

**VANTAGE
TOWERS**

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Annual Report 2021/22

**Powering Europe's
digital transformation**

Key data

Vantage Towers

Financial results summary

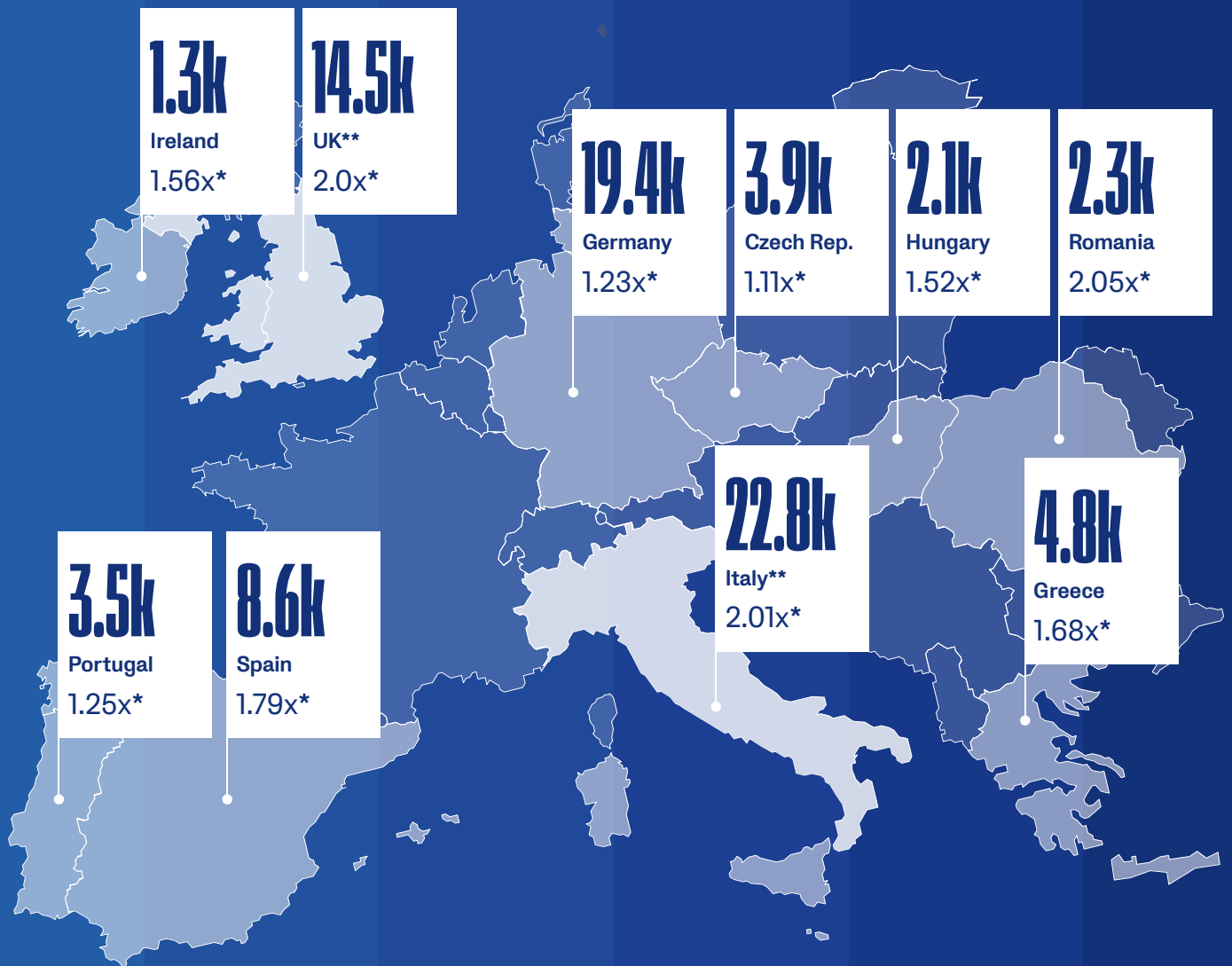
	FY22 €m	FY21PF €m	Change %
Macro sites (in thousand units) ¹	45.7	45.7	–
Tenancy ratio (number of tenancies/ number of macro sites)	1.44x	1.40x	–
Group revenue (ex. pass through)	1,011	966	4.6
Adj. EBITDA	865	830	4.2
Adj. EBITDA margin	85%	86%	–
Capex recharge revenue	(12)	(4)	n/a
Ground lease expense	(310)	(302)	(2.7)
Adj. EBITDAaL	543	524	3.6
Adj. EBITDAaL margin	54%	54%	–
Recurring free cash flow (RFCF)	415	384	8.0
Leverage (net debt/adjusted EBITDAaL)	3.5x	3.8x	n/a

¹ Excluding co-controlled joint ventures INWIT in Italy and Cornerstone in UK.

FY 2022 Highlights

- Successful commercialisation of our tower footprint continues:
 - In FY 2022, we added 1,680 net new tenancies in total across our footprint with more than 840 non-committed and 1,670 non-VF net additions, increasing the tenancy ratio by 0.04x year-on-year (YOY) to 1.44x
 - We increased our commercial footprint with the landmark agreement signed with l&l in December 2021 and further agreements across our markets
- Macro site ramp up further progressed with more than 510 new macro sites in FY 2022
- FY 2022 results in line with our FY 2022 guidance:
 - Group Revenue (ex. pass through) at €1,011 million, a 4.6% year-on-year (YOY)
 - Adj. EBITDAaL at €543 million (+3.6% YOY) and EBITDAaL margin of 54%
 - RFCF increased by 8.0% YOY to €415 million
- We intend to propose a dividend of €0.63 per share, a total of approximately €319 million 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
- We announce our FY 2023 guidance as follows whilst reaffirming our medium-term targets: Revenue (ex. pass through) growth of 3.0–5.0% YOY; Adj. EBITDAaL €550 to €570 million and RFCF of €405 to €425 million

With 83k 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: Italy and UK

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.

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Letter from our CEO

Dear Shareholders,

For more than a year now, the shares of our company have been listed on the Frankfurt Stock Exchange and I am very happy to present our second annual report as a public company to you today. Thanks to our great team we delivered on our financial guidance and our commercial strategy while the COVID-19 pandemic continues to impact our work lives and the businesses across the globe.

I am also proud that since September 2021, our shares have been included in both the MDAX and the TecDAX, a recognition that reflects the capital market's confidence in Vantage Towers' business development and our strong future prospects. Added to this, the inclusion in the FTSE global equities mid-cap index and the STOXX Europe 600 underpins our role as a Pan-European company in the international context.

This year's annual report shows a strong set of results: In FY 2022, we recorded revenue (ex. pass through) of €1,011 million – an increase of 4.6% compared to last year with revenue growth accelerating in Q3 and Q4. This is slightly above our guidance of €995 to €1,010 million. In line with our guidance, our EBITDAaI margin of 54% is broadly stable compared to the prior year figure, while Recurring Free Cash Flow increased by 8.0% YOY to €415 million in FY 2022, reaching the top end of our FY 2022 guidance range (€405 to €415 million).

Our shareholders should benefit from our strong financial performance. Therefore, we will propose a dividend of €0.63 per share to the Annual General Meeting which will take place in July. Our dividend proposal represents an increase of 12.5% compared to last year and corresponds to our policy of distributing 60% of the sum of the Recurring Free Cash Flow and dividends received from INWIT and Cornerstone to our shareholders.

Our financial performance in FY 2022 is the outcome of our strong business development. Across our footprint, the commercialisation of our tower portfolio progressed, lifting our tenancy ratio and revenue visibility in the medium-term. Thanks to our high-quality grid and powerful value propositions, we have secured significant additional tenancies – especially in the second half of the financial year. With around 1,680 net new tenancies resulting in a tenancy ratio of 1.44x at year-end, we are well on track towards our medium-term target of >1.5x tenants per site.

I am especially proud of the landmark agreement we signed with 1&1 Mobilfunk GmbH (1&1) in Germany. The new partnership is an important milestone for organic growth in our largest market. We are delighted to be supporting 1&1 in the rapid roll-out of 5G and to be a key player in the sustainable digital transformation of Europe. The agreement covers at least 3,800 and potentially up to 5,000 existing sites throughout Germany for the next 20 years. On top of this, we signed

**“For the coming year,
we will focus on further
investing and accelerating
our business – in what
remains a challenging
operational environment.”**



additional partnership agreements across our markets, thus significantly enhancing our commercial capabilities across Europe.

Our tower portfolio currently includes more than 83,000 macro sites across ten European markets. Whilst the new build programme accelerated in the second half of the financial year 2022 (H2 FY22) 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. As for our programme to optimise ground lease costs by way of buyout or right-of-use, we have made further progress with circa 630 signed contracts across our European footprint since inception and another circa 450 commitments in the pipeline.

Additionally, we are seeing good momentum in acquiring Other Than Mobile Network Operators (non-MNO) tenancies, as demonstrated by the following examples: In Hungary, we signed a new agreement with the Long-Range Wide Area Network operator, LiteNet, while we will support 450Connect in Germany with the digitisation of the energy and water industry. Furthermore, we have signed a 5-year agreement with the digital infrastructure provider České Radiokomunikace in the Czech Republic.

Overall, we continue to drive innovative solutions for green energy generation – one of the cornerstones of our ESG strategy. In this respect, we joined forces with the wind energy start-up MOWEA in January 2022 to generate green energy by installing around 750 micro wind turbines on 52 of our German towers in the context of an extended pilot project. Under average wind conditions, the green energy generated on-site will cover 100% of the respective towers' energy requirements. Already in the summer 2021, we reached a first major green milestone: since then, all the electricity Vantage Towers uses to operate its infrastructure is procured from renewable energy resources such as wind, solar or hydropower. This fits into our overall strategy to drive a sustainable digitalisation in Europe and to support our partners through technological innovation in decarbonization and achieving their climate goals.

So, what is next? Europe's digital transformation is accelerating. Mobile data traffic continues to grow rapidly. This is driven by both the rising number of smartphone subscriptions and an increasing average data volume per subscription fuelled by more video content and higher

5G penetration. Vantage Towers is an integral part of this exciting market development. As a neutral 5G superhost we are a key enabler of the 5G roll-out. Mobile operators are expanding their networks to manage increasing data traffic, and they value the quality of our grid.

The war in Ukraine is leading to increased geopolitical risks and further challenges global supply chains, which are expected to impact the world economy. Our thoughts are with all of those affected by the war as we take action to support Ukraine. Our markets Romania and Hungary have a common border with Ukraine and Czech Republic is nearby. We are proud to see that many of our employees engage personally and dedicate what they can to help refugees. We are flexible to offer special leaves for this charity work and support local and international charities.

Going forward, we will drive growth by leveraging our strong infrastructure network and continuing to commercialize our business. Moreover, we believe we have the strengths to play an active part in tower consolidation across Europe. For FY 2023 and beyond, we have set ourselves financial targets: We expect revenue (ex. pass-through) to increase by 3.0% to 5.0% YOY. The positive trend is expected to deliver mid-single-digit revenue growth in the medium-term. With regard to earnings, we anticipate an adjusted EBITDAaL of €550 to €570 million. Over the medium-term, we expect the EBITDAaL margin to be in the high 50 percent range. In addition, we anticipate a RFCF in the range of €405 to €425 million for the full year and confirm our medium-term Compound Annual Growth Rate for RFCF in the mid to high single-digits.

It has been a strong first year as a public listed company and together, we are making a significant contribution to better connectivity and the sustainable digitisation of Europe. We highly appreciate the exchange with you and will continue to deliver on our targets. I am deeply grateful for your continued support, and confidence in us, for the partnering relationship we have with our customers, and for the initiative, drive, and passion of our Vantage Towers team.

Sincerely,



Vivek Badrinath

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

CHIEF EXECUTIVE OFFICER

Vivek Badrinath

- 26 years industry experience
- Management Board Member and 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)

CHIEF FINANCIAL OFFICER

Thomas Reisten

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



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



Well-balanced portfolio
of macro sites:

35%

ground-based towers

65%

rooftop towers

Your 5G superhost for Europe

People and businesses across Europe need more and better connectivity. With a network of c.83,000 towers across ten countries, a next-generation sharing model and a suite of services, we are powering digitisation in Europe.

Since our launch in 2020, we have made great progress. Now listed on the Frankfurt Stock Exchange, we have positioned ourselves as a leader in the competitive, fast-paced tower market. With our next-generation portfolio of assets and clear vision for the future, we're taking large strides towards becoming Europe's 5G superhost.

As densification and coverage expectations across Europe continue to grow, MNOs can rely on the critical infrastructure our portfolio delivers. No matter if it's about more capacity, more coverage, or both – we help our customers grow their business.

Our assets range from ultra-reliable, far-reaching macro sites to fast-install, flexible urban solutions for vital boosts to localised connectivity. We use these assets as efficiently as possible, allowing our customers to collocate across the same infrastructure. This shared tenancy model enables more efficient expansion, a minimised footprint and more sustainable operations.

We have embedded an ESG mindset in the foundations of our culture and organisation. "People" and "Planet" are at the core of our corporate strategy supported by a "Performance" culture and a robust and balanced governance. With this holistic approach, we can maximise the positive impact we create with our strong infrastructure to enable a sustainable digital society. Find out more in our success stories on the following pages.



Performance

→
See page 12



Planet

→
See page 14



People

→
See page 16

Performance

Performance is at the heart of our culture. We are focused on growing our business – by increasing revenues, by becoming more efficient every day, and by organic and inorganic growth. By helping our customers deploy their networks in a sustainable way, we are on our way to become Europe's 5G superhost. At the same time, we are committed to achieving best-in-class operational efficiency. Our focus is on reducing costs for leases, maintenance, and energy.

Across our footprint, the commercialisation of our tower portfolio progressed in the financial year, lifting our tenancy ratio and revenue visibility. A few examples can be found on these pages.

Up to 5,000 sites for 1&1's new 5G network

Our tower infrastructure is supporting the fast roll-out of 5G in Germany and a sustainable digital transformation in Europe. In December 2021 we signed a landmark agreement with **1&1** for the provision of passive infrastructure to build Germany's fourth mobile network. This is the start of a long-term partnership for growth in Vantage Towers' largest market. 1&1 will get access to at least 3,800 and potentially up to 5,000 existing tower sites throughout Germany for the next 20 years. Primarily, the agreement comprises co-locations on a mix of rooftop towers and ground-based infrastructure.

The agreement with 1&1 underpins our confidence to reach the upper end of our medium-term targets – in particular, the Company's mid-term tenancy ratio target of >1.5x is now highly secured.

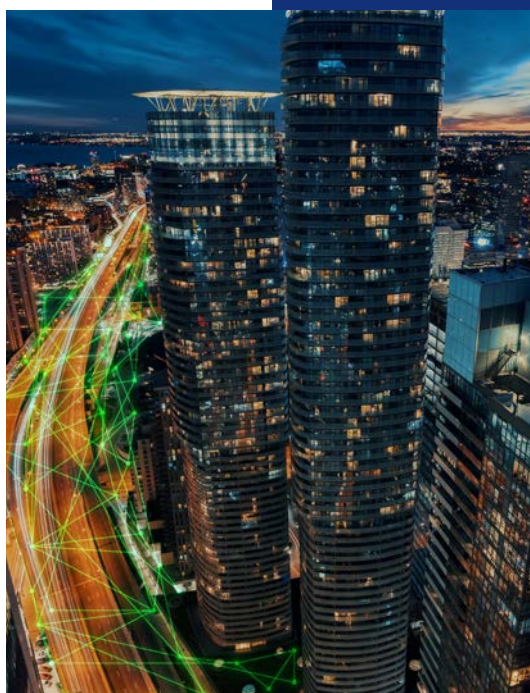
Infrastructure for crisis-proof communication

450connect GmbH is currently building and will operate a fail-safe platform for the digitalisation of critical infrastructures in Germany. We agreed on a long-term strategic partnership with 450connect on the use of our Germany-wide tower infrastructure over the next 15 years. The radio network exclusively uses the 450 MHz frequency and will enable the digitalisation of – and boost sustainability in – Germany's energy, water and other critical industries.

An emergency power supply will ensure that the mobile network continues to function for at least 72 hours even in the event of a power failure, guaranteeing secure and high availability communications. The network will also enable the integration of the smart metering and smart grid applications for renewable energies that are so essential to the success of the German energy industry's transformation.

Wireless communication for smart cities

Converting outdoor lighting as a wireless communication and citizen service platform will facilitate a wide range of smart city applications such as surveillance, traffic management, weather and pollution monitoring and charging of electronic vehicles. In this respect, we are cooperating with **Signify**, the world leader in lighting, since December 2021. Together, we intend to deploy commercial projects based on the creation of a fiber-like wireless network which can be replicated at large scale. This enables building neutral host networks to cater for the rising demand for connectivity in dense urban and rural environments.





We aim at reducing our total
global carbon emissions to

'net zero'

by 2040

Planet

As a Group with operations in ten countries, we are determined to maximise our positive impact and to minimise any negative consequences of our actions. We seek to enhance Europe's resilience by enabling mobile coverage and connectivity. Operating our infrastructure requires energy – the less, the better. That is why energy innovation is a strategic priority for us. We look into every technical detail in order to use energy in the most efficient way. Beyond that we aim to increase tenancy ratios which avoids new construction and reduces CO₂ emissions.

Here are two examples how we are making significant steps towards reducing total global carbon emissions to 'net zero' by 2040.

Renewable energy on site

In January 2022 we agreed on a strategic partnership with Berlin-based wind energy startup **MOWEA**. We are joining forces to generate green energy by installing around 752 micro wind turbines on 52 of our towers. Under average wind conditions, the green energy generated on-site will cover 100% of the towers' energy requirements. The power generation capacity of this extended pilot project is associated with a power generation capacity of up to 650 MWh and an annual reduction in CO₂ emissions of up to 239 tonnes compared to the German power mix.

MOWEA's wind energy systems have a modular and flexible design that can be adapted to tower energy requirements. MOWEA uses standardised wind turbines with communication interfaces for smart remote maintenance and control, an algorithm to maximise performance, integrated brakes for higher levels of safety, and seamless connectivity to standard battery and energy management systems.

“We continue to drive innovative green energy generation solutions – one of the cornerstones of the company’s ESG strategy.”

Vivek Badrinath CEO of Vantage Towers AG



100% green energy

Since summer 2021, 100% of the electricity that Vantage Towers uses to operate its infrastructure is procured from renewable energy resources such as wind, solar or hydro-power. This was a major milestone on our mission to build a connected and sustainable Europe on the environment. Switching to green energy supports both our core business and the communities in which we operate.

Even better than green electricity is less electricity. We are permanently working on the reduction of the overall resource consumption and increasing the energy efficiency of our operations. Especially, measures in the networks such as the installation of new technology or the shutdown of old systems reduce electricity consumption enormously.



41%

of our employees
are women

People

Our employees are what makes us a unique company. Our culture is characterized by engaged and diverse teams, open dialogue, an empowering leadership and growth opportunities for everyone. Furthermore, we support our people with health and safety practices and with best-in-class systems and tools. Our management approach is guided by the principles laid out in our Code of Conduct which is leading in our sector.

A culture that empowers

For all employees, we aim to create an inclusive environment where everyone feels respected, valued and confident that they truly belong here. In addition, we are striving to develop our engaged and diverse team with an optimal talent mix within our lean and flat organisation. We foster the type of culture that truly empowers our people: we favour entrepreneurial, collaborative and sustainability-conscious thinking; we are open to change and adopt a borderless mindset; we know that, as our business grows and develops, so too will our people's careers and levels of personal fulfilment. Our people are responsible for our success. They are the ones who bring our strategy to life throughout Europe.

Safety first

Building, inspecting, operating, and maintaining our sites is a complex task. We protect the health, safety, and wellbeing of all people connected with us – our employees, but also our customers, partners, and people who live in the communities in which we operate. We understand that health, safety, and wellbeing are the most important assets we must protect. Being healthy and safe is key to living a fulfilling life – we therefore take safety extremely seriously as a company. Our Absolute Rules for Safety are a key priority and are embedded in everything we do. We comply with all international and local regulations and ensure transparency when communicating with our stakeholders.

33

nationalities build
our diverse culture

Diversity that drives growth

One company, 33 nationalities and 41% women. We pursue equality of opportunity and inclusion for all employees by recognising and celebrating diversity. We are committed to creating a work environment that treats all employees with appreciation and dignity. We base all our relationships on respect for individuals and their human rights. We do not tolerate any form of discrimination. Creating a work environment open to people of any age, religion, sexuality, culture, gender, or language helps us bring together a mix of personalities and skills that generates great ideas, drives innovation, and builds great stakeholder relationships. We firmly believe that diversity is a real driver of growth. As an agile-minded new company, and one built on the foundations of a world-leading telecommunications company, we combine an ingrained level of expertise and experience with an ambition to develop impactful, sustainable new solutions. These qualities enable us to overcome the challenges of our changing world. As such, we're building a diverse team of brilliant thinkers, managers and engineers – creating an optimal talent mix for positively transforming the future.

The Vantage Towers Share

- Share price up 33.7%¹ compared to the previous year indicating a significant outperformance of benchmark indices
- Inclusion in the MDAX, TecDAX, STOXX Europe 600 and FTSE global equities mid-cap indices – improving the visibility and profile of our shares
- FY 2022 dividend proposal: €0.63 per share
- Broad coverage by major financial analysts

Strong share price development and outperformance to equity benchmark indices

The share price of Vantage Towers has developed very positively since its listing and outperformed major equity benchmark indices in the reporting period. The Xetra closing price of the Vantage Towers shares on 31 March 2022 was €32.22, an increase of 33.7% compared to the previous year. In the same period, the benchmark indices MDAX and TecDAX declined by 3.4% and 4.1% respectively.

The significant share price increase has been underpinned by the Company's business development since its IPO delivering on financial targets in FY 2022 while continuing the commercial momentum with increased tenancies as well as new partnerships and customers. In addition, Vantage Towers has also benefitted from the inclusion of its shares in several indices such as MDAX, TecDAX, STOXX Europe 600, and FTSE global equities mid-cap, improving the visibility and profile of the Company on the international equity markets.

Key share data

Class of shares	Registered shares
Ticker symbol	VTWR
WKN	A3H 3LL
ISIN	DE000A3H3LL2
Market segment	Regulated Market of the Frankfurt Stock Exchange (Prime Standard)
Number of shares outstanding	505,782,265
Market capitalisation on 31/03/2022	€16.3 bn
Free float	18.3%

¹ Share price development from 31 March 2021 to 31 March 2022

Inclusion of Vantage Towers AG in the selection indices of Deutsche Börse and FTSE

On 20 September 2021, Vantage Towers AG moved up from the SDAX to the MDAX and was included in the TecDAX. The MDAX inclusion places Vantage Towers AG among the 90 largest listed companies by free-float market capitalisation in Germany, while the concurrent admission to the TecDAX positions the Company among the 30 largest listed German technology companies. Moreover, Vantage Towers was admitted to the FTSE global equities mid-cap index on the same day. Effective as of 18 March 2022, the anniversary of the IPO, Vantage Towers has been included in the STOXX Europe 600, representing mid- to large- capitalization companies across 17 countries in Europe.

Dividend policy and dividend proposal for FY 2022

With respect to the distribution of profits and available funds, Vantage Towers aims to distribute an attractive dividend to its shareholders. The targeted payout-ratio amounts to 60% of the sum of the recurring free cash flow and dividends received from INWIT and Cornerstone.

On 28 July 2022, Vantage Towers AG will hold its Annual General Meeting for the financial year 2022. The Supervisory Board and Management Board intend to propose a dividend of €0.63 per share to the shareholders. Given a number of 505,782,265 shares, this will sum up in a total dividend payment for the financial year 2022 amounting to around €319 million.

Communication with the capital markets

In line with our corporate philosophy, we aim to maintain a reliable and transparent dialogue with the capital markets. In the financial year 2022, Vantage Towers published quarterly earnings releases and accompanying financial information in addition to its regulatory news in order to provide a comprehensive picture of its activities. Furthermore, the company participated in different investor conferences and maintained a regular contact with financial analysts from various financial institutions. Our shares are currently covered by 16 equity analysts – for more information see www.vantagetowers.com/en/investors/analyst-coverage.

Comprehensive information for shareholders is available in the Investor Relations section of our company website www.vantagetowers.com/en/investors, where you can find our presentations, transcripts, recorded video webcasts, financial calendar, and contact information.

Report of the Supervisory Board

Dear Shareholders,

The first full financial year ending 31 March 2022 (FY22) was both exciting and successful for **Vantage Towers AG**. One of the special milestones in the past financial year was the first Annual General Meeting (AGM) as a listed company in July 2021. Although it had to take place in a virtual format due to the pandemic, it was a success. Soon after the AGM the relevance of the Company was once again underlined by its inclusion in further indices just three months after its admission to the SDAX index. A promotion to the MDAX and inclusion to TecDAX and FTSE global equities mid-cap indices took place in September 2021, and in March 2022, the Company was admitted to the STOXX Europe 600. The Company strengthened its business performance again in the financial year just ended, particularly by entering into a landmark agreement with 1&1 Mobilfunk GmbH which will facilitate future, organic growth in its largest market Germany.

As a leading tower infrastructure company in Europe connecting people, businesses and devices, Vantage Towers is playing a central role in the Europe-wide digital transformation and making a significant contribution to better connectivity in Europe.

The Supervisory Board continues to focus its efforts on supporting the Management Board's business vision and is working closely with the management team to facilitate its operational implementation. This applies, in particular, to the Management Board's strategic goals and the efforts to build high-quality and robust networks.

As in the previous financial year the Supervisory Board had a diverse composition thanks to the varied experience of its members. Their collective expertise extends from the tower business and market environment to financial and human resources management, and technology and IT business management. At the same time the Supervisory Board has the necessary legal acumen to perform its oversight function. The Supervisory Board's specialist know-how is complemented by a diversified and international line-up, as well as 37.5% female participation following Barbara Cavaleri's resignation. The Supervisory Board intends to increase the proportion again up to 44% of women with its election proposal for the successor to Barbara Cavaleri to the AGM.

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 in the Company's second financial year and first year as a listed company. I would also especially like to thank Barbara Cavaleri, who resigned from the Supervisory Board with effect from 16 February 2022, for her work as a member of the Supervisory Board and as a member of the Company's Audit, Risk, and Compliance Committee.

The Supervisory Board is confident that we are on the trajectory towards sustainable growth and making a significant contribution to a better connected Europe. The following section contains the detailed report of the Supervisory Board on its activities in FY22.

The Supervisory Board in FY22

The Vantage Towers Supervisory Board is composed of nine members, all of whom are elected by the Annual General Meeting. It currently has eight members due to the fact that Barbara Cavaleri resigned from the Supervisory Board with effect from 16 February 2022.

In the period under review the Supervisory Board performed the duties assigned to it 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. The Supervisory Board and the Management Board additionally remained in regular contact, both within and outside the framework of Supervisory Board meetings. During these interactions, among other things, detailed reports were shared, explanations were provided, and timely updates on the Company's current and long-term business development were provided. One focus of the regular reporting was the landmark agreement with 1&1 Mobilfunk GmbH on access to at least 3,800 and potentially up to 5,000 sites, which was entered into on 9 December 2021 and represents a significant new customer for the Company in its largest market. The meetings of the Supervisory Board and the committees were thoroughly prepared and followed up by the Management Board and the Supervisory Board, and discussed beforehand and afterwards between members of the Supervisory Board. A secure electronic platform is available to members of the Supervisory Board for drafts, documents, and comments.



Prof. Dr. Rüdiger Grube
Chairman

The Management Board furthermore informed the Supervisory Board about the state of the business operations (including the economic situation), the strategy and business policy, the business plan, and the profitability of the Company and the Vantage Towers Group.

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.

Agenda items of the Supervisory Board and its committees

In the reporting period from 1 April 2021 to 31 March 2022 the Supervisory Board held ten meetings: It also passed resolutions outside meetings by way of circulation. All meetings were held in video conference format as a result of the COVID-19 pandemic.

Important topics of the Supervisory Board's consultations were the strategic direction to be taken by the Company, the annual and interim financial statements, and specific significant matters. Proposed resolutions were reviewed and discussed in depth.

Particular focus was given to the German roll-out program due to the size of its BTS program and overall importance for the business.

Meetings and decisions of the entire Supervisory Board

- In its first meeting in FY22 on **6 May 2021** the Supervisory Board dealt with the business plan for FY22, which it approved following a detailed explanation by the Management Board and a lengthy discussion. The Company's preliminary financial results were also presented to the Supervisory Board and discussed in depth in the meeting of 6 May 2021. In connection

with Management Board remuneration for the financial year 2021 (**FY21**), which ended on 31 March 2021, the Supervisory Board discussed the achievement of the Management Board's short-term and long-term targets and established the amount of variable remuneration to be paid to each member of the Management Board on the basis of the extent to which their targets had been achieved.

- On **2 June 2021** the Supervisory Board approved the remuneration report on Management Board and Supervisory Board remuneration for FY21 by circular resolution.
- In its meeting of **4 June 2021** the Supervisory Board dealt extensively with Vantage Towers' business development in FY21. The Management Board provided a comprehensive presentation of the corporate indicators and the revenue performance. It also reported on business development in the current financial year to date and provided an outlook for the financial year as a whole.

Another important item on the agenda of this Supervisory Board meeting was the Supervisory Board's scrutiny of the Company's annual financial statements, consolidated financial statements, and the auditor's report. The auditor provided a comprehensive account of the audit procedure and findings. In the discussion that followed the auditor was available to answer the Supervisory Board's questions. After intensive deliberations the Supervisory Board approved and adopted the annual financial statements of the Company and the consolidated financial statements of the Vantage Towers Group for FY21. It also approved the combined management report. The report of the Supervisory Board to the Annual General Meeting was then adopted and the Management Board's dependency report on relationships with affiliated companies, including the auditor's report in this respect, was discussed. The Supervisory Board approved the agenda and the proposed resolutions for the Annual General Meeting on 28 July 2021, including the resolution on the appropriation of distributable profits.

- On **25 June** and **2 July 2021** the Management Board presented its corporate strategy for all business segments to the Supervisory Board in two extraordinary meetings. The Supervisory Board acknowledged and approved it.
- On **5 July 2021** the Supervisory Board approved the pension and risk plan for the incumbent members of the Management Board via circular resolution.
- In the meeting of **20 July 2021** the Management Board provided the Supervisory Board with a commercial and a financial performance update for the Q1 FY22. The Management Board also explained the External Affairs unit and presented the ESG strategy of the Company and the Vantage Towers Group, which the Supervisory Board acknowledged and approved after intensive discussion.
- In the extraordinary meeting of **5 November 2021** the Supervisory Board was informed about the current status of negotiations with 1&1 Mobilfunk GmbH on a potential collaboration with regard to the Company's Germany-wide provision of passive infrastructure for the development of Germany's fourth mobile network and 1&1 Mobilfunk GmbH's access to up to 5,000 of the Company's existing sites.
- In the meeting of **12 November 2021** the auditor provided a comprehensive account of the audit procedure and findings with regard to the audit of the half-year report for FY22. The Management Board then provided an update on the Company's situation, with a particular focus on German operations and the key financial figures for the first six months of FY22. The new values and cultural guidelines of Vantage Towers (Honesty, Accountability, Respect, Teamwork) were presented, an update on the ESG strategy was provided, and a review of the Annual General Meeting 2021 was given.
- In an extraordinary meeting on **9 December 2021** the Management Board communicated the current status and milestones of German operations to the Supervisory Board. It also reported on the status of negotiations with 1&1 Mobilfunk GmbH, presented the final draft of the contractual agreement, and explained in detail its impacts on the Company. The Supervisory Board approved the conclusion of the contract with 1&1 Mobilfunk GmbH.
- In the meeting of **7 February 2022**, the Management Board provided a situation report for the Company and all its subsidiaries. The CFO also explained the key financial figures for Q3 FY22, and the Management Board's strategy for achieving organic growth was presented to the Supervisory Board. The Supervisory Board adopted the declaration of conformity for FY22 in accordance with the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK) and approved the Management Board's decision to hold the Annual General Meeting 2022 in virtual format without shareholders or their proxies being physically present due to the ongoing pandemic situation. A donation of € 5,000 to each of two local groups of the Federal Agency for Technical Relief (THW) in the Ahr Valley was also approved.

In addition to their meetings and consultations, the Supervisory Board members undertook any training and professional development measures necessary to fulfil their duties at their own responsibility. The members of the Remuneration and Nomination Committee attended a training event on the specific legal bases and current legal developments which are relevant to their scope of activity.

Meetings and decisions of the Supervisory Board committees

The Supervisory Board prepares its work in two committees (the Remuneration and Nomination Committee and the Audit, Risk, and Compliance Committee). These committees are, in particular, entrusted with preparing resolutions and matters to be dealt with at

the Supervisory Board's plenary meetings. To the extent permitted by law, decision-making powers of the Supervisory Board are or can be transferred to the committees. The chairperson of each committee reports to the Supervisory Board on the work of their committee. The functions and duties of the committees are described in more detail in the [Declaration on Corporate Governance](#) under [Supervisory Board committees](#), p. 106.

The Audit, Risk, and Compliance Committee held meetings in the period under review on 4 May, 25 May, 1 June, 16 July, and 10 November 2021, and 31 January 2022. Due to the COVID-19 pandemic, the meetings were held in video conference format.

- In its meeting of **4 May 2021** the Audit, Risk, and Compliance Committee discussed the preliminary financial results for FY21. The auditor attended this meeting to report on the current status of the audit and key audit findings up to that point in time. In the meeting of 4 May the future development and focus areas of Compliance & Integrity for the financial year were also discussed.
- In its meeting of **25 May 2021** the Audit, Risk, and Compliance Committee thoroughly examined and discussed the preliminary financial documents, and in the meeting of **1 June 2021** the final financial documents for FY21, the audit report, and the proposal for the appropriation of distributable profit were examined and discussed. The auditor attended both meetings to report on the audit and answer committee members' questions.
- In the meeting of **16 July 2021** the Company's financial data and reports for the first quarter of the financial year and the focus areas of the internal control system were discussed.

- In the meeting of **10 November 2021** the financial documents pertaining to the half-year financial statements for FY22 were reviewed and the findings of the audit were discussed. The meeting was attended by the auditor. In addition, the Management Board presented the Company's risk situation on the basis of relevant reports, the IT security priorities were discussed, and a status report from Internal Auditing was taken note of.

- On **31 January 2022** the Audit, Risk, and Compliance Committee dealt with the Company's financial data and reports for the third quarter of the financial year, and the cooperation of the various Company functions within the framework of the risk management and internal control system. The new requirements imposed by the German Financial Market Strengthening Act (Gesetz zur Stärkung der Finanzmarktintegrität (FISG)) and their application for the Audit, Risk, and Compliance Committee were also discussed. Furthermore, the current status of development and the focus areas of Compliance & Integrity were discussed. The auditor also participated in this meeting.

The Remuneration and Nomination Committee met three times during the period under review. In view of the COVID-19 pandemic, all meetings were held in video conference format.

- In the first meeting on **4 May 2021** the Remuneration and Nomination Committee discussed the extent to which the Management Board had met its short-term and long-term targets for FY21. On the basis of target achievement the Remuneration and Nomination Committee provisionally established the amount of variable remuneration to be paid to each member of the Management Board for this financial year and submitted it to the Supervisory

Board for final resolution. The short-term and long-term targets for FY22 which are authoritative for the amount of variable remuneration to be granted to all members of the Management Board were also discussed at this meeting and submitted to the Supervisory Board for final resolution.

- On **10 September 2021** the Remuneration and Nomination Committee met for a working session to define the schedule and subject matter of the individual meetings for a financial year. In this meeting the committee also discussed the fundamental long-term approach to composition and succession planning with regard to the Management Board and Supervisory Board and reaffirmed the corresponding adopted procedures as also described in the Corporate Governance Statement.
- On **14 March 2022** the Remuneration and Nomination Committee dealt with the current Management Board remuneration system and concluded that it still meets all relevant requirements. In this meeting another horizontal and vertical peer group comparison was implemented in respect of Management Board remuneration as well as the remuneration of senior managers and employees of the Company. It was established that the remuneration of the CEO and CFO is still commensurate and appropriate, and it will therefore not be adjusted. With regard to the remuneration for the Chief Legal Officer respectively, General Counsel, the Remuneration and Nomination Committee has resolved to propose an adjustment of the remuneration for the General Counsel to the Supervisory Board, particularly in view of the fact that the duties of the General Counsel now extend significantly beyond the field of law compared with the range of duties at the beginning of his appointment. The areas of external affairs, compliance and real estate have been added; in the view of the Remuneration and Nomination Committee,

such a significant extension of the range of responsibilities must also be taken into account when assessing the appropriateness of the remuneration. As a result of this expanded scope of responsibility, the Remuneration and Nomination Committee considers it justified to increase the remuneration of the General Counsel so that it approaches the remuneration of the CFO without reaching it. In the view of the Remuneration and Nomination Committee, the remaining difference in remuneration is justified by the fact that the CFO has an even broader range of responsibilities than the General Counsel. On the basis of these considerations, the Remuneration and Nomination Committee decided to propose to increase the monthly fixed salary of the General Counsel by 12.4% to the Supervisory Board. As a result, the General Counsel now receives approximately 23% less fixed salary than the CFO (compared to approximately 32% previously). Such a difference in remuneration also reflects the practices of the peer companies in the comparison and it is in line with the market as regards the remuneration of management board members. Some 72% of the peer companies differentiate between the remuneration of the CEO and other management board members in a range of 0% to 50%. The Remuneration and Nomination Committee's proposal of a 23% difference is within this range. In addition, a horizontal and vertical comparison of the General Counsel's remuneration with an updated reference group of similar companies and with the remuneration of the Company's senior management and employees, respectively, also showed that, based on this comparison, the General Counsel's increased remuneration continues to be appropriate and customary.

