

**VANTAGE
TOWERS**

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Interim Financial Report 2022/23

**Powering Europe's
digital transformation**

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Key data Vantage Towers

Financial performance	H1 FY23	H1 FY22
	€m	€m
Group revenue	533.3	499.2
Operating Profit	282.5	257.3
Profit Before Tax	244.2	219.4
Cash generated by operations	413.2	440.5
Macro sites (in thousand units) ¹	45.9	45.6
Tenancy ratio (number of tenancies / number of macro sites)	1.45x	1.42x
Group revenue (ex. pass through)	523.6	494.1
Adjusted EBITDA	443.8	427.4
<i>Adjusted EBITDA margin</i>	<i>83.2%</i>	<i>85.6%</i>
Adjusted EBITDAaL	272.7	267.7
<i>Adjusted EBITDAaL margin</i>	<i>52.1%</i>	<i>54.2%</i>
Recurring Free Cash Flow (RFCF)	220.2	284.4

¹Excluding co-controlled joint venture and associate.

Highlights FY23

- Vantage Towers welcomes creation of a Joint Venture ("JV") by Vodafone with GIP and KKR, which launched a voluntary takeover offer for the outstanding shares at €32
- Commercialisation of our tower footprint continues:
 - Added 710 net new tenancies in H1 FY23 resulting in a closing tenancy ratio of 1.45x, more than half-way to our medium-term target of >1.50x (compared to 1.39x at March 2021)
 - We increased our commercial footprint with ancillary revenue opportunities providing indoor coverage solutions, high-speed broadband internet, and fibre agreements
- Over 400 new macro sites delivered in H1 FY23¹ (vs. 190 in H1 FY22² and 320 in H2 FY22³) of which 260 new sites were delivered in Germany. Acceleration in the second quarter of FY23 with 260 new sites vs. 140 in the first quarter of FY23. We continue to closely manage the new macro site build programme (Built to suit, "BTS") and undertake direct measures to accelerate production and manage cost
- Our Ground Lease Buyout ("GLBO") programme continues to progress with over 860 signed contracts and additional over 640 commitments in the pipeline across our European footprint since inception, increasing the total to over 1,500
- Delivering on our financials:
 - H1 FY23 Group Revenue (ex. pass through) at €523.6 million, up 6.0% year-on-year (YoY) driven by inflation escalators, tenancy growth and other chargeable services to mobile network operators (MNOs)
 - H1 FY23 adj. EBITDAaL at €272.7 million (+1.8% YoY) and margin at 52.1% reflecting investment costs in FY 2023 to accelerate the BTS programme and the 1&1 rollout, all ahead of the corresponding revenue contribution from FY24 onwards
 - H1 FY23 RFCF (Recurring Free Cash Flow) at €220.2 million reflecting good adj. EBITDAaL conversion (80.7%) and normalisation of working capital and cash tax payments relative to H1 FY22. Strong basis to deliver FY23 RFCF guidance
- FY23 guidance reaffirmed: Group Revenue (ex. pass through) growth of 3.0-5.0% YoY; Adj. EBITDAaL of €550 million - €570 million and RFCF of €405 million - €425 million

¹ H1 FY23 refers to the first half of the financial year ended 30 September 2022.

² H1 FY22 refers to the first half of the financial year ended 30 September 2021.

³ H2 FY22 refers to the second half of the financial year ended 31 March 2022.

The Vantage Towers Shares

Attractive share price development since IPO

The share price of Vantage Towers has developed positively since the IPO and continues to outperform major benchmark indices in the reporting period. The Xetra closing price of the Vantage Towers shares on 30 September 2022 was €26.54, an increase of 10.6% compared to the issue price at the IPO of 24.00 EUR on 18 March 2021.

Since the beginning of 2022, the capital markets were under pressure due to the war in the Ukraine and the respective consequences on supply chains as well as the challenging interest rate and inflation environment. As a consequence, equity capital markets saw a downturn with the MDAX decreasing by 27.9% and the TecDAX decreased by 21.1% while the Vantage Towers share price decreased in comparison only by 17.6% in the first half of this financial year.¹

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 30/09/2022	€13.4 billion
Free float on 30/09/2022	18.3%

Annual General Meeting approves dividend payment

On 28 July 2022, Vantage Towers AG held its Annual General Meeting. Once again, due to the COVID-19 pandemic, the meeting was broadcast as a virtual event.

