in the consolidated income statements for the periods indicated.

	Pro forma FY21	Consolidated FY22
Profit before tax	**372**	**466**
Net financial costs	16	14
Other non-operating expenses	45	5
Share of results of equity accounted joint ventures	(13)	(30)
Amortisation of intangibles	2	13
Depreciation on property, plant & equipment	105	85
Recharged capital expenditure revenue	(4)	(12)
Gain/loss on disposal of property, plant & equipment	0	1
One-off and other items	0	2
Adjusted EBITDAaL	**524**	**543**

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 Adjusted EBITDA periods indicated.

	Pro forma FY21	Consolidated FY22
Adjusted EBITDA	**830**	**865**
Recharged capital expenditure revenue	(4)	(12)
Cash cost of leases	(292)(i)	(293)
Maintenance capex	(36)	(29)
Recurring Operating Free Cash Flow	**498**	**531**
Net Tax paid	(98)	(92)
Interest Paid (excluding interest paid on lease liabilities)	(16)	(10)
Changes in operating working capital		(14)
Recurring Free Cash Flow	**384**	**415**

(i) For the purposes of the Unaudited Pro Forma Financial Information in FY21, "cash cost of leases" has been calculated as the sum of depreciation on lease-related right-of-use assets and interest on lease liabilities that were incurred by the Group on a pro forma basis, excluding the 10m EUR non-cash increase for the pro forma period from the reassessment of the IFRS 16 lease liability performed during the twelve months ended 31 March 2021

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 at 31 March 2021 and 31 March 2022.

	As at 31 March 2021	As at 31 March 2022
Bonds	**(2,187)**	**(2.189)**
Cash and cash equivalent	22	22
Cash deposits held with related parties	165	272
Mark to Market derivative financial instruments	(1)	(1)
Net Financial debt	**(2,001)**	**(1,896)**

Glossary

"Active Equipment"	The customers' equipment used to receive and transmit mobile network signals.
"BTS"	Build-to-suit arrangements which corresponds to committed new build site programs and related services that have been contracted.
"Company"	Vantage Towers AG
"Consolidated Vantage Towers"	The European tower infrastructure business in Germany, Spain, Greece, Portugal, Romania, Czech Republic, Hungary, and Ireland in which Vantage Towers has a controlling interest.
"Cornerstone"	Cornerstone Telecommunications Infrastructure Limited
"DAS"	Distributed Antennae System
"ECC"	Electronic Communication Code
"FY21"	Financial year ended 31 March 2021
"FY22"	Financial year ended 31 March 2022
"FY23"	Financial year ending 31 March 2023
"FY24"	Financial year ending 31 March 2024
"FY26"	Financial year ending 31 March 2026
"FY21PF"	Pro forma for the year ended 31 March 2021
"GLBO Programme"	Ground Lease Buy Out Programme
"INWIT"	Infrastrutture Wireless Italiane S.p.A
"Macro sites"	The physical infrastructure, either ground-based ("Ground Based Tower" or "GBT") or located on a building ("Rooftop Tower" or "RTT") where communications equipment is placed to create a cell in a mobile network including streetworks and long-term mobile sites.
"Maintenance capital expenditure"	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.
"MSA"	Master services agreement
"Passive Infrastructure"	An installation comprising a set of different elements located at a Site and used to provide support to the Active Equipment.
"PPDR"	Public Protection Disaster Relief
"Site"	The Passive Infrastructure on which Active Equipment is mounted as well as its physical location.

"Tenancy ratio"	The total number of tenancies of Vantage Towers divided by the total number of Macro sites.
"TowerCo"	Tower Companies

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 March 31, 2023, medium-term targets, new site builds, tenancy targets and the tenancy pipeline; Vantage Towers' working capital, capital structure and dividend policy; 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.