With regard to these matters the Remuneration and Nomination Committee was again supported by an independent external remuneration consultant.

Corporate Governance Code

The Supervisory Board considered the corporate governance of the Company in detail, taking into account the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK), and it issued a declaration of conformity in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz, AktG).

The declaration of conformity with the DCGK, adopted by the Supervisory Board on 7 February 2022, has been made permanently available to shareholders on the Company's website at www.vantagetowers.com/en/investors/corporate-governance.

Attendance of Supervisory Board meetings

The Supervisory Board held ten meetings in FY22. Due to the COVID-19 pandemic, the meetings were held in video conference format.

The attendance rate for Supervisory Board meetings was approximately 94%. No member of the Supervisory Board attended less than half of the meetings of the Supervisory Board. The Audit, Risk, and Compliance Committee currently consists of three Supervisory Board members (Charles C. Green III, Michael Bird, and Rosemary Martin). The Remuneration and Nomination Committee currently also consists of three Supervisory Board members (Katja van Doren, Johan Wibergh, and Pinar Yemez).

Specifically, the members of the Supervisory Board attended the meetings of the Supervisory Board and the committees as follows:

Member of the Supervisory Board

	Attendance of committee meetings	%	Attendance of Supervisory Board	%
Professor Rüdiger Grube			10/10	100
Rosemary Martin	6/6	100	10/10	100
Michael Bird	6/6	100	10/10	100
Barbara Cavaleri	5/6	83	10/10	100
Charles C. Green III	6/6	100	10/10	100
Terence Rhodes			10/10	100
Katja van Doren	3/3	100	9/10	90
Johan Wibergh	2/3	66.6	8/10	80
Pinar Yemez	3/3	100	8/10	80

Annual Financial Statements and Consolidated Financial Statements discussed in detail

The independent auditor Ernst & Young audited the FY22 annual financial statements and consolidated financial statements as well as the combined management report for the Company and the Vantage Towers Group. The auditor issued unqualified audit opinions for the aforementioned statements and reports.

The annual financial statements of the Company and the combined management report, were prepared in accordance with the applicable provisions of the German Commercial Code (*Handelsgesetzbuch, HGB*) and the German Stock Corporation Act (*Aktiengesetz, 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 additional German law requirements pursuant to the HGB. The consolidated financial statements are also compliant with IFRS as published by the International Accounting Standards Board (IASB). The auditor conducted the respective audits taking into account the German generally accepted standards of auditing as defined by the Institute of Public Auditors in Germany (IDW) and (where relevant) the EU Statutory Audit Directive.

The Management Board has submitted the annual financial statements and 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. The audit report was also handed out to all members of the Supervisory Board.

In meetings on 6 May (Audit, Risk, and Compliance Committee) and 10 June 2022 (Supervisory Board) the Audit, Risk, and Compliance Committee and the Supervisory Board discussed the financial results. In meetings on 6 May and 30 May 2022, the Audit, Risk and Compliance Committee discussed and reviewed the respective financial documents

in detail. The status of the audit of the financial statements and the (in some cases preliminary) main findings of the audit were also discussed at these meetings. In meetings on 9 June (Audit, Risk, and Compliance Committee) and 10 June 2022 (Supervisory Board), the Audit, Risk, and Compliance Committee and the Supervisory Board thoroughly reviewed and discussed the respective financial documents and the proposal on the appropriation of the distributable profits after submission of the auditor's report finally once more. In particular, the audit as a whole and significant audit findings set out in the audit report were addressed and discussed in these meetings. The auditor attended the meetings of 9 June 2022 (Audit, Risk, and Compliance Committee) and 10 June 2022 (Supervisory Board). The Audit, Risk, and Compliance Committee and the Supervisory Board were able to address questions directly to the auditor and to request further explanation if required. The auditor reported on the scope, key focus, and main findings of the audit and outlined the audit procedures performed. In the meeting of the Supervisory Board, the Management Board explained the annual financial statements of the Company, the consolidated financial statements, and the risk management.

After a thorough review the Supervisory Board agreed with the findings of the audit. No objections were raised after the conclusive review by the Audit, Risk, and Compliance Committee and the Supervisory Board's own review.

The Supervisory Board approved the annual financial statements of the Company and the consolidated financial statements of the Vantage Towers Group, which were 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, which proposes a dividend of € 0.63 per share.

Dependency report

The Company is a dependent company of Vodafone Group Plc within the meaning of section 312 of the German Stock Corporation Act (Aktiengesetz, AktG). For that reason the Management Board of the Company prepared a dependency report on relations with affiliated companies and submitted it to the Supervisory Board together with the corresponding audit report prepared by Ernst & Young. The auditor completed the report without objections and came to the following conclusions:

Having examined and assessed the dependency report, 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;
3. in the measures mentioned in the report there are no circumstances indicating any essentially different appraisal than the one provided by the Management Board.

The dependency report and the corresponding audit report were submitted to all members of the Supervisory Board in due time for review and discussed in detail in the presence of the auditor at the Supervisory Board meeting of 10 June 2022. At this meeting the Supervisory Board members were able to address questions to the auditor about the report and the auditor answered all relevant questions. Furthermore, the auditor's representatives reported on the key findings and elaborated upon the legal and economic implications. After a thorough review and detailed analysis of the dependency report and the key findings of the audit, the Supervisory Board raised no objections to the declaration of the Management Board at the end of the report on relations with affiliated companies. The Supervisory Board approved the dependency report of the Management Board and the corresponding auditor's report.

Remuneration report

The Management Board and Supervisory Board of the Company prepared a remuneration report in accordance with Section 162 of the German Stock Corporation Act (Aktiengesetz, AktG). and had it audited by Ernst & Young. The auditor completed the audit report without objections and came to the following conclusions:

"In our opinion, based on the audit findings, the remuneration report for the financial year from 1 April 2021 to 31 March 2022, including relevant disclosures, is consistent in all material respects with the provisions on accounting set forth in section 162 of the German Stock Corporation Act (Aktiengesetz, AktG)."

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 seats

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

Rosemary Martin

Deputy Chairperson

General Counsel and Company Secretary, Vodafone Group Plc

Current seats

- 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 seats

- None

Barbara Cavaleri

(until 16 February 2022)

Finance Director, Vodafone Italy

Current seats

- Vodafone Italia S.p.A. (resigned on 16 February 2022)
- VEI S.r.l. (resigned on 16 February 2022)
- VND SpA (resigned on 15 February 2022)

Katja van Doren**

Chairperson of the Remuneration and Nomination Committee

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

Current seats:

- RWE Generation NL B.V.
- Société Électrique de l'Our S.A., Luxembourg
- Großkraftwerk Mannheim AG (GKM)

Charles C. Green III**

Chairperson of the Audit and Risk and Compliance Committee

Non-Executive Director, Frontier Tower Associates

Current seats

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

Terence Rhodes**

Professional Supervisory Board Member

Current seats

- None

Johan Wibergh

Chief Technology Officer, Vodafone Group Plc

Current seats

- Trimble Inc.*

Pinar Yemez

Human Resources Director, Vodafone Business and Group Functions

Current seats

- 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.

31 Pro forma Financial Performance

Pro forma Financial Performance

Discussion of Group pro forma Financial Performance

Financial update

In this section, we have presented pro forma consolidated financial information for FY 2021 alongside the FY 2022 consolidated financial information in order to show a comparison between the FY 2021 pro forma figures and our performance in FY 2022. The comparative pro forma information is taken from the Vantage Towers FY 2021 results announcement, where we published updated pro forma financial information that illustrated the performance of Vantage Towers as if the business combination and IPO occurred as at 1 April 2019 for FY 2021.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, since the consolidated financial performance for FY 2021 only reflects results of operations from the date the tower businesses were acquired in the formation of the Group during the course of FY 2021. The Unaudited Pro Forma Financial Information 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 and combination and IPO occurred on 1 April 2019.

The alternative performance measures presented in this section are also defined and reconciled in the [Further Information](#) section.

Our financial performance in FY 2022 was in line with our guidance. Our revenue (ex. pass-through) grew from €966 to €1,011 million, an increase of €45 million (+4.6%). This was driven mainly by other chargeable services to MNOs, tenancy growth and CPI escalators. Macro site revenue increased from €899 to €923 million, an increase of €24 million (+2.7%) with the increase primarily driven by revenue from non-Vodafone customers, which totalled €208 million. Energy and other revenue grew by 71.6% from €26 to €45 million, which was driven by other chargeable services to MNOs.

On a like-for-like basis, our Non-Vodafone revenue increased by 18.3% year-on-year to €51 million euros in Q4 FY 2022, demonstrating the high quality of our grid and our ability to attract other partners. Following a renegotiation, active sharing revenue in Spain, which was previously coming through the portfolio fee' mechanism via Vodafone, will now be directly recognized as non-Vodafone revenue as we will provide services to Orange directly.

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 €830 to €865 million (+4.2%) with the adjusted EBITDA margin slightly decreasing to 85% (FY 2021 PF: 86%). Our maintenance cost increased by €9 million due to costs for other chargeable services to MNOs and one-off costs incurred on Neutral Host projects. Staff costs increased by 13% from €40 to €45 million as a result of the stand-up of the organisation. There was a €8 million increase in ground lease costs compared to FY 2021 PF 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 €524 to €543 million maintaining a stable adjusted EBITDAaL margin of 54% in line with our guidance.

Recurring FCF increased by 8.0% YOY to €415 million in FY 2022, which is at the top end our updated FY 2022 guidance range (€405 to 415 million). Within the overall cash result is a recurring €15 million benefit derived from optimizing cash interest costs on borrowings and cash tax expenses. Net Debt decreased from €2,001 to €1,896 million, resulting in a leverage ratio of 3.5x Net Financial Debt to EBITDAaL.

Consolidated Vantage Towers Pro Forma¹

	Consolidated FY 2022 (audited) €m	Pro forma FY 2021 (unaudited) €m
Revenue (ex. pass through)	1,011	966
Capex recharge revenue	12	4
Revenue	1,023	970
Maintenance costs	(46)	(37)
Staff costs	(45)	(40)
Other operating expenses and one off items	(67)	(63)
Adj. EBITDA	865	830
Margin	85%	86%
Capex recharge revenue	(12)	(4)
Ground lease expense ²	(310)	(302)
Adj. EBITDAaL	543	524
Margin	54%	54%
Adj. EBITDA	865	830
Capex recharge revenue	(12)	(4)
Cash cost of leases ²	(293)	(292)
Maintenance capex	(29)	(36)
Recurring OpFCF	531	498
(+/-) Change in operating working capital	(14)	–
(-) Tax paid ³	(92)	(98)
(-) Interest ⁴	(10)	(16)
Recurring free cash flow (RFCF)	415	384

¹ The non-IFRS measures presented in the table are defined and reconciled on p. 233–234 and 235–239, respectively.

² For the purposes of the Unaudited Pro Forma Financial Information, "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 effects from lease reassessment of the IFRS 16 lease liability and right-of-use asset on the sum of associated depreciation on lease-related right-of-use assets and interest on lease liabilities. During the twelve months ended 31 March 2021, the Group performed a reassessment of its lease portfolio in line with the requirements of IFRS 16. The Company has calculated the impact of the lease reassessment and recognised a €10 million non-cash increase in the sum of pro forma interest on leases and depreciation on right-of-use assets for the twelve months ended 31 March 2021 on a pro forma basis. In line with the requirements of IFRS 16, the Company has not performed such a reassessment for the twelve months ended 31 March 2022.

³ For the purposes of the 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, on a pro forma basis as no pro forma cash flow statement has been produced. Amounts disclosed for FY 2022 are calculated based on cash payments made. Accordingly, amounts disclosed for this measure in each period are not strictly comparable and are being provided for illustrative purposes only.

⁴ For the purposes of the FY 2021 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 FY 2022 are calculated based on cash payments made. Accordingly, amounts disclosed for this measure in each period are not strictly comparable and are being provided for illustrative purposes only.

Co-controlled joint ventures

Co-controlled joint ventures	INWIT ¹ 31/12/2021		CTIL ² 31/03/2022	
	100% share	33.2% share	100% share	50% share
	(audited) €m	(audited) €m	(unaudited) €m	(unaudited) €m
Revenue	785	261	436	218
Adj. EBITDA	715	237	283	142
Adj. EBITDAaL	520	173	113	57
RFCF	366	122	165	83

¹ INWIT results are for the financial year ended 31 December 2021 extracted from the INWIT FY 2021 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts/fy-2021-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.

Proforma comparative results	INWIT ¹ 31/12/2020		CTIL ² 31/03/2021	
	100% share	33.2% share	100% share	50% share
	(unaudited) €m	(unaudited) €m	(unaudited) €m	(unaudited) €m
Revenue	751	249	386	193
Adj. EBITDA	683	227	259	129
Adj. EBITDAaL	476	158	122	61
RFCF	317	105	110	55

¹ INWIT results are the INWIT FY 2020 PF results that have been extracted from the INWIT FY 2020 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts/fy20-financial-results.

² Cornerstone results have been calculated by adding the adjusted 9 months FY 2021 PF results available at www.vantagetowers.com/investors/results-report-and-presentation with the results of the three months ended 31 March 2021 which reflect the signing of the MSA on 1 January 2021. Cornerstone revenue includes pass through revenue of €72 million 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 delivered revenues of €785 million and an adjusted EBITDA after leases of €520 million in their financial year, which ended 31 December 2021. Consequently, our share was €261 million and €173 million, respectively. 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 570 agreements. INWIT published their Q1 CY22 results on 5 May, where they have seen a further acceleration.

Cornerstone delivered revenues of €436 million and an adjusted EBITDAaL of €113 million in their financial year, which also ended on the 31 March 2022. Consequently, our share was €218 million and €57 million, respectively. 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.

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Combined Management Report

Company profile

Fundamentals of the Group

We are a leading tower company in Europe with approximately 83,000 macro sites and approximately 9,400 micro sites across ten markets. 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 2022, Vantage Towers Group employed 533 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 market¹;
- (ii) Controlling or co-controlling towers 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 principal business consists of building and operating telecommunications sites in order to offer space, energy management and related services to customers that in turn provide mobile, voice, data and other services to end-users.

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.

¹ Source: Fitch Solutions

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 non-MNO customers looking to expand or densify their networks.

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 2022 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 42% of our total macro sites and 36% of our tenancies in our consolidated markets as of 31 March 2022.

Our site portfolio in Germany is well-balanced. The sites have capacity to co-locate additional tenants, and a significant proportion does not have competitors' sites nearby. As of 31 March 2022, Vantage Towers Germany's portfolio comprised approximately 19,400 macro sites.

As of 31 March 2022, the tenancy ratio amounted to 1.23x on our macro sites in Germany.

Spain

Spain represents our second largest market, comprising 19% of our macro sites and 23% of our tenancies in our consolidated markets as of 31 March 2022.

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 8,500 macro sites as of 31 March 2022.

The Group's overall tenancy ratio in Spain amounted to 1.79x as of 31 March 2022.

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 2022.

Our portfolio comprises approximately 4,800 macro sites in Greece as of 31 March 2022.

As of 31 March 2022, we recorded a tenancy ratio of 1.68x regarding our sites in Greece.

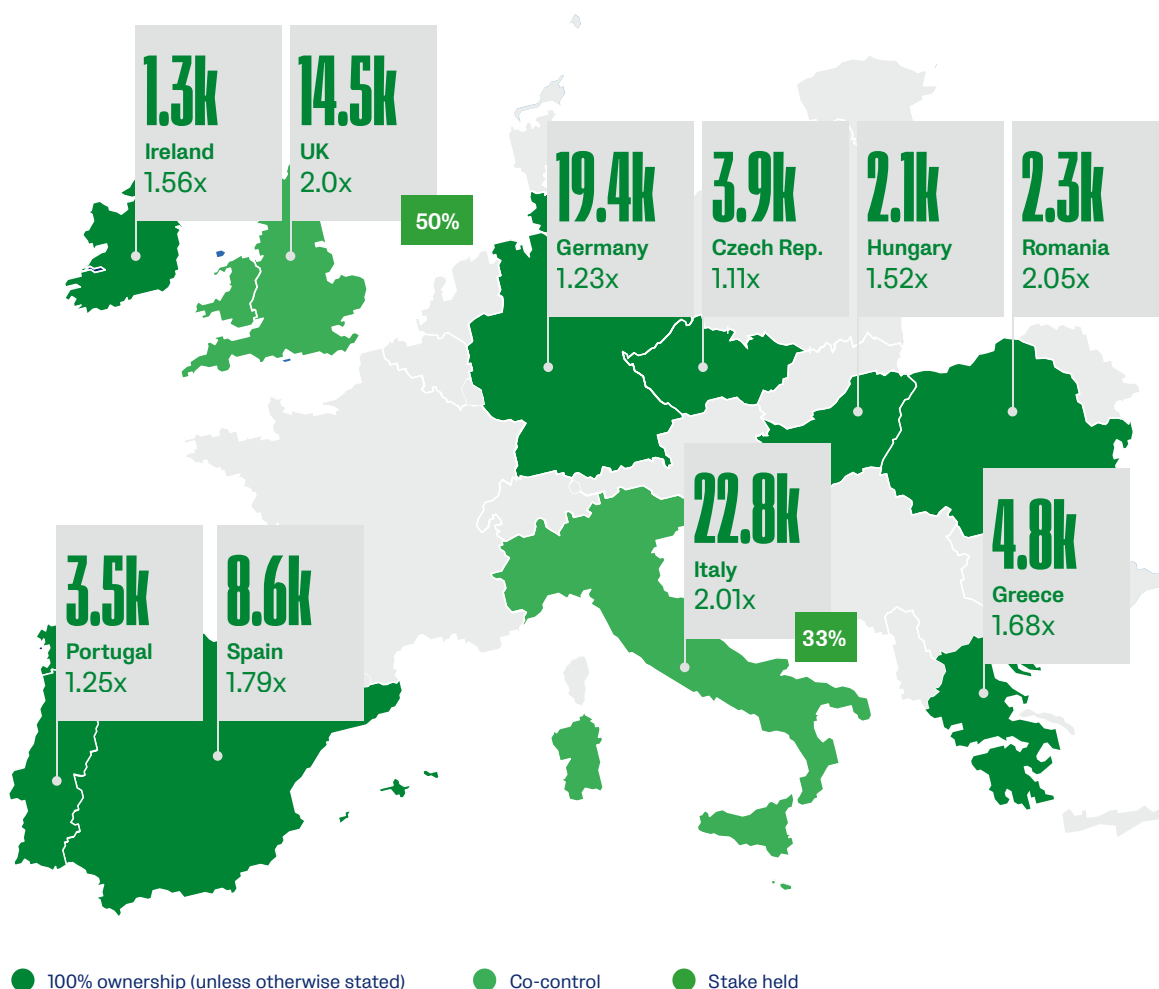
Other European Markets

The Group's Other European Markets segment includes its operations in Portugal, the Czech Republic, Hungary, Ireland, and Romania. We rank second in the market by number of sites in the Czech Republic, Ireland, Portugal, and Hungary and fourth in Romania¹. Across these markets, the Group operated a total of approximately 12,900 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 2022.

Co-controlled joint ventures and joint operations

The Group's co-controlled joint ventures and joint operations include INWIT and Cornerstone. INWIT operates approximately 22,800 macro sites with a tenancy ratio of 2.01x. Cornerstone operates approximately 14,500 macro sites with a tenancy ratio of 2.0x.

The following map sets out a breakdown of the Group's site portfolio by market, including the portfolios of its co-controlled joint ventures, showing the number of macro sites as of 31 March 2022.



Research & development

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 the development of the following projects in joint collaboration between the Commercial and Technology teams (which include a product development and a technology innovation teams):

- **Digitisation** is a **key technological initiative for Vantage Towers** and is going to be approached by three aspects: (i) Digitisation of the Customer Journey aiming to change the existent TowerCo customer life cycle; (ii) Digitisation of our assets to have a complete inventory and reporting (e.g., towers, energy, and other operational KPIs); and (iii) Digitisation of our internal Operational Model to obtain operational efficiencies. Examples of digitisation initiatives are **Digital Twin** (3D digital to reduce the need for site visits), **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)
- **Develop 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.

- **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 analysing new technology **OpenRAN**, as a way to improve mobile services deployment based on general-purpose vendor-neutral hardware, open interfaces, and software. Moreover, we are a member of the TIP and ORAN organisations in order to influence the Open RAN evolution.
- **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. Vantage Towers is currently working on upgrading energy technology using energy-efficient rectifiers, free cooling systems, and migrating its energy model onto a smart site using fully remote monitoring and metering system. In addition, the Group is also experimenting new materials for the construction of new towers (e.g., towers, rooftop poles, small cells on lamp poles).

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.

- Revenue (excl. pass through): Total 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.
- Consolidated adjusted EBITDAaL: Adj. EBITDA on Group level less recharged capital expenditure revenue, and after depreciation on lease-related right-of-use assets and deduction of interest on leases.
- Consolidated Recurring Free Cash Flow (RFCF): Adj. 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.
- Leverage: Net Financial Debt divided by adj. 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 are:

- Number of macro sites: Physical infrastructure, either ground-based or located at the top of a building, where communications equipment is placed to create a cell in a mobile network. Macro sites include streetworks and long-term mobile sites.
- 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 with more than 500 employees have to report 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 2022, we are not required to publish a non-financial report in accordance with the NFRD. However, we intend to publish our first sustainability report later this year.

Economic report

Economic conditions

Macroeconomic situation

In 2021, the global economy grew again after a decline in the previous calendar year. According to the International Monetary Fund (IMF), global gross domestic product (GDP) rose by 6.1% compared to the previous year¹.

In the first months of 2021, the global economy recovered significantly due, in particular, to the decline in COVID-19 infections, which led to an easing of pandemic-related restrictions and thus to a recovery in previously severely affected service sectors. This development was further underpinned by the waiving of further containment measures by most countries and the continued loose monetary policy of central banks. The second half of 2021 was then marked by a further strong increase in COVID-19 infections, supply bottlenecks weighing on global trade and industrial production, growth problems in China, sharply higher inflation in the advanced economies, and significantly higher energy prices. As a result, the recovery of the global economy slowed from mid-year. Therefore, in its World Economic Outlook from January 2022, the IMF had expected the global economy to grow by only 4.4% in the 2022 calendar year². In April 2022, the IMF analysts had revised this forecast downwards and now only project a growth of 3.6% for calendar year 2022. The adjustment of 0.8 percentage points is mainly due to the consequences of the war in Ukraine and the

sanctions aimed at forcing Russia to end hostilities. The adjusted outlook shows that the war has not only caused a tragic humanitarian crisis in Eastern Europe, but also economic damage that will contribute to a significant slowdown in global growth in 2022 and add to inflation. In addition, prices for fuel and food have increased rapidly, hitting vulnerable populations in low-income countries the hardest.

The global economy had started the year 2022 already weaker than previously expected by the IMF as rising energy prices and ongoing supply disruptions had led to higher and broader-based inflation than anticipated. The impact on the economy was compounded by record levels of debt and the accelerating, wave-like spread of the COVID-19 pandemic through the Omicron variant. Therefore, the recent crisis developed when the global economy was on the mend but had not yet fully recovered from the COVID-19 pandemic, with a considerable divergence between the economic recoveries of the advanced economies and emerging and developing markets. In addition, lockdowns in China that affect key manufacturing centres could cause new global supply chain bottlenecks. Moreover, broader and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall, risks to the economic outlook have increased enormously and policy trade-offs have become increasingly difficult¹.

In 2021, the countries of the Eurozone recorded an increase in economic output of 5.3% according to IMF calculations. In Germany, the GDP grew by 2.8%, while Spain and Greece recorded increases of 5.1% and 8.3%, respectively¹.

¹ Source: International Monetary Fund, World Economic Outlook, April 2022

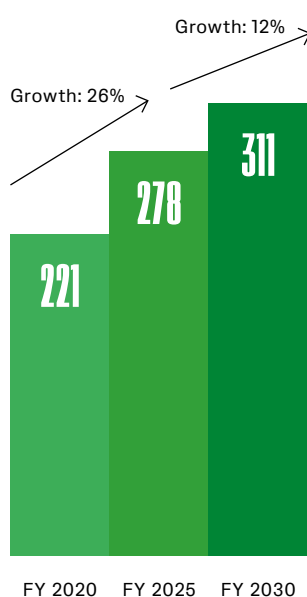
² Source: International Monetary Fund, World Economic Outlook Update, January 2022

Industry environment

The COVID-19 crisis underlined the important role that telecommunication plays in our society and economy. The pandemic has changed how we go about our everyday lives and work. The use of digital solutions for work, leisure, and shopping has accelerated significantly, driving digital innovation.

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

Expected evolution on total number of PoPs in the Group's markets (thousands)



Source: Analysys Mason (based on MNO PoPs forecast for all markets where the Group is present (excluding Italy and the United Kingdom); does not include demand from non-MNO customers and adjacent services)

Mobile data traffic in Western, Central, and Eastern Europe is expected to grow at a CAGR of around 22% from 2021 through 2027. 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 fueled by more video content viewing as well as higher 5G penetration¹.

As consumers demand faster communication speeds and higher bandwidth, MNOs will be looking to compete on network quality. For Europe, the GSMA expects smartphone connections to account for 83% of all mobile connections by 2025. This would account for an increase of 4 percentage points compared to 2021².

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 for MNOs to expand their networks, and improve quality as subscribers and data usage increase, they must maintain effective capacity to ensure network stability and reduce congestion. This in turn requires that MNOs densify their networks by increasing their tenancies. Network densification is further required to support the range and capacity requirements of the high-frequency spectrum used by the 5G networks. MNOs are rolling out their 5G networks across Europe following national 5G spectrum auctions. According to

¹ Source: Ericsson Mobile Report, November 2021, p. 19, 21

² Source: GSMA, The Mobile Economy 2022, p. 14

GSMA, mobile operators in Europe will invest 91% of their total network investments on 5G between 2022 and 2025¹. In Western Europe, 5G mobile subscription penetration is expected to increase from 6% in 2021 to 83% by the end of 2027². 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 years³.

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. For example, in Germany, MNOs must provide coverage for 98% of households with more than 100 Mbit (Megabit) per second download speed by 2022, road and rail coverage, 1,000 new 5G base stations, and 500 base stations in “white spot” areas. Also, these developments will continue to drive the demand for towers.

Results of operations – IFRS consolidated group

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 have a significant impact on the results of operations of the Towers Business in the past and operations, financial position and cash flow in future periods.

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. For an MNO to expand its network and improve quality as subscribers and data usage increase, it must maintain effective capacity to ensure network stability and a lack of congestion. This in turn requires that MNOs increase their tenancies by locating additional active equipment on existing sites, contracting to build new sites to ensure greater 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 coverage and capacity needs.

¹ Source: GSMA, The Mobile Economy 2022, p. 16

² Source: Ericsson Mobile Report, November 2021, p. 10

³ Source: The economic contribution of the European tower sector, February 2022, p. 10

Additional drivers in demand are expected to include increased mobile data consumption which will drive the need to densify networks in order to meet the range and capacity requirements of the high-frequency spectrum used to deliver full 5G. We also expect that MNOs will increasingly need further tenancies to address short- to medium-term coverage obligations. In a number of our principal markets, as well as those of INWIT and Cornerstone, national regulators have established coverage obligations that require MNOs to provide network coverage of certain quality over certain areas.¹

Revenue from our relationship with Vodafone

Members of our Group have entered into MSAs with members of the Vodafone Group in each of the markets in which Vantage Towers operates which 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 tenancy is added to a site, the Vodafone Operator receives an additional tenant discount to its base service charge unless the tenant was 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 is 15% of the original anchor fee. This additional tenant discount does not apply to Vodafone's partners, Deutsche Telekom and Telefónica Deutschland, sharing on German "white spot" sites or to additional active sharing counterparties on any site.

A "strategic site" is a site that is of strategic importance to a Vodafone Operator from a network management perspective. Vodafone has consent rights over other MNOs co-locating on strategic sites. As of 31 March 2022, approximately 3% of our sites were designated as strategic sites (FY21: 3%).²

A "critical site" is a site subject to higher service levels. A site can be designated as both a strategic site and a critical site. We also receive additional service charges to recover portions of ground rent 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 2022, we generated a total revenue (ex pass through) of €1,011 million, which principally comprised macro site revenue (91%). This represents an increase of 4.6% compared to the prior year pro forma figure of €966 million.

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

² Source: company information

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 2021 and 31 March 2022, we added approximately 1,670 non-Vodafone tenancies. For the year ended 31 March 2022, we generated revenue of €208 million from customers other than Vodafone. For the year ended 31 March 2021, revenue from customers other than Vodafone principally comprised macro site revenue.

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 Business in 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 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 colocation. 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 on a macro site. While our anchor tenant receives discounts to its site fees for new MNO colocations on a site (except in Greece where

there are no discounts to base service charges), the colocation fees charged to new tenants are such that they more than offset any such discount resulting in an overall increase in revenue and Adjusted EBITDA for such site, with the majority of the expected economic benefit of the additional colocation being received by us. We have good visibility on the drivers of tenancy growth in the medium-term.

In the medium-term, we are targeting a tenancy ratio of over 1.50x, with BTS commitments and white spot obligations (as described below) expected to represent a significant portion of tenancy growth and key potential upsides coming from co-locating new tenants on German RTT sites. We aim to reach our medium-term tenancy ratio target through a combination of the over 13,400 tenancies for which we had commitments in November 2020 and uncommitted market tenancies. Of these in November 2020 committed tenancies, we expect to add approximately 7,700 new tenancies by 31 March 2026. One of the principal drivers of growth in our physical tenancies is expected to be the plan between Vodafone, Deutsche Telekom, and Telefónica Deutschland to coordinate the set-up and operation of sites in "white spot" areas across rural areas and transportation routes in Germany. In December 2022, we have announced the signature of a landmark agreement with 1&1 launching a long-term partnership with 1&1 for the provision of passive infrastructure to build Germany's fourth mobile network. Vantage Towers will provide 1&1 at least 3,800 and potentially up to 5,000 existing sites throughout Germany for the next 20 years. The first sites will be provided this year with the aim of delivering at least 3,800 sites by the end of calendar year 2025. The contract has a first term until the end of 2040, with the option for 1&1 to extend until 2060.

Under Active Sharing Arrangements between Vodafone and Orange in Spain, we apply a portfolio fee structure instead of the per site fee structure used in almost all of our other Consolidated Markets. While we expect to decommission sites as a result of the Active Sharing Arrangements in Spain, we expect an overall increase in revenue in the medium-term. After accounting for other site decommissionings in Spain that are unrelated to active sharing, the remaining committed tenancies result from Active Sharing Arrangements in Other European Markets (net of decommissioned sites).

We expect growth to increase as new tenancies begin to contribute and our BTS programme builds to run rate. As of 31 March 2022, our average tenancy ratio in the Consolidated Markets was 1.44x, in comparison to the prior year figure of 1.40x. The table below sets out the tenancy ratios in each of our markets, and those of INWIT and Cornerstone, as of 31 March 2022 and as of 31 March 2021.

Markets by segment

	As of 31/03/2022	As of 31/03/2021
Germany	1.23x	1.21x
Spain	1.79x	1.70x
Greece	1.68x	1.65x
Other European Markets	1.42x	1.39x
Total	1.44x	1.40x
Co-controlled joint ventures		
Italy	2.01x	1.88x
United Kingdom	2.0x	2.0x

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 2022, our site portfolio, including those of INWIT and Cornerstone, comprised approximately 83,000 macro sites (FY21: 82,200 sites).

Whilst the new build programme accelerated in the second half of FY 2022, 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.

Since November 2020 we had a total of up to 7,100 committed new BTS sites across our markets until FY 2026 and the new adaptation of the BTS programme adds optionality to source up to 1,200 sites for Vodafone from third-party TowerCos in Germany as opposed to building from the ground up.

Ground lease optimisation initiatives

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 internal teams in each market to identify potential buy-out 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 certain of our sites are located or the long-term 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, subject to achieving appropriate returns. The first phase of the ground lease optimisation programme is being rolled out over the next five financial years and targets approximately 10% of our current sites. During the financial year, we have achieved promising results with more than 630 signatures across all our markets. 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.

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. Recharged capital expenditure comprises capital expenditure in connection with upgrades to existing sites recharged 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, the Group receives revenue from recharges of capital expenditure in connection with upgrades to existing sites recharged to Vodafone Operator following the provision of upgrade services up to standard configuration on sites.

Performance of INWIT and Cornerstone

INWIT's operational performance and Cornerstone's operational performance are 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, particularly as a result of the Covid-19 pandemic, 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 are impacted by the UK Electronic Communications Code (ECC) as a

result of its impact on our 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, which provide stable margins. Our results of operations are therefore protected to a large degree from the impact of inflation and deflation, which helps it 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 twelve months ending 31 March 2022, the Vodafone MSA increase had been contractually agreed. As noted above, 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 service charges and the additional service charges vary annually by reference to an agreed consumer price index that typically has a floor of 0% (other than in Germany where the floor is negative 2% to comply with legal requirements) and a cap of 2% (other than Hungary where the cap is 3%). The following table sets out the Vodafone MSA CPI escalators for the twelve months ended 31 March 2022.

Inflation

	Twelve months ended 31/03/2022 %
Germany	1.0
Spain	1.0
Greece	0.0
Other European Markets	1.7

Overall assessment by the Management Board of the current situation

Highlights during the year ended 31 March 2022 include:

- A first successful year as a listed company – now part of four actively traded equity indices (MDAX, TecDAX, FTSE global equities mid-cap, and STOXX Europe 600)
- Achieved our FY22 financial targets with results at the top end of guidance for revenue (ex pass through) and Recurring Free Cash Flow (RFCF)
- The signature of the landmark agreement with 1&1 in Germany
- The further successful commercialisation of our business increasing tenancy ratio by 0.04x to 1.44x in the year
- The progress of our GLBO (“ground lease buyout programme”)

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.

Results of operations of the Group

In accordance with IFRS 10 Vantage Towers has not included the financial information of the tower assets prior to the date it obtained control. Therefore, the financial information disclosed for the comparative period in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statements of cash flow contains the financial results of operations and the financial position of tower businesses and equity value of joint ventures that were acquired in the formation of the Group during the previous financial year as described in the paragraph below.

The consolidated financial results of operations and financial position of the Group as at 31 March 2021 reflects the inclusion of a) the Company from 25 May 2020, and as such the results of the German operations; b) the Spain, Portugal, Czech Republic, Hungary, Romania, and Ireland markets, and the 33.2% interest in INWIT, from 17 December 2020 following the acquisition of CTHC; c) Vantage Towers Greece from 23 December 2020; and d) the 50% holding in Cornerstone from 14 January 2021.

Note that rounding differences may occur.

Summarised Group performance

	31/03/2022 €m	31/03/2021 €m
Revenue (ex. pass through)	1,010.9	541.6
Capex recharge revenue	12.4	3.4
Revenue	1,023.3	545.0
Maintenance costs	(46.4)	(25.4)
Staff costs	(45.3)	(19.4)
Other operating expenses and one off items	(66.4)	(37.2)
Adj. EBITDA	865.2	463.0
Margin	85%	85%
Capex recharge revenue	(12.4)	(3.4)
Ground lease expense	(310.2)	(147.4)
Adj. EBITDAaL	542.6	312.2
Margin	54%	57%

Revenue and profitability

Revenue disaggregation

	31/03/2022		31/03/2021	
	€m	%	€m	%
Macro site revenue	923.1	90.2	514.1	94.3
Other rental revenue	43.2	4.2	11.6	2.1
Energy and other revenue	44.6	4.4	15.9	2.9
Recharged capital expenditure	12.4	1.2	3.4	0.6
Consolidated	1,023.3	100.0	545.0	100.0

Revenue by segment

	31/03/2022		31/03/2021	
	€m	%	€m	%
Germany	503.2	49.2	403.4	74.0
Spain	172.8	16.9	46.5	8.5
Greece	134.7	13.2	35.0	6.4
Other European Markets	212.6	20.8	60.1	11.0
Consolidated	1,023.3	100.0	545.0	100.0

The year on year increase in consolidated revenues from €545.0 to €1,023.3 million mostly reflects the formation of the Group in the comparative financial period. Management estimates that the revenue increase arising from the formation of the Group to be approximately €425 million with a further increase of approximately €53 million from revenue growth and expansion of the Group business activities. These results are in line with management's plans.