The shareholders approved the proposal of the Supervisory Board and Management Board to distribute a dividend of €0.63 per share for FY22, resulting in a total dividend payment in the amount of around €319m.

All other items on the agenda were also approved by a large majority, including the remuneration system for the Management and Supervisory Board.

¹ April 1 – September 30 2022

Furthermore, Amanda Jane Nelson was elected as a new Supervisory Board member. All questions submitted by the shareholders in advance were answered comprehensively by the Management Board members and the Chairman of the Supervisory Board, Dr. Rüdiger Grube. In addition to questions about the agenda items and the business model, the shareholders were particularly interested in the company's future strategy.

Communication with the capital markets

In line with the company values, Vantage Towers aims to maintain a reliable and transparent dialogue with the capital markets. In the first half of the financial year 2023, Vantage Towers published several financial releases in addition to its regulatory news in order to provide comprehensive information on its activities. Furthermore, the company participated in several investor conferences in Europe and the USA and maintained contact with financial analysts from various financial institutions. Our shares are currently covered by 16 equity analysts¹ – 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. In addition to Investor Relations news, you will also find presentations, regulatory news, and recorded audio webcasts concerning our financial results as well as all important dates along with our contact information.

¹ As of 30 September 2022

Interim Group Management Report

Economic Conditions

Macroeconomic situation

Since spring 2022, the development of the global economy has been exposed to further challenges that damped the outlook. In addition to the ongoing COVID-19 pandemic and the associated bottlenecks in the supply chain: the consequences of the Russia-Ukraine war, persistently high inflation and restrictive monetary policy are noticeable in the current forecast of the Kiel Institute for the World Economy (Kiel Institut für Weltwirtschaft; "IfW"). It predicts that the growth of the global gross domestic product (GDP) will only be around 2.9% in 2022, weakening to 2.2% in 2023.¹

According to the IfW experts, the Euro Zone is heading into a recession. Although the recovery from the negative effects of the COVID-19 pandemic continued until mid-2022, resulting in a moderate increase in overall economic output, high energy prices and the weak global economy will soon create a strong headwind. Due to high inflation and the resulting loss of purchasing power, the IfW expects real private consumption to decline. Accordingly, forecasts predict a growth of 3.0% in the current year before the economy is expected to stagnate (- 0.1% compared to 2022) in 2023.²

The development in **Germany** is very similar to what the Euro Zone is facing. The forecasts for Germany now predict growth of only 1.4% in 2022. In 2023, growth is projected to be only 0.7%. The IfW expects an inflation rate for Germany of 8.7% in 2023, after 8.0% in 2022.³

For **Spain**, the GDP is expected to grow by 4.2% in 2022 and a growth of 0.1% in 2023. Furthermore, the IfW expects an inflation rate of 9.4% in 2022 and 7.4% in 2023⁴.

For **Greece**, the IfW expects a comparable development with GDP growth of 4.4% in 2022 and a decline of 0.1% in 2023, with an inflation rate of 10.2% in this year, followed by a rate of 7.7% in 2023.⁵

Industry environment

The COVID-19 crisis has highlighted the important role that telecommunications play in our society and economy. The pandemic has changed everyday lives and the world of work significantly. Using digital solutions for work, leisure and consumption has increased and accelerated many digital developments.

The growing demand from mobile network operators (MNO) to both expand their coverage and densify existing networks is expected to drive the roll-out of infrastructure for Tower companies in Europe. There is therefore considerable growth potential due to the increasing number of locations (points of presence; PoPs).

¹ Source: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/englisch/2022/KKB_93_2022-Q3_Welt_EN.pdf

² Source: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/deutsch/2022/KKB_94_2022-Q3_Euro-raum_DE.pdf

³ Source: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/englisch/2022/KKB_95_2022-Q3_Deutschland_EN.pdf

⁴ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/englisch/2022/KKB_94_2022-Q3_Euro-raum_EN.pdf

⁵ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/englisch/2022/KKB_94_2022-Q3_Euro-raum_EN.pdf

Mobile data traffic in Western, Central and Eastern Europe is expected to grow at a compound annual growth rate of 22% between 2021 and 2027. In the long term, the growth in data traffic will be driven by the increasing number of smartphone contracts and an increasing average data volume per contract due to more video or streaming content and the higher penetration of 5G.¹

With each introduction of a new generation of mobile technology, users' data needs have continued to increase, and with the growing penetration of smartphones and internet-based applications, data consumption in Europe continues to grow rapidly.