During FY 2022, we generated revenues of €1,023.3 million, which is comprised of €923.1 million (90.2%) macro site revenue, €44.6 million (4.4%) energy and other revenue, €43.2 million (4.2%) other rental revenue and €12.4 million (1.2%) of recharged capital expenditure. In FY 2022, c. 1,670 new non-Vodafone tenancies have been added, moving closer towards our medium term tenancy target of 1.50x. Revenue from customers other than Vodafone principally comprised macro site revenue. During FY 2022, we generated revenue of €208 million (FY 2021: €58 million) from customers other than Vodafone.

The increase in energy and other revenue resulted primarily from increased prices for energy.

Germany is our largest segment earning total revenue of €503.2 million. The other reporting segments Spain and Greece earned total revenue of €172.8 million and €134.7 million, respectively, with the Other European Markets earning €212.6 million.

Adjusted EBITDAaL by segment

	31/03/2022 €m	31/03/2021 €m
Germany	298.6	249.2
Spain	80.6	18.4
Greece	50.2	11.8
Other European Markets	113.3	32.8
Consolidated	542.6	312.2

Adjusted EBITDAaL, being EBITDA adjusted for depreciation of right-of-use assets and for interest expenses on recognised lease liabilities, increased to €542.6 million from €312.2 million in the prior period. The year on year increase in consolidated adjusted EBITDAaL mostly reflects the formation of the Group in the comparative financial period. Management estimates that the consolidated adjusted EBITDAaL increase arising from the formation of the Group to be approximately €212 million with a further increase of approximately €19 million from growth and expansion of the Group business activities.

Results from operations in Germany (€298.6 million or 55% of total EBITDAaL), Spain (€80.6 million or 15%), Greece (€50.2 million or 9%), and Other European Markets (€113.3 million or 21%) are broadly in line with management's expectations.

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

	31/03/2022 €m	31/03/2021 €m
Germany	(106.4)	(88.9)
Spain	(70.2)	(21.9)
Greece	(65.2)	(17.8)
Other European Markets	(68.4)	(18.8)
Consolidated	(310.2)	(147.4)

Following the formation of the Group in the comparative financial year, ground lease expense has increased year on year to €310.2 million from €147.4 million. Ground lease expenses comprise the depreciation on lease-related right-of-use assets, amounting to €257.3 million (FY 2021: €119.8 million) and the interest on lease liabilities, amounting to €52.9 million (FY 2021: €27.6 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, 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. In key markets for the ground lease optimisation programme, we have signed over 630 contracts since inception and we have landlord commitments for another 450 sites. 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 2022 amounted to €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 2022 of €45.3 million has increased by 134% year on year, consistent with the increase in average FTE employed by the Group from 187 FTE in the prior year to 457 FTE in FY 2022. Staff costs mainly consisted of wages and salaries (€36.8 million), social security contributions (€4.8 million) and share based payment expense (€3.9 million). €32.4 million, or 72%, of staff costs were incurred in Germany and also include head office costs.

Other operating expenses

We incurred other operating expenses of €67.8 million and these were primarily made up of energy costs, transitional services agreements, long-term services agreements and our support agreements.

Equity Accounted Results from Joint Ventures

The share of profit from equity accounted joint ventures was €30.2 million, with INWIT (Vantage Towers share of profit €27.2 million) and Cornerstone (Vantage Towers share of profit €3.0 million) offset by the amortisation of €36.3 million relating to the associated intangible assets.

INWIT added 3,100 new tenants and 380 new sites during the year ended 31 December 2021. The INWIT renegotiation and land acquisition programme continues with further 475 agreements.

Cornerstone performance was in line with expectation with good operational performance. Between 1 April 2021 and 31 March 2022, Cornerstone added 366 macro sites bringing macro sites to approximately 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. Cornerstone declared and paid its first interim dividend in March 2022 of €18 million.

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 2022. This resulted in an earnings per share of 70.6 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 506.5 million shares as of 31 March 2022. This resulted in a diluted earnings per share of 70.5 eurocents.

Assets and liabilities in the Group

Assets

	31/03/2022 €m	31/03/2021 €m
Non-current assets		
Goodwill	3,319.6	3,316.4
Intangible assets	268.9	234.6
Property, plant and equipment	3,201.9	2,880.4
Investments in joint ventures	3,217.9	3,315.8
Deferred tax assets	29.5	24.2
Trade and other receivables	23.5	15.0
	10,061.3	9,786.4
Current assets		
Receivables due from related parties	512.4	435.6
Trade and other receivables	126.2	41.4
Cash and cash equivalents	21.7	22.1
	660.3	499.1
Total assets	10,721.6	10,285.5

Equity and liabilities

	31/03/2022 €m	31/03/2021 €m
Equity		
Share capital	505.8	505.8
Share premium	6,751.4	6,876.6
Merger reserve	(2,265.8)	(2,266.3)
Other reserves	12.8	20.0
Retained earnings	359.8	158.2
Total equity attributable to shareholders of the parent	5,363.7	5,294.3
Non-current liabilities		
Long-term borrowings	2,189.5	2,187.1
Lease liabilities	1,758.8	1,774.4
Provisions	457.3	319.1
Post employment benefits	0.3	1.3
Deferred tax liabilities	128.9	70.5
Trade and other payables	89.3	33.9
	4,624.1	4,386.3
Current liabilities		
Lease liabilities	247.5	242.0
Current income tax liabilities	12.2	8.6
Provisions	8.6	16.2
Payables due to related parties	117.7	118.8
Trade and other payables	347.7	219.3
	733.8	604.9
Total liabilities	5,357.9	4,991.2
Total equity and liabilities	10,721.6	10,285.5

The formation of the Group was completed by 31 March 2021. Accordingly, management consider that the assets and liabilities in the Group at 31 March 2022 are directly comparable to the financial position reported at the prior period close.

Non-current assets

Non-current assets amounted to €10.1 billion (or 94% of total assets) as of 31 March 2022 with an increase of €274.9 million compared to the prior period. Our non-current assets comprised mainly of goodwill, investments in associated undertakings and property, plant and equipment.

Goodwill amounting to €3.3 billion resulted mainly in Germany (€2.6 billion). The majority of goodwill arose on historical transactions in the Vodafone Group and has subsequently been allocated between the Group's 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 of €268.9 million related, in particular, to the acquisition of customer relationships in Greece.

Property, plant and equipment of €3.2 billion consisted of lease-related right-of-use-assets of €2.1 billion (FY 2021: €2.1 billion), which are being depreciated over their reasonably certain lease terms, and property, plant and equipment of €1,142.7 million (FY 2021: €825.2 million) of which €105.0 million (FY 2021: €104.6 million) related to land and buildings and €1,037.6 million (FY 2021: €720.6 million) to other property, plant and equipment.

Management has made an assessment of the useful economic life of certain tower infrastructure assets, in line with its accounting policy, reflecting the change in its business operations following the set-up as a stand-alone towers infrastructure business. There has been a reduction in depreciation during the financial year of €52.3 million compared to the depreciation charge that would have been made under the previous asset lives.

Investments in joint ventures of €3.2 billion solely related to the investments in INWIT (€2,851 million) and CTIL (€367 million).

Deferred tax assets amounted to €29.5 million and related mainly to the Czech Republic with €16.8 million or 57% (FY 2021: €15.6 million or 64%).

Long-term trade and other receivables comprised prepayments of €15.8 million (FY 2021: €9.2 million), other receivables due greater than one year of €6.8 million (FY 2021: €4.7 million) and accrued income of €0.9 million (FY 2021: €1.1 million).

Current assets

Current assets of €660.3 million (or 6% of total assets) consisted of receivables due from related parties of €512.4 million, trade and other receivables of €126.2 million and cash and cash equivalents of €21.7 million.

Receivables due from related parties of €512.4 million (FY 2021: €435.6 million) primarily contained the balance of the cash pooling arrangement due from the Vodafone Group €272.3 million (FY 2021: €165.1 million), and trade balances due from the Vodafone Group operating businesses under the terms of the MSAs of €240.1 million (FY 2021: €270.2 million).

Trade and other receivables of €126.2 million (FY 2021: €41.4 million) were mainly comprised of accrued income of €64.9 million (FY 2021: €16.7 million), prepayments of €2.6 million (FY 2021: €3.4 million), tax receivables of €41.0 million (FY 2021: €2.2 million), other receivables of €5.1 million (FY 2021: €12.3 million), and of trade receivables of €12.6 million (FY 2021: €6.8 million).

Cash and cash equivalents of €21.7 million (FY 2021: €22.1 million) mainly related to balances held in Greece, other balances are on deposit with the Vodafone Group and classified as current receivables.

All receivables have a maturity of less than one year.

Equity

Equity amounted to €5.4 billion (or 50% of total assets) as of 31 March 2022 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 (€2.3 billion). For further details refer to the Consolidated Statement of Changes in Equity.

Non-current liabilities

Non-current liabilities of €4.6 billion (or 43% of total assets) consisted of long-term borrowings, lease liabilities, provisions, post-employment benefits, deferred tax liabilities, payables due to related parties and trade and other payables.

The bond placed on 24 March 2021 amounted to €2.2 billion and consist of three tranches (€750.0 million due in 2025 with 0.0% interest p.a., €750.0 million due in 2027 with 0.375% interest p.a. and €700.0 million due in 2030 with 0.75% p.a.).

Non-current lease liabilities decreased by 1% following our efficiency programme to optimise ground leases through buyouts and amounted to €1.8 billion and mainly related to Germany with €713.6 million or 41% (FY 2021: €710.7 million or 40%), Spain with €408 million or 23% (FY 2021: €402.0 million or 23%) and Greece with €268 million or 15% (FY 2021: €267.0 million or 15%).

Provisions of €457.3 million (FY 2021: €319.1 million) related almost entirely to asset retirement obligations. The increase was predominantly due to the growth in estimated future commitments, as a consequence of inflationary increases on current year costs.

Deferred tax liabilities amounted to €128.9 million of which €53.6 million related to the acquired intangible assets in Greece.

Non-current trade and other payables of €89.3 million were almost entirely comprised of non-current deferred income.

Current liabilities

Current liabilities of €733.8 million (or 14% of total liabilities) consisted of short-term borrowings, lease liabilities, provisions, payables due to related parties (including a corporate income tax liability of €19 million towards Vodafone Spain due to continued membership in Spanish tax group), trade and other payables and overdrafts.

Current lease liabilities amounted to €247.5 million related mainly to Germany with €85.7 million or 35% (FY 2021: €82.3 million or 33%), Spain with €59.1 million or 24% (FY 2021: €61.5 million or 25%), and Greece with €51.4 million or 21% (FY 2021: €50.4 million or 20%).

Current income tax liabilities of €12.2 million mainly resulted from Greece, Czech Republic, and Romania.

Current provisions of €8.6 million related to asset retirement obligations with €4.5 million (FY 2021: €11.6 million) and other current provisions amounted to €4.1 million (FY 2021: €4.6 million).

Current trade and other payables of €347.7 million comprised accruals of €152.4 million (FY 2021: €111.1 million), trade payables of €115.5 million (FY 2021: €61.8 million), deferred income of €54.7 million (FY 2021: €31.3 million), other taxation and social security of €14.8 million (FY 2021: €7.8 million), and other payables of €10.3 million (FY 2021: €7.3 million).

Cash flow and capital expenditure analysis

Summary Consolidated Statement of Cash Flows

	31/03/2022 €m	31/03/2021 €m
Operating profit	536.7	287.1
Adjustments for:		
Share of results of equity accounted joint ventures	(30.2)	(10.1)
Share-based payments and other non-cash charges	3.9	1.2
Depreciation of other property, plant and equipment	84.9	64.1
Depreciation of lease-related right-of-use assets	258.2	119.8
Amortisation of intangible assets	13.2	1.6
Decrease/(Increase) in trade receivables from related parties	48.6	(152.9)
(Decrease)/Increase in trade payables to related parties	(1.8)	43.4
(Increase)/Decrease in trade and other receivables	(56.9)	(8.5)
Increase/(Decrease) in trade and other payables	151.1	(17.0)
Cash generated by operations	1,007.7	328.7
Net tax paid	(91.8)	(15.7)
Net cash from operating activities	915.9	313.0
Investing activities		
Purchase of interests in subsidiaries, net of cash acquired	(0.7)	(8,550.9)
Purchase of joint ventures	–	(1,213.2)
Purchase of intangible assets	(18.6)	(6.5)
Purchases of property, plant and equipment	(288.2)	(104.6)
Disposal of property, plant and equipment	4.3	–
Dividend from associate investments	95.6	–
Net cash used in investing activities	(207.6)	(9,875.2)
Financing activities		
Issue of ordinary share capital	(0.2)	7,107.4
Proceeds from issue of long-term borrowings	–	2,187.1
Proceeds from related party borrowings	–	2,290.0
Repayment of borrowings	–	(2,377.5)
Repayment of lease liabilities including interest	(293.0)	(131.1)
Net movements in cash management activities with related parties	(121.9)	514.6
Interest paid	(10.2)	(6.2)
Group dividends paid	(231.6)	–
External dividends paid	(51.7)	–
Net cash used in financing activities	(708.7)	9,584.3
Net decrease in cash and cash equivalents	(0.4)	22.1
Effect of foreign exchange rates	–	–
Cash and cash equivalents at beginning of period	22.1	–
Cash and cash equivalents at end of period	21.7	22.1

The significant changes in cash movements year on year are primarily due to the formation of the Group in the prior year and the related transactions, including external borrowings, that were entered into during the twelve months ended 31 March 2001. As such there is no direct comparison possible for the year on year cash flows; the commentary below is focussed on the consolidated cash flows for the current year.

Cash generated by operations for the year ended 31 March 2022 was €1007.7 million with net cash generated by operations being €915.9 million, after the net tax paid of €91.8 million.

Investing activities of €207.6 million comprised mainly of capital expenditure of €306.8 million in the period, offset by dividend from associate investments of €95.6 million.

Net cash used in financing activities for the year ended 31 March 2022 was €708.7 million, primarily including the payment of €293.0 million of lease liabilities to the landlords of ground lease sites, dividends paid of €283.3 million and net movement in cash management activities with related parties of €121.9 million. The net movement in cash management with related parties refers to the Group's cash pooling arrangements with other Vodafone entities – see Note 8 to the Consolidated Financial Statements.

Consolidated Recurring Free Cash Flow

	31/03/2022 €m	31/03/2021 €m
Adj. EBITDA	865.2	463.0
Capex recharge revenue	(12.4)	(3.4)
Cash lease costs	(293.0)	(131.1)
Maintenance capex	(28.8)	(13.3)
Recurring OpFCF	531.0	315.2
Cash conversion	98%	96%
(-) Tax paid	(91.8)	(15.7)
(-) Interest	(10.2)	(6.2)
(-) Changes in operating working capital	(14.2)	(135.0)
Recurring Free Cash Flow (RFCF)	414.8	158.3

Recurring free cash flow for the year ended 31 March 2022 was €415 million.

Management uses Recurring Operating Free Cash Flow as a measure of the underlying cash flow available to support the capital investment and capital structure of the Company.

Recurring free cash flow is also used as a basis to determine dividend payments to shareholders. The Group's policy is to distribute 60% of the sum of recurring free cash flow €415 million plus total dividends received from joint ventures related to the current financial year of €121 million. A final dividend of 0.63 cents per share is proposed based on this policy, giving a total dividend of €319 million.

Maintenance capital expenditure

	31/03/2022		31/03/2021	
	€m	%	€m	%
Germany	(12.0)	42	(5.2)	39
Spain	(7.3)	25	(2.8)	21
Greece	(2.5)	9	(1.9)	14
Other European Markets	(7.0)	24	(3.4)	26
Consolidated	(28.8)	100	(13.3)	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.

Financing and liquidity analysis

Financing

Securing the Group's liquidity and creditworthiness is an important aim of Vantage Towers' financial management. Our Debt Issuance Programme offered the opportunity to issue a €2.2 billion bond in FY 2021. Vantage Towers' creditworthiness has been assessed by the rating agencies Standard & Poor's and Moody's Investor Service for the second time. Standard & Poor's gives Vantage Towers a "BBB-" rating with a stable outlook, and Moody's a "Baa3" rating like-wise with a stable outlook.

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 2022 is shown in the table below. The consolidated position is not applicable for the year ended 31 March 2021 given there is not a full twelve-month period of the full Group's consolidated financial performance.

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

Financial position of the Group

Our primary sources of liquidity are cash flows from operating activities and the Senior Facilities. Our policy is to borrow using a mixture of long-term and short-term capital market issues and 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.

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 (hereinafter 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. Therefore, for the comparison period, the financial results of operations and financial position as at, and for the year ended, 31 March 2021 reflects the inclusion of the results of the German Tower Business from 25 May 2020.

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 placement 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 31/03/2022 €m	Twelve months ended 31/03/2021 €m
Revenue	517.7	408.2
Own work capitalised	8.3	5.6
Other operating income	93.6	81.3
Cost of materials	(358.2)	(177.7)
Personnel expenses	(37.3)	(19.1)
Depreciation on intangible assets and tangible assets	(51.9)	(68.9)
Other operating expenses	(81.0)	(272.7)
Operating profit/loss	91.3	(43.4)
Income from investments	160.0	–
Other interest receivable and similar income	14.0	5.1
<i>thereof from affiliated companies</i>	14.0	5.0
<i>thereof from discounting</i>	–	–
Interest payable and similar expenses	(14.0)	(7.2)
<i>thereof to affiliated companies</i>	(1.7)	(6.1)
<i>thereof from interest accruing</i>	(0.4)	(0.4)
Financial result	160.0	(2.1)
Profit/loss before tax	251.3	(45.5)
Taxes on income	(22.2)	(14.1)
Profit/loss after taxes	229.1	(59.6)
Other taxes	–	–
Net profit/loss for the year	229.1	(59.6)
Withdrawals from capital reserve	101.0	342.8
Allocations to retained earnings	(11.5)	–
Balance sheet profit	318.6	283.2

During FY 2022, the Company generated revenue of €517.7 million (FY 2021: €408.2 million) entirely within Germany. The revenue included rental income (€474.1 million; FY 2021: €388.2 million) and other revenue (€43.6 million; FY 2021: €20.1 million) derived from the German Towers Business.

Own work capitalised amounting to €8.3 million (FY 2021: €5.6 million) was in respect of the tower infrastructure.

Other operating income of €93.6 million (FY 2021: €81.3 million) was mainly comprised of energy revenue (€86.0 million; FY 2021: €68.3 million) and cost transfers to affiliated companies (€3.0 million; FY 2021: €10.7 million). The cost transfers were based on an exchange of services or goods between the Company and the affiliated companies.

Material costs of €358.2 million (FY 2021: €177.7 million) related to energy (€97.1 million; FY 2021: €76.7 million) and purchased services (€261.1 million; FY 2021: €101.0 million). Purchased services contained rental expenses for the sites (€127.7 million; FY 2021: €82.0 million), maintenance and repair costs (€129.9 million; FY 2021: €16.5 million), and other costs (€3.5 million; FY 2021: €2.5 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 2022 with a resulting increase in the asset retirement obligation provision, and charge to the maintenance and repair costs of €104.6 million.

Personnel expenses amounted to €37.3 million (FY 2021: €19.1 million) and included €2.7 million (FY 2021: €1.2 million) of social security contributions and expenses for pensions and other benefit costs.

Depreciation and amortisation amounted to €51.9 million (FY 2021: €68.9 million) and was almost exclusively attributable to the towers. Management has made an assessment of the useful economic life of certain tower infrastructure assets, in line with its accounting policy, reflecting the change in its business operations following the set-up as a stand-alone towers infrastructure business. There has been a reduction in depreciation during the financial year of €44.5 million compared to the depreciation charge that would have been made under the previous asset lives.

Other operating expenses of €81.0 million (FY 2021: €272.7 million) included intercompany charges and service fees amounting to €32.6 million (FY 2021: €252.2 million) and other costs (€33.5 million; FY 2021: €6.6 million) mainly for losses from the disposal of fixed assets, audit and consulting services, central support functions and resulting from currency losses.

The operating profit amounted to €91.3 million (FY 2021: loss of €43.4 million). The negative operating result of previous year is related mainly to other operating expenses of €272.7 million representing intercompany charges/service fees charged by Vodafone Germany for the so-called "Für-Rechnungs-Phase", one-off items and other costs.

The financial result of €160.0 million (FY 2021: negative financial result of €2.1 million) consisted of income from investments of €160.0 million (FY 2021: €nil), relating to dividends received by the Company from CTHC, other interest and similar income of €14.0 million (FY 2021: €5.1 million) (thereof €14.0 million from affiliated companies; FY 2021: €5.0 million) comprising interest received on cash deposits, and interest expenses of €14.0 million (FY 2021: €7.2 million) (thereof €1.7 million to affiliated companies; FY 2021: €6.1 million, mainly loan interest payable amounting to €0.9 million; FY 2021: €4.8 million).

The combined operating and financial results led to a profit before tax of €251.3 million (FY 2021: loss before tax of €45.5 million).

Taxes on income amounted to €22.2 million (FY 2021: €14.1 million) and contained corporate income tax including a solidarity surcharge of €6.9 million (FY 2021: €6.9 million), trade tax of €11.0 million (FY 2021: €7.2 million) and deferred tax expense of 4.1 million (FY 2021: €nil).

FY 2022 closed with a balance sheet profit of €318.6 million (FY 2021: €283.2 million), following a withdrawal from capital reserves of €101.0 million (FY 2021: €342.8 million).

Net assets and financial position of the Company

Balance Sheet

	31/03/2022 €m	31/03/2021 €m
Assets		
Fixed assets		
Intangible assets	26.3	10.7
Tangible assets	617.4	475.6
Investments	9,004.7	9,004.7
	9,648.4	9,491.0
Current assets		
Trade receivables	2.0	0.2
Receivables from affiliated companies	711.1	617.4
Other assets	40.8	11.5
thereof from taxes	40.1	8.3
	753.9	629.1
Prepaid expenses	70.2	73.3
Total assets	10,472.5	10,193.4
	31/03/2022 €m	31/03/2021 €m
Equity and Liabilities		
Equity		
Share capital	505.8	505.8
Capital reserve	6,684.1	6,783.6
Retained earnings	11.5	–
Balance sheet profit	318.6	283.2
	7,519.9	7,572.6
Accruals		
Accruals for pensions and similar obligations	0.1	1.1
Other accruals	403.5	251.1
	403.6	252.2
Liabilities		
Loans payable	2,200.0	2,200.0
Trade payables	77.0	28.5
Payables to affiliated companies	128.0	77.1
Other liabilities	7.3	0.4
thereof from taxes	7.3	0.4
	2,412.2	2,306.0
Deferred income	132.6	62.6
Deferred tax liabilities	4.2	–
Total equity and liabilities	10,472.5	10,193.4

As of 31 March 2022, the total assets of the Company amounted to €10,472.5 million (FY 2021: €10,193.4 million) and mainly included financial assets of €9,004.7 million (FY 2021: €9,004.7 million) and receivables and other assets of €753.9 million (FY 2021: €629.1 million). Total liabilities and equity were mainly comprised of current liabilities of €2,412.2 million (FY 2021: €2,306.0 million) and equity of €7,519.9 million (FY 2021: €7,572.6 million).

Intangible assets amounted to €26.3 million (FY 2021: €10.7 million) and were mainly comprised of purchased software and systems of €4.8 million (FY 2021: €8.3 million) and licence fees for software of €21.5 million (FY 2021: €2.3 million).

Tangible assets of €617.4 million (FY 2021: €475.6 million) included network infrastructure (€550.2 million; FY 2021: €391.4 million) mainly relating to the tower assets, payments on account and assets under construction (€46.2 million; FY 2021: €62.8 million), as well as freehold land and buildings (€21.0 million; FY 2021: €21.5 million) mainly relating to owned land of €20.3 million (FY 2021: €19.8 million).

Current assets amounted to €753.9 million (FY 2021: €629.1 million) and are comprised of trade receivables of €2.0 million (FY 2021: €0.2 million), receivables from affiliated companies of €711.1 million (FY 2021: €617.4 million) and other assets of €40.8 million (FY 2021: €11.5 million).

Receivables from affiliated companies included loan receivables and receivables from cash pooling of €548.4 million (FY 2021: €473.6 million) and trade receivables of €161.0 million (FY 2021: €143.8 million) (mainly related to the Vodafone Germany MSA).

The loan receivables and receivables from cash pooling mainly related to Vantage Towers Greece (€175.5 million loan at an interest rate of 3.45% with the termination date 21 December 2025; FY 2021: €205.1 million), Vantage Towers Czech Republic (€98.5 million loan at an interest rate of 3.30% with the termination date 1 September 2025; FY 2021: €98.1 million) and the deposit with Vodafone Group PLC (€272.3 million from cash pooling; FY 2021: €165.4 million).

Other assets of €40.8 million (FY 2021: €11.5 million) primarily consisted of tax receivables amounting to €40.1 million (FY 2021: €8.3 million).

The Company received a dividend from its directly owned subsidiary holding company, Central Tower Holding Company B.V., in the amount of €160 million during the year. This represents a distribution of profits from the Company's indirectly owned tower businesses and joint ventures. It is expected that such dividend distributions will continue to be made to the Company.

Prepaid expenses of €70.2 million (FY 2021: €73.3 million) were mainly comprised of prepayments for ground lease (€53.8 million; FY 2021: €59.9 million).

The share capital of €505.8 million (FY 2021: €505.8 million) is fully paid. The capital reserve amounted to €6,684.1 million (FY 2021: €6,783.6 million), €11.5 million (FY 2021: €nil) was transferred to retained earnings as a legal reserve, and the balance sheet profit to €318.6 million (FY 2021: €283.2 million).

Accruals of €403.6 million (FY 2021: €252.2 million) were made up of asset retirement obligations for sites of €279.9 million (FY 2021: €164.9 million), energy for sites of €64.5 million (FY 2021: €50.0 million), and other accruals of €59.2 million (FY 2021: €37.2 million).

The bond placed on 24 March 2021 amounted to €2.2 billion and consists of three tranches: €750.0 million due in 2025 with 0.0% interest p.a., €750.0 million due in 2027 with 0.375% interest p.a. and €700.0 million due in 2030 with 0.75% interest p.a.

Trade payables from third parties of €77.0 million (FY 2021: €28.5 million) mainly consisted of investments in the sites of €68.8 million (FY 2021: €16.6 million).

Liabilities to affiliated companies amounting to €128.0 million (FY 2021: €77.1 million) related to intercompany loans from cash pooling of €101.9 million (FY 2021: €65.7 million), there of Vantage Towers Spain (€28.9 million; FY 2021: €41.1 million), Vantage Towers Romania (€27.4 million; FY 2021: €7.1 million), Vantage Towers Portugal (€26.2 million; FY 2021: €6.8 million), Vantage Towers Hungary (€18.5 million; FY 2021: €5.2 million) and Vantage Towers Ireland (€1.0 million; FY 2021: €5.4 million), and trade payables (€25.7 million; FY 2021: €11.4 million).

Other liabilities of €7.3 million (FY 2021: €0.4 million) primarily consisted of tax liabilities amounting to €7.3 million (FY 2021: €0.4 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 2022 with a resulting increase in the asset retirement obligation provision, and charge to the profit and loss account, of €104.6 million.

Deferred income of €132.6 million (FY 2021: €62.6 million) comprised of advance rental payments from affiliated companies for towers of €30.5 million (FY 2021: €30.9 million) and intercompany services based on the Vodafone Germany MSA of €93.2 million (FY 2021: €31.7 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 2022 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 2022 guidance with total revenue and operating profit both in line with expectations.

The total headcount increased from 175 to 198 as planned and consistent with the expansion of the business following the IPO on 18 March 2021.

Overall, the Management Board believes that the Company is well positioned for its continued development as of the reporting date of 31 March 2022 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 retained earnings of €318.6 million for the distribution of the dividend to the shareholders.

Takeover-relevant information

Description pursuant to sections 289a para. 1, 315a of the German Commercial Code (HGB)

1 Composition of subscribed capital

As of 31 March 2022, the Company's subscribed capital amounted to a total of €505,782,265 and is divided into 505,782,265 ordinary registered shares with no par value. Each share of the Company represents a notional share of €1.00 in the Company's share capital.

All shares of the Company are fully paid up and confer the same rights and obligations. Each share of the Company carries one vote at the Company's general meeting.

2 Restrictions affecting voting rights or the transfer of shares

Restrictions on voting rights

Each share of the Company carries one vote at the Company's general meeting. An exception to this principle applies if shares in the Company are held by the Company. Such shares do not entitle the Company to any rights.

Restrictions on share transfers

Pursuant to Article 19 (11) of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and on the basis of internal company policies, the members of the Management Board, the Supervisory Board and further persons discharging managerial responsibilities of Vantage Towers AG as well as persons closely associated to any such persons (in each case as defined in the Market Abuse Regulation) are subject to certain trading prohibitions with regard to shares in the Company which apply in certain time periods.

3 Direct or indirect shareholdings in the Company exceeding 10% of total voting rights

Vodafone GmbH directly holds 413.409.707 shares and thus 81.74% of the voting rights in Vantage Towers AG.

Such shareholding is attributed to the ultimate controlling entity, Vodafone Group Plc, which therefore holds indirectly 81.74% of the voting rights in the Company.

The full chain of controlled undertakings below the ultimate controlling entity Vodafone Group Plc is as follows: Vodafone European Investments, Vodafone International Operations Limited, Vodafone International Holdings Limited, Vodafone Intermediate Enterprises Limited, Vodaphone Limited, Vodafone 2., Vodafone Holdings Luxembourg Limited, Vodafone Benelux Limited, Vodafone Finance UK Limited, Vodafone International 1 S.à r.l., Vodafone Americas 4, Vodafone Consolidated Holdings Limited, Vodafone Investments Luxembourg S.à r.l. and Vodafone GmbH.

Vantage Towers AG has not been notified of any other direct or indirect interests in Vantage Towers AG that exceeds 10% of the voting rights, nor is the Company aware of any such shareholding.

4 Provisions governing the appointment and dismissal of the Management Board members and amendments to the articles of association

The appointment and dismissal of members of the Management Board are subject to the provisions of sections 84 and 85 of the German Stock Corporation Act (*AktG*) and Article 7.1 of the articles of association of the Company, according to which the Management Board consists of two or more members. The exact number of Management Board members is to be determined by the Supervisory Board (Article 7.1 of

the articles of association of the Company). Pursuant to section 84 para. 1 German Stock Corporation Act (*AktG*), the members of the Management Board are appointed and dismissed by the Supervisory Board. The term of service for a Management Board member appointed for the first time shall be generally three (3) years. The Supervisory Board may also determine a chairperson and deputy chairperson of the Management Board (Article 7.2 of the articles of association of the Company).

Amendments to the articles of association are made in accordance with section 179 German Stock Corporation Act (*AktG*) and Articles 5.3 and 12.9 of the articles of association of the Company. Pursuant to section 179 para. 1 German Stock Corporation Act (*AktG*), any amendment to the articles of association requires a resolution of the general meeting. Pursuant to section 179 para. 2 German Stock Corporation Act (*AktG*), this resolution requires a majority of of at least three quarters of the share capital represented at the time of the voting, unless the articles of association provide for a different majority. However, with respect to changes to the object of the Company the articles of association may only provide for a higher majority. The Company has made use of such deviation pursuant to section 179 para. 2 German Stock Corporation Act (*AktG*) and provides that, unless a higher majority is required pursuant to mandatory law or the articles of association, resolutions of the general meeting are adopted with the simple majority of the votes cast and, if required by law in addition thereto, of the share capital represented at the time of the resolution. As a consequence, certain amendments to the articles of association may be resolved by the general meeting with a simple majority (by way of example, an ordinary capital increase without exclusion of subscription rights).

Furthermore, if the amendment of the articles of association only relates to their phrasing, in particular to adapt the wording of the articles of association in the event of full or partial utilisation of authorised or conditional capital or upon the expiration of periods allowing for such utilisation, such amendment can be made by the Supervisory Board without a resolution of the general meeting (Articles 5.3 and 12.9 of the articles of association of the Company).

5 Authorisation of the Management Board to issue and repurchase shares

In the shareholder's meeting on 18 February 2021, the shareholders granted to the Management Board the following authorisations:

Authorised capital

The Management Board has been authorised, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period until the expiry of 15 February 2026 up to a total of €252,891,132.00 (in words: Euro two hundred fifty two million eight hundred ninety one thousand one hundred thirty two) by issuing up to 252,891,132 (in words: two hundred fifty two million eight hundred ninety one thousand one hundred thirty two) new no-par value registered shares against contribution in cash and/or in kind (Authorised Capital 2021). In doing so, the Management Board may determine that the new shares carry profit participation entitlements in a way that departs from section 60 para. 2 of the German Stock Corporation Act (*AktG*).

The new shares must generally be offered to the shareholders for subscription (*zeichnen*). The subscription right may also be granted to the shareholders by way of an indirect subscription right (section 186 para. 5 German Stock Corporation Act (*AktG*)).

Subject to the consent of the Supervisory Board, the Management Board is authorised to exclude the shareholders' statutory subscription right in the following situations:

- to even out fractional amounts resulting from subscription ratios;
- to the extent necessary to grant holders or creditors of convertible bonds, warrant bonds or convertible profit participation rights issued by the Company and/or its direct or indirect majority-owned subsidiaries subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their option exercise or conversion obligations;
- to issue them to employees and/or retired employees of the Company, as well as to employees and/or retired employees of its affiliated companies within the meaning of section 15 et seq. German Stock Corporation Act (*AktG*). They may also be used for the issue to selected employees in managerial and/or key positions in the Company, as well as to members of the Management Board of the Company and/or selected employees in managerial and/or key positions or the management at its affiliated companies within the meaning of section 15 et seq. German Stock Corporation Act (*AktG*);
- in the case of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock market price of the Company's shares already listed. The proportionate of the share capital attributable to the new shares issued under exclusion of subscription rights in accordance with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*) must not exceed 10% of the share capital. The share capital at the time this authorisation takes effect or – if this value is lower – at the time this authorisation is exercised shall be decisive. Shares which during the term of this authorisation until its exercise are issued or sold in direct or analogous application of section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*) are to be taken into account when calculating the limit. Rights issued during the term of this authorisation until its utilisation in analogous application of section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*) and which enable or oblige to the subscription of shares of the Company shall also count towards this 10%-limit. Any crediting in accordance with the aforementioned sentences shall cease to apply with effect for the future if and to the extent that the respective authorisation, the exercise of which led to the crediting, is granted again by the General Meeting.
- for the purposes of granting shares in return for contributions in kind, in particular, with the aim to undertake mergers, acquiring enterprises, parts of enterprises or interests in enterprises, or of other assets.
- to implement a so-called scrip dividend, whereby shareholders are offered the option of contributing their dividend claim (in whole or in part) to the Company as a contribution in kind in exchange for the granting of new shares from the Authorised Capital 2021.

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

Authorisation to acquire and use treasury shares pursuant to section 71 para. 1 no. 8 German Stock Corporation Act (AktG) and on the exclusion of subscription rights

The Management Board has been authorised to acquire, in the period until expiry of 15 February 2026 treasury shares of up to a total amount of 10% of the existing share capital at the time of the adoption of the resolution or, in the event that this amount is lower, at the time this authorisation is exercised. Together with any treasury shares acquired for other reasons and held by the Company at the time or attributable to it pursuant to section 71a et seq. of the German Stock Corporation Act (*AktG*), the acquired shares may at no time exceed 10% of the Company's share capital.

This authorisation may be exercised in whole or in partial amounts, on one or more occasions, directly by the Company, by a subsidiary enterprise of the Company or by a third party acting for the Company's or its subsidiary enterprises' account.

The Management Board may elect to purchase the shares (1) via the stock exchange, (2) by means of a public offer directed at all shareholders or a public solicitation to submit offers, (3) by means of a public offer or a public solicitation to submit an offer for the exchange of liquid shares in another company which are admitted to trading on an organised market within the meaning of the German Securities Takeover Act (hereinafter "**Exchange Shares**"), against shares of the Company, (hereinafter "**Exchange Offer**") or (4) by granting tender rights to the shareholders.

- If the acquisition is conducted through a stock exchange, the consideration to be paid by the Company for each share of the Company (not including incidental acquisition costs) may not exceed the price of one share of the Company in the Xetra trading system (or a comparable successor system), determined in the opening auction on the relevant trading day, by more than 10% and may not fall below such price by more than 10%. The Management Board of the Company shall determine the details of the acquisition.
- If the acquisition is conducted through a public offer or a public solicitation to submit offers, the offered acquisition price, or the threshold values limiting the acquisition price range, per share (in each case not including incidental acquisition costs) may not exceed the average of the closing prices in the Xetra trading system (or a comparable successor system) on the three trading days preceding the day on which the offer or a public solicitation to submit offers is published by more than 20% and may not fall below this average by more than 20%. The offer or a public solicitation to submit offers may be adjusted if, after its publication, significant deviations between the aforementioned reference price and the offered acquisition price, or the values limiting the acquisition

price range, occur. In that case, the average of the three trading days preceding the publication of the respective adjustment will be decisive, and the aforementioned 20% limits will be applied to this average price. The volume of the public offer or a public solicitation to submit offers may be limited. If, in the event of a public offer or a public solicitation to submit offers, the volume of the offered shares exceeds the applicable repurchase volume, the repurchase may be carried out, by partially excluding the respective tender rights, in proportion to the number of offered shares (quota based on offered shares) instead of in proportion to the size of the offering shareholders' shareholding in the Company (quota based on participation). Furthermore, in that case, by partially excluding the respective tender rights, a preferred acceptance of small offers of up to a maximum of 100 shares per shareholder, as well as a commercial rounding in order to avoid fractional numbers of shares, may be provided for. The Management Board of the Company shall determine the details of the acquisition.

- If the acquisition is conducted by means of an Exchange Offer, the Company can determine either an exchange ratio or a respective exchange range at which it is willing to acquire the shares of the Company. In this regard, a cash consideration may be provided for as supplementary purchase price payment or as compensation for fractional amounts. The exchange ratio or a respective exchange range (not including incidental acquisition costs, but including any fractional amounts) may not exceed the relevant value of a share of the Company by more than 20% and may not fall below such value by more than 20%. The basis of the calculation of the exchange ratio or the exchange range, respectively, is the average of the closing prices of the shares of the Company and the Exchange Shares in the Xetra trading system (or a

comparable successor system) on the three trading days preceding the day on which the offer is published. The exchange ratio or the exchange range may be adjusted if, after the publication of the offer, significant deviations of the relevant prices of the shares of the Company or the Exchange Shares occur. In that case, the average of the three trading days preceding the publication of the respective adjustment will be decisive, and the aforementioned 20% limits will be applied to this average price. The volume of the Exchange Offer may be limited. If the offer is oversubscribed, the acquisition may be carried out, by partially excluding the respective tender rights, in proportion to the number of offered shares (quota based on offered shares) instead of in proportion to the size of the offering shareholders' shareholding in the Company (quota based on participation). Furthermore, in that case, by partially excluding the respective tender rights, a preferred acceptance of small offers of up to a maximum of 100 shares per shareholder, as well as a commercial rounding in order to avoid fractional numbers of shares, may be provided for. The Management Board of the Company shall determine the details of the acquisition.

- If the acquisition is conducted by means of granting tender rights to shareholders, these tender rights can be granted to shareholders on the basis of Company shares held. In proportion to the relation between the Company's overall share capital and the volume of shares to be repurchased by the Company, a defined number of tender rights carries the right to sell one share to the Company. Tender rights may also be granted in a way that one tender right is granted for a defined number of shares, with the latter number being calculated based on the relation between the Company's overall share capital and the volume of shares to be repurchased by the Company. Fractions

of tender rights will not be granted; the corresponding partial tender rights are excluded. The price for which, by exercising a tender right, one share can be sold to the Company, or the values limiting the price range (in each case not including incidental acquisition costs) is determined, and can be adjusted, as set out under the second bullet above. In case of granting tender rights, however, the relevant day is the day on which the offer to repurchase shares by means of granting tender rights is published, or, if applicable, the day on which an adjustment is published. The Management Board of the Company shall determine the further details of the tender rights, in particular their conditions, term or expiration date and, if applicable, their tradability.

The Management Board has been authorised to sell treasury shares acquired on the basis of this authorisation via the stock exchange or via an offer directed at all shareholders. The Management Board has furthermore been authorised to use treasury shares acquired on the basis of this authorisation for any purpose permissible by law and, in particular, for the following purposes:

- The shares may be used to satisfy conversion and/or option rights or obligations under convertible bonds, warrant bonds, profit participation rights or participating bonds issued by the Company or a company in which the Company holds a direct or indirect majority interest.
- The shares may be used to the extent necessary to grant holders or creditors of convertible bonds, warrant bonds or convertible profit participation rights issued by the Company and/or its direct or indirect majority-owned subsidiaries subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their option exercise or conversion obligations.
- The shares may be sold for consideration in kind, in particular as (partial) consideration in connection with the acquisition of or merger with enterprises, parts of enterprises and participations in enterprises or any other assets.
- The shares may be sold in other ways than through a stock exchange or by means of an offer directed to all shareholders if the shares are sold against cash consideration at a price that is not significantly lower than the stock exchange price of the Company's shares of the same class. This authorisation is, however, subject to the proviso that the shares sold under the exclusion of shareholders' subscription rights in accordance with section 71 para. 1 no. 8 sentence 5 in connection with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*) do not in the aggregate exceed 10% of the Company's share capital existing as at the date on which this authorisation enters into effect or – if that amount is lower – the share capital existing as at the date of its exercise. To the extent that during the term of this authorisation until its utilisation, other authorisations to issue or sell shares or to issue rights or obligations enabling or obliging the subscription of shares, are exercised and the respective subscription rights are excluded pursuant to or in accordance with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*), this shall be applied toward the aforementioned 10% limit. Any crediting in accordance with the aforementioned sentence shall cease to apply with effect for the future if and to the extent that the respective authorisation, the exercise of which led to the crediting, is granted again by the General Meeting.
- The shares may be issued to employees and/or retired employees of the Company, as well as to employees and/or retired employees of its affiliated companies within the meaning of section 15 et seq. German Stock Corporation Act (*AktG*).
- The shares may be used for the implementation of a scrip dividend, in particular by offering the shareholders to contribute their dividend right, either in whole or in part, to the Company in return for the granting of treasury shares.
- The shares may be cancelled, without such cancellation on a separate shareholders' resolution. The shares may also be cancelled in the simplified procedure, without a reduction of the share capital, by way of adjusting the pro rata share capital amount represented by each remaining no-par value share. The cancellation may also be limited to a certain propor-

tion of the repurchased shares. The authorisation to cancel shares may be exercised on one or more occasions. If the cancellation is carried out in the simplified procedure, the Management Board is authorised to adjust the number of no-par value shares in the Articles of Association. The cancellation may be carried out in connection with a share capital reduction; in that case, the Management Board is authorised to reduce the share capital amount by the pro rata share capital amount represented by the cancelled no-par value shares and to adjust accordingly the number of shares and the share capital amount in the Articles of Association.

The Supervisory Board is authorised to transfer treasury shares acquired on the basis of this authorisation to the members of the Management Board of the Company in order to satisfy entitlements of members of the Management Board under long term incentives ("**Long Term Incentives Plan**") granted by the Company. The Long Term Incentives Plans must provide for a period of at least four (4) years until the respective beneficiary can monetise the respective allocation from the Long Term Incentives Plan and the plan conditions must be geared towards the long term sustainable development of the Company.

The aforementioned authorisations regarding the use of acquired treasury shares also apply to the use of Company shares acquired on the basis of section 71d sentence 5 German Stock Corporation Act (*AktG*).

Shareholders' pre-emptive rights in respect of these treasury shares are excluded to the extent that these shares are used in accordance with the aforementioned authorisations of the Management Board (first six bullets above) and of the Supervisory Board (described two paragraphs before) regarding the use of acquired treasury shares. In addition, the Management Board may exclude shareholders' subscription rights for fractional amounts in the case of a sale of treasury shares by means of an offer to all shareholders.

The aforementioned authorisations regarding the use of treasury shares may be exercised on one or several occasions, in full or in part, separately or collectively, and may also be exercised by controlled enterprises or subsidiary enterprises or by third parties acting for them on their accounts.

The Management Board may make use of all aforementioned authorisations regarding the use of treasury shares only with the consent of the Supervisory Board.

Authorisation to use derivatives to acquire treasury shares in accordance with section 71 para. 1 no. 8 German Stock Corporation Act (*AktG*) and to exclude subscription rights

In addition to the aforementioned authorisation, treasury shares may also be acquired pursuant to such authorisation by way of (1) the sale of options, upon exercise of which the Company will be obligated to acquire shares of the Company ("**Put Options**"), (2) the purchase of options, upon exercise of which the Company will obtain the right to acquire shares of the Company ("**Call Options**"), (3) to conclude forward purchases, in which the Company acquires treasury shares as at a certain date in the future, or (4) the use of a combination of Call and Put Options and/or forward purchase agreements at the same time (Put Options, Call Options and forward purchase agreements and combinations thereof collectively "**Equity Derivatives**"). The authorisation may be exercised in whole or in part, in one or in several transaction(s), including different transactions, by the Company, also by controlled enterprises or subsidiary enterprises, or by third parties mandated by the Company or by controlled enterprises or subsidiary enterprises. All share acquisitions based on Equity Derivatives are limited to a maximum volume of 5% of the share capital existing on the date on which the resolution becomes effective or, if this amount is lower, on the date on which the aforementioned authorisation is exercised.

The Equity Derivatives transactions must be concluded with one or more credit institution(s), one or more companies in accordance with section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (*KWG*) (each a "**Financial Institution**") or with a group or a syndicate of Financial Institutions. By virtue of their terms and conditions, it must be ensured that the Equity Derivatives are only serviced with shares which were acquired under observance of the principle of equal treatment of shareholders; the acquisition of shares on the stock exchange satisfies this requirement. The purchase price paid by the Company for Call Options or the sales price received by the Company for Put Options or the price paid or received for a combination of call and Put Options by the Company shall not significantly exceed or fall short of the theoretical fair value of the respective options as calculated in accordance with recognised methods of financial mathematics, which must factor in the negotiated strike price among other things. The price agreed by the Company for forward purchases may not materially exceed the theoretical forward price as calculated in line with recognised methods of financial mathematics, which must factor in the current stock exchange price and the term of the forward purchase, among other things.

Moreover, all share acquisitions by way of derivatives are limited to shares representing in total no more than 5% of the share capital as at the date on which this authorisation enters into effect or – if that amount is lower – as at the date on which this authorisation is exercised. The term of each equity derivative must not exceed 18 months, and is required to end on the expiry of 15 February 2026 at the latest and must be chosen in such a way that the shares are acquired upon the exercise or fulfilment of the Equity Derivatives no later than the expiry of 15 February 2026. The purchase price per share, i.e. the exercise price or acquisition price to be paid when exercising the option or upon the maturity of the forward purchase may not exceed or fall short by more than 10% of the average closing prices in the Xetra trading system (or a comparable

successor system) on the three trading days preceding the day of the conclusion of the respective option transaction or forward purchase in each case excluding purchase costs but taking into account the option premium received or paid.

Furthermore, it may be agreed with one or more Financial Institutions that the institute or these institutes will deliver a previously determined number of shares or a previously determined euro equivalent of shares of the Company within a previously defined period of no more than 18 months to the Company ("**Repurchase Program**"). The Financial Institution(s) must undertake to purchase the shares to be delivered via the stock exchange at prices which fall within the range that would apply had the shares been directly acquired by the Company itself via the stock exchange. Acquisitions of shares by utilising this authorisation are limited to shares in the amount of no more than 5% of the share capital at the time this authorisation becomes effective or, if the following value is lower, at the time this authorisation is utilised and must end by the expiry of 15 February 2026.

In the event that treasury shares are acquired using Equity Derivatives or through a Repurchase Program in accordance with the above rules, any shareholders' rights to conclude such Equity Derivatives transactions or repurchase programs with the Company shall be excluded by analogous application of section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*). Shareholders shall have a right of tender in relation to their shares in the Company only to the extent that the Company has an obligation under the derivatives transactions to purchase their shares. Any further right of tender shall be excluded.

The authorisations and other provisions regarding the use of treasury shares mentioned above under "Authorisation to acquire and use treasury shares pursuant to section 71 para. 1 no. 8 German Stock Corporation Act (*AktG*) and on the exclusion of subscription rights" shall apply *mutatis mutandis* to the use of treasury shares that were acquired by using derivatives. Shareholders' subscription rights to treasury shares shall be excluded to the extent that such shares are used in accordance with the provisions set out in the previous authorisation regarding the use of acquired treasury shares (except for the authorisation to cancel acquired treasury shares). The provisions set out in the previous authorisation to purchase and use treasury shares regarding the exclusion of shareholders' subscription rights applies *mutatis mutandis*.

The authorisation is valid until the expiry of 15 February 2026, and the Management Board may make use of it only with the consent of the Supervisory Board.

Authorisation of the Management Board to issue convertible bonds, warrant bonds and to exclude subscription rights

Further the Management Board has been authorised, subject to the consent of the Supervisory Board, to issue, on one or more occasions until the expiry of 15 February 2026, subordinated or unsubordinated bearer convertible bonds, warrant bonds, profit participation rights or participating bonds, or combinations of these instruments (together the "Bonds") for an aggregate nominal amount of up to €4 billion in each case with or without a definite maturity date, and to grant the holders of Bonds option or conversion rights for up to 101,156,453 registered shares with no-par value of the Company with a pro rata amount of the share capital of up to a total of €101,156,453.00 (in words one hundred one million one hundred fifty-six thousand four hundred fifty-three Euros), as set forth in detail in the terms and conditions for the bonds ("Terms"). This authorisation can be utilised in whole or in part.

The Terms may also provide for an obligation to convert the Bonds, or exercise the options, at the maturity of the term of the Bonds or at an earlier time. The Terms may also give the Company the right to grant the holders of the Bonds shares of the Company in lieu of cash payments due, in whole or in part, or to choose other forms of fulfilment. Bonds may be issued in return for cash or for contributions in kind.

The Bonds can be denominated in Euro or – capped at their equivalent value in Euro – in the legal currency of an OECD country. Where the Bonds are issued in a currency other than Euro, the relevant equivalent value is to be applied, calculated on the basis of the Euro reference rate of the European Central Bank applicable on the date of the resolution on the issuance of the Bonds.

The Bonds can also be issued by entities in which the Company holds a direct or indirect majority interest. In such case, the Management Board is authorised, subject to the consent of the Supervisory Board, to take on the necessary guarantees for the obligations under the Bonds and to grant the holders or creditors of the Bonds conversion or option rights for shares of the Company.

Conversion right/conversion obligation; conversion ratio

If convertible bonds are issued, their holders receive the right, or assume the obligation, to convert the Bonds into shares of the Company, pursuant to the Terms to be determined by the Management Board. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of conversion must not exceed the nominal amount of the Bond or the issue price of the Bond.

The conversion ratio is determined by dividing the nominal amount of a Bond by the conversion price for a share of the Company. Where the issue price for the Bonds is less than their nominal amount, the conversion ratio is established by dividing the issue price of a convertible Bond by the conversion price for a share of the Company. The Terms can also provide that the conversion ratio is variable and that the conversion price is determined based on future stock market prices within a certain range.

Option right/option obligation

If warrant bonds are issued, one or more warrants will be attached to each Bond, which entitle or obligate the holder to subscribe to shares of the Company under the Terms to be determined by the Management Board. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of an option being exercised must not exceed the nominal amount of the Bonds.

Conversion and option price

The conversion or option price to be stipulated in the Terms must be equivalent to at least 80% of the volume-weighted average of the stock market closing price of the Company's shares in the Xetra trading system (or a comparable successor system) on the day of the final determination of the terms and conditions of the Bonds. Sections 9 para. 1 and 199 German Stock Corporation Act (*AktG*) remain unaffected.

Further determinations in the terms and conditions

The Management Board is authorised, subject to the consent of the Supervisory Board, to specify the Terms in more detail, in particular regarding the following:

- interest rate, issue price, term and denomination of the Bonds;
- conversion or option period;
- conversion or option price;
- conversion rights and obligations;
- option rights and obligations to exercise options;
- whether the Company's shares to be delivered shall be, in whole or in part, in the form of shares newly created by a capital increase or in the form of existing shares;
- whether, instead of delivering shares, their value can be paid in cash;
- whether the conversion or option price or the conversion ratio is to be fixed when issuing the Bonds or based on future stock market prices within a certain range during the term of the Bond.

In the event of a situation where there are rights to subscribe to fractions of the Company's shares under a Bond, it can be stipulated that these fractions can be added together for the purpose of subscribing complete shares, in accordance with the Terms. An additional cash payment or cash compensation for fractions can also be stipulated.

The Terms can further provide for protection against dilution and adjustment mechanisms under certain circumstances, including:

- changes in the Company's share capital during the term of the Bond (such as a capital increase, a capital decrease or a share split);
- dividend payments;
- the issuance of additional convertible and/or warrant bonds, that provide an entitlement to subscribe for shares of the Company;
- transformation measures; and
- extraordinary events occurring during the term of the Bond, i.e. change of control in the Company.

The measures for protection against dilution and adjustment mechanisms that can be provided for under the Terms can, in particular, take the form of changing the conversion or option price, granting subscription rights to shares of the Company or to convertible or warrant bonds, or granting or adjusting cash components.

Subscription right; exclusion of subscription right

The new shares must generally be offered to the shareholders for subscription. The subscription right may also be granted to the shareholders by way of an indirect subscription right (section 186 para. 5 German Stock Corporation Act (*AktG*)).

The Management Board is authorised, subject to the consent of the Supervisory Board, to exclude the subscription right of shareholders when issuing Bonds in the following cases:

- to even fractional amounts resulting from subscription ratios;
- where the Bonds are issued in return for contributions in kind in particular with the aim of acquiring enterprises, parts of enterprises or participations in enterprises;
- where this is necessary for protection against dilution, in order to grant holders of Bonds with conversion or option rights or conversion or option obligations that were or will be issued by the Company or by other entities in which the Company holds a direct or indirect majority interest, a right to subscribe for new bonds to the extent to which they would be entitled to such subscription right as shareholders after exercising their conversion or option rights or, as the case may be, after fulfilment of their conversion or option obligations; or
- for Bonds issued against cash, if the shares to be issued under the conversion/option rights in total do not exceed 10% of the share capital, based on the share capital amount existing at the time when this authorisation takes effect as well as on the share capital amount when the authorisation is exercised. To the extent that during the term of this authorisation until its utilisation other authorisations to issue or sell shares or to issue rights enabling or obliging the subscription of shares are exercised and the subscription right is excluded pursuant to or in accordance with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*), this shall reduce the aforementioned 10% limit. Any reduction in accordance with the aforementioned sentence shall cease to apply with effect for the future if and to the extent that the respective authorisation, the exercise of which led to the reduction, is granted again by the General Meeting. The exclusion of subscription rights under these conditions is only permissible if the issue price for the Bonds is not significantly lower than the theoretical value of the Bonds as calculated using recognised financial mathematical methods.

To the extent that profit participation rights or participating bonds without conversion rights/obligations or option rights/obligations are issued, the Management Board is authorised, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription right in its entirety if the characteristics of such profit participation rights or participating bonds are similar to those of obligatory relationships, i.e. if they do not confer any membership rights in the Company, grant no right to participate in the liquidation proceeds and the interest rate is not calculated on the basis of the amount of net income, balance sheet profits or dividends. In that case, the interest rate and the issue amount of the profit participation rights or participating bonds additionally must correspond to current market conditions at the time of the issuance.

Conditional capital

The share capital of the Company is conditionally increased by up to €101,156,453.00 (in words one hundred one million one hundred fifty-six thousand four hundred fifty-three Euros), by issuing up to 101,156,453 new registered shares with no-par value (the **"Conditional Capital"**). The conditional capital increase shall only be implemented to the extent that the holders or creditors of option or conversion rights or those with an obligation to convert or exercise options arising from warrant bonds, convertible bonds, profit participation rights or participating bonds, in each case which are issued or guaranteed by the Company, or a company in which the Company holds a direct or indirect majority interest, on or before the expiry of 15 February 2026, based on the authorisation of the Management Board by resolution of this General Meeting under agenda item 4.1 (*Authorisation*), use their option or conversion rights, or fulfil their obligation to exercise or convert options, or to the extent that the Company exercises an option right to grant shares in the Company in whole or in part instead of payment of the cash amount due, provided no cash compensation is granted or no treasury shares or shares of another listed company are used for servicing in each case.

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

The new shares participate in profits from the start of the financial year in which they are issued. To the extent legally permissible, the Management Board, with the approval of the Supervisory Board, may determine a profit participation of the new shares in different from section 60 para. 2 German Stock Corporation Act (*AktG*).

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the conditional capital increase.

6 Material agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid

Vantage Towers AG is party to the following material agreements which contain provisions for the event of a change of control or acquisition of control as a result of a takeover offer:

- Vantage Towers AG has entered into a Master Service Agreement (**"MSA"**), under which Vantage Towers AG provides physical space on its passive infrastructure to host the other contractual party's active equipment, together with a range of ancillary services including energy services, site modifications, site deployment, site access management and site maintenance services for the purpose of operating a telecommunications network. The other contractual party may terminate the MSA with immediate effect on providing written notice if there is a "subsequent change of control". A Subsequent change of Control means that a competitor of the other contractual party to the MSA or of any of its group companies acquires control of Vantage Towers AG in a transaction that takes place after the current ultimate parent company Vodafone Group Plc itself ceased to have control over Vantage Towers AG in a previous transaction. Control means

the power (whether direct or indirect through one or more other persons) to direct or cause the direction of a person's affairs, whether by means of holding shares, possessing voting power, exercising contractual powers or otherwise.

- Vantage Towers AG has entered into a Long-Term Services Agreement ("**LTA**"). Under the LTA, the other contractual party provides services which may include, but are not limited to operation and maintenance field services, supply chain management, IT services, HR services, workplace services (including associated facility services, cleaning and maintenance and utilities), employee relations and certain legal and finance services. Vantage Towers AG shall in return provide, *inter alia*, lifecycle management services for power and cooling equipment. The other contractual party may terminate the LTA with immediate effect by giving written notice to Vantage Towers AG if there is a change of control in respect of Vantage Towers AG or where control of Vantage Towers AG is obtained by a competitor (other than due to an initial change of control, i.e. a case where the current ultimate parent company Vodafone Group Plc ceases to have control of the Company). Competitor means a competitor of the other contractual party to the LTA or of any of its group companies. Control means the direct or indirect power to direct or cause the direction of a person's affairs, whether by means of holding shares, possessing voting power, exercising contractual powers or otherwise.
- Vantage Towers AG has entered into an Inter-Company Agreement ("**INCA**"). Under the INCA, the other contractual party provides services which may include, but are not limited to, financial governance and operations services, human resources governance and operations services, property management services, external affairs support services and IT infrastructure services. The other contractual party may terminate the INCA with immediate effect if it ceases to hold, directly or indirectly, more than fifty (50) per cent of the issued share capital in Vantage Towers AG.
- Vantage Towers AG has entered into an Inter-Company Procurement Agreement ("**INPA**"). Under the INPA, Vantage Towers AG may (i) purchase, license or sub-license goods and services directly from the other contractual party and (ii) engage the other contractual party to act as agent in negotiating and executing third party supply agreements on Vantage Towers AG's behalf and in managing the ongoing commercial relationships with suppliers. The other contractual party may terminate the INPA on six (6) months' written notice if (i) a legal entity who controls Vantage Towers AG ceases to do so or (ii) a legal entity (not being a group company of the other contractual party) who did not control Vantage Towers AG acquires control of that party. Control means the power of a person to secure that a party's affairs are conducted in accordance with the wishes of that person.
- On 12 February 2021, the Company entered into a facilities agreement with Bank of America Europe Designated Activity Company, BNP Paribas S.A. Niederlassung Deutschland, Citibank, N.A., London Branch, Deutsche Bank Luxembourg S.A., Landesbank Baden-Württemberg and Sumitomo Mitsui Banking Corporation acting as arrangers, bookrunners and lenders. Bank of America Europe Designated Activity Company is also acting as coordinator and agent. The agreement provided for a €2.4 billion senior unsecured term loan facility and provides for a €300 million senior unsecured revolving credit facility. The term loan facility was not utilised and has now been cancelled in full.
- The revolving credit facility has a borrowing availability of up to €300 million available immediately and a term of three years, subject to two twelve-month extensions. The Company has not yet drawn down proceeds under this revolving credit facility.

- The facilities agreement in relation to the revolving credit facility contains customary change of control provisions pursuant to which, if any person (other than a member of the Vodafone Group) or group of persons acting in concert, gains control of the Company, each bank may cancel its available commitment and declare its participation in all loans to be due and payable.
- On 18 March 2021, the Company has published a prospectus regarding a debt issuance programme ("**Programme**") under which it may from time to time issue unsubordinated bearer notes in a minimum denomination of €100,000 per note. The aggregate principal amount of notes issued under the Programme outstanding will not at any time exceed €5 billion (or the equivalent in other currencies).
- On 31 March 2021, the Company issued three series of notes under the Programme with an aggregate principal amount of €2.2 billion. If a change of control occurs and the change of control has a certain impact on the rating of the Company or the notes, each noteholder will have under certain circumstances the option to require the Company to redeem that note at its principal amount together with interest accrued. Further details of the change of control provision as well as the consequences can be found in the Vantage Drawdown Pricing Supplements for each tranche which can be downloaded on www.vantagetowers.com/investors/debt-investors.
- On 25 May 2020, Vantage Towers AG and VSSB Vodafone Shared Services Budapest Private Limited Company ("**VSSB**") entered into a Multi-Currency Cash Management Call Account Loan Agreement ("**VSSB MCA**") for the making of advances up to a balance of €110 million (or equivalent). The purpose of the agree-

ment is to allow the Company to participate in Vodafone's multi-currency cash management system from which it can obtain funds for general corporate purposes or deposit with VSSB. Under the VSSB MCA, daily transfers of currency balances will take place between the Company and VSSB that will concentrate currency balances in the bank account of VSSB. The VSSB MCA is available on a revolving calendar month basis. Amounts are transferred under the agreement via a cash sweeping arrangement between the respective bank accounts of the Company and VSSB and/or via settlements to other entities who participate in the Vodafone multi-currency cash management system. On average, the Company had outstanding deposits in an amount of approx. €60 million.

- The VSSB MCA includes a customary change of control prepayment provision pursuant to which, if the Company ceases to be a subsidiary of Vodafone Group plc, VSSB may cancel the facility and declare all outstanding balances immediately due and payable.

7 Other takeover-relevant information

There are no shares with special rights conferring powers of control. To the extent Vantage Towers AG grants shares to its employees under its employee share program or as share-based compensation, the employees may exercise their control rights in the same way as any other shareholder in accordance with applicable laws and the articles of association. The Company has not entered into any compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Risks and opportunities

Overview of risk and opportunity management system and reporting

Vantage Towers' risk and opportunity policy is formed by one of the organisation's objective; 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 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 an opportunity-focused but risk-aware decision-making framework.

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.

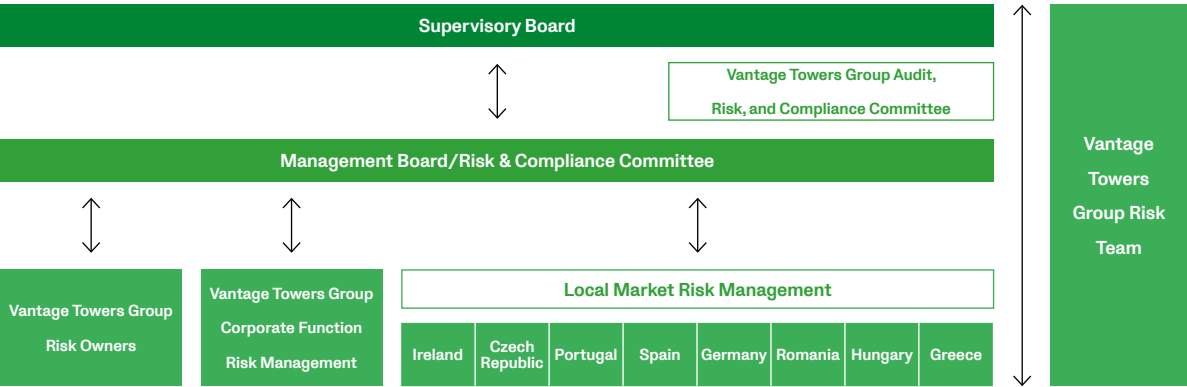
We define risk as a positive (opportunity) or negative (threat) event/development that, if it occurs, could potentially affect the strategic objectives of a company in either direction.

Risk and opportunity management system

As a recently listed 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 frameworks for Risk Management, 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 macro-economic environment and industry developments. This is further complemented by internal processes identifying risks and opportunities as early as possible. On a regular basis¹ 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.

¹At least once a year or more frequently in the event of a major change or impact to the core business operation

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.

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:

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 Vantage 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:

1. additional mitigation measures addressing the most significant risks can be taken into account to reduce the overall risk profile; or
2. 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 and local Vantage Towers operating company management. 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 the Vantage Tower's risk assessment criteria. In many cases, some parameters might be unknown to accurately measure an emerging risk accurately. 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 2023 and beyond. In this report, we therefore present a holistic assessment of the Principal Risks the business is proactively addressing. The risks overview table details these Principal Risks and other significant risks below:

Risk category	Risk title	Risk description
Strategic	Primary Client Dependency	Adverse business impact as a result of overreliance on primary tenant
	Market Disruption and consolidation	Market disruption by new entrants who reduce market share or adversely impact price and margin or market consolidation involving the primary tenant
	Adverse Political and Regulatory Measures	Adverse decisions by regulators impact our strategy and bottom-line profitability
	Adverse Site Leasing Conditions	Renegotiation of lease conditions leads to increase in cost impacting profitability
	Extreme Weather Events	Failure to manage climate related risks and opportunities
	Associated third-party Risk	Failure to align shareholder interests in associated companies
	BTS Site Commitment and Deployment	Failure to reach sites roll-out plan and ambitions leading to delay or loss of revenue
Financial	Inflation Impact	Costs increase faster than the contractual revenue growth
	Global Economic Disruption	Economic disruption and global instability may potentially affect the success of the business
	Dependency on third-party Services	Overreliance, or lack of service quality as well as control on third-party services
Operational	Breach of Laws and Regulation	Non-compliance with applicable laws and regulations and fraudulent activities
	Electromagnetic Field (EMF)	Negative public perception EMF and/or failure to monitor and report on radio frequency emissions by site
	Health and Safety	Failure to manage health and safety of staff and contractors
	Colocation procedures	Colocation procedures for a third-party MNO not successful or too time consuming
Technological	Cybersecurity and GDPR Threats	Malicious external or internal attack resulting in service unavailability
	Collection of energy payments for sites without submeters	Inability to enforce energy payments from MSAs with Vodafone for sites without submeters
	IT Process Implementation	Failure to successfully implement key IT platforms

Strategic

Primary client dependency

The Group's overreliance on a primary tenant could result in an adverse business impact. This is particularly prevalent if the primary tenant is unable to meet its obligations to pay sums due under any master services agreements to which they are a party of, or under the new build project or built-to-suit commitments. A strong focus on a primary client could lead to other potential customers having a perception that they may not be treated as a priority. Any negative news published in this direction could hinder other customers from embracing the Vantage Towers Group, despite efforts to raise brand awareness and working to offer excellent client service.

Market disruption and consolidation

The Group's success will depend on its ability to compete against a variety of other telecommunications infrastructure companies. The Group may experience increased competition in certain areas of activity from established and new competitors, including independent tower companies that may enter its markets. In particular, market disruption by new entrants who reduce market share or adversely impact price and margin, however Vantage Towers currently expects to continue to depend on a primary tenant across its markets for a significant percentage of its revenue. However, a consolidation in a particular market involving the primary tenant in form of a merger, acquisition or active network sharing deal with another MNO leading to a consolidation of their networks could also affect the long-term revenue prospects of the group. Should Vantage Towers be unable to compete effectively, this may adversely affect its ability to capture new tenancies in its markets and grow its customer base, which in turn would put pressure on the Group's revenue, profitability and cash flows in future periods.

Adverse political and regulatory measures

Adverse decisions by regulators have the potential to impact our strategy and bottom-line profitability. 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.

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.

Extreme weather events

The Group's sites and other facilities are subject to risks associated with natural disasters, extreme weather or other catastrophic events. 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.

Associated third parties risk

The group has major investments in two associated companies with a 50% ownership interest in Cornerstone Telecommunications Infrastructure Limited (Cornerstone) and its 33.2% ownership interest in Infrastrutture Wireless Italiane S.p.A. (INWIT). Any failure to align shareholder interests in these associated 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.

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 amount 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.

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 2% (other than Hungary where the cap is 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 Groups 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 economic 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 as well as adversely affect our access to the capital markets. The likelihood of such a global disruption has increased lately due to conflict in the Ukraine and might depend further on its duration and outcome.

Dependency on third-party services

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. This could adversely affect the Group's reputation, business, financial condition and results of operations.

Operational

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 and adversely impact the reputation of Vantage Towers. Fraudulent activities could also affect the groups reputation and financial resources which could occur in form of larceny, billing and payroll schemes or bribery. The group has set up policies and controls to avoid and detect such fraudulent activities, but such activities are globally increasing.

EMF

Public perception of possible health or environmental risks associated with mobile communications technologies, particularly the impact of 5G, could affect the growth of the Group. This could undermine the market acceptance of mobile communications services, increase opposition to the development and expansion of towers and lead to ground lease cost increases where the towers are located. A failure to perform ongoing monitoring and reporting on radio frequency emissions by site could also lead to delayed action on trends and compliance with relevant regulations.

Health and safety

Part of our commitment to our people is to offer them a safe 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 business 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.

Colocation procedures

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 as the availability of space on the tower, carrying capacity, EMF capacity, energy supply, existing agreements with the landlord. Any unknown condition of the inherited assets and a lack of clarity around the space available to rent, the EMF capacity and carrying capacity or contractual possibilities may limit or delay the colocation procedures as well. This might be impacting the delivery commitment to the customers and lead to loss or delay of revenues as well as liquidity damages.

Technological

Cybersecurity and GDPR threats

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 jeopardise the security of the information recorded or transmitted across customer networks or Vantage Towers' systems, or the integrity of their technical systems. This or a processual mishandling of private data could also lead to breaches in the General Data Protection Regulation (GDPR). Any such disruption could have a material adverse impact on the Group's business.

Collection of energy payments for sites without submeters (new risk)

Energy costs the Group incurs in relation to active energy, which is the energy consumed by active equipment of their customers on sites, are passed through to the Group's customers based on consumption with no margin for the Group. This relationship with Vodafone and other Mobile Network Operators (MNOs) is defined in the Master Service Agreements (MSA). Each of the Vodafone MSAs includes contractual clauses that energy cost is a pass-through under the condition that the group implements submeters on the sites for energy consumption measurement which might not be realised in due time in all cases and could lead to additional costs for the implementation. The underlying risk is that energy costs might not be able to be passed through to the customer Vodafone. However, there are ongoing discussion with the customer on a new energy model addressing this.

Risks related to IT process implementation

The Vantage Towers Group currently uses and will continue to use a number of third-party IT systems for operational, business and technology support. Although Vantage Towers is working to establish its own core IT infrastructure to support its business functions, there is a risk that the Group may not be entirely successful in establishing its own IT systems. In addition, future systems may incur higher implementation and running costs than the current arrangements. Any failure to avoid operational interruptions during the implementation of new IT systems, or any failure to implement such new systems, could disrupt the Group's business and lead to liability towards third parties, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Emerging risks

Regarding emerging risks arising from the Ukraine conflict, we are closely monitoring the situation and any potential risks and necessary remediation. We expect steel prices to further increase 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 and are also in closed discussion with our markets to rule that out on the local level as well.

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 83,000 macro sites and approximately 9,400 micro sites across ten markets¹.

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.

¹ Source: Company Market Position Assessment

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

The European Union has adopted a recovery fund of €750 billion, which will be in the form of grants and loans for the period 2021–2026. This Next Generation EU 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 digitalisation by establishing the necessary infrastructure. Any funding from the EU would be an opportunity for further growths as well as a chance to recover a part of the costs for the roll-out of infrastructure.

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 optimisation 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 optimisation 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 financial impact as well as the likelihood of the risks explained in this report materialising 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. 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.

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 GRC 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.

Subsequent events

Following discussion with our anchor tenant, Vodafone Germany, 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 terms of the Master Service Agreement (MSA). 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. This provides optionality for Vantage Towers with no change to the mid-term financial targets of the Company.

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 FY22 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 2022, the IMF expects the global economy to grow by 3.6% in 2022¹, whereas the IfW anticipates an increase of 3.5% compared to the previous year². In January 2022, IMF analysts had still expected the global economy to grow by 4.4% in 2022³. The downward adjustment of 0.8 percentage points made in April is mainly due to the consequences of the war in Ukraine and the sanctions aimed at pressuring Russia to end hostilities. The adjusted forecast reflects the tragic humanitarian crisis in Eastern Europe, as well as the economic damage that will lead to a significant slow-down in global growth in 2022 and further increase inflation. In addition, rapidly rising fuel and food prices also play a major role. This development hits vulnerable populations in low-income countries the hardest¹.