In order for MNOs to expand and improve the quality of their networks in the face of increasing mobile subscriber numbers and data volumes, they need to maintain sufficient capacity to ensure network stability and avoid network congestion. This in turn requires MNOs to densify their networks by increasing the number of their radio tower sites. Network densification is also needed to meet the coverage and capacity requirements of the high-frequency spectrum used by the 5G networks that MNOs are now rolling out across Europe following the respective national 5G spectrum awards. According to the GSMA, mobile operators in Europe will spend 91% of their total network investment on 5G between 2022 and 2025².

In Western Europe, 5G mobile connections are expected to increase from 6% to around 83% by the end of 2027³. As this development requires network densification, the demand from MNOs for radio towers will continue to increase. The number of radio towers in Europe is therefore expected to increase by about 1% to 3% per year over the next five years.⁴

In addition, MNOs will need additional macro sites to meet short- and medium-term coverage obligations. In many European markets, regulators have now introduced coverage obligations that require MNOs to provide network coverage of a specified quality for certain areas. For example, mobile network operators in Germany must provide coverage of 98% of all households with a download speed of over 100 Mbit (megabits) per second, coverage of the road and rail network, 1,000 new 5G base stations and 500 base stations in areas with "white spots".⁵ This development will also lead to higher demand for transmission towers.

¹ Source: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/englisch/2022/KKB_93_2022-Q3_Welt_EN.pdf

² Source: https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/ifw/Konjunktur/Prognosetexte/deutsch/2022/KKB_94_2022_Q3_Euro-raum_DE.pdf

³ Source: GSMA, The Mobile Economy 2022, S. 16

⁴ Source: „The economic contribution of the European tower sector“, Februar 2022, S. 10

⁵ Source: Company information

Results of Operations of the Group

In H1 FY23, we saw consistent revenue growth across all markets driven by contractual inflation escalators, tenancy growth, and other chargeable services to MNOs.

Group Revenue (ex. pass-through) grew 6.0% YoY in H1 FY23, mainly driven by 'Macro site' and 'Energy and other' revenue.

Adjusted EBITDA increased from €427.4 million to €443.8 million (+3.8%) with the adjusted

EBITDA margin lower at 83.2% (H1 FY22: 85.6%) reflecting revenue mix and increases in non-lease operating expenses. As previously communicated, we expect to invest €10 - 15 million in our business in FY23 to ramp up our BTS programme, to facilitate 1&1's access on our existing sites, and build out our supporting teams, all ahead of the corresponding revenue contribution from FY24 onwards. In H1 FY23, adjusted EBITDAaL increased by 1.8% YoY with a corresponding margin of 52.1%.

Our ground lease expenses increased by 4.4% YoY to €161.3 million reflecting our macro site and tenancy growth alongside inflation escalators, which were partly offset by savings from the GLBO programme.

Summarised Group Performance Income Statement

	6 months ended 30/09/2022	6 months ended 30/09/2021 ¹
	€m	€m
Revenue (ex. pass through)	523.6	494.0
Capex recharge revenue	9.7	5.2
Revenue	533.3	499.2
Maintenance costs	(21.3)	(20.1)
Staff costs	(28.3)	(20.2)
Other operating expenses	(39.9)	(31.5)
Adj. EBITDA	443.8	427.4
<i>Margin</i>	<i>83.2%</i>	<i>85.6%</i>
Capex recharge revenue	(9.7)	(5.2)
Ground lease expense ²	(161.3)	(154.5)
Adj. EBITDAaL	272.7	267.7
<i>Margin</i>	<i>52.1%</i>	<i>54.2%</i>

¹ The comparative values included in the Half Year Results Announcement for the fiscal year 2023, reported on 14 November 2022, contained minor deviations to the figures for the prior year Interim Financial Report 2022 published on 15 November 2021.

² See Note 7 to the Condensed Consolidated Interim Financial Statements.