According to the IMF, the GDP in the Euro Zone is expected to grow by only 2.8% in 2022 compared to the previous year¹.

For our core markets, the IMF expects noticeable decreases in GDP growth rates in 2022¹.

However, the European telecommunications tower infrastructure market is expected to grow in 2022 and also over the medium-term (see [Industry environment, p. 41](#)).

The key drivers of growth for the tower infrastructure 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 fiberisation of sites, indoor coverage demand, outdoor small cells, edge data centres and IoT (Internet of Things) services.

Group outlook

Outlook for FY 2023 and medium-term targets

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.

¹ Source: International Monetary Fund, World Economic Outlook, April 2022

² Source: IfW, Kieler Konjunktur-Berichte, World Economy in Spring 2022

³ Source: International Monetary Fund, World Economic Outlook Update, January 2022

In FY23, we will further invest €10-15 million 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 €550 million to €570 million 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 €405 million to €425 million 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.

For Vantage Towers AG, the Management Board expects statutory revenue to grow moderately in FY23 as a result of further commercialization of the business. Statutory profitability is expected to increase as well, yet at a lower rate given further investment costs in our business, all ahead of the corresponding revenue contribution.

The Company profit and reserves is anticipated to be sufficient to fund the distribution of a dividend in FY23 corresponding with the Company's dividend policy.

Measure	FY22 guidance	FY22 results	FY23 guidance	Medium-term targets ¹
Tenancy ratio for consolidated Vantage Towers	–	1.44x	–	>1.50x
Revenue (ex. pass through)	€995m–€1,010m	€1,011m	3.0%–5.0% YOY	Mid-single digit CAGR
Adj. EBITDAaL (margin)	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 ²

¹ Medium-term guidance on actuals; excluding the UK and Italy

² 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

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. In order to make the Company's statutory and company-specific management and control mechanisms transparent, the Management Board and Supervisory Board have adopted the principles of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, DCGK) (**"the Code"**).

This joint declaration by the Management Board and the Supervisory Board covers the fundamental aspects of corporate governance at the Company and at the Vantage Towers Group (**"the Group"**) in accordance with section 289f and section 315d respectively of the German Commercial Code (*Handelsgesetzbuch*, HGB). 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 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 Management Board and Supervisory Board of the Company published the following declaration of conformity on 7 February 2022:

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 of the German Stock Corporation Act ("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 31 March 2021 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"**), published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (*Bundesanzeiger*) on 20 March 2020, 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 to from exercising his role at Vantage Towers AG. This view of the Supervisory Board is shared by the Management Board.

2. Publication of rules of procedure (recommendation D.1)

According to **recommendation D.1** (publication of rules of procedure), the Supervisory Board shall adopt its own rules of procedure and shall publish these on the company's website.

Due to technical problems the rules of procedure of the Supervisory Board were without restrictions only accessible as of 1 April 2021. Thus, formally, Vantage Towers AG did not comply with recommendation D.1 until 1 April 2021. However, from 1 April 2021 on, Vantage Towers AG has complied with this recommendation.

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 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 2021/22, 2022/23 and 2023/24, respectively.

For the long-term incentive awards which will become due in the fiscal years 2022/23 and 2023/24, 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 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 will comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (*Bundesanzeiger*) on 20 March 2020, apart from the exceptions mentioned above in Sections I.1 and I.3 as well as the following exception:

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, in each case to be prepared for the fiscal year ending on 31 March 2023 or subsequent fiscal years, and thus for the first time for the half-yearly financial report at the end of the first half-year on 30 September 2022, Vantage Towers AG has decided, in deviation from Section F.2 of the Code, 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.

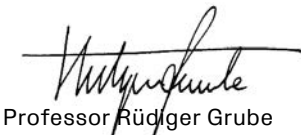
Düsseldorf, 7 February 2022

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.

Remuneration system and remuneration report

The Supervisory Board adopted a remuneration system for the Management Board which complies with the changed requirements for management board remuneration introduced by the Second Shareholder Rights Directive (ARUG II) Implementation Act (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)*) and the Code in the version of 16 December 2019. (Please refer to the precautionary declaration on a deviation from G.10 in the Declaration of Conformity which was published on 7 February 2022). The remuneration system was approved by the Annual General Meeting of 28 July 2021 with a majority vote of 95.14%. The current remuneration system, the remuneration report for the last financial year, and the auditor's opinion on the remuneration report can be found on the Company's website at: www.vantagetowers.com/en/investors/corporate-governance.

The wording of the resolution passed at the Annual General Meeting 2021 on the remuneration of members of the Supervisory Board can be found on the Company's website at: www.vantagetowers.com/en/investors/annual-general-meeting-en.

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. On the basis of the four values the Company has created a new Code of Conduct as a moral compass for employees to follow. 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 anti-bribery, 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 2021 was held in virtual format without the physical presence of the shareholders or their proxies. The Annual General Meeting in 2022 will also be held as a virtual meeting in light of the continued high COVID-19 infection rates. 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. Shareholders will be able to follow the entire Annual General Meeting online.

Reporting

The Company informs 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. It also regularly hosts analyst and investor conferences. Major publications such as annual reports, half-year reports and quarterly financial statements are published on the Company's website at www.vantagetowers.com/en/investors/results-report-and-presentation. The financial calendar, including the dates of significant financial communications and the Annual General Meeting, can also be found in this section of the website.

In addition to the regular reporting format, the Company publishes ad-hoc announcements containing information that is not public and which, if disclosed, could significantly affect 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.

The Company has established a Disclosure Committee which is composed of members of the Management Board, as well as representatives of the Finance, Accounting, Investor Relations, Communications, and Legal departments. The Disclosure Committee monitors and assesses information to establish whether it qualifies as inside information, decides upon the immediate disclosure of inside information, and reviews the financial reports and other important publications of the Company.

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, are 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 any one calendar year.

The Company publishes ad-hoc announcements and discloses relevant own transactions in the appropriate media in the European Union, as well as on its website at www.vantagetowers.com/en/investors/regulatory-news. It also communicates them to the companies register.

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 continuously strives 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, antitrust 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 decision-making, 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 Group-wide 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-orient-

ed and structured process. Another element is the identification of compliance risks via the Group's Whistleblowing Speak Up Tool that was implemented in compliance with EU Directive 2019/1937 and also permits the anonymous reporting of potential law or policy violations. The Group investigates all suspected violations which are reported. Identified violations are sanctioned as necessary, regardless of the name and function of the person involved. Further information about the Whistleblowing Speak Up Tool can be found on the Company website at www.vantagetowers.com/en/investors/corporate-governance/compliance-integrity.

The Group's Legal department, which is headed by the Chief Legal Officer, is responsible for ensuring statutory and regulatory compliance. Substantive 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 frameworks for risk management, leveraging best practice and experience, and designed to fulfil the requirements of section 91, paragraph 2 of the German Stock Corporation Act (Aktiengesetz, 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 sub-processes 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, we make use of internal and external information sources. 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 communicated immediately to the risk management officers and documented via 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 under the German The Company is a stock corporation in accordance with the German Stock Corporation Act (*Aktiengesetz*, AktG). It has a two-tier management and control system, consisting of the Management Board and the Supervisory Board, as is customary in Germany. The powers and responsibilities of these governing bodies are determined by the AktG, the Articles of Association, the internal Rules of Procedure for both bodies, and the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, DCGK, "the Code").

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 as well as the principles and recommendations of the DCGK and consistent with the Company's Declaration of Conformity. In managing the Company's business, the members of the Management Board take into account the interests of shareholders, employees, and other relevant stakeholders.

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 prepare the annual, interim, and quarterly (consolidated) financial statements and reports and the combined management report. 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. 102](#).

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-a-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. They regularly inform 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. The Management Board has no committees.

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)	Chairperson/CEO (first appointed in 2021; appointed until 31 Dec 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)	CFO (first appointed in 2021; appointed until 31 Dec 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 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

In accordance with the recommendation of the Code, no member of the Management Board has more than two mandates on supervisory boards or comparable supervisory bodies in external publicly listed companies or chairs the supervisory board of an external publicly listed company.

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. The Supervisory Board also prepares a

remuneration report in accordance with section 162 of the German Stock Corporation Act (*Aktiengesetz*, AktG) in conjunction with the Management Board.

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. They are 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 are held once a calendar quarter and at least twice in any one calendar half-year. Due to the COVID-19 pandemic, meetings were held virtually. However, in the future, this will be the exception rather than the rule in line with the Code. 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 is quorate if at least half of the total number of members as required by law 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. During the reporting period, no conflicts of interests involving Supervisory Board members occurred.

The Supervisory Board assesses at regular intervals how effectively the Supervisory Board as a whole and its committees are performing their duties. The self-assessment 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. The first self-assessment was performed at the beginning of 2022.

Detailed information about the work of the Supervisory Board can be found in the [Report of the Supervisory Board on p. 20](#). 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 of the German Stock Corporation Act (*Aktiengesetz*, 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.

On 16 February 2022, Barbara Cavaleri informed the Chairperson of the Supervisory Board and the Company's Management Board that she was relinquishing her seat on the Supervisory Board with immediate effect. The Supervisory Board Chairperson waived compliance with the term of notice. For this reason, the Annual General Meeting of the Company, which will be held on 28 July 2022, will pass a resolution on the appointment of a successor for Barbara Cavaleri.

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 SE¹ - Hamburger Hafen und Logistik AG (HHLA)¹ - Vossloh AG¹ - Alstom/Bombardier Transportation Germany GmbH
Rosemary Martin (born in 1960) Deputy Chairperson	Member of the Supervisory Board (since 18 January 2021, appointed until 2025)	General Counsel and Company Secretary, Vodafone Group Plc	- Vodafone Corporate Secretaries Ltd. - Vodafone Foundation - Lloyds Register Foundation - Panel on Takeovers and Mergers (UK) - University of Sussex
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
Barbara Cavaleri (born in 1969) Member	Member of the Supervisory Board (from 18 January 2021 to 16 February 2022)	Finance Director Vodafone Italy	- Vodafone Italia S.p.A. (resigned on 16 February 2022) - VEI S.r.l. (resigned on 16 February 2022) - VND SpA (resigned on 15 February 2022)
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.
Terence Rhodes (born in 1955) Member	Member of the Supervisory Board (since 8 February 2021, appointed until 2025)	Supervisory Board Member	None
Johan Wibergh (born in 1963) Member	Member of the Supervisory Board (since 18 January 2021, appointed until 2025)	Chief Technology Officer, Vodafone Group Plc	Trimble Inc.¹
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	None

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 p. 20.](#)

In accordance with the reformulated section 100, paragraph 5 of the German Act to Strengthen Financial Market Integrity (*Gesetz zur Stärkung der Finanzmarktintegrität*, FISG), 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 and Michael Bird, 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), intra-year financial information, and the single-entity 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, quarterly,

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 re-tendered, 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, and 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, and Rosemary Martin (all since 9 February 2021).

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 further-

more 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), Johan Wibergh, and Pinar Yemez (all since 9 February 2021).

Target quotas for women according to the German Act on Equal Participation of Women and Men in Leadership Positions

The German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*) imposes the obligation on the Supervisory Board to set targets for the proportion of women on the Supervisory Board and the Management Board and to specify a period within which the target is to be achieved. If the proportion of women is below 30 % when the target is set, the target may not fall below the status quo. In addition to the targets set for the Supervisory Board and the Management Board, the law further prescribes that targets be set by the Management Board for the two management levels below the Management Board.

Target achievement in the governing bodies and in the management levels below the Management Board is set out in the following table:

Gender Diversity Targets

Vantage Towers AG	Starting basis 01/04/2021 %	Target until 31/03/2024 %
Supervisory Board	44	44
Management Board	0	25
1 st Management level	20	25
2 nd Management level	38	38

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 complies with the diversity requirements of the German Stock Corporation Act (*Aktiengesetz*, AktG) and the relevant requirements of the Code. 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 German Corporate Governance Codex (*Deutscher Corporate Governance Kodex*, DCGK) and established an age limit for the Management Board. Accordingly, the age limit for members of the Management Board is seventy years.

Gender

The Supervisory Board strives to achieve gender diversity on the Management Board as well. As stated above, the Supervisory Board is legally obliged to set a target and stipulate a target achievement period. The Company's objective is to have both men and women represented on the Management Board. The Supervisory Board intends to increase the proportion of women on the Management Board in the medium-term, if necessary by increasing the number of Management Board members. The target of 25% is to be reached by 1 April 2024.

Internationality

The Company aims to power Europe's digital transformation by accelerating infrastructure deployment and simplifying connectivity. With this Europe-wide 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 investors 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.

Current implementation of the diversity concept

The current Management Board fulfils the requirements of the diversity concept with one exception. According to the current plan, the proportion of women on the Management Board will have been increased by 1 April 2024.

Long-term succession planning

In accordance with recommendation B.2 of the Code, the Supervisory Board has established the following long-term succession plan 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 educa-

tional 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 met by the current Supervisory Board members who hold these positions.

In the performance of their duties, the individual members of the Supervisory Board must always put the interests of the Company first. 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, the Supervisory Board has stipulated the following competence profile for the entire Supervisory Board. The competence profile is 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, the competence profile for the entire Supervisory Board, and the diversity concept.

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 eight 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 four representatives from Vodafone following Barbara Cavaleri's resignation and four independent members. The current proportion of female members is 37.5%. The Supervisory Board intends to increase the proportion again up to 44% of women with its election proposal for the successor to Barbara Cavaleri to the AGM. 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, financial and human resources management, legal and valuation, and technology and IT business management.

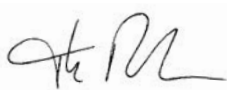
Duesseldorf, 7 June 2022

Vantage Towers AG

The Board of Management



Vivek Badrinath



Thomas Reisten



Christian Sommer

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Consolidated Financial Statements

Consolidated Income Statement

For the years ended 31 March

	Note	2022 €m	2021 €m
Revenue	2	1,023.3	545.0
Maintenance costs		(46.4)	(25.4)
Staff costs	4	(45.3)	(19.4)
Other operating expenses	3	(67.8)	(37.2)
Depreciation on lease-related right-of-use assets	7	(258.2)	(119.8)
Depreciation on other property, plant and equipment	7	(84.9)	(64.1)
Amortisation of intangible assets	6	(13.2)	(1.6)
Loss on disposal of other property, plant and equipment		(0.9)	(0.5)
Share of results of equity accounted joint ventures	14	30.2	10.1
Operating profit		536.7	287.1
Interest on lease liabilities	11	(52.9)	(27.6)
Net finance costs	3	(13.5)	(8.6)
Other non-operating expenses	3	(4.5)	(33.1)
Profit before tax		465.8	217.8
Income tax expense	5	(108.9)	(57.8)
Profit for the period		356.9	160.0
<i>Attributable to:</i>			
Owners of the Company		356.9	158.2
Non-controlling interests		–	1.8
Profit for the period		356.9	160.0
Earnings per share (€ct)			
Basic	16	70.6	51.2
Diluted	16	70.5	51.2

Consolidated Statement of Comprehensive Income

For the years ended 31 March

	Note	2022 €m	2021 €m
Profit for the period		356.9	160.0
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences, net of tax		(9.9)	18.0
Items that will not be reclassified subsequently to profit or loss:			
Net actuarial losses on defined benefit pension schemes, net of tax		(0.2)	(0.3)
Other recognised income and expenses		(0.0)	0.1
Total items that will not be reclassified to the income statement in subsequent years		(0.2)	(0.2)
Other comprehensive income for the period, net of income tax		(10.1)	17.8
Total comprehensive income for the period		346.8	177.8
Attributable to:			
Owners of the Company		346.8	176.0
Non-controlling interests		—	1.8
		346.8	177.8

Consolidated Statement of Financial Position

At 31 March

Assets

	Note	31/03/2022 €m	31/03/2021 €m
Non-current assets			
Goodwill	6	3,319.6	3,316.4
Intangible assets	6	268.9	234.6
Property, plant and equipment	7	3,201.9	2,880.4
Investments in joint ventures	14	3,217.9	3,315.8
Deferred tax assets	5	29.5	24.2
Trade and other receivables	9	23.5	15.0
		10,061.3	9,786.4
Current assets			
Receivables due from related parties	8	512.4	435.6
Trade and other receivables	9	126.2	41.4
Cash and cash equivalents	19	21.7	22.1
		660.3	499.1
Total Assets		10,721.6	10,285.5

Equity and liabilities

	Note	31/03/2022 €m	31/03/2021 €m
Equity			
Share capital	18	505.8	505.8
Share premium		6,751.4	6,876.6
Merger reserve		(2,266.3)	(2,266.3)
Other reserves		12.8	20.0
Retained earnings		359.8	158.2
Total equity attributable to shareholders of the parent	18	5,363.7	5,294.3
Non-current liabilities			
Long-term borrowings	20	2,189.5	2,187.1
Lease liabilities	11	1,758.8	1,774.4
Provisions	12	457.3	319.1
Post-employment benefits	21	0.3	1.3
Deferred tax liabilities	5	128.9	70.5
Trade and other payables	10	89.3	33.9
		4,624.1	4,386.3
Current liabilities			
Lease liabilities	11	247.5	242.0
Current income tax liabilities	5	12.2	8.6
Provisions	12	8.6	16.2
Payables due to related parties	8	117.7	118.8
Trade and other payables	10	347.7	219.3
		733.8	604.9
Total liabilities		5,357.9	4,991.2
Total equity and liabilities		10,721.6	10,285.5

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
01/04/2020		–	–	–	–	–	–	–	–
Issue of shares	18	505.8	6,876.6	–	–	–	7,382.4	–	7,382.4
Formation of the Group	1	–	–	(2,031.2)	–	–	(2,031.2)	–	(2,031.2)
Loss incurred prior to hive-down	18	–	–	(190.2)	–	–	(190.2)	–	(190.2)
Capital contribution	18	–	–	190.2	–	–	190.2	–	190.2
Deferred tax liability on equity items	5	–	–	–	1.4	–	1.4	–	1.4
Share based payments	21	–	–	–	0.8	–	0.8	–	0.8
Non-controlling interests:									
Purchase of non-controlling interests	15	–	–	–	–	–	–	55.5	55.5
Change in ownership	15	–	–	(235.1)	–	–	(235.1)	(57.3)	(292.4)
Profit for the period		–	–	–	–	158.2	158.2	1.8	160.0
Other comprehensive expense for the period		–	–	–	17.8	–	17.8	–	17.8
Total comprehensive income for the period		–	–	–	17.8	158.2	176.0	1.8	177.8
31/03/2021		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	21	–	–	–	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	6,751.4	(2,266.3)	12.8	359.8	5,363.7	–	5,363.7

Consolidated Statement of Cash Flows

For the years ended 31 March

	Note	2022 €m	2021 €m
Operating profit		536.7	287.1
Adjustments for:			
Share of results of equity accounted joint ventures	14	(30.2)	(10.1)
Share-based payments and other non-cash charges		3.9	1.2
Depreciation of other property, plant and equipment	7	84.9	64.1
Depreciation of lease-related right-of-use assets	7	258.2	119.8
Amortisation of intangible assets	6	13.2	1.6
Decrease/(Increase) in trade receivables from related parties	8	48.6	(152.9)
(Decrease)/Increase in trade payables to related parties	8	(1.8)	43.4
(Increase)/Decrease in trade and other receivables	9	(56.9)	(8.5)
Increase/(Decrease) in trade and other payables	10	151.1	(17.0)
Cash generated by operations		1,007.7	328.7
Net income tax paid		(91.8)	(15.7)
Net cash from operating activities		915.9	313.0
Investing activities			
Purchase of interests in subsidiaries, net of cash acquired	15	(0.7)	(8,550.9)
Purchase of joint ventures	14	–	(1,213.2)
Purchase of intangible assets	6	(18.6)	(6.5)
Purchases of property, plant and equipment	7	(288.2)	(104.6)
Disposals of property, plant and equipment	7	4.3	–
Dividend from associate investments	14	95.6	–
Net cash used in investing activities		(207.6)	(9,875.2)
Financing activities			
Issue of ordinary share capital and proceeds from capital contributions	18	(0.2)	7,107.4
Proceeds from issue of long-term borrowings	20	–	2,187.1
Proceeds from related party borrowings	8	–	2,290.0
Repayment of related party borrowings	8	–	(2,377.5)
Repayment of lease liabilities including interest		(293.0)	(131.1)
Net movements in cash management activities with related parties	8	(121.9)	514.6
Interest paid		(10.2)	(6.2)
Group Dividends paid		(231.6)	–
External dividends paid		(51.7)	–
Net cash from financing activities		(708.7)	9,584.3
Net (decrease)/increase in cash and cash equivalents		(0.4)	22.1
Effect of foreign exchange rates		(0.0)	(0.0)
Cash and cash equivalents at beginning of period		22.1	–
Cash and cash equivalents at end of period		21.7	22.1

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 and joint venture interests hereinafter referred to as the "Group". The registered address of the Company is Prinzenallee 11-13, 40549 Duesseldorf. The Company is ultimately controlled by 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. The Company's immediate parent is Vodafone GmbH, Duesseldorf.

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. Pursuant to section 290 (1) of the German Commercial Code (HGB), it is also included in the consolidated financial statements of its ultimate parent company, Vodafone, as the largest group of consolidated companies.

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 2022 were prepared by the Board of Management of the Company and authorised for issue on 7 June 2022.

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 2022") is starting on 1 April 2021 and ending on 31 March 2022.

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 27 "Related undertakings" to the consolidated financial statements) and joint ventures that are subject to joint control (see note 14 "Investments in joint ventures" 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 timing of the key steps involved in the Group's formation is set out below.

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.

Comparative period information

The various steps taken to create the Group were accounted for as a single transaction under common control using the pooling of interests method based on historical carrying amounts. These historical carrying amounts were determined by reference to the carrying amounts recognised under the Vodafone Group's accounting policies, which were applicable immediately prior to the transaction using the pooling of interests method.

IFRS 10 mandates that the consolidated financial statements of the receiving entity cannot include financial information of a subsidiary prior to the date it obtains control. Accordingly, in applying the pooling of interests method, the Management Board do not consider it appropriate to present financial information of the acquired businesses for periods prior to their acquisition.

Accordingly, the comparative financial information disclosed in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statements of cash flow contains the financial results of operations, and the financial position and equity value of joint ventures, only from the date of formation of the Group during the previous financial year.

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 2023. They note the Group's €272.3 million cash is held in a call deposit account as part of the Vodafone Group Plc cash pooling arrangement. Per the terms of the arrangement, the Management Board has control of this deposit and draw down upon this balance when needed. Having considered the overall financial position of the Vodafone Group as at 31 March 2022, the Management Board is satisfied that the Vodafone Group has sufficient liquidity for the Company and Group to continue to access the cash balance held in its call deposit account.

Despite the potential for a sustained macroeconomic downturn, the Management Board is satisfied that, due to stable margins and significant head room 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 2023 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 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 2021

The below table illustrates the mandatory first-time application of accounting pronouncements in the fiscal year 2022, 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 have had 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 16 Leases: Covid-19-Related Rent Concessions beyond 30/06/2021 ¹	1 Apr 2021	Practical expedient not applied by Vantage Towers AG
Amendments to IAS 16 – Proceeds before Intended Use	1 Jan 2022	No material impact
Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	1 Jan 2022	No material impact
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 Jan 2022	No material impact
Annual Improvements to IFRS Standards 2018 – 2020 Cycle	1 Jan 2022	No material impact

¹ Earlier application is permissible. The Group did not apply the practical expedient in the 2022 financial year

Pronouncements that have been endorsed by the EU, but not yet to be applied:

	Effective for annual periods beginning on or after:	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
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 Jan 2023	No material impact
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	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 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	No material impact expected
Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative information	1 Jan 2023	No material impact expected
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 Jan 2023	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 2022, 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.

As set out in the "Comparative period information" section, in determining the presentation basis of the consolidated financial statements, the Management Board is required to apply various judgements and have concluded that:

- the legal steps undertaken in combining the European tower businesses should be accounted for as a single transaction; and
- in applying a pooling of interests method for the business combination under common control, the inclusion of financial information for the European tower businesses prior to the date of legal carve-out would contradict the requirements of IFRS 10 and therefore no comparative information is presented for the period prior to formation of the Group.

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 disclosed below.

Gross versus net presentation

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 consolidated with application of management judgements and estimates 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;
- high-level 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.

Goodwill, less amounts relating to Vodafone Group's acquisition of Liberty Global assets which are deemed not to relate to the Group, has been allocated between the Group's businesses and the remaining Vodafone operating business in proportion to the relative value of the cash-generating units for each market. The allocation of goodwill between cash-generating units is assessed from the enterprise value of the relevant Vodafone Group operations. 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 2022 if these estimates were revised. See note 15 "Acquisitions" for further details.

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 following:

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 five-year 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 long-term 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 2022 would result in an increase or decrease in the liability and corresponding asset by approximately €46 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 regions, 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.

	01/04/2021 – 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 lease-related right-of-use assets and interest on lease liabilities.

The comparative period for each segment's results is explained in note 1 "Basis of preparation".

	01/04/2020 – 31/03/2021				
	Total revenue €m	Adjusted EBITDA €m	Ground lease expense ¹ €m	Recharged capital expenditure revenue €m	Adjusted EBITDAaL €m
Germany	403.4	340.7	(88.9)	(2.6)	249.2
Spain	46.5	40.6	(21.9)	(0.3)	18.4
Greece	35.0	29.8	(17.8)	(0.2)	11.8
Other European Markets	60.1	51.9	(18.8)	(0.3)	32.8
Consolidated	545.0	463.0	(147.4)	(3.4)	312.2

¹ Ground lease expense represents the sum of depreciation on 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 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.

	01/04/2021 – 31/03/2022 €m	01/04/2020 – 31/03/2021 €m
Adjusted EBITDA	865.2	463.0
One off items	(1.5)	–
Depreciation on lease-related right-of-use assets	(258.2)	(119.8)
Depreciation on other property, plant and equipment	(84.9)	(64.1)
Amortisation of other intangible assets	(13.2)	(1.6)
Loss on disposal of other property, plant and equipment	(0.9)	(0.5)
Share of results of equity accounted joint ventures	30.2	10.1
Operating profit	536.7	287.1

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

Segmental assets and capital expenditure

	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.

	01/04/2020 – 31/03/2021				
	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	424.5	826.8	(5.2)	(94.2)	(124.9)
Spain	117.2	458.9	(2.8)	(4.7)	(18.9)
Greece	109.4	322.0	(1.9)	(1.8)	(20.0)
Other European Markets	189.1	447.5	(3.4)	(4.8)	(21.7)
Consolidated	840.2	2,055.2	(13.3)	(105.5)	(185.5)

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. €12.4 million (FY 2021: €3.4 million) of recharged capital expenditure revenue was generated during the twelve months ended 31 March 2022; this revenue is expected to increase over the first 8 year term of the Vodafone MSAs.

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.

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Service revenue from lease contracts	243.7	130.0
Other service revenue	45.2	15.9
Total service revenue	288.9	145.9
Lease revenue from contracts	722.0	395.7
Other lease revenue	12.4	3.4
Total revenue	1,023.3	545.0
Split as:		
Macro site revenue	923.1	514.1
Other rental revenue	43.2	11.6
Energy and other revenue	44.6	15.9
Recharged capital expenditure	12.4	3.4
Total revenue	1,023.3	545.0

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 2022.

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:

	31/03/2022						
	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
Total	966.8	952.1	951.7	951.1	947.5	1,475.0	6,244.3

	31/03/2021						
	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	232.0	228.8	226.6	225.1	224.1	623.6	1,760.2
Committed lease revenue due to the Group as a lessor	687.3	678.2	671.9	667.7	665.0	1,857.7	5,227.8
Total	919.3	907.0	898.5	892.8	889.1	2,481.3	6,988.0

3. Operating and non-operating expenses

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

	01/04/2021 – 31/03/2022 €m	01/04/2020 – 31/03/2021 €m
Other operating expenses:		
Energy costs	27.7	13.2
Net foreign exchange loss	0.2	0.2
Net related party costs	11.1	3.0
Outsourced operations	4.6	6.2
Other	24.3	14.6
Total	67.8	37.2
Net finance costs:		
Finance costs	14.7	13.8
Finance (income)	(1.2)	(5.2)
Total	13.5	8.6
Other non-operating expenses:		
Restructuring costs	2.2	–
Set-up costs	2.4	33.1
Total	4.5	33.1

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.

	2022 Employees	2021 Employees
By segment:		
Germany	198	112
Spain	47	16
Greece	76	8
Other European Markets	137	51
Total	457	187
By function:		
Technology	287	112
Finance	96	40
Legal	28	14
Commercial	26	10
CEO/MDs	12	6
HR	8	5
Total	457	187

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

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Wages and salaries	36.8	15.5
Social security costs	4.8	1.6
Other pension costs	(0.3)	0.6
Share-based payments	3.9	0.8
Other staff costs	-	0.9
Total	45.3	19.4

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.

Regarding Vantage Towers S.L.U. the disclosure of taxes differs from the above Vantage Towers S.L.U. is part of a tax consolidation group with Vodafone Holdings Europe S.L.U. and therefore, Vodafone Holdings Europe S.L.U. will be liable for the current income tax liabilities of the tax consolidation group. According to the Spanish group taxation concept, Vantage Towers S.L.U. calculates and transfers its annual tax expense (based on a standalone approach without consideration of tax loss carry forwards) ultimately to Vodafone Holdings Europe S.L.U. As the IFRS standard does not give guidance on the accounting, the accounting is made in alignment with the Australian Accounting Standard that allows the following approach (separate tax payer within the group): Current tax assets and liabilities are recognized as intercompany receivables and payables whereas deferred tax assets and liabilities resulting from own temporary differences are disclosed as deferred tax assets and liabilities. Regarding tax loss carry forwards the recognition depends on the utilization of tax loss carry forwards in the tax consolidated group. Tax expenses and income are disclosed in the Group accounts as such. Tax loss carry forwards existing on level of Vantage Towers S.L.U. are not taken into account within the calculation of the tax apportionment to Vodafone Holdings Europe S.L.U. as they are not expected to be recoverable in the context of the group in the foreseeable future.

Income tax expenses are composed of the following items:

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Current taxes	58.6	25.9
Deferred taxes	50.3	31.9
Total tax expense	108.9	57.8

The expected tax expense is calculated using the tax rate of 30.805% (FY 2021: 31%) applicable to German group companies. This includes an average trade tax rate of 14.98% (FY 2021: 15.175%) in addition to the statutory corporate income tax and solidarity surcharge rate of 15.825% (FY 2021: 15.825%). The following table shows a reconciliation of the expected tax expense at the Group tax rate of 30.805% (FY 2021 31%) to the effective tax expense at a tax rate of 23.4% (FY 2021: 26.5%).

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Profit before tax	465.8	217.8
Expected income tax expense at Group rate	143.5	67.5
International rate differences ¹	(16.8)	(5.3)
Correction of at equity investment ²	(9.4)	(3.1)
Goodwill depreciation IAS 2.24 ³	(2.9)	(2.9)
Local business tax ⁴	(0.6)	1.4
Changes in tax rate ⁵	(5.9)	
Change in valuation allowances	0.3	0.3
Tax credit Portugal ⁶	(0.9)	
Prior year taxes	0.2	
Permanent differences and other ⁷	0.3	(0.1)
Outside basis differences ⁸	1.1	
Income tax expense	108.9	57.8
Effective tax rate	23.4%	26.5%

¹ Tax rate differences reflect the difference between the theoretical group tax rate of 31% 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 €30.2 million (FY 2021: €10.1 million) without consideration of a corresponding tax expense.

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

⁴ Local taxes are other business taxes than corporation and trade taxes. The amounts relate to Hungary and Portugal.

⁵ The main effect from changes in tax rate refers to Greece. Greece reduced the corporate tax rate from 24% to 22%.

⁶ Vantage Portugal applied for an extraordinary tax credit for investments (CFEI II).

⁷ Permanent differences contain among others German trade tax add backs.

⁸ Outside basis differences concern German taxation on expected dividends in FY23.

	01/04/2020 €m	Charged to the income statement €m	Germany demerger €m
Other property plant and equipment	–	(19.2)	(10.3)
Investments	–	(4.0)	–
Receivables and deferred revenues	–	(1.2)	(0.3)
ARO provision	–	15.8	(4.2)
Other provisions	–	(1.1)	0.1
Lease-related right of use assets	–	(94.7)	(183.8)
Lease liabilities	–	104.2	186.4
Total	–	(0.2)	
Valuation allowances on temporary differences			
Total deferred taxes on temporary differences			
Tax loss carry-forwards	–	(31.9)	47.2
Valuation allowances on tax loss carry-forwards	–	(0.1)	–
Tax loss carry-forwards after valuation allowances	–	(32.0)	47.2
Offsetting of deferred taxes			
Purchase price allocation Greece		0.3	(64.2)
Total charged to the income statement		(31.9)	
Net deferred tax asset/(liability)			

	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)	0.0
Total	2.1	(63.9)	(34.8)
Valuation allowances on temporary differences	–	–	–
Total deferred taxes on temporary differences	–	–	–
Tax loss carry-forwards	62.6	–	(15.1)
Valuation allowances on tax loss carry-forwards	(47.2)	–	(0.3)
Tax loss carry-forwards after valuation allowances	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)	(0.0)	–

Deferred taxes as of 31/03/2021

Balance sheet movements:					
Acquisitions €m	OCI – (Pension) €m	Other equity movements €m	31/03/2021 €m	Deferred tax asset €m	Deferred tax liability €m
11.8	–	0.2	(17.5)	17.1	(34.6)
–	–	–	(4.0)	–	(4.0)
4.8	–	1.9	5.2	5.8	(0.6)
3.6	–	(1.2)	14.0	18.9	(4.9)
3.3	0.1	–	2.4	3.6	(1.2)
(213.2)	–	–	(491.7)	–	(491.7)
203.1	–	–	493.7	493.7	–
			2.1	539.1	(537.0)
				–	–
				539.1	(537.0)
47.3	–	–	–	62.6	–
(47.0)	–	–	–	(47.1)	–
0.3	–	–	–	15.5	–
				(530.4)	530.4
				–	(63.9)
				24.2	(70.5)

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)
0.0	–	–	15.9	21.1	(5.2)
0.1	–	(0.0)	22.0	27.5	(5.5)
0.0	–	(0.2)	(0.5)	0.4	(0.9)
(1.2)	–	(3.5)	(487.9)	–	(487.9)
1.2	–	2.7	474.9	474.9	–
0.0	–	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, tax loss carry-forwards and purchase price allocations. PY: The column "Germany demerger" reflects the transfer of tower infrastructure assets of Vodafone Germany into the Company on 25 May 2020. The column "Acquisitions" reflects the increase of temporary differences resulting from the acquisition of CTHC on 17 December 2020 and includes differences in the Vantage companies in Spain, Portugal, the Czech Republic, Hungary, Romania, and Ireland. It also contains temporary differences in Greece.

No deferred taxes were recognized 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 €1.1 million were recognized as of March 31, 2022 (FY 2021: €nil).

As of 31 March 2022, the Company has not recognised deferred tax assets (FY 2021: €15.5 million) on tax loss carry-forwards (TLCF).

	2022	
	Amount of TLCF €m	Gross DTA €m
Germany	0	0
Spain	187.6	46.9
Greece	0	0
The Netherlands	2.3	0.6
Total	189.9	47.5
Valuation allowance	—	(47.5)
Net deferred tax asset	—	0

	2021	
	Amount of TLCF €m	Gross DTA €m
Germany	48.6	15.0
Spain	187.6	46.9
Greece	2.3	0.5
The Netherlands	1.0	0.3
Total	239.5	62.7
Valuation allowance	—	(47.2)
Net deferred tax asset	—	15.5

The deferred tax assets from loss carry-forwards calculated for Vantage Towers S.L.U. (Vantage Spain) of € 46.9 million were written off in full in the formation of the Group. The prerequisite for using the loss carry-forwards of Vantage Towers S.L.U. is an overall positive result of the tax group of Vodafone Holdings Europe S.L.U., to which Vantage Towers S.L.U. belongs. As this is not expected in the foreseeable future, the deferred tax assets on the loss carry-forwards of Vantage Towers S.L.U. were written down. Furthermore, no deferred tax assets were recognised on the losses of the Dutch holding company.

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 in 25 March 2021 (see additional details in note 15 "Acquisitions" below).

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			
01/04/2020	3,228.0	-	3,228.0
Arising on formation of the Group under pooling of interests method	-	-	-
Arising on other acquisitions (note 15)	87.7	224.8	312.5
Additions	-	0.3	0.3
Transfers from related parties (note 8)	-	11.1	11.1
Foreign exchange differences	0.7	-	0.7
31/03/2021	3,316.4	236.3	3,552.6
Arising on other acquisitions (note 15)	(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
Accumulated impairment losses and amortisation			
01/04/2020	-	-	-
Amortisation charge for the year	-	(1.6)	(1.6)
31/03/2021	-	(1.6)	(1.6)
Amortisation charge for the year	-	(13.2)	(13.2)
Disposals	-	-	-
Foreign exchange differences	-	-	-
31/03/2022	-	(14.9)	(14.9)
Net book value			
31/03/2021	3,316.4	234.6	3,551.0
31/03/2022	3,319.6	268.9	3,588.5

Impairment losses

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 five-year management plans for the Group's cash-generating units, which are the basis for the value in use calculations.

The goodwill in the Group represents the excess of the cost of historical acquisitions by Vodafone over the fair value of the acquired net assets which arose primarily due to synergies expected to be made at the time of those acquisitions.

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 losses

Following our annual impairment review, no impairment charges have been recognised in the consolidated income statement.

Goodwill

The allocation of the carrying value of goodwill to the cash-generating units at 31 March was as follows:

Cash generating unit

	31/03/2022 €m	31/03/2021 €m
Germany	2,565.0	2,565.0
Portugal	246.0	246.0
Ireland	151.0	151.0
Greece	123.3	128.7
Czech Republic	138.6	129.7
Romania	58.0	58.0
Hungary	27.7	28.0
Spain	10.0	10.0
Total	3,319.6	3,316.4

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 EBITDA	Calculated as adjusted operating profit before depreciation and amortisation
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:

	31/03/2022			
	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 EBITDA ¹	11.1	9.5	10.4	4.6–7.7
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 Adjusted EBITDA CAGR 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.

	31/03/2021			
	Germany %	Portugal %	Ireland %	Other European Markets %
Pre-tax adjusted discount rate	6.0	8.1	6.5	6.2–8.2
Long-term growth rate	1.5	1.5	1.5	1.0–1.5
Projected adjusted EBITDA ¹	8.4	7.1	6.0	2.7–18.1
Projected capital expenditure ²	39.1–56.2	13.7–20.7	21.2–49.1	8.6–28.8
Average capital expenditure	48.6	17.3	37.7	23.0

¹ Projected adjusted EBITDA 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 €5.6 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 2022.

	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 EBITDA ¹	(21.2)	(9.7)
Projected capital expenditure ²	196.6	63.7

¹ Projected adjusted EBITDA 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.

	31/03/2021	
	Change required for carrying value to equal recoverable amount	
	Germany pps	Portugal pps
Pre-tax adjusted discount rate	5.2	3.9
Long-term growth rate	(4.9)	(4.2)
Projected adjusted EBITDA ¹	(19.3)	(9.4)
Projected capital expenditure ²	162.6	71.4

¹ Projected adjusted EBITDA 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

Other

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

Depreciation is not provided on freehold land.

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. There has been a reassessment (extension) in the useful economic life of certain tower infrastructure assets during the year and this has resulted in a reduction in depreciation charge of €52.3 million in the financial period compared to the depreciation charge that would have been made under the previous asset lives.

	Land and buildings €m	Other €m	Total €m
Cost			
01/04/2020	–	–	–
Arising on formation of the Group under pooling of interests method	9.1	634.9	644.0
Arising on other acquisitions (note 15)	94.1	4.8	98.9
Transfers from related parties (note 8)	–	13.9	13.9
Additions	2.0	116.8	118.8
Changes in estimates of asset retirement obligations (see note 12)	(0.3)	14.1	13.8
Disposals	–	(4.0)	(4.0)
Foreign exchange differences	–	0.3	0.3
31/03/2021	104.9	780.8	885.7
Arising on formation of the Group under pooling of interests method	–	–	–
Arising on other acquisitions (note 15)	–	(15.3)	(15.3)
Additions	2.1	276.6	278.6
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	–	3.6	3.6
31/03/2022	104.8	1,183.0	1,287.8
Accumulated depreciation and impairment			
01/04/2020	–	–	–
Charge for the period	(0.3)	(63.8)	(64.1)
Disposals	–	3.6	3.6
Foreign exchange differences	–	–	–
31/03/2021	(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)
Net book value			
31/03/2021	104.6	720.6	825.2
31/03/2022	105.0	1,037.6	1,142.7

Included in the net book value of infrastructure assets are assets in the course of construction, which are not depreciated, with a cost of €91.3 million (FY 2021: €89.3 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 €1,206.3 million (FY 2021: €746.5 million), accumulated depreciation of €197.2 million (FY 2021: €119.4 million) and net book value of €1,009.1 million (FY 2021: €627.1 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:

	2022 €m	2021 €m
Other property, plant and equipment	1,142.7	825.2
Lease-related right-of-use assets ¹	2,059.2	2,055.2
31/03	3,201.9	2,880.4

¹ Additions of €261.4 million (FY 2021: €380.6 million) and a depreciation charge of €257.2 million (FY 2021: €119.8 million) were recorded in respect of right-of-use assets during the twelve-month period to 31 March 2022. Right-of-use assets predominantly relate to ground leases (land and buildings).

At 31 March 2022, 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 has a number of related parties including Vodafone Group Plc companies outside the Group, Management Board and Supervisory Board members.

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. Transitional Service Agreements (“TSAs”) also existed in the prior year for the period after carve-out.

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

	01/04/2021 – 31/03/2022	
	Revenue €m	Purchase of services €m
Vodafone Group Plc	–	–
Subsidiaries of Vodafone Group Plc	879.4	(126.1)

	01/04/2020 – 31/03/2021	
	Revenue €m	Purchase of services €m
Vodafone Group Plc	0.4	–
Subsidiaries of Vodafone Group Plc	487.0	(30.3)

The following amounts were outstanding at the reporting date:

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)
31/03/2021		
	Receivables due from related parties €m	Payables due to related parties €m
Vodafone Group Plc	165.4	(0.2)
Subsidiaries of Vodafone Group Plc	270.2	(118.6)

No material transactions were undertaken with other related parties in the period.

Included within the amounts outstanding at the reporting date is a net €272.3 million (FY 2021: €165.1 million) receivable in relation to the Group's cash management activities and €13.4 million (FY 2021: €13.8 million) cash deposits with subsidiaries of Vodafone Group Plc. Net movements in cash management activities with related parties in the period were €123.0 million (FY 2021: €514.6 million).

Capital expenditure recharges to related parties totalled €103.1 million in the period (FY 2021: €34.3 million). Revenue recognised in respect of capital expenditure recharges was €12.4 million for the current year (FY 2021: €2.6 million) and an accumulated balance of €108.2 million (FY 2021: €31.7 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.

The Group entered into a foreign currency swap in the period with Vodafone Group Plc as the counterparty and has been entered into to cover the CZK denominated loan issued by the Company to its subsidiary Vantage Towers s.r.o. The swap has been recognised and measured at fair value through profit or loss with a carrying value at 31 March 2022 of €0.8 million (FY 2021: €0.7 million) shown within payables due to related parties. Given the short dated nature of foreign currency swap, the carrying value is the fair value. Fair value is based on level 1 of the fair value hierarchy using quoted market prices.

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, have no fixed date of repayment and are repayable on demand.

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:

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Short-term employee benefits	5.3	3.1
Share-based payments (note 21)	3.9	0.6
Post-employment benefit	0.2	–
	9.4	3.7

Remuneration of the Supervisory Board

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Total remuneration paid to supervisory board	0.6	0.1

Detailed information on the remuneration of the Management Board and the Supervisory Board is published in the remuneration report see [Remuneration Report p.202](#).

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 receivables, other receivables, and receivables due from related parties are recorded at amortised cost.

The Group's trade receivables, other receivables, and receivables due from related parties are classified at amortised cost. The carrying value of all trade receivables, other receivables and receivables due from related parties recorded 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.

	31/03/2022 €m	31/03/2021 €m
Included in non-current assets		
Accrued Income	0.9	1.1
Prepayments	15.8	9.2
Other receivables	6.8	4.7
	23.5	15.0
Included in current assets		
Trade receivables	12.6	6.8
Accrued Income	64.9	16.7
Prepayments	2.6	3.4
Tax receivables	41.0	2.2
Other receivables	5.1	12.3
	126.2	41.4

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.

	31/03/2022 €m	31/03/2021 €m
Included in non-current liabilities		
Deferred Income	89.2	33.9
Other payables	0.1	–
	89.3	33.9
Included in current liabilities		
Trade payables	115.5	61.8
Accruals	152.4	111.1
Deferred income	54.7	31.3
Other taxation and social security	14.8	7.8
Other payables	10.3	7.3
	347.7	219.3

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 received.

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 cash outflow for leases in the twelve months ended 31 March 2022 was €293 million (FY 2021: €131.1 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:

	31/03/2022 €m	31/03/2021 €m
Within one year	293.5	286.7
In more than one year but less than two years	275.3	265.6
In more than two years but less than five years	764.3	729.1
In more than five years	917.5	1,018.4
	2,250.7	2,299.8
Effect of discounting	(244.3)	(283.4)
Lease liability	2,006.4	2,016.4
Analysed as:		
Non-current	1,758.8	1,774.4
Current	247.5	242.0

Amounts recognised in the income statement are as follows:

	01/04/2021 - 31/03/2022 €m	01/04/2020 - 31/03/2021 €m
Depreciation on lease-related right of use assets	258.2	119.8
Interest on lease liabilities	52.9	27.6
Expense relating to variable lease payments not included in the measurement of the lease liability	1.3	0.5

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
01/04/2020	–	–	–
Arising on formation of the Group under pooling of interests method	309.5	6.3	315.8
Arising on other acquisitions (note 15)	6.4	0.1	6.5
Amounts capitalised in the year	13.8	0.8	14.6
Unwinding of discounting	2.6	–	2.6
Utilised in the year – payments	(3.2)	(1.1)	(4.3)
Effects of foreign exchange	0.1	–	0.1
31/03/2021	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	–	1.1
31/03/2022	460.7	5.2	465.9
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
31/03/2021			
Current liabilities	11.6	4.6	16.2
Non-current liabilities	317.6	1.5	319.1
	329.2	6.1	335.3

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 long-term bonds with a carrying value of €2.189,5 million (FY2021: €2,187.1 million) which have a fair value of €2.054 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:

	2022 €m	2021 €m
Total borrowings (note 20)	(4,195.9)	(4,203.5)
Cash and cash equivalents (note 19)	21.7	22.1
Equity	(5,363.7)	(5,294.3)
Capital	(9,537.9)	(9,475.7)

The Group's policy is to borrow using a mixture of long-term and short-term capital market issues and 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.

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".

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 identified expected credit loss is considered to be, as in prior year, immaterial at 31 March 2022.

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 macro-economic 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:

31/03/2022						
	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	–	–	–	–	–	–
Net carrying amount	181.6	6.5	16.3	2.1	0.5	207.0

31/03/2021						
	Current €m	30 days or less €m	31–60 days €m	61–180 days €m	180 days+ €m	Total €m
Gross carrying amount	230.7	5.9	18.1	2.3	6.5	263.5
Expected credit loss allowance	–	–	–	–	–	–
Net carrying amount	230.7	5.9	18.1	2.3	6.5	263.5

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. The Group manages 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. Liquidity risk is further reduced by the Group's €300 million revolving credit facility as well as by our €5,000 million debt issuance program. The Group's treasury policy is to ensure that no more than €800 million of borrowings mature in any one year.

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

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 payables and other financial liabilities €m	Total €m
Within one year	8.1	286.7	294.8	246.9	541.7
In one to two years	8.1	265.6	273.7	–	273.7
In two to three years	8.1	251.8	259.9	–	259.9
In three to four years	758.1	243.6	1,001.7	–	1,001.7
In four to five years	8.1	233.7	241.8	–	241.8
In more than five years	1,473.8	1,018.4	2,492.2	–	2,492.2
Sub total	2,264.3	2,299.8	4,564.1	246.9	4,811.0
Effect of discounting/financing rate	(77.2)	(283.4)	(360.6)	–	(360.6)
31/03/2021	2,187.1	2,016.4	4,203.5	246.9	4,450.4
Within one year	8.1	293.5	301.6	315.7	617.4
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	–	1,023.7
In three to four years	8.1	254.3	262.4	–	262.4
In four to five years	758.1	244.4	1,002.4	–	1,002.4
In more than five years	715.8	917.5	1,633.3	–	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)	–	(310.9)
31/03/2022	2,189.5	2,006.4	4,195.9	315.8	4,511.7

Market risk**Interest rate management**

Other than for short-term working capital, and where it is envisaged loan debt shall be repaid prior to maturity, the Group's policy is to maintain interest rates on indebtedness on a fixed rate basis. The Group's sensitivity to interest rate risk is therefore immaterial.

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 steel prices to further increase 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 and are also in closed discussion with our markets to rule that out on the local level as well.

Changes in liabilities arising from financing activities

		Cash flows			Non-cash flows			31.03.2022 €m
		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
Liabilities arising from financing activities ¹		4,204.2	–	(10.2)	–	(10.0)	13.5	(1.5)

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.

		Cash flows			Non-cash flows			31.03.2021 €m
		01/04/2020	Net proceeds of borrowings €m	Interest paid €m	Net movement in short-term borrowings €m	Lease liabilities €m	Net financing costs €m	Other €m
Liabilities arising from financing activities ¹		–	2,187.1	(3.3)	–	2,016.4	3.3	0.7

¹ This balance comprises gross borrowings of €2,187.1 million, lease liabilities of €2,016.4 million and net derivative financial liabilities of €0.7 million.

14. Investments in joint ventures

The Group holds interests in joint venture in Italy and the UK that it shares control with one or more third parties.

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. Joint arrangements are either joint operations or joint ventures.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control have the rights to the net assets of the arrangement.

The Group's investments in joint ventures acquired during FY 2021 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 results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in joint ventures 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, 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 in excess of the Group's interest in that joint venture are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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. Unless otherwise stated, the Company's joint ventures have share capital consisting solely of ordinary shares and are all indirectly held. The country of incorporation or registration of all joint ventures is also their principal place of operation.

	Principle activity	Country of incorporation or registration	Percentage shareholdings %
Infrastrutture Wireless Italiane (INWIT) S.p.A.	Network infrastructure	Italy	33.2
Cornerstone Telecommunications Infrastructure Limited (Cornerstone)	Network infrastructure	UK	50

The following table provides aggregated financial information for the Group's joint ventures as it relates to the amounts recognised in the income statement, statement of comprehensive income and statement of financial position.

	Investment in joint venture 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 Telecommunications Infrastructure Limited (Cornerstone)	366.5	3.0	(14.8)	(11.8)
Total	3,217.9	30.2	(14.8)	15.4

	Investment in joint venture 2021 €m	Profit from continuing operations 2021 €m	Other comprehensive income 2021 €m	Total comprehensive income 2021 €m
Infrastrutture Wireless Italiane (INWIT) S.p.A.	2,919.7	6.0	–	6.0
Cornerstone Telecommunications Infrastructure Limited (Cornerstone)	396.1	4.1	–	4.1
Total	3,315.8	10.1	–	10.1

Summarised financial information for the Group's joint ventures on a 100% ownership basis is set out below.

Reported results for INWIT are for the twelve months ended 31 December 2021, being the most recently available public information, with adjustments being made for the effects of any significant events or transactions occurring between the accounting period end at INWIT and accounting period end of the Group.

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, with 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 reported results for INWIT for the relevant reporting periods.

Income statement

	INWIT S.p.A.		Cornerstone	
	2022 €m	2021 €m	2022 €m	2021 €m
Revenue	785.1	191.2	452.3	85.4
Operating expenses	(70.3)	(59.3)	(157.8)	(56.8)
Operating profit or loss before amortisation, depreciation, capital gains/(losses) and reversals/(write-downs) of non-current assets (EBITDA)	714.9	131.9	294.5	28.6
Amortisation, depreciation, capital gains/(losses) on disposals and write-downs of non-current assets	(360.1)	(54.9)	(246.3)	(19.6)
Operating profit (EBIT)	354.7	77.0	48.2	9.0
Net finance costs	(60.4)	(14.0)	(6.0)	(1.2)
Interest on lease liabilities	(29.7)	–	(27.2)	–
Other non-operating expenses	–	–	(11.2)	–
Profit before taxation	264.7	63.0	3.9	7.8
Taxation	(73.3)	(16.9)	2.1	0.4
Profit for the period	191.4	46.1	6.0	8.2

Statement of financial position – at 31/03

	INWIT S.p.A.		Cornerstone	
	2022 €m	2021 €m	2022 €m	2021 €m
Non-current assets	9,091.8	8,829.2	2,578.0	2,712.8
Current assets	270.0	256.2	187.4	219.9
Total assets	9,361.8	9,085.4	2,765.4	2,932.7
Equity shareholders' funds	(4,483.5)	(4,580.5)	(704.5)	(792.1)
Non-current liabilities	(4,343.1)	(4,164.4)	(1,543.3)	(1,203.3)
Current liabilities	(535.2)	(340.5)	(517.7)	(937.3)
Total equity and liabilities	(9,361.8)	(9,085.4)	(2,765.4)	(2,932.7)

Reconciliation of summarised financial information

The reconciliation of summarised financial information presented to the carrying amount of our interest in joint ventures is set out below:

Twelve months ended 31/03

	INWIT S.p.A.		Cornerstone	
	2022 €m	2021 €m	2022 €m	2021 €m
Equity shareholder funds	4,483.5	4,580.5	704.5	792.1
Investment in joint venture	1,487.5	1,520.7	351.7	396.1
Purchase price adjustment	1,363.9	1,399.0	–	–
Foreign currency translation	–	–	14.8	–
Carrying value	2,851.4	2,919.7	366.5	396.1
Profit for the period	191.4	46.1	6.0	8.2
Share of profit	63.5	15.3	3.0	4.1
Purchase price adjustment – amortisation	(36.3)	(9.3)	–	–
Share of profit	27.2	6.0	3.0	4.1

15. Acquisitions

This note provides details of changes in purchase price allocation for acquisitions completed in the prior year.

Acquisition of Vantage Towers Greece

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. Vodafone Greek TowerCo is included in the condensed consolidated interim financial statements using pooling of interest method whereas Wind Hellas Greek TowerCo was acquired in a business combination using the acquisition method, in line with IFRS. Therefore, the goodwill acquired on acquisition of Wind Hellas Greek TowerCo has arisen under the acquisition method and is subsequently measured at this value less any accumulated impairment losses.

The purchase price allocation and the measurement of Wind Hellas Greek TowerCo's assets and liabilities were finalised as of 31 March 2022. The finalisation of the purchase price allocation result in the following material changes to the fair values of the assets acquired and the liabilities assumed at the acquisition date compared with those reported in the notes to the consolidated financial statements as of 31 March 2021:

Fair value at the acquisition date

	31/03/2022 €m	Current period adjustments	31/03/2021 €m
Net assets acquired			
Identifiable intangible assets ¹	253.9	29.1	224.8
Property, plant and equipment ²	211.9	(25.9)	237.8
Lease liabilities	(145.9)	11.6	(157.5)
Working capital	(4.1)	–	(4.1)
Cash at bank and in hand	2.1	(1.1)	3.2
Provisions	(6.4)	–	(6.4)
Debt	(87.5)	–	(87.5)
Deferred tax liabilities	(67.5)	(3.3)	64.2
Net identifiable liabilities acquired	156.6	10.5	146.1
Non-controlling interests as at 31/12/2020	(59.5)	4.0	(55.5)
Goodwill	81.4	6.3	87.7
Total consideration	178.3	–	178.3

¹ Identifiable intangible assets of €253.9 million (2021: €224.8 million) consisted entirely of customer relationships

² Includes lease-related right-of-use assets of €149.2 million (2021: €159.8 million)

The impact on the consolidated income statement was the effect of amortisation of €0.9 million (FY 2021: €1.5 million).

16. 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.

	2022 €m	2021 €m
Weighted average number of shares for basic earnings per share	505.8	308.8
Effect of dilutive potential shares: restricted shares and share options	0.7	0.4
Weighted average number of shares for diluted earnings per share	506.5	309.2

	2022	2021
Earnings for earnings per share	356.9 €m	158.2 €m
Basic earnings per share	70.6 €c	51.2 €c
Diluted earnings per share	70.5 €c	51.2 €c

17. Equity dividends

Dividends are one type of shareholder return.

For the twelve months ending 31 March 2022, the Company intends to declare an annual dividend of approximately €319 million which it intends to pay in July 2022.

18. 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

	2022		2021	
	Number	€	Number	€
01/04	505,782,265	505,782,265	25,000	25,000
Allotted during the year	–	–	505,757,265	505,757,265
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.

On 4 May 2020, the shareholders' meeting of the Company resolved to increase the share capital from €25,000 by €274,975,000 to €275,000,000 by issuing 274,975,000 new shares in the Company. This first capital increase was carried out for the purpose of implementing the German hive-down by way of contribution in kind. As consideration, Vodafone Germany received 274,975,000 new shares in the Company. The consummation of this first capital increase was registered with the commercial register on 19 May 2020.

On 17 November 2020, the shareholders' meeting of the Company resolved to further increase the share capital from €275,000,000 by €189,504,358 to €464,504,358 by issuing 189,504,358 new shares in the Company. This second capital increase was carried out by the payment of €5,819,316,000 in cash by Vodafone Germany to the Company. As consideration, Vodafone Germany received 189,504,358 new shares in the Company. The consummation of this second capital increase was registered on 4 December 2020.

On 7 January 2021, the shareholders' meeting of the Company resolved to further increase the share capital from €464,504,358 by €41,277,907 to €505,782,265 by issuing 41,277,907 new shares in the Company. This third capital increase was carried out in consideration for Vodafone Germany's payment of €1,213,110,400 in cash by Vodafone Germany to the Company. As consideration, Vodafone Germany received 41,277,907 new shares in the Company. The consummation of this third capital increase was registered on 14 January 2021.

In March 2021, following a resolution made on 18 February 2021, Vodafone Germany made a capital contribution into the share premium of the Company of €75,000,000.

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.

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.

19. 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.

	2022 €m	2021 €m
Cash at bank and in hand	21.7	22.1
Cash and cash equivalents as presented in the statement of financial position	21.7	22.1
Bank overdrafts	–	–
Cash and cash equivalents as presented in the statement of cash flows	21.7	22.1

20. Borrowings

The Group's sources of borrowing for funding and liquidity purposes come 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 and bank loans. Liabilities arising from the Group's lease arrangements are also reported in borrowings; see note 11 "Leases". We manage 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. 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 fair value of the Group's borrowings approximate to fair value with the exception of long-term bonds with a carrying value of €2,189.5 million (FY 2021: €2,187.1 million) which have a fair value of €2,054 million. Fair value is based on level 1 of the fair value hierarchy using quoted market prices.

Borrowings

	2022 €m	2021 €m
Short-term borrowings		
Short-term borrowings excluded from net debt	–	–
Lease liabilities	247.5	242.0
Short-term borrowings included in net debt:		
Bank overdrafts	–	–
	247.5	242.0
Long-term borrowings		
Long-term borrowings excluded from net debt	–	–
Lease liabilities	1,758.8	1,774.4
Long-term borrowings included in net debt:		
Bank loans	–	–
Bonds	2,189.5	2,187.1
	3,948.3	3,961.5
Total borrowings	4,195.9	4,203.5

Bonds

Bonds with a nominal value equivalent of €2.2 billion are currently in issue by the Group. These consist of €750 million 0.000% notes due 2025, €750 million 0.375% notes due 2027 and €700 million 0.750% notes due 2030. These bonds were a drawdown from Vantage Towers' newly established debt issuance programme during the year ended 31 March 2021.

21. 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 continue to be accrued under Vodafone administered plans. 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

	01/04/2021 – 31/03/2022 €m	01/04/2020 – 31/03/2021 €m
Defined contribution plans	0.3	0.1
Defined benefit plans	(0.6)	0.5
Share based payments	3.9	0.8

Statement of financial position – defined benefit pension

	2022 €m	2021 €m
Total fair value of plan assets attributed to the Group	4.2	3.5
Present value of plan liabilities attributed to the Group	(4.6)	(4.8)
Net surplus / (deficit) for defined benefit plans	(0.3)	(1.3)

22. 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		Group	
	2021 €m	2021 €m	2022 €m	2021 €m	2022 €m	2021 €m
Contracts placed for future capital expenditure not provided in the financial statements ¹	209.5	86.3	–	–	209.5	86.3

¹ Commitment includes contracts placed for property, plant and equipment and intangible assets.

23. Contingent liabilities

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.

24. 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.

25. Events after the reporting period

Following discussion with our anchor tenant, Vodafone Germany, 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 terms of the Master Services Agreement. This provides optionality for Vantage Towers to source up to 1,200 sites for Vodafone Germany from third-party tower companies with no change to the mid-term financial performance of the Company.

26. 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 during the year ended 31 March 2022 is analysed below.

	01/04/2021 – 31/03/2022 €m	01/04/2020 – 31/03/2021 €m
Parent company	0.8	1.2
Subsidiaries	0.9	0.6
Audit fees	1.7	1.8
Other assurance services	0.5	–
Tax advisory services	–	–
Other non-audit services	–	–
Non-audit fees	0.5	–
Total fees	2.2	1.8

27. Related undertakings

A full list of all our subsidiaries and joint ventures as at 31 March 2022 is detailed below. No subsidiaries are excluded from the Group consolidation, Vantage Towers Erste Verwaltungsgesellschaft mbH and Vantage Towers Zweite Verwaltungsgesellschaft mbH were formed during the current financial 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

Accounting Policies

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, n° 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	1096 Budapest, Lechner Ödön fasor 6, Hungary	100
Vodafone Towers S.R.L.	Romania	201 Barbu Vacarescu St., mezzanine, rooms 1, 2 and 3, District 2, Bucharest, Romania	100
Vantage Towers Single Member S.A.	Greece	2 Adrianiei & 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 Verwaltungs-gesellschaft mbH	Germany	Prinzenallee 11-13, 40549 Duesseldorf	100
Vantage Towers Zweite Verwaltungs-gesellschaft mbH	Germany	Prinzenallee 11-13, 40549 Duesseldorf	100

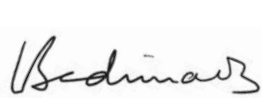
Joint Ventures

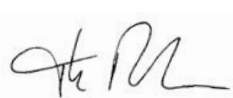
Company name	Country	Address	% of share class held by the Group
Infrastrutture Wireless Italiane S.p.A.	Italy	Via Gaetana Negri 1, 20123, Milan, Italy	33.2
Cornerstone Telecommunications Infrastructure Limited	UK	Hive 2, 1530 Arlington Business Park, Theale, Reading, Berkshire, RG7 4SA, United Kingdom	50

Duesseldorf, 7 June 2022

Vantage Towers AG

The Board of Management


Vivek Badrinath


Thomas Reisten


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, 7 June 2022

Vantage Towers AG

The Board of Management



Vivek Badrinath



Thomas Reisten



Christian Sommer

Auditor's Report

Independent auditor's report

To Vantage Towers AG

Report on the audit of the consolidated financial statements and of the combined management report

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 2021 to 31 March 2022, and the consolidated statement of financial position as at 31 March 2022, 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 2021 to 31 March 2022, 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.

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 2022 and of its financial performance for the fiscal year from 1 April 2021 to 31 March 2022, 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. Our opinion on the combined management report does not cover the group statement on German Corporate Governance Code and 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 the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") 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 European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. 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.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 April 2021 to 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Impairment test for goodwill

Reasons why the matter was determined to be a key audit matter

Vantage Towers AG, Düsseldorf, reported goodwill of EUR 3,320 million as of 31 March 2022. This amount represents approx. 31 % of total balance sheet and approx. 62 % of the equity. A significant part of the goodwill results from the application of the pooling of interest method and results from the carve-outs from Vodafone Group, for which the goodwill was previously accounted for. Within the Vantage Towers Group, the goodwill was allocated to the individual cash-generating units. The Company carries out the impairment in accordance with IAS 36, Impairment of Assets, on 31 March of the financial year and as required. The carrying value of a cash-generating unit bearing goodwill must be compared with the recoverable amount. The Company determines this using a discounted cash flow method. Against the background of the material importance of goodwill, its complexity and estimation, the impairment test for

goodwill was one of the key audit matters as part of our audit. The impairment test is based on assumptions that are derived from corporate planning and that are influenced by expected future market and economic conditions. The impairment test is also based essentially on the appropriate determination of the cash-generating units to which the goodwill is allocated. The respective recoverable amount depends in particular on the future cash flows in the medium-term planning of the cash-generating units as well as the assumed discount rates and growth rates. The determination of these parameters is the responsibility of the legal representatives and is subject to estimations. There is a risk that changes to these estimations will result in significant changes in the impairment test results.

Auditor's response

With regard to the identification of cash-generating units, we have analyzed the internal reporting regularly used by the management to monitor and control the group as part of our audit procedures. In doing so, we assessed whether the monitoring and control units correspond to the determination of the cash-generating units in the context of the impairment test and mathematically verified whether the allocation of goodwill was based on the relative fair value of the cash-generating units concerned.

As part of our audit procedures, we dealt with the process established by the Company for carrying out impairment tests with regard to its suitability for determining potential write-downs and discussed the key planning assumptions with the legal representatives. The focus was placed on the assessment of the expected future cash flows in the medium-term planning of the main cash-generating units as well as on the discount rates and growth rates used. For this purpose, we have analyzed the assumptions on which the impairment test is based to determine whether they correspond to general and industry-specific market expectations. We also compared the medium-term plans included in the impairment test with the medium-term plans approved by the Supervisory Board and assessed the mathematical correctness of the valuation models in random samples. We have found that the assumptions in connection with the planning are adequately documented and correspond to our expectations. We have also carried out our own sensitivity and validation calculations of significant cash-generating units with assistance of our valuation experts in order to understand the influence of changes in certain parameters on the valuation models. In addition, we have audited the information provided by Vantage Towers AG in the notes to the consolidated financial statements. In this regard, we audited the completeness of the information provided by the legal representatives in random samples and compared them with our expectations.

Our audit procedures did not give rise to any objections with regard to the valuation of goodwill.

Reference to related disclosures

The information provided by the Company on the accounting and valuation of goodwill can be found in sections 1. "Significant accounting policies" and 6. "Goodwill and intangible assets" included in the notes to the consolidated financial statements.

2. Valuation of investments in joint ventures

Reasons why the matter was determined to be a key audit matter

The Group reported investments in joint ventures of EUR 3,218 million as of 31 March 2022. This amount represents approx. 30 % of total balance sheet and approx. 60 % of the equity. The Company carries out the impairment in accordance with IAS 36, Impairment of Assets, on 31 March of the financial year and as required. The carrying value of the investments in joint ventures be compared with the recoverable amount. The Company determines this using a discounted cash flow method or in the case of listed investments based on the proportionate market capitalization as of 31 March 2022. Against the background of the material importance of investments in joint ventures, its complexity and estimation, the impairment test for investments in joint ventures was one of the key audit matters as part of our audit. The impairment test is based on assumptions that are derived from corporate planning and that are influenced by expected future market and economic conditions. The respective recoverable amount depends in particular on the future cash flows in the medium-term planning of the cash-generating units as well as the assumed discount rates and growth rates. The determination of these parameters is the responsibility of the legal representatives and is subject to estimations. There is a risk that changes to these estimations will result in significant changes in the impairment test results.

Auditor's response

As part of our audit procedures, we dealt with the process established by the Company for carrying out impairment tests with regard to its suitability for determining potential write-downs and discussed the key planning assumptions with the legal representatives. The focus was placed on the assessment of the expected future cash flows in the medium-term planning of the main cash-generating units as well as on the discount rates and growth rates used. For this purpose, we have analyzed the assumptions on which the impairment test is based to determine whether they correspond to general and industry-specific market expectations. We also compared the medium-term plans included in the impairment test with the medium-term plans approved by the Supervisory Board and assessed the mathematical correctness of the valuation models in random samples. We have found that the assumptions in connection with the planning are adequately documented and correspond to our expectations. We have also carried out our own sensitivity and validation calculations analyzes of investments in joint ventures with the assistance of our valuation experts in order to understand the influence of changes in certain parameters on the valuation models. In addition, we have audited the information provided by Vantage Towers AG in the notes to the consolidated financial statements. In this regard, we audited the completeness of the information provided by the legal representatives in random samples and compared them with our expectations.

Our audit procedures did not give rise to any objections with regard to the valuation of investments in joint ventures.

Reference to related disclosures

The information provided by the Company on the accounting and valuation of goodwill can be found in sections 1. "Significant accounting policies" and 14. "Investments in joint ventures" included in the notes to the consolidated financial statements.

3. Revenues from Master Service Agreements with Vodafone Group companies

Reasons why the matter was determined to be a key audit matter

Vantage Towers Group generates the vast majority of its revenues with companies of the Vodafone Group. Approx. 86 % of the sales is achieved by the group with companies of the Vodafone Group for the lease of these locations or with other services at these locations. The contractual basis is provided by the so-called Master Service Agreements with the respective Vodafone Group companies in the countries concerned. All of these Master Service Agreements contain regulations, which partly have been changed for the future after the first-time application of the contracts in the last year. Against the background of the importance of the Master Service Agreements, both with regard to the total share of the Group's revenue from leases and services and the complexity of the contracts, they are subject to a particular risk of incorrect accounting. We have therefore classified the recording of these sales revenues as one of key audit matters for our audit of the consolidated financial statements.

Auditor's response

As part of our audit activities, we dealt with the process established by the Company for recording and deferring revenues. In order to understand the correctness of the revenue recognition on the balance sheet date, we audited the Master Service Agreement and the respective changes done in financial year 2021/2022 and carried out a reconciliation to the respective locations. We formed our expectations on the basis of the number and characteristics of macro and micro sites and the existing Master Service Agreements and compared these with the results of the respective evaluation for the locations. The results of these audit procedures are materially in line with revenues recognized by the group. Furthermore, we assessed the revenues based on the contractual basis to determine whether they are recognized in the correct period. The risk of manual sales postings initiated by management in addition to the standardized revenue process was countered by relying on detailed interviews of the legal representatives, the use of data analysis tools and independent validations for our audit opinion.

Our audit procedures did not give rise to any objections with regard to the recording of sales.

Reference to related disclosures

The information provided by the Company on the recording of sales is given in the sections 1. "Significant accounting policies", 2. "Revenue disaggregation and segmental analysis" and 8. "Related party disclosures" in the notes to the consolidated financial statements.

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” in the combined management report and the remuneration report 2021/2022 following Sec. 162 AktG. 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

- the responsibility statement of the management board on consolidated financial statements and the combined management report in section “Further Information”;
- the report of the supervisory board in section “To our Shareholders”;
- the discussion of Group pro forma performance in sections “Pro Forma Financial Performance” and “Further Information”;
- the discussion of unaudited alternative performance measure and reconciliation of consolidated non-IFRS metrics in section “Further Information”.

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 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 the EU Audit Regulation 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 for one 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance in accordance with § 317 (3a) HGB on the electronic reproduction of the consolidated financial statements and the combined management report prepared for publication purposes

Reasonable assurance opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in file VT_KA+KLB_ESEF-2022-03-31.zip (SHA-256-checksum: e12ec57c4073aae9c60bea03ed08a45e69e85203c006cf74eccc485c92b88b89) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 April 2021 to 31 March 2022 contained in the "Auditor's report on the consolidated financial statements and on the combined management report" above.

Basis for the reasonable assurance opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned attached electronic file in accordance with Sec. 317 (3a) HGB and IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (10.2021)). Accordingly, our responsibilities are further described below in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 28 July 2021. We were engaged by the supervisory board on 7 February 2022. We have been the group auditor of Vantage Towers AG without interruption since fiscal year 2020/2021.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report: Review of the group financial statements for the half-year 30 September 2021, audit of the remuneration report for the financial year 2021/2022, Tax Certificate Audits related to issuance of audit report on company's tax compliance in Greece.

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Bundesanzeiger [German Federal Gazette] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marc Ueberschär.

Cologne, 9 June 2022

Ueberschär
Wirtschaftsprüfer
[German Public Auditor]

Hillebrand
Wirtschaftsprüferin
[German Public Auditor]

Remuneration Report

A. Introduction

The remuneration report of the financial year 2021/22 of the Vantage Towers AG (hereafter also “Vantage Towers” or the “Company”) presents the main components and the structure of the Management and Supervisory Board remuneration as well as their application in the financial year. In addition, the amounts of the target remuneration set in the financial year 2021/22 as well as the remuneration awarded and due are disclosed transparently. For the first time the remuneration report complies with section 162 of the German Stock Corporation Act (AktG) implementing the requirements of the Second Shareholder Rights Directive (SRD II) and the recommendations of the German Corporate Governance Code (GCGC) in the version dated 16 December 2019 and was prepared jointly by the Management and Supervisory Board.

The remuneration report was audited in accordance with section 162 (3) AktG and exceeding that substantially audited by the Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft and is publicly available on the website of Vantage Towers: www.vantagetowers.com/en/investors/corporate-governance. According to the requirements of section 120a (4) AktG, the remuneration report is presented for approval to the Annual General Meeting of Vantage Towers on 28 July 2022.