Revenue and profitability

Revenue disaggregation

	6 months ended 30/09/2022		6 months ended 30/09/2021	
	€m	%	€m	%
Macro site revenue	474.6	89.0	456.7	91.5
Other rental revenue	21.3	4.0	22.2	4.4
Energy and other revenue	27.7	5.2	15.1	3.0
Capex recharge revenue	9.7	1.8	5.2	1.0
Consolidated	533.3	100	499.2	100

Revenue by segment

	6 months ended 30/09/2022		6 months ended 30/09/2021	
	€m	%	€m	%
Germany	254.1	47.6	240.6	48.2
Spain	91.8	17.2	83.4	16.7
Greece	70.1	13.1	65.4	13.1
Other Europe	107.7	20.2	104.6	21.0
Consolidated Revenue (ex. pass through)	523.6	98.2	494.0	99.0
Capex recharge revenue	9.7	1.8	5.2	1.0
Total Consolidated Revenue	533.3	100	499.2	100

During H1 FY23, we generated consolidated revenues of €533.3 million, which is comprised of €474.6 million (89.0%) macro site revenue, €27.7 million (5.2%) energy and other revenue, €21.3 million (4.0%) other rental revenue and €9.7 million (1.8%) of recharged capital expenditure.

Macro site revenue grew 3.9% YoY in H1 FY23, accelerating in Q2 (+4.5%) vs. Q1 (+3.4%) driven by our contractual inflation escalators and tenancy growth. In H1 FY23, 710 net tenancies have been added, taking our closing tenancy ratio to 1.45x compared to 1.42x in H1 FY22.

The increase in energy and other revenue was primarily driven by other chargeable services to MNOs in H1 FY23.

Germany is our largest segment earning total revenue, including capital expenditure

recharges, of €262.7 million, an increase of 7.0% year on year, reflecting revenue growth from non-MNO contracts.

Spain realised incremental revenues from their ongoing active sharing agreement, and incremental energy revenue, as previously disclosed in Q1 FY23. Consequently, total revenue grew by over 10.0% to €92.1 million.

Greece earned total revenue of €70.1 million, an increase of 7.2% from €65.4 million last year, with Other European Markets earning €108.5 million.

Revenue from customers other than Vodafone principally comprised macro site revenue. During H1 FY23, we generated revenue of €102.1 million (H1 FY22: €91.5 million) from customers other than Vodafone, an increase of 11.5% year on year.

Adjusted EBITDAaL by segment

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Germany	145.1	147.9
Spain	43.3	38.3
Greece	27.8	25.7
Other Europe	56.5	55.8
Consolidated	272.7	267.7

Adjusted EBITDAaL, being EBITDA adjusted for depreciation on ground lease-related right-of-use assets and for interest expenses on recognised lease liabilities, increased to €272.7 million from €267.7 million in the prior period. The year on year increase in consolidated adjusted EBITDAaL mostly reflects the increases in revenue discussed above, offset by the investment costs in FY23 to accelerate the BTS programme and the 1&1 rollout. This investment is all ahead of the corresponding revenue contribution from FY24 onwards.

Results from operations in Germany (€145.1 million or 53% of total EBITDAaL), Spain (€43.3 million or 16%), Greece (€27.8 million or 10%), and Other Europe (€56.5 million or 21%) are 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 telecommunications sector.

Ground lease expenses

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Germany	57.1	52.7
Spain	35.8	34.8
Greece	33.5	32.8
Other Europe	35.0	34.3
Consolidated	161.3	154.5

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".

The ground lease expense has increased year on year to €161.3 million from €154.5 million reflecting our macro site and tenancy growth alongside inflation escalators, which were partly offset by savings from the GLBO programme. Ground lease expenses comprise the depreciation on ground lease-related right-of-use assets, amounting to €134.0 million (H1 FY22: €127.6 million) and the interest on lease liabilities, amounting to €27.3 million (H1 FY22: €26.9 million). See Note 7 to the Condensed Consolidated Interim Financial Statements.

As outlined in our Annual Report for FY22, 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. The programme continues to progress with over 860 signed contracts and another over 640 commitments in the pipeline across our European footprint since inception, bringing the current potential total to over 1,500. 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 right of use asset 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 H1 FY23 amounted to €21.3 million (H1 FY22: €20.1 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 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 sourced from Victus.

Staff costs

Staff costs for the period of €28.3 million (H1 FY22: €20.2 million) have increased by 40% year on year, consistent with the increase in average FTE employed by the Group. Prior year FTE and staff costs were unusually low as the Group was being established following the business carve outs and IPO, resulting in higher levels of bought in services in the prior year.

Other operating expenses

We incurred other operating expenses of €39.1 million (H1 FY22: €31.5 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 and Associates

The Group has a 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A (INWIT) in Italy and a 50% equity interest in Cornerstone Telecommunications Infrastructure Limited (Cornerstone) in the UK.