B. Highlights of the financial year 2021/22

Vantage Towers can look back on a successful first financial year as a listed company. The financial targets were achieved at the upper end of the forecast. Furthermore, with the further commercialisation of the radio tower portfolio across all markets, the tenancy ratio was significantly increased.

The positive business development is also reflected in the respective target achievement of the variable remuneration of the members of the Management Board, which incentivises the sustainable and long-term development of Vantage Towers as part of the pay-for-performance concept. Only in relation to the long-term variable remuneration still allocated by Vodafone Group Plc the respective targets have only partially been achieved.

In the financial year 2021/22 the Supervisory Board presented the remuneration system for the Management Board, prepared for the first time in accordance with the new requirements of section 87a AktG, to the Annual General Meeting for approval. The presented remuneration system is closely aligned with the corporate strategy and long term in nature. It provides comprehensive incentives to ensure both strong financial performance as well as ecological and social development on the basis of transparent governance. The Annual General Meeting approved the remuneration system of the Management Board on 28 July 2021 with 95.14% votes in favour. The remuneration system has been in place since the financial year 2021/22. The current service agreements of the members of the Management Board, which are effective from 26 January 2021, fully reflect such remuneration system.

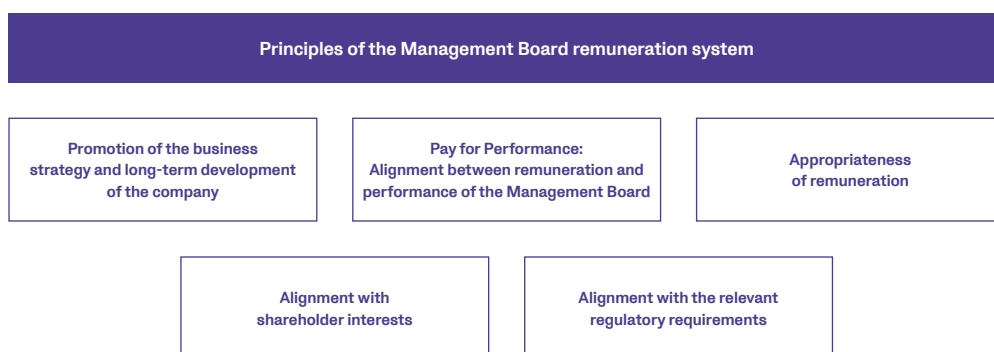
In addition, pursuant to section 113 (3) AktG, the Annual General Meeting is also required to pass a resolution on the remuneration of the Supervisory Board. The Supervisory Board remuneration provided for in section 13 of the Articles of Association of the Vantage Towers AG was resolved by the Annual General Meeting on 28 July 2021 with 98.27% votes in favour.

C. Remuneration system for the Management Board

1. Goals and principles of the remuneration system

The remuneration system for the members of the Management Board of Vantage Towers AG makes a significant contribution to promoting the business strategy and the long term development of the Company. Through the structure of the remuneration components and the underlying performance conditions, which are described in detail below, the remuneration of the Management Board members is linked to the achievement of key corporate goals of the Company.

The remuneration system is based on the following principles, to which the Supervisory Board adheres when determining the remuneration of the Management Board members:



When determining the total target remuneration of the Management Board, the Supervisory Board ensures that it is commensurate with the tasks and performance of the Management Board member and the situation of the Company. In order to do so, the Supervisory Board will at the beginning of each financial year review and determine in accordance with the remuneration system the variable remuneration in relation to the total target remuneration for each member of the Management Board that is commensurate with the tasks and performance of the respective member of the Management Board and the situation of the Company. The total target remuneration shall not exceed the usual level of remuneration without specific reasons. The Supervisory Board pays particular attention to ensuring that the total target remuneration is appropriate in comparison to market practice. In order to assess the marketability of the specific total target remuneration of Management Board members, the Supervisory Board makes both a horizontal and a vertical comparison.

In the course of the horizontal comparison of marketability, due to the size and complexity of Vantage Towers, remuneration data from companies comprising the MDAX, SDAX and a European comparator market are used for determining the market appropriateness. This comparator market most recently included the following companies: Adler Group, Aroundtown, Cellnex Telecom, Deutsche Wohnen, Endesa, Grand City Properties, Iliad, Infrastructure Wireless Italiane, LEG Immobilien, Naturgy Energy Group, Snam, SSE, TAG Immobilien, Terna, United Internet, VERBUND. To establish a basis for comparison, Vantage Towers' relative positioning within the respective comparison market is determined based on country, sector, revenue, market capitalization as well as company structures. The market appropriateness of the remuneration for the Management Board members is reviewed on that basis.

To ensure that the remuneration of the Management Board members is aligned with the remuneration principles elsewhere in the Company, the Supervisory Board takes into account the internal remuneration structure within the Company. It considers the remuneration of senior managers and the workforce of the Company as a whole, and how remuneration has developed over time, in relation to the remuneration of the Management Board members.

2. Remuneration system of the Management Board

2.1. Overview and structure of the remuneration components

The remuneration system of the Management Board comprises of performance related and non-performance related remuneration components (i.e. fixed and variable remuneration components), which together form the total remuneration of each individual member of the Management Board. The fixed remuneration components comprise a fixed salary, fringe benefits, pensions benefits and other allowances (e.g. transitional allowances) where appropriate. The variable remuneration components comprise both a short term incentives and a long term incentive. The Supervisory Board also has the right to grant the Management Board members a special remuneration for extraordinary performance. In the financial year 2021/22, this right was not exercised.

An overview of the remuneration components as well as their contribution to a long term development of the Company is given in the following table:

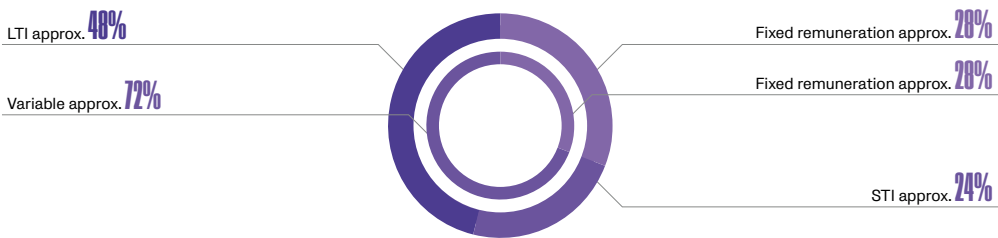
Overall remuneration components

Remuneration components	Description	Strategy alignment
Fixed remuneration components	Fixed salary	The fixed remuneration components ensure that the company offers an attractive and competitive remuneration to attract and retain the most qualified Management Board members.
	Fringe benefits	
	Transitional allowance	
	Pension	
Variable remuneration components	Short Term Incentive (STI)	The STI incentivises the Management Board members to align the steering of the company with the short term company priorities.
	Long Term Incentive (LTI)	Besides the short term incentivisation, the LTI incentivises long term company priorities and ensures that the Management Board members considers the long term development of the company in their decision making.
	Special bonus	Management Board members, whose performance reaches far beyond the already ambitious performance targets, shall be accordingly appreciated.
Further contractual arrangements	Maximum remuneration	A maximum remuneration is compliant with regulatory requirements.
	Malus/ Clawback	Malus and Clawback regulations further incentivise the Management Board members to show regulatorily compliant behavior.
	Share Ownership Obligation	In order to align the interests of the Management Board members with those of shareholders, share ownership obligations are established.

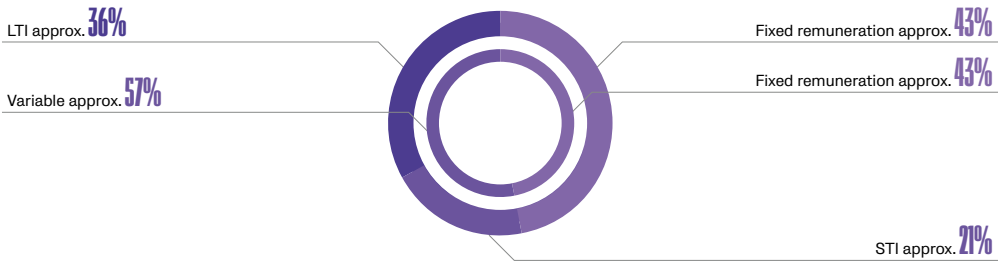
The relative share of all fixed and variable remuneration components is explained in relation to the total target remuneration. The total target remuneration for each financial year comprises of the fixed annual salary, the pension contributions, transitional allowances, if any and all other fringe benefits as well as the target value of the STI set at the grant date for 100% target achievement, and the value of the LTI set for 100% target achievement.

The share of the individual remuneration components of the total target remuneration in the financial year 2021/22 vary for the individual positions on the Management Board and are presented below:

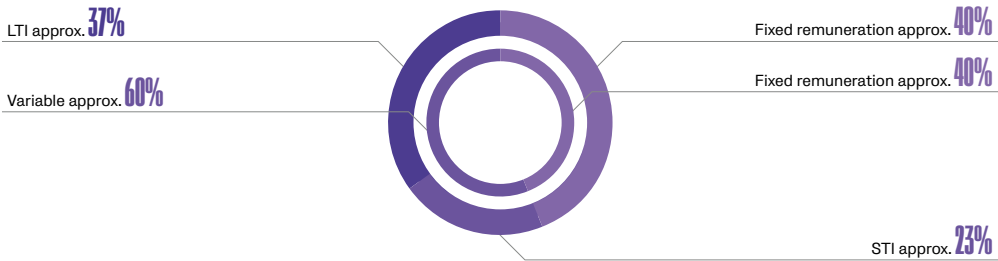
Vivek Badrinath (CEO)



Thomas Reisten (CFO)



Christian Sommer (Chief Legal Officer/General Counsel)



2.2. Total target remuneration

In the following, the total target remuneration for the individual Management Board members for the financial year 2021/22 is presented, which is paid out in the event of 100% target achievement. It was determined by the Supervisory Board on the basis of the ranges set out in the remuneration system:

Vivek Badrinath Chief Executive Officer (since January 2021)		
	in EUR	in %
Fixed salary	725,004	23 %
Fringe benefits ¹	114,000	4 %
Sum fixed components	839,004	
STI (financial year 2021/22)	725,004	23 %
LTI (financial year 2021/22)	1,450,008	47 %
Sum variable components	2,175,012	
Service cost	105,409	3 %
Total target remuneration	3,119,425	

¹ Including temporary transitional allowance

Thomas Reisten Chief Financial Officer (since January 2021)		
	in EUR	in %
Fixed salary	410,004	34 %
Fringe benefits ¹	90,000	7 %
Sum fixed components	500,004	
STI (financial year 2021/22)	246,002	20 %
LTI (financial year 2021/22)	410,004	34 %
Sum variable components	656,006	
Service cost	54,601	5 %
Total target remuneration	1,210,611	

¹ Including temporary transitional allowance

Christian Sommer General Counsel (since January 2021)		
	in EUR	in %
Fixed salary	280,008	36 %
Fringe benefits ¹	18,000	2 %
Sum fixed components	298,008	
STI (financial year 2021/22)	168,004	21 %
LTI (financial year 2021/22)	280,008	36 %
Sum variable components	448,012	
Service cost	35,852	5 %
Total target remuneration	781,872	

¹ Including temporary transitional allowance

2.3. Fixed remuneration components

2.3.1. Fixed salary

The Management Board members will receive a fixed remuneration per financial year which shall be paid in twelve equal instalments at the end of each month.

2.3.2. Fringe benefits

The Management Board members will also receive the following fringe benefits:

- Company car for business and private use or an equivalent cash allowance
- Accident insurance
- Contributions to pension, health and care insurance and yearly medical examination
- If applicable, tax services
- If applicable, additional health insurance for members of the Management Board and their family members

In addition, the members of the Management Board are included in the insurance covering for financial losses (D&O insurance) subject to the regulatory deductible.

2.3.3. Transitional allowance

Where appropriate, e.g. in case of relocations from other countries, the Supervisory Board may grant transitional allowances to compensate for any inconveniences or hardship resulting from the event triggering such allowances. Currently, the Company grants transitional allowances to Vivek Badrinath and Thomas Reisten.

2.3.4. Pension benefits

The members of the Management Board participate in the Vodafone pension scheme for senior executives and are entitled to old-age pension payments after reaching the age of 62 or the age of 60, respectively, if the Management Board member joined the group prior to 1 January 2012. The amount of the old-age pension benefits depends on the contributions made (beitragsorientierte Leistungszusage).

The Vodafone pension scheme provides for old-age, death and disability benefits in form of a one-time pension capital payment, however, the Management Board member may request a payment in instalments or annuity of the payment. In this case, the pension payments are increased by one percent p.a. The monthly contribution of the Company under this scheme amounts to 3% of the fixed monthly base salary up to the applicable income threshold and 16% of the fixed monthly base salary above the applicable income threshold. The members of the Management Board can make additional contributions by salary conversion on a voluntary basis to increase the benefits.

The pension contributions are invested in investment funds. In this respect, the member of the Management Board can choose between certain investment alternatives with different risk profiles. The structure of the investment is based on a lifecycle model.

In case of death, the minimum payout amounts to four times the respective annual fixed salary (gross). The minimum payout for invalidity (i.e. if the member of the Management Board leaves the Company due to partial or full reduction in earning capacity before the regular retirement age) remains at three times the respective annual fixed salary (gross).

Claims under the Vodafone pension scheme for senior executives vest according to the provisions of the German Company Pensions Act after three years since the pension promise was made.

Hereafter, the service cost as well as the present value of pension obligations according to IAS 19 are disclosed for the respective Management Board member.

Pension allowance financial year 2021/22

	IAS 19	
	Service cost ¹ in EUR	Value of pension obligations ¹ in EUR
Vivek Badrinath	105,409	209,801
Thomas Reisten	54,601	101,162
Christian Sommer	35,852	641,917

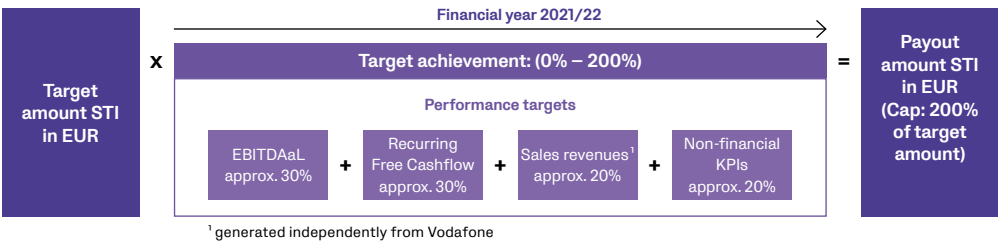
¹ Pension and other post employment benefit costs

2.4. Variable remuneration components

2.4.1. Short Term Incentive

The Short Term Incentive (STI) is used to incentivise the performance over a single financial year. The STI is a performance-based bonus with a one-year performance period. The conditions and performance targets are agreed on and set each year by the Supervisory Board. They will be used to drive and communicate the key priorities of the business for that relevant financial year.

The function of the STI is as follows:



The STI payout amount depends on the target achievement of the following performance targets:

- **Adjusted EBITDAaL** (weighted in the financial year 2021/22 with 30%): Means Adjusted EBITDA less recharged capital expenditure revenue, and after depreciation on lease-related right of use assets and deduction of interest on lease liabilities. Adjusted EBITDA means operating profit before depreciation on lease-related right of use assets, depreciation, amortization 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. Recharged capital expenditure revenue represents direct recharges to Vodafone of capital expenditure in connection with upgrades to existing sites.

- **Recurring Free Cash Flow ("RFC")** (weighted in the financial year 2021/22 with 30%): Means Recurring Operating Free Cash Flow (as defined hereinafter) less tax paid and interest paid, excluding interest paid on lease liabilities. 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 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 noncash 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.
- **Incremental non-Vodafone revenue** (weighted in the financial year 2021/22 with 20%).
- **Non-financial performance indicators** (key performance indicators, KPIs) (weighted in the financial year 2021/22 with 20%): Means key performance indicators that are not related to financial performance such as technical performance indicators (e.g. building/realisation on time and at costs) and quality related performance indicators (e.g. availability). The Supervisory Board may also determine Environment, Social and Governance (ESG) criteria as non-financial KPIs such as compliance, sustainability, diversity/women's quota, innovation, client satisfaction or efficiency improvement.

Any financial performance conditions included in the STI will focus on the immediate strategic focus – for example the use of a revenue performance condition may reflect a focus on growth whilst an FCF measure incentivises prudent cash management and capital discipline. Non-financial metrics will also have a strong strategic relevance and will be measured using robust and quantifiable metrics.

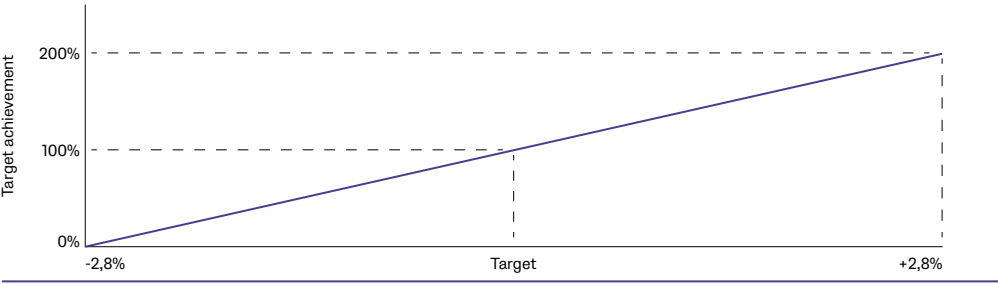
The Supervisory Board will for each financial year determine the requirements to be achieved with respect to each financial performance condition in order to reach the target level (i.e. 100% target achievement) as well as achievement targets, at least for 100% target achievement, of non-financial performance conditions. The requirements, targets or values so determined with respect to financial and non-financial performance conditions shall be transparent and verifiable and enable an understandable determination of the target achievement, both with respect to its basis and its amount. With respect to non-financial performance conditions, the Supervisory Board may determine, instead of a certain range and a target value, only a certain stand-alone target which is to be achieved (or a combination of a range and certain stand-alone targets).

After the end of every financial year, the Supervisory Board establishes the STI amount to be delivered, depending on the degree of target achievement. The degree of target achievement for financial performance conditions is calculated linearly between 0 and 200% by comparing the achieved value of the respective financial year to the set target range. Regarding non-financial KPIs, the Supervisory Board assesses the performance of the individual Management Board members, based on the set achievement targets, and determines their respective achievement.

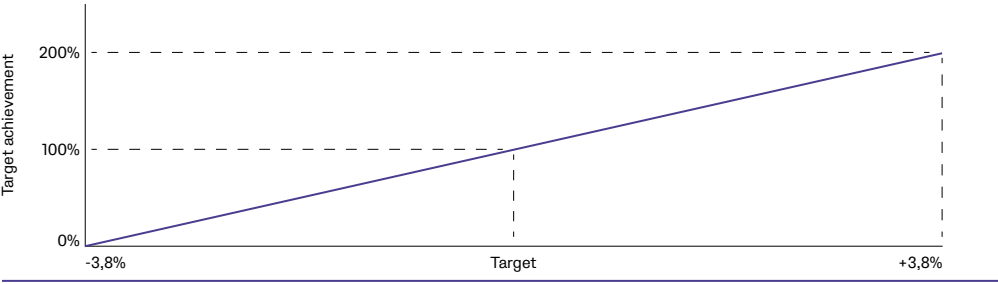
The STI is limited to the amount of 200% of the target value. The STI is paid at the latest until four months after the end of the financial year for which the STI is paid.

The target achievement curves for the financial performance targets for the financial year 2021/22 are presented hereafter:

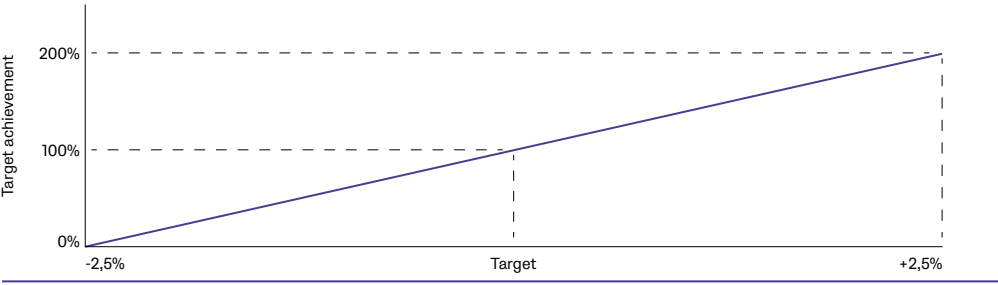
Target achievement EBITDAaL



Target achievement Recurring Free Cashflow



Target achievement Sales Revenues



The target values as well as lower and upper thresholds for the financial performance targets for the financial year 2021/22 as well as their target achievement are disclosed transparently in the following table:

STI target achievement financial targets (Financial year 2021/22)

	Lower threshold (in €m)	Target value (in €m)	Upper threshold (in €m)	Actual value (in €m)	Target achievement
Adjusted EBITDAaL	522,0	537,0	552,0	545,0 ²	153 %
Recurring Free Cashflow	381,9	397,0	412,1	416,9 ²	200 %
Sales revenues ¹	170,5	174,7	178,9	175,6 ²	121 %

¹ Sales revenues generated independently from Vodafone

² The actual value was adjusted to compensate for deviations from the base assumptions relevant for the target definition. These deviations were not foreseeable at the time of planning and could not be influenced by the Management Board. The circumstances leading to the deviations would have been taken into account accordingly, had they been already known at the time of planning. Without these adjustments, the Adjusted EBITDAaL is €542.7 million, the Recurring Free Cashflow is €414.9 million, and the Sales revenues are €208.0 million.

For the financial year 2021/22, the Supervisory Board decided on the following non-financial KPIs. On the one hand, these relate to the development of new sites ("Build Remuneration") and on the other hand to the ongoing operation of existing sites ("Run Remuneration"). The achievement of the respective (project-related) targets is determined on the basis of a structured target achievement process using either predefined performance corridors or a scorecard:

STI target achievement Non-financial KPIs (Financial year 2021/22)

			Weighting	Target achievement
Build Remuneration	Project-related measurement of improvement of infrastructure through development and on time commissioning of new sites in Germany and abroad	Germany	10%	65 %
		Spain		
		Portugal		
		Ireland, Czech Republic, Hungary, Romania, Greece		
Run Remuneration	Measurement of ongoing operational performance using a scorecard, e.g., by means of figures of site power availability, incident resolution time and site access	Site power availability	10%	159 %
		Incident resolution time		
		Site Access		

This results in the following total target achievements and payout amounts for the Management Board members for the STI of the financial year 2021/22:

STI total target achievement (financial year 2021/22)

	Target amount in €	Target achievement and weighting				Total target achievement	Payout amount in €
		Adjusted EBITDAaL (30%)	Recurring Free Cash-flow (30%)	Sales revenues ¹ (20%)	Non-financial KPIs (20%)		
Vivek Badrinath	725,004	153 %	200 %	121 %	112 %	153 %	1,109,256
Thomas Reisten	246,002						376,383
Christian Sommer	168,004						257,046

¹ Sales revenue generated independently from Vodafone

2.4.2. Long Term Incentive

2.4.2.1. Grant in the financial year 2021/22

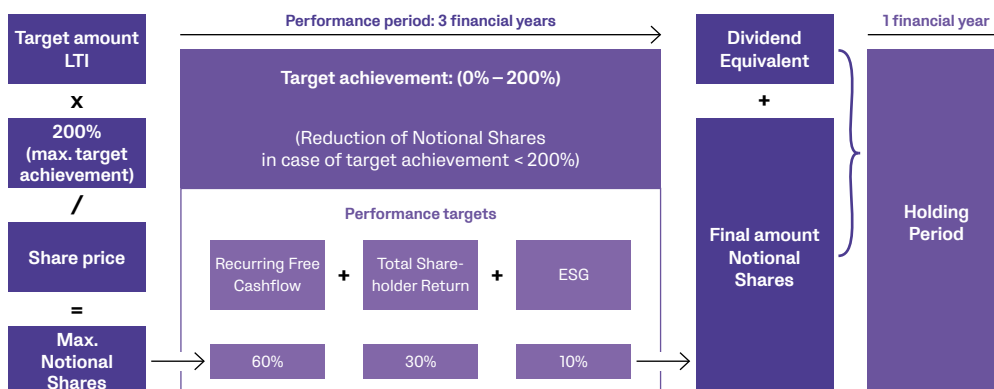
The Long Term Incentive (LTI) is granted annually and used to incentivise the delivery of performance over the three year performance period and the subsequent one year holding period. The performance conditions and targets will be used to incentivise the delivery of sustained performance over the long term to enhance the long term Company value.

Under the LTI, the members of the Management Board are granted conditional rights in relation to shares of the Company ("Notional Shares"). The applicable performance period will be three financial years. Following the performance period, the final amount of Notional Shares will be transferred as actual shares to the members of the Management Board which must be held by the Management Board members for a further one year period ("Holding Period").

Each member of the Management Board has a target award level for each grant of Notional Shares. The initial allocation of Notional Shares at the grant date is based on an assumed maximum achievement of the performance conditions of 200%. The LTI, i.e. the Notional Shares, will normally be granted near the beginning of a financial year for three full years.

The Management Board members shall in addition participate in dividend distributions in relation to the Notional Shares granted on the grant date by way of granting further Notional Shares ("Dividend Equivalent"). These additional Notional Shares will be treated as if granted at the grant date for the purpose of determining the number of Notional Shares which will vest.

The function of the LTI in the financial year 2021/22 is as follows:



The final number of actual shares vesting and to be transferred to each individual member of the Management Board is based on the target achievement of the following performance targets:

- Recurring Free Cash Flow (RFC)** (weighted in the financial year 2021/22 60%): Means Recurring Operating Free Cash Flow (as defined below) less tax paid and interest paid, excluding interest paid on lease liabilities. 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 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 noncash 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.
- Total shareholder returns ("TSR")** (weighted in the financial year 2021/22 30%): Means the total amount returned by an investment to the investor in company shares, taking into account the stock price development and the dividends paid by the Company in a given period. The TSR of the Company will be measured in comparison to the TSR of a peer group leading to the determination of the target achievement based on a predefined target achievement curve set by the Supervisory Board.
- ESG criteria** (weighted in the financial year 2021/22 10%): Means environmental, social and governance factors, as determined by the Supervisory Board, e.g. compliance, sustainability, diversity/women's quota, innovation, client satisfaction, efficiency improvement.

The peer group companies, whose TSR in the financial year 2021/22 will be used for the calculation of the relative TSR of the Company, are presented hereafter. They are comprised of companies of the STOXX® Europe 600 Utilities Index as well as further European utilities and infrastructure companies.

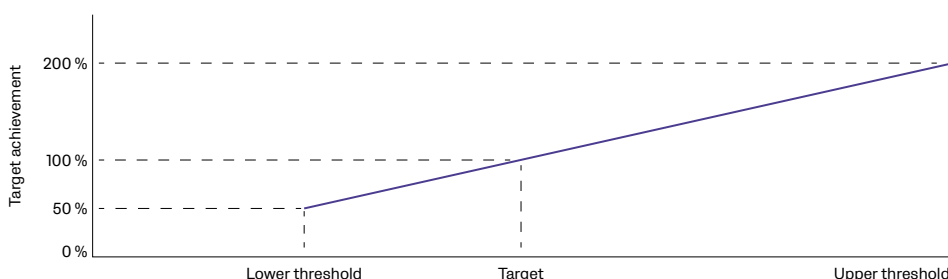
TSR peer group index

A2A	National Grid
Cellnex Telecom	Naturgy Energy Group
Centrica	Orsted
E.ON	Pennon Group
Electricité de France	Red Electrica Corporation
EDP Energias de Portugal	RWE
Elia Group	Scottish & Southern Energy
Endesa	Severn Trent
Enel	Suez
Engie	Terna
Fortum	Uniper
Hera	United Utilities Group
Iberdrola	Veolia Environnement
Infrastructure Wireless Italiane	Verbund
Italgas	–

Any financial performance conditions included in the LTI will focus on the long-term strategic priorities of the business. A RCF measure incentivises long term cash management and capital discipline with its importance to the business underlined by its inclusion under both the short term and long term variable components of the remuneration structure. The use of TSR as a performance measure, as well as the fact the LTI is delivered in shares, ensures that management is focused on the long-term interests of Vantage Towers AG’s shareholders. The inclusion of an ESG measure reflects the importance of ensuring Vantage Towers AG’s network is key enabler for a sustainable digital society, and will be measured against robust and quantifiable metrics.

Based on the granted Notional Shares and the target achievement of the performance targets, the gross number of shares finally to be awarded is then calculated. The following target achievement curve is used as a basis:

Target achievement curves LTI 2021/22



Actual shares granted under the LTI after the three year performance period must continuously be held in the Management Board members' securities deposit (or a nominee's securities deposit on behalf of the Management Board member) during the one year Holding Period. The Supervisory Board may request evidence of such continuous holding. While the Management Board members enjoy all rights and benefits to which a shareholder is entitled from the actual shares received under an LTI during the Holding Period, they may neither sell or dispose nor monetarise the value of the shares otherwise. The Holding Period ends on the fourth anniversary of the grant date of the Notional Shares, or any later date, as determined by the Supervisory Board.

The following target values as well as lower and upper thresholds for the financial performance targets were set by the Supervisory Board for the LTI tranche of the financial year 2021/22:

LTI tranche 2021/22 financial targets

	Lower threshold	Target value	Upper threshold	Weighting
Recurring Free Cashflow (in €m)	1,212.6	1,250.1	1,287.6	60%
Total Shareholder Return	50 th percentile	62.5 th percentile	> 75 th percentile	30%

For the ESG criteria, weighted with 10%, the Supervisory Board has set the performance targets presented in the table below. If the performance targets are not reached, the target achievement is 0%:

LTI tranche 2021/22 Financial targets

100% of electricity procured from renewable sources
At least 30% female employees in management positions and 40% female employees overall
Continuation of the "zero-fatalities" agenda
100% of redundant network equipment reused, resold or recycled by 2025

Based on the system mentioned above, the following Notional Shares were granted to the Management Board members for the financial year 2021/22:

LTI tranche 2021/22 Grant

	Target amount in €	Maximum target achievement	Share price at effective date ¹	Granted Notional Shares
Vivek Badrinath	1,450,008	200%	27.35 €	106,032
Thomas Reisten	410,004			29,982
Christian Sommer	280,008			20,474

¹ closing price at Frankfurt Stock Exchange on 24 June 2021

2.4.2.2. Provisions for the Long Term Incentive Program of Vodafone GroupPlc

The members of the Management Board participated in long term incentive programs of Vodafone Group, granted to them in the financial years 2018/19, 2019/20 and 2020/21. Such long-term incentive programs would have been (if not amended), subject to the level of achievement of the performance conditions, result in the vesting of shares in Vodafone Group Plc, in June 2021, June 2022 and June 2023. The long term incentive awards are – except for the performance conditions – comparable to the long term incentive system described under section 2.4.2.1, also with respect to the granted number of notional shares and their calculation.

In order to align the long-term incentive programs of Vodafone Group with Vantage Towers AG business targets, the following shall apply:

- The long term incentive award granted in the financial year 2018/2019 shall result in the vesting of shares in Vodafone Group Plc, subject to the level of achievement of the performance conditions as agreed with Vodafone Group Plc.
- The long-term incentive award granted in the financial year 2019/20 shall result in the vesting of shares in Vantage Towers AG instead of Vodafone Group Plc, subject to the level of achievement of the performance conditions. For the financial years 2019/20 and 2020/21, the performance conditions agreed with Vodafone Group Plc continue to apply. For the financial year 2021/22, it is assumed that the target performance has been achieved.

- The long-term incentive award granted in the financial year 2020/21 shall result in the vesting of shares in Vantage Towers AG instead of Vodafone Group Plc, subject to the level of achievement of the performance conditions. For the financial year 2020/21, it shall be assumed that the target performance has been achieved. The number of Notional Shares, including Dividend Equivalent Shares, currently out-standing to members of the Management Board as granted in the financial year 2020/2021 amount to 137,240 shares for Vivek Badrinath, 38,805 shares for Thomas Reisten and 18,550 shares for Christian Sommer.

Such amendments ensure that the long term incentives which have not yet vested do properly incentivise the members of the Management Board, whereby the cut-off between Vodafone and Vantage related targets was made on 1 April 2021, i.e. between the financial years 2020/21 and 2021/22. In addition, the financial year 2020/21 will only be considered as “on target”. As the change of legal form and IPO of the Company were both at the end of the financial year 2020/21, the period in the financial year 2020/21 during which Vantage Towers AG was a (listed) stock corporation is negligible in relation to a three years performance period applicable to the long-term incentives. An alignment during a financial year would therefore have caused an unnecessary material complexity.

2.4.2.3. Payout for the financial year 2021/22

Before the corporate transformation of the Vantage Towers GmbH into the Vantage Towers AG on 26 January 2021, the awards under these long term incentive programmes were subject to the level of achievement of Vodafone Group related performance conditions and would have resulted in the vesting of shares in Vodafone Group Plc in approximately June 2021, June 2022 and June 2023. In order to align, where required, such long term incentive programmes of Vodafone Group Plc with Vantage Towers AG business targets, and to avoid any conflicting incentivisation, the following applies to the current long term incentive program, of which the performance period ended with the financial year 2021/22:

The tranche 2019, granted in the financial year 2019/20, will result in the vesting of shares in Vantage Towers AG instead of Vodafone Group Plc, subject to the level of achievement of the performance conditions.

Initially, the applicable performance condition for Thomas Reisen and Christian Sommer was Vodafone Group Plc Free Cashflow. For Vivek Badrinath, the determination of performance achievement was based on Vodafone Group Plc Free Cash Flow (weighted 66.7%) and Relative Total Shareholder Return (weighted 33.3%). To avoid any conflicting incentivisation, it has been agreed that only for the first two financial years (financial year 2019/20 and financial year 2020/21) the initially agreed performance conditions shall apply and that for financial year 2021/22 the tranche 2019 will vest on-target (100%), i.e. it is assumed that the target performance has been achieved in this financial year.

The following table presents for the Management Board members the initially granted target amounts for the tranche 2019, the total target achievement as well as the number of shares in the Company resulting from the total target achievement that will be transferred and are to be held for a further year (Holding Period):

LTI tranche 2019/20 Total target achievement

	Granted Notional Shares ¹	Total target achievement ³	Final number of shares
Vivek Badrinath	144,060	31 % ⁴	44,269
Thomas Reisten	22,281 ²	42 % ⁵	11,905 ⁶
Christian Sommer	8,097 ²	42 % ⁵	4,325 ⁶

¹ Assuming respective maximum target achievement

² Granted Notional Shares include RSUs previously granted by Vodafone under the LTI program and Dividend Equivalents

³ In relation to the maximum target achievement

⁴ Total target achievement for the financial years 2019/2020 and 2020/2021 based on target achievement of adjusted Free Cashflow from Vodafone Group Plc (weighting 2/3) and relative Total Shareholder Return (weighting 1/3). Determination of target achievement for the financial year 2021/2022 assuming that the targets were achieved 100%

⁵ Total target achievement for the financial years 2019/2020 and 2020/2021 based on target achievement of adjusted Free Cashflow from Vodafone Group Plc. Determination of target achievement for the financial year 2021/2022 assuming that the target was achieved 100%

⁶ The final number of shares include RSUs previously granted by Vodafone under the LTI program

The long term incentive awards were granted by Vodafone Group Plc. Vantage Towers AG does not assume the position as grantor. However, Vantage Towers AG will reimburse Vodafone Group Plc on a pro rata basis. The relevant cut-off date for such reimbursement is 1 April 2020, i.e. the date from which the beneficiaries worked exclusively for the Company in respect to its business. With respect to the tranche 2019, it amounts to two-thirds of the expenses of Vodafone Group Plc.

2.5. Special remuneration for extraordinary performance

The Supervisory Board has the right to grant the Management Board members a special remuneration for extraordinary performance. The decision is at the sole discretion of the Supervisory Board. This does not constitute a claim by the members of the Management Board to receive such special remuneration. The special remuneration is also considered for maximum limit for all remuneration components.

In the financial year 2021/22 no special remuneration for extraordinary performance was awarded or is due for the members of the Management Board.

2.6. Malus-/Clawback-Provisions

With regard to the variable remuneration granted starting with the financial year 2021/22, the variable remuneration components (i.e. STI and LTI as described above) may be reduced (malus) or reclaimed (clawback) by the Company in certain scenarios as described below.

For the Long Term Incentive Programs of Vodafone Group Plc, which were granted resp. awarded before the financial year 2021/22, provisions were set under the Vodafone rules and therefore may differ to the provisions set under the Vantage Towers rules. For the financial year 2021/22 there were no cases present that would have required a reduction (malus) or reclaim (clawback) of variable remuneration components.