INWIT and Cornerstone's operational performance are primarily impacted by 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 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.

INWIT delivered solid financials and confirmed their targets for the current financial year. INWIT added 1.2k new tenants and more than 170 new sites between 1 January 2022 and 30 June 2022, bringing the tenancy ratio to 2.1x with a total of 23k sites. The INWIT renegotiation and land acquisition programme continues with a further 650 agreements.

Cornerstone's operational performance is also expected to be 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. Between 1 April 2022 and 30 September 2022, Cornerstone delivered total revenue of €228.9 million driven by increase in new sites and tenancies.

	INWIT ^{1,2}		Cornerstone ³	
	6 months ended 30/06/2022		6 months ended 30/09/2022	
	100% share	33.2% share	100% share	50% share
	€m	€m	€m	€m
Revenue	417.7	138.7	228.9	114.5
Adj. EBITDA	379.8	126.1	147.3	73.6
Adj. EBITDAaL	282.8	93.9	62.8	31.4
RFCF	227.7	75.6		

¹ INWIT is now classified as an associate investment following the termination of the Shareholder Agreement with Daphne3 in August 2022.

² INWIT results have been extracted from the INWIT Q2 Financial Results Investor Presentation available at www.inwit.it/en/investors/presentations-and-webcasts and refer to their half year ended 30 June 2022.

³ Cornerstone revenue includes pass through revenue which consists of recovery of business rates passed through to the tenants.

Net Assets & Financial Position

	30/09/2022 €m	31/03/2022 €m
Goodwill	3,315.1	3,319.6
Other intangible assets	270.1	268.9
Property, plant and equipment	3,367.0	3,201.9
Investments in joint ventures and associates	3,157.7	3,217.9
Deferred tax assets	32.2	29.5
Trade and other receivables	21.9	23.5
Non-current assets	10,164.1	10,061.3
Receivables due from related parties	377.4	512.4
Trade and other receivables	179.1	126.2
Cash and cash equivalents	3.3	21.7
Current assets	559.7	660.3
Total assets	10,723.8	10,721.6
Equity	5,232.0	5,363.7
Long-term borrowings	2,190.7	2,189.5
Lease liabilities	1,778.7	1,758.8
Provisions	475.8	457.3
Post employment benefits	0.2	0.3
Deferred tax liabilities	133.0	128.9
Trade and other payables	90.9	89.3
Non-current liabilities	4,669.3	4,624.1
Lease liabilities	254.9	247.5
Short-term borrowings	4.0	–
Current income tax liabilities	25.8	12.2
Provisions	8.6	8.6
Payables due to related parties	147.2	117.7
Trade and other payables	381.9	347.7
Current liabilities	822.5	733.8
Total liabilities	5,491.8	5,357.9
Total equity and liabilities	10,723.8	10,721.6

Non-current assets

Non-current assets amounted to €10,164.1 million (or 95% of total assets) as of 30 September 2022 with an increase of €102.8 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 €3,315.1 million resulted mainly in Germany (€2,565.0 million).

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 €270.1 million related, in particular, to the acquisition of customer relationships in Greece.

Property, plant and equipment of €3,367.0 million consisted of lease-related right-of-use-assets of €2,065.1 million (31 March 2022: €2,059.2 million), which are being depreciated over their reasonably certain lease terms, and property, plant and equipment of €1,301.9 million (31 March 2022: €1,142.7 million) of which €107.5 million (31 March 2022: €104.8 million) related to land and buildings and €1,194.4 million (31 March 2022: €1,037.9 million) to other property, plant and equipment.

Investments in joint ventures of €3,157.7 million solely related to the investments in INWIT (€2,778.7 million) and Cornerstone (€379.0 million).

Deferred tax assets amounted to €32.2 million and related mainly to the Czech Republic with €16.6 million (31 March 2022: €16.8 million).

Long-term trade and other receivables comprised of pre-payments of €13.7 million (31 March 2022: €15.8 million), other receivables due greater than one year of €7.4 million (31 March 2022: €6.8 million) and accrued income of €0.8 million (31 March 2022: €0.9 million).

Current assets

Current assets of €559.7 million (or 6% of total assets) consisted of receivables due from related parties of €377.4 million, trade and other receivables of €179.1 million and cash and cash equivalents of €3.3 million.