2.6.1. Malus-/Clawback-Provisions starting with the financial year 2021/22

Prior to the payment (or granting of instruments) of a variable remuneration component the Supervisory Board will perform a review as to whether it has to be amended resp. reduced because of violations of stipulations on integrity or compliance by the Management Board members in the relevant period ("Malus"). Such misconduct can arise out of individual misconduct (i.e. intentional or grossly negligent unethical or criminal behaviour or breach of duties, including intentional or grossly negligent violation of monitoring or organisational duties) or organisational misconduct attributable to the Management Board members.

In the event that a relevant misconduct, which would have entitled the Company's Supervisory Board to reduce the Baseline Value or forfeit it in full, becomes known at a later date, the Company is entitled, at its reasonable discretion, to claim back the gross payout amount in part or in full ("Clawback"). The Clawback also applies in cases in which it becomes known at a later date that the key figures on which the determination of the variable remuneration was based upon were false and the variable remuneration based on the correct figures would have been lower or amounted to zero. Clawback is excluded if more than three years have passed since payment/transfer of the variable remuneration component was made.

2.6.2. Malus-/Clawback-Provisions of Vodafone Group Plc

The following provisions apply for the Long Term Incentive Programs of Vodafone Group Plc which were granted resp. awarded before the financial year 2021/22.

With regard to the variable remuneration granted under the long-term incentive program of Vodafone Group plc, the rules of the global long term incentive program of Vodafone Group Plc provide that the respective remuneration granted as long term incentive award may be reduced (malus) or reclaimed (clawback) in certain situations.

The situations mentioned above, in respect of a reduction or reclaim of remuneration last granted in the financial year 2021/22, include: (i) a material mis-statement in the accounts, (ii) facts that have emerged which, if known at the time, would have caused the long-term incentive award to lapse, (iii) information that has emerged which would have affected the level of the long term incentive award granted to the member of the Management Board, or (iv) gross misconduct, (v) the relevant member of the Management Board can be held responsible for a detrimental impact on the reputation of Vantage Towers entities or an insolvency or other corporate failure of a material proportion of Vantage Towers entities, or (vi) any other event the Vodafone Group Plc Remuneration Committee considers appropriate for a reduction or reclaim.

The Vodafone rules under which the long term remuneration component in the financial year 2019/20 was granted stipulate that the relevant period in which such "clawback" may occur is five years after the date the award has been granted, and, if an investigation is ongoing, until such investigation has been finalised. For the financial year 2021/22 there were no cases present that would have required a reduction (malus) or reclaim (clawback) of variable remuneration components.

2.7. Share Ownership Obligation

In addition to the granting of shares under the LTI, each member of the Management Board is obliged to hold a certain value of shares in the Company. The CEO will be required to hold a value equivalent to 300% of the annual fixed salary (gross) in shares of the Company. For the other members of the Management Board, the share ownership obligation will be set at a value equivalent to 100% of the annual fixed salary (gross) for the CFO and 50% of the annual fixed salary (gross) for the General Counsel. The members of the Management Board have to fulfil such holding obligation no later than five years after the commencement of his or her appointment as member of the Company's Management Board, provided that the appointment continues until this date. The fulfilment of this obligation for Company shares will be verified for the first time after a five-year build-up phase and annually thereafter. For the calculation of the achievement of this personal investment, the annual fixed salary granted in the fifth year of appointment and the average closing prices in the XETRA trading system (or a comparable successor system) during the last three months immediately preceding the fifth anniversary of the appointment (and the respective periods in the following years) shall be decisive.

2.8. Regulations for (premature) termination

Generally, if a Management Board service agreement terminates during a financial year, the annual fixed base remuneration and the variable remuneration as well as other remuneration components will be settled pro rata temporis. The target values for STI and LTI will also be set pro rata temporis. The amount of the payout, respectively special remuneration, will continue to be based on the originally agreed targets and criteria and will occur at the respective due date.

In case the Company is entitled to terminate a Management Board member's service contract or appointment for good cause (section 626 German Civil Code) or if a Management Board member resigns from office without good cause, the member of the Management Board shall not be entitled to an STI.

If the Management Board service contract or the appointment of a Management Board member is terminated prior to the vesting of any Notional Shares, the award shall continue to be in effect, whereas, if not already reflected in the award, the number of Notional Shares granted to the Management Board member shall be reduced on a pro rata basis.

The same applies in case of a change of control or if the listing of the Company in accordance with section 39 (2) German Stock Exchange Act terminates ("Delisting"), with the provision that for the calculation of the prorated calculation the period of the financial year until the change of control or Delisting and the remaining financial year shall be decisive and with the further proviso that instead of a transfer of Company shares, the Management Board members will receive the equivalent value in cash.

In case the Company is entitled to terminate a Management Board member's service contract or appointment for good cause (section 626 German Civil Code) or if a Management Board member resigns from office without good cause, the member of the Management Board shall not be entitled to any future grants or future vesting under or in connection with the LTI (including to any actual shares or Dividend Equivalents).

2.8.1. Severance payments

In the event of a termination of a Management Board service contract before the end of its fixed term described above, any severance payment to compensate the remuneration of the Management Board members (including all fringe benefits and benefits in kind) are limited to two fixed annual salaries ("Severance Cap"). If the remaining duration of the Management Board service contract is less than two years, the Severance Cap shall be reduced pro rata temporis. A possible severance payment will not be paid if the Company would be entitled to terminate a Management Board service contract according to section 626 German Civil Code or in case of resignation of the board member without good cause for which the Company is responsible.

2.8.2. Other remuneration

In the event of temporary incapacity for service resulting from illness, accident or any other reason for which a Management Board member is not responsible, the Company will pay the fixed salary pro rata for the duration of the incapacity for a period of up to twelve months (up to the end date of the Management Board service contract at the latest).

2.9. Third party remuneration

The members of the Management Board currently participate in long term incentive programs of Vodafone Group, granted to them in the financial years 2018/2019, 2019/20 and 2020/21. The tranches were granted by Vodafone Group Plc and Vantage Towers AG does not assume the position as grantor. However, Vantage Towers AG will reimburse Vodafone Group Plc on a pro rata basis. The relevant cut-off date for such reimbursement is 1 April 2020, since the current members of the Management Board worked for the Vantage business already in the financial year 2020/21. Therefore, with respect to the long term incentive program granted in the financial year 2019/20, the reimbursement amounts to two third of the expenses of Vodafone Group Plc, and with respect to the long-term incentive program granted in the financial year 2020/21, the entire expenses of Vodafone Group Plc will be reimbursed.

2.10. Maximum remuneration according to section 87a AktG

In accordance with section 87a (1) sentence 2 number 1 AktG, the Supervisory Board determines a maximum amount for the total remuneration (including fringe benefits and pension contributions), which in each case refers to the total of all payments to a Management Board member that result from the remuneration regulations in one financial year. The maximum remuneration amounts to €13,000,000 for the Chairperson of the Management Board (CEO), and to €4,000,000 for each, the Chief Financial Officer (CFO) and the General Counsel. If the maximum remuneration is exceeded in a financial year, the Supervisory Board shall be entitled to adjust the payout amount of the STI and/or the amount of shares to be transferred under the LTI Plan equal to the amount by which the maximum remuneration has been exceeded. Furthermore, the payout amount of the STI and the number respectively value of Notional Shares granted under the LTI as an award are each capped at 200% of the respective target value.

The Supervisory Board ensures compliance with the defined maximum remuneration. Compliance with the maximum remuneration according to section 87a AktG for the financial year 2021/22 will be reported in the corresponding remuneration report after the transfer of the tranche of the LTI granted in the financial year 2021/22.

3. Individualised disclosure of the remuneration awarded and due of the Management Board

In the following, the remuneration awarded and due for the members of the Management Board for the financial year 2021/22 will be disclosed on an individual basis. Hereby, the STI and LTI are disclosed if the respective performance measurement has been completed by the end of the financial year. In addition, any conditions precedent and subsequent have been fulfilled or no longer apply. This vesting-oriented disclosure allows for a synchronization with the results of the financial year in the sense of a pay-for-performance-relationship.

The following remunerations awarded and due are reported as part of the individualized disclosure of the Management Board members in the financial year 2021/22:

- The fixed salary paid in the financial year 2021/22
- The accrued fringe benefits in the financial year 2021/22 incl. transitional allowances
- The STI granted for the financial year 2021/22, which is paid after the end of the financial year 2021/22
- The LTI tranche 2019 of the Long Term Incentive Program of the Vodafone Group Plc, of which the performance period ended in the financial year 2021/22 and which will be transferred after the end of the financial year 2021/22

In addition, the service cost of the company pension plan is reported, which however is not part of the remuneration awarded and due according to section 162 AktG.

Vivek Badrinath Chief Executive Officer (since January 2021)		
	in €	in %
Fixed salary	725,004	21 %
Fringe benefits ¹	114,000	3 %
Sum fixed components	839,004	
STI (financial year 2021/22)	1,109,256	33 %
LTI (financial year 2019/20) ²	1,426,347	42 %
Sum variable components	2,535,603	
Total remuneration according to § 162 AktG	3,374,607	
Service cost	105,409	
Total target remuneration	3,480,016	

¹ Including temporary transitional allowance; Accident insurance as well as contributions to pension, health and care insurance are included in the fix salary

² The LTI 2019/2020 was granted by Vodafone Group Plc. One third of the expenses are borne by Vodafone Group Plc, two thirds by Vantage Towers AG. The value of the LTI shown corresponds to a provisional value based on the lowest daily share price at Frankfurt Stock Exchange on 31 March 2022

Thomas Reisten
Chief Financial Officer (since January 2021)

	in €	in %
Fixed salary	410,004	33 %
Fringe benefits ¹	90,000	7 %
Sum fixed components	500,004	
STI (financial year 2021/22)	376,383	30 %
LTI (financial year 2019/20) ²	383,579	30 %
Sum variable components	759,962	
Total remuneration according to § 162 AktG	1,259,966	
Service cost	54,601	
Total target remuneration	1,314,567	

¹ Including temporary transitional allowance; Accident insurance as well as contributions to pension, health and care insurance are included in the fix salary

² The LTI 2019/2020 was granted by Vodafone Group Plc. One third of the expenses are borne by Vodafone Group Plc, two thirds by Vantage Towers AG. The value of the LTI shown corresponds to a provisional value based on the lowest daily share price at Frankfurt Stock Exchange on 31 March 2022

Christian Sommer
General Counsel (since January 2021)

	in €	in %
Fixed salary	280,008	40 %
Fringe benefits ¹	18,000	3 %
Sum fixed components	298,008	
STI (financial year 2021/22)	257,046	37 %
LTI (financial year 2019/20) ²	139,351	20 %
Sum variable components	396,397	
Total remuneration according to § 162 AktG	694,405	
Service cost	35,852	
Total target remuneration	730,257	

¹ Including temporary transitional allowance; Accident insurance as well as contributions to pension, health and care insurance are included in the fix salary

² The LTI 2019/2020 was granted by Vodafone Group Plc. One third of the expenses are borne by Vodafone Group Plc, two thirds by Vantage Towers AG. The value of the LTI shown corresponds to a provisional value based on the lowest daily share price at Frankfurt Stock Exchange on 31 March 2022

D. Remuneration system for the Supervisory Board

1. Remuneration Governance

The remuneration of the members of the Supervisory Board is specified in Article 13 of the Articles of Association of the Company.

The structure of the Supervisory Board remuneration as purely fixed remuneration strengthens the independence of the Supervisory Board members in the context of their supervisory activities and corresponds with suggestion G.18 sentence 1 GCGC in the version dated 19 December 2019. The fixed remuneration ensures that the decisions of the Supervisory Board cannot influence the remuneration of the individual Supervisory Board members and thus the Supervisory Board members cannot be improperly influenced. This strengthened and independent supervision promotes the business strategy of Vantage Towers AG and contributes to the long term and sustainable development of the Company.

The Supervisory Board will regularly review, at the latest for resubmission to the Annual General Meeting in four years, whether the remuneration of its members continues to be appropriate and also complies with the recommendations and suggestions of the GCGC. In doing so, the Supervisory Board will also consider companies comparable to Vantage Towers AG and the Supervisory Board remuneration granted there as a benchmark. Depending on the outcome of the review and its assessment, the Supervisory Board may, together with the Management Board, submit a proposal to the Annual General Meeting to adjust the Supervisory Board's remuneration. Irrespective of this, the Annual General Meeting shall resolve on the remuneration of the members of the Supervisory Board, including the underlying system, every four years at the latest. A resolution confirming the remuneration is also possible.

2. Remuneration system of the Supervisory Board

In accordance with suggestion G.18 sentence 1 of the GCGC in the version dated 16 December 2019, the remuneration of the Supervisory Board is structured as a purely fixed remuneration. In accordance with G.17 GCGC in the version dated 16 December 2019, the remuneration for certain function holders within the Supervisory Board is increased in order to appropriately take into account the higher time expenditure for their special activities. In detail, the following applies to the amount of the Supervisory Board remuneration:

- The (ordinary) members of the Supervisory Board receive a fixed annual remuneration of €80,000.00.
- Deviating from this, the remuneration of the Chairperson of the Supervisory Board amounts to €300,000.00, the remuneration of the Deputy Chairperson amounts to €150,000.00.
- Chairpersons of Supervisory Board committees shall receive an additional fixed annual remuneration of €15,000.00.

Members of the Supervisory Board who belong to the Supervisory Board for only part of a financial year will receive a remuneration on a pro rata temporis basis. This applies accordingly to the remuneration as chairperson of a committee.

The remuneration will be due at the end of the relevant financial year. An attendance fee is not been granted.

3. Individualised disclosure of the remuneration of the Supervisory Board

The following table discloses the remuneration awarded and due to the members of the Supervisory Board for the financial year 2021/22 on an individual basis.

With regard to the committee remuneration, the Supervisory Board of the Vantage Towers AG has formed an Audit and Risk Committee (ARC) as well as a Remuneration/Nomination Committee (RemCo/NomCo). In the financial year 2021/22, the following members were part of the ARC: Charles C. Green III (Chair), Michael Bird, Barbara Cavaleri und Rosemary Martin (all since 9 February 2021; Barbara Cavaleri until 16 February 2022). In the financial year 2021/22, the following members were part of the RemCo/NomCo: Katja van Doren (Chair), Johan Wibergh und Pinar Yemez (all since 9 February 2021).

Supervisory Board remuneration

	Fixed remuneration		Committee remuneration		Total remuneration
	in €	in %	in €	in %	in €
Dr. Rüdiger Grube	300,000	100 %	–	–	300,000
Rosemary Martin ¹	0	–	–	–	0
Michael Bird ¹	0	–	–	–	0
Barbara Cavaleri ¹ (until February 16, 2022)	0	–	–	–	0
Katja van Doren	80,000	84 %	15,000	16 %	95,000
Charles C. Green III	80,000	84 %	15,000	16 %	95,000
Terence Rhodes	80,000	100 %	–	–	80,000
Johan Wibergh ¹	0	–	–	–	0
Pinar Yemez ¹	0	–	–	–	0

¹ Waiver of Supervisory Board remuneration for Vodafone representatives

E. Comparative presentation of remuneration and earnings development

In accordance with section 162 (1) sentence 2 number 2 AktG the remuneration of the Management and Supervisory Board is compared in the following to the remuneration of the employees as well as the earnings development of the Company over the last two years. The comparative presentation will be built up over the next five years.

The establishment of Vantage Towers AG in January 2021 results in some peculiarities for the comparative presentation. The remuneration of the members of the Management Board in the financial year 2020/21 predominantly represents the remuneration as a member of the management of Vantage Towers GmbH. In the 2020/21 financial year the remuneration of the members of the Supervisory Board was only granted on a pro rata basis, as the Supervisory Board in its entirety only commenced its activities with the change of legal form from GmbH to AG.

With regard to the earnings development, the focus is set on the Vantage Towers AG's and Vantage Towers' Group net income as well as Recurring Free Cashflow as the relevant key performance indicators.

Regarding the remuneration of employees, the salary expenses of Vantage Towers AG's in relation to the workforce of the respective fiscal year is used. Due to the increase in the number of employees (mainly in the area below management level), there are changes in the average remuneration of the employees of Vantage Towers AG compared to the previous year.

Comparative presentation

	Financial year 2021/22	Financial year 2020/21 ³	Development 2021/22 vs. 2020/21
	in €	in €	in %
Members of the Management Board			
Vivek Badrinath	3,374,607	1,788,698	89%
Thomas Reisten	1,259,966	783,899	61%
Christian Sommer	694,405	447,153	55%
Members of the Supervisory Board			
Dr. Rüdiger Grube	300,000	50,000	500% ⁴
Rosemary Martin ¹	0	0	–
Michael Bird ¹	0	0	–
Barbara Cavaleri ^{1,2}	0	0	–
Katja van Doren	95,000	15,833	500% ⁴
Charles C. Green III	95,000	15,833	500% ⁴
Terence Rhodes	80,000	13,333	500% ⁴
Johan Wibergh ¹	0	0	–
Pinar Yemez ¹	0	0	–
Employees			
Average	104,136	110,351	(6)%
Company performance			
Net income Vantage Towers AG (HGB) (in €m)	229	(60)	– ⁵
Net income Vantage Towers Group (IFRS) (in €m)	357	160	123%
Recurring Free Cashflow (in €m)	415	384	8%

¹ Waiver of Supervisory Board remuneration for Vodafone representatives

² Until 16 February 2022

³ Remuneration of members of the Management Board corresponds to payouts from the remuneration report 2020/21 excluding service cost

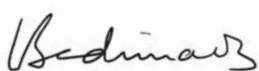
⁴ Remuneration of the members of the Supervisory Board has been granted on a pro rata basis since conversion into an AG

⁵ Net profit of the year increased by €289 million compared to FY 2020/21

F. Resolution of the Management Board and Supervisory Board

The Management Board and the Supervisory Board confirm the joint preparation of the remuneration report in accordance with Section 162 of the German Stock Corporation Act (Aktiengesetz, AktG).

For the Management Board:



Vivek Badrinath
(CEO)



Thomas Reisten
(CFO)

For the Supervisory Board:



Prof. Dr. Rüdiger Grube
(Chairman)

Independent auditor's report

To Vantage Towers AG

We have audited the attached remuneration report of Vantage Towers AG, Düsseldorf, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1 April 2021 to 31 March 2022 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of Vantage Towers AG are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 April 2021 to 31 March 2022 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1 January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Cologne, 9 June 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ueberschär
Wirtschaftsprüfer
[German Public Auditor]

Bartsch
Wirtschaftsprüfer
[German Public Auditor]

Unaudited Pro Forma Financial Information

Pro Forma Consolidated Income Statement of the Group for the Twelve Months Ended 31 March 2021

The table below sets forth the pro forma consolidated income statement of the Group for the twelve months ended 31 March 2021.

	Twelve months ended 31 March 2021		
	Pro forma consolidated income statement for the nine months ended 31 December 2020 (unaudited) €m	Consolidated income statement for the three months ended 31 March 2021 (unaudited) €m	Pro forma consolidated income statement for the twelve months ended 31 March 2021 (unaudited) €m
Revenue	725	245	970
Maintenance costs	(28)	(9)	(37)
Staff costs	(29)	(11)	(40)
Other operating expenses	(48)	(15)	(63)
Depreciation on lease-related right-of-use assets	(183)	(64)	(247)
Depreciation on other property, plant and equipment	(75)	(32)	(107)
Amortisation of intangibles	–	(2)	(2)
Profit (or loss) on disposal	–	(0)	(0)
Share of results of equity accounted joint ventures	3	10	13
Operating profit	366	122	487
Interest on lease liabilities	(41)	(14)	(55)
Other finance costs	(12)	(7)	(19)
Other non-operating expenses	(25)	(18)	(43)
Profit before tax	288	83	371
Income tax expense	(74)	(24)	(98)
Profit for the period	214	59	273

The following table sets out a breakdown of revenue for the twelve months ended 31 March 2021 on a pro forma basis by service:

	Twelve months ended 31 March 2021		
	Pro forma consolidated income statement for the nine months ended 31 December 2020 (unaudited) €m	Consolidated income statement for the three months ended 31 March 2021 (unaudited) €m	Pro forma consolidated income statement for the twelve months ended 31 March 2021 (unaudited) €m
Macro site revenue	685	214	899
Other rental revenue	21	20	41
Recharged capital expenditure revenue	2	2	4
Energy and other revenue	17	9	26
Revenue	725	245	970

Pro Forma Segmental Income Statement of the Group for the Twelve Months Ended 31 March 2021

	Twelve months ended 31 March 2021				
	Germany (unaudited) €m	Spain (unaudited) €m	Greece (unaudited) €m	Other European Markets (unaudited) €m	Total (unaudited) €m
Pro forma revenue	481	161	126	202	970
Pro forma adjusted EBITDA	406	141	112	172	830
Pro forma adjusted EBITDAaL	298	67	52	109	524
Pro forma recurring operating free cash flow	286	59	47	106	498
Pro forma cash conversion	96%	90%	89%	97%	95%

Alternative performance measure – unaudited

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 combined 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 consolidated 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.

Measure	Definition	Relevance of its use
Adjusted EBITDA	Adjusted EBITDA is operating profit before depreciation on lease-related right-of-use assets, depreciation, amortisation 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.

Measure	Definition	Relevance of its use
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 re-assessment of the IFRS 16 lease liability and 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).	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.
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 a reference point for cross industry valuation.
Free Cash Flow	Free Cash Flow is 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.	Management uses Free Cash Flow as a measure of the underlying cash flow of Vantage Towers to support future capital investment and the capital structure of the Company as well as distributions to shareholders.
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.
Net Financial Debt to Adjusted EBITDAaL	Net Financial Debt to Adjusted EBITDAaL is Net Financial Debt divided by Adjusted EBITDAaL for a rolling twelve-month period.	Management uses Net Financial Debt to Adjusted EBITDAaL to assess the indebtedness of Vantage Towers.

Reconciliations of pro forma APMs

Adjusted EBITDA

The table below sets forth the reconciliation of the Group's Alternative Performance Measure Adjusted EBITDA on a pro forma basis to profit for the period in the pro forma income statements for the periods indicated.

	Consolidated basis	Pro forma basis	Consolidated basis	Pro forma basis
	Twelve months ended 31 March 2022 (audited) €m	Nine months ended 31 December 2020 (unaudited) €m	Three months ended 31 March 2021 (audited) €m	Twelve months ended 31 March 2021 (unaudited) €m
Profit for the period	357	214	60	274
Income tax expense	109	74	24	98
Interest on lease liabilities	53	41	14	55
Other finance costs	14	12	4	16
Other non-operating expenses	5	25	20	45
Operating profit	537	366	122	488
Share of results of equity accounted joint ventures	(30)	(3)	(10)	(13)
Amortisation of intangibles	13	–	2	2
Depreciation on other property, plant and equipment	85	74	31	105
Depreciation on lease-related right-of-use assets	258	183	64	247
Gains/losses on disposal of property, plant and equipment	1	–	1	1
One-off and other items	1	–	–	–
Adjusted EBITDA	865	620	210	830

Adjusted EBITDAaL

The table below sets forth the reconciliation of the Group's Alternative Performance Measures Adjusted EBITDAaL on a pro forma basis to profit for the period in the pro forma income statements for the periods indicated.

	Consolidated basis	Pro forma basis	Consolidated basis	Pro forma basis
	Twelve months ended 31 March 2022 (audited) €m	Nine months ended 31 December 2020 (unaudited) €m	Three months ended 31 March 2021 (audited) €m	Twelve months ended 31 March 2021 (unaudited) €m
Profit for the period	357	214	60	274
Income tax expense	109	74	24	98
Other finance costs	14	12	4	16
Other non-operating expenses	5	25	20	45
Share of results of equity accounted joint ventures	(30)	(3)	(10)	(13)
Amortisation of intangibles	13	–	2	2
Depreciation on other property, plant and equipment	85	74	31	105
Recharged capital expenditure revenue	(12)	(2)	(2)	(4)
Gains/losses on disposal of property, plant and equipment	1	–	0	0
One-off and other items	1	–	–	–
Impact of FY20 lease reassessment ¹	–	–	–	–
Adjusted EBITDAaL	543	394	130	524

¹ During the twelve months ended 31 March 2021, the Group performed a reassessment of its lease portfolio in line with the requirements of IFRS 16. The Company has calculated the impact of the lease reassessment and recognised a €10 million non-cash increase in the sum of pro forma interest on leases and depreciation on right-of-use assets for the twelve months ended 31 March 2021 on a pro forma basis, €6 million was recognised in the nine months ended 31 December 2020 and €4 million was recognised in the three months ended 31 March 2021.

Recurring Operating Free Cash Flow and Recurring Free Cash Flow

The table below sets forth the reconciliation of the Group's Alternative Performance Measures Recurring Operating Free Cash Flow and Recurring Free Cash Flow to Adjusted EBITDA on a pro forma basis for the periods indicated.

	Consolidated basis	Pro forma basis	Consolidated basis	Pro forma basis
	Twelve months ended 31 March 2022 (audited) €m	Nine months ended 31 December 2020 (unaudited) €m	Three months ended 31 March 2021 (audited) €m	Twelve months ended 31 March 2021 (unaudited) €m
Adjusted EBITDA¹	865	620	210	830
Recharged capital expenditure revenue	(12)	(2)	(2)	(4)
Cash cost of leases ²	(293)	(218)	(74)	(292)
Maintenance capital expenditure	(29)	(23)	(13)	(36)
Recurring operating free cash flow	531	377	121	498
Net tax paid ³	(92)	(74)	(24)	(98)
Interest paid, excluding interest paid on lease liabilities ⁴	(10)	(12)	(4)	(16)
Changes in operating working capital ⁵	(14)	n/a	n/a	n/a
Recurring free cash flow	415	291	93	384

¹ No cash flow statement has been prepared for the purpose of the pro forma statements. Therefore, a reconciliation from Adjusted EBITDA, which is reconciled to profit for the period on a pro forma basis, has been included.

² For the purposes of the Unaudited Pro Forma Financial Information "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 effects from lease reassessment of the IFRS 16 lease liability and right-of-use asset on the sum of associated depreciation on lease-related right-of-use assets and interest on lease liabilities. During the twelve months ended 31 March 2021, the Group performed a reassessment of its lease portfolio in line with the requirements of IFRS 16. The Company has calculated the impact of the lease reassessment and recognized a €10 million non-cash increase in the sum of pro forma interest on leases and depreciation on right-of-use assets for the twelve months ended 31 March 2021 on a pro forma basis. €6 million was recognised in the nine months ended 31 December 2020 and €4 million was recognised in the three months ended 31 March 2021.

³ For the purposes of the 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, on a pro forma basis, as no pro forma cash flow statement has been produced. Accordingly, amounts disclosed for this measure in future periods will not be strictly comparable to the amounts stated herein, which are being provided for illustrative purposes.

⁴ For the purposes of the 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. Accordingly, amounts disclosed for this measure in future periods will not be strictly comparable to the amounts stated herein, which are being provided for illustrative purposes.

⁵ As a pro forma opening balance sheet has not been prepared, changes in operating working capital are not available for the pro forma results.

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 2022 (audited) €m	Twelve months ended 31 March 2021 (audited) €m
Profit for the period	357	160
Income tax expense	109	58
Interest on lease liabilities	53	28
Other finance costs	14	9
Other non-operating expenses	5	33
Operating profit	537	287
Share of results of equity accounted joint ventures	(30)	(10)
Amortisation of intangibles	13	2
Depreciation on other property, plant and equipment	85	64
Depreciation on lease-related right-of-use assets	258	120
Gains/losses on disposal of property, plant and equipment	1	0
One-off and other items	1	–
Adjusted EBITDA	865	463

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 2022 (audited) €m	Twelve months ended 31 March 2021 (audited) €m
Profit for the period	357	160
Income tax expense	109	58
Other finance costs	14	9
Other non-operating expenses	5	33
Share of results of equity accounted joint ventures	30	(10)
Amortisation of intangibles	13	2
Depreciation on other property, plant and equipment	85	64
Recharged capital expenditure revenue	(12)	(3)
Gains/losses on disposal of property, plant and equipment	1	0
One-off and other items	1	–
Adjusted EBITDAaL	543	312

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 2022 (audited) €m	Twelve months ended 31 March 2021 (audited) €m
Cash generated by operations	1,008	329
Increase/(decrease) in trade and other payables	(151)	17
Decrease/(increase) in trade and other receivables	57	9
Increase/(decrease) in trade payables to related parties	2	(43)
Decrease/(increase) in trade receivables from related parties	(49)	153
Share based payments and other non-cash charges	(4)	(1)
One-off and other items	2	—
Adjusted EBITDA	865	463
Recharged capital expenditure revenue	(12)	(3)
Cash cost of leases	(293)	(131)
Maintenance capital expenditure	(29)	(13)
Recurring operating free cash flow	531	315
Net tax paid	(92)	(16)
Interest paid, excluding interest paid on lease liabilities	(10)	(6)
Changes in operating working capital	(14)	(136)
Recurring free cash flow	415	157

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 2022.

	Consolidated Basis	
	As of 31 March 2022 (audited) €m	As of 31 March 2021 (audited) €m
Bonds	(2,189)	(2,187)
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	(2,189)	(2,187)
Cash and cash equivalents	22	22
Cash deposits held with related parties	272	165
Other financial instruments	–	–
Mark to market derivative financial instruments	(1)	(1)
Short-term investments	–	–
Total cash and cash equivalents and other financial instruments	294	187
Net financial debt	(1,896)	(2,001)

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 2022, 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.

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, 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.

Adjusted EBITDAaL

means 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.

Adjusted EBITDAaL margin

means Adjusted EBITDAaL divided by revenue excluding recharged capital expenditure revenue.

AktG

means the German Stock Corporation Act.

Alternative Performance Measures

means Adjusted EBITDA, Adjusted EBITDAaL, Adjusted EBITDAaL margin, Recurring Operating Free Cash Flow, Recurring Free Cash Flow, Free Cash Flow, Cash Conversion, Net Financial Debt and Net Financial Debt to Adjusted EBITDAaL.

Annual Report

means this annual report, dated 4 June 2021

ARC Committee

means Audit, Risk, and Compliance Committee.

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 Committee

means the Supervisory Board's audit committee.

BaFin

means the German Federal Financial Supervisory Authority.

Baseline Value

means a variable remuneration component, whose value has been calculated on the basis of the applicable criteria.

BTS

means built-to-suit.

Call Option

means options which entitle the Company to acquire shares of the Company upon the exercise of the option.

Cash Conversion

means Recurring Operating Free Cash Flow divided by Adjusted EBITDAaL.

CEO

means Chief Executive Officer.

CFO

means Chief Financial Officer.

Clawback

means the claim back the gross pay-out amount in part or in full

Code

means the German Corporate Governance Code.

Committees

means ARC Committee, together with the RemCo/NomCo.

Company

means Vantage Towers AG.

Conditional Capital

means the share capital of the Company will be conditionally increased by up to €101,156,453.00 (in words one hundred one million one hundred fifty-six thousand four hundred fifty-three euros), by issuing up to 101,156,453 new registered shares with no-par value.

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.

CTHC

means Central Tower Holding Company BV.

DAS

means distributed antenna systems.

Delisting

means the listing of the Company in accordance with Section 39 (2) German Stock Exchange Act (AktG) terminates.

ECC

means the UK Electronics Communications Code.

EMF

means electromagnetic field.

Equity Derivatives

means put options, call options and combinations of put and call options and forward purchase agreements.

ESG

means environmental, social, and governance.

EU

means the European Union.

Exchange Offer

means a public offer or a public solicitation to submit an offer for the exchange of liquid shares which are admitted to trading on an organised market within the meaning of the WpÜG against shares of the Company.

Exchange Shares

means a public offer or a public solicitation to submit an offer for the exchange of liquid shares which are admitted to trading on an organised market within the meaning of the German Securities Takeover Act.

Financial Institution

means a credit institution, a company in accordance with sec. 53 para. 1 sent. 1 or sec. 53b para. 1 sent. 1 or para. 7 of the German Banking Act.

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 ending 31 March 2021.

FY 2022

means the Financial year ending 31 March 2022.

FY 2020PF

means the Pro forma for the year ending 31 March 2020.

FY 2021PF

means the Pro forma for the year ending 31 March 2021.

FY 2023

means the Financial year ending 31 March 2023

FY 2026

means the Financial year ending 31 March 2026

GBT

means ground based tower.

GCGC

means the German Corporate Governance Code.

German GAAP

means German generally accepted accounting 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 Transformation Act.

German Towers Business

means the German partial operational unit towers business.

Ground Lease Expense

means depreciation on the lease-related right-of-use assets and interest on lease liabilities.

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 equity accounted investments in INWIT and Cornerstone.

HGB

means the German Commercial Code (Handelsgesetzbuch).

IDW

means the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer e. V.).

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.

ISAs

means individual site agreements.

ISIN

means International Securities Identification Number.

IT

means information technology.

KPIs

means key performance indicators.

Long-term Incentive Plan

means entitlements of members of the Management Board under long-term incentives.

Long-term Mobile Sites

means transportable passive infrastructure 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.

LTI

long-term variable components.

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.

Malus

means in the event of a relevant misconduct, the Baseline Value amount may be reduced by up to 100% of the maximum Notional Shares at reasonable discretion of the Supervisory Board.

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 adjustments, 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-IFRS Measures

means Adjusted EBITDA, Adjusted EBITDAaL, Adjusted EBITDAaL margin, Recurring Operating Free Cash Flow, Recurring Free Cash Flow, Free Cash Flow, Cash Conversion and Net Financial Debt, on a combined basis.

Non-MNO

means other than mobile network operator.

Offer Price

means the placement price of the Offer Shares.

Other Growth Capital Expenditure

means 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.

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 infrastructure (including steelworks) and related works, storage surfaces or shelters, access, surveillance and security systems, safety installations, and protective devices.

Passive Sharing

means MNOs' sharing of Passive Infrastructure.

PB

means petabyte.

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.

Prospectus

means the Vantage Towers prospectus, dated 8 March 2021.

Put option

means the option which requires the Company to acquire shares of the Company upon the exercise of the option.

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 capital 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. 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 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.

RemCo/NomCo

means the Remuneration and Nomination Committee.

Repurchase Programme

means the agreement with one or more Financial Institutions that the institute or these institutes will deliver a previously determined number of shares or a previously determined euro equivalent of shares of the Company within a previously defined period of no more than 18 months to the Company.

Revolving Credit Facility

means the €300 million senior unsecured revolving credit facility entered into by the Company on 12 February 2021.

RTT

means rooftop tower.

Selected Towers Business Financial Information

means certain unaudited selected financial information of the Towers Business for the twelve months ended 31 March 2018, 31 March 2019, and 31 March 2020.

Senior Facilities

means the Term Loan Facility together with the Revolving Credit Facility.

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.

STI

means short-term variable components.

SRN

means shared rural network.

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 coverage in urban areas as an alternative to RTTs.

Subsequent Change of Control

means if a competitor of Vodafone acquires control of the Vantage Towers Group company that is party to the agreement in a transaction that, other than in Greece, takes place after Vodafone Group Plc has itself given up control of the subject Group company in a previous transaction.

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, including 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 tenancies where the physical tenant (Vodafone or another MNO) is actively sharing on a macro site.

Tenants

means customers.

Term Loan Facility

means the €2.4 billion senior unsecured term loan facility entered into by the Company on 12 February 2021.

Terms

means the terms of the bonds (see “Bonds”) to issue, on one or more occasions until the expiry of 15 February 2026, for an aggregate nominal amount of up to €4,000,000,000.00 (in words four billion euros) in each case with or without a definite maturity date, and to grant the holders of bonds option or conversion rights for up to 101,156,453 registered shares with no-par value of the Company with a pro rata amount of the share capital of up to a total of €101,156,453.00 (in words one hundred one million one hundred fifty-six thousand four hundred fifty-three euros), as set forth in detail in the terms and conditions for the bonds.

Three

means Three Ireland Limited.

TIMS

means Tower Information Management System.

TowerCos

Tower Companies

TSR

means total shareholder returns.

Unaudited Pro Forma Financial Information

means the unaudited selected financial information of the Towers Business for the twelve months ended 31 March 2020 or twelve months ended 31 March 2021 as if the Reorganisation had occurred on 1 April 2019 for purposes of the pro forma consolidated income statements of the Group.

Underwriters

means the Joint Global Coordinators (BofA Securities Europe SA, Morgan Stanley Europe SE and UBS AG London Branch) together with the Joint Bookrunners (Barclays Bank Ireland Plc, Joh. Berenberg, Gossler & Co. KG, BNP PARIBAS, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, and Jefferies GmbH).

Underwriting Agreement

means the Underwriting Agreement between the Company, the Existing Shareholder and the Underwriters dated 8 March 2021.

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 Hungary

means Vodafone Magyarország Távközlési Zrt.

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.

WKN

means the German Securities Code.

XETRA

means Exchange Electronic Trading (trading platform of Deutsche Börse Group).

Financial Calendar

21 July 2022

Q1 FY23 Trading
Update

28 July 2022

Annual General
Meeting

14 November 2022

Half Year FY23
Results

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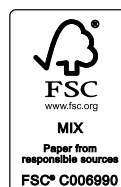
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