Receivables due from related parties of €377.4 million (31 March 2022: €512.4 million) primarily contained the balance of the cash pooling arrangement due from the Vodafone Group of €144.2 million (31 March 2022: €273.1 million), and trade balances due from the Vodafone Group operating businesses under the terms of the MSAs of €233.2 million (31 March 2022: €239.3 million).

Trade and other receivables of €179.1 million (31 March 2022: €126.2 million) were mainly comprised of accrued income of €51.5 million (31 March 2022: €64.9 million), prepayments of €4.1 million (31 March 2022: €2.6 million), tax receivables of €50.7 million (31 March 2022: €41.0 million), other receivables of €5.5 million (31 March 2022: €5.1 million), and of trade receivables of €67.3 million (31 March 2022: €12.6 million).

Cash and cash equivalents of €3.3 million (FY22: €21.7 million) are comprised of balances on deposit at banks. The prior year figure mainly related to balances held in Greece, which are now held on deposit with the Vodafone Group under our cash management arrangements, classified as current receivables.

All receivables have a maturity of less than one year.

Equity

Equity amounted to €5,232.0 million (or 49% of total equity and liabilities) as of 30 September 2022 and was mainly comprised of share capital (€505.8 million), share premium (€6,751.4 million), and a negative merger reserve (€2,266.3 million). For further details refer to the Condensed Consolidated Statement of Changes in Equity.

Non-current liabilities

Non-current liabilities of €4,669.3 million (or 43% of total equity and liabilities) consisted of long-term borrowings, lease liabilities, provisions, post-employment benefits, deferred tax liabilities 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.). The terms and conditions of the notes contains customary change of control provisions. If there (i) occurs a change of control and (ii) within a certain period of time a rating downgrade occurs and (iii) the rating agency responsible for the rating downgrade announces publicly or confirms in writing to the Company that such rating downgrade resulted, in whole or in part, from the occurrence of the change of control, each noteholder will have the option to require the Company to redeem the note(s) subject to the terms and conditions of the notes.

One or several steps in connection with the transaction announced on 9 November 2022 (see events after the reporting period) will likely constitute a change of control under terms and conditions of the notes. However, as described above, the change of control does not automatically entail the redemption of the bonds. Whether a rating downgrade will occur will depend, inter alia, on the (future) financing structure of the bidder.

Non-current lease liabilities increased to €1,778.7 million, mainly related to Germany with €773.8 million or 44% (31 March 2022: €713.6 million or 41%), Spain with €388.0 million or 22% (31 March 2022: €408.0 million or 23%) and Greece with €262.1 million or 15% (31 March 2022: €268.0 million or 15%).

Provisions of €475.8 million (31 March 2022: €457.3 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 €133.0 million of which €74.7 million related to Germany and €58 million related to Greece.

Non-current trade and other payables of €90.9 million were almost entirely comprised of non-current deferred income.

Current liabilities

Current liabilities of €822.5 million (or 8% of total equity and liabilities) consisted of short-term borrowings, current income tax liabilities, lease liabilities, provisions, payables due to related parties (including a corporate income tax liability towards Vodafone Spain due to continued membership in Spanish tax group), trade and other payables.

Current lease liabilities amounted to €254.9 million related mainly to Germany with €90.5 million or 35% (31 March 2022: €85.7 million or 35%), Spain with €61.6 million or 24% (31 March 2022: €59.1 million or 24%), and Greece with €53.2 million or 21% (31 March 2022: €51.4 million or 21%).

Current income tax liabilities of €25.8 million mainly resulted from Germany, Greece and Romania.

Current provisions of €8.6 million related to asset retirement obligations with €7.1 million (31 March 2022: €4.5 million) and other current provisions amounted to €1.5 million (31 March 2022: €4.1 million).

Current trade and other payables of €381.9 million comprised accruals of €174.1 million (31 March 2022: €152.4 million), trade payables of €126.6 million (31 March 2022: €115.5 million), deferred income of €59.1 million (31 March 2022: €54.7 million), other taxation and social security of €14.4 million (31 March 2022: €14.8 million), and other payables of €7.7 million (31 March 2022: €10.3 million).

Cash flow and capital expenditure analysis

	6 months ended 30/09/2022 €m	6 months ended 30/09/2021 €m
Operating profit	282.5	257.3
Adjustments for:		
Share of results of equity accounted joint ventures and associates	(37.9)	(19.9)
Share-based payments and other non-cash charges	2.0	2.6
Depreciation of lease-related right of use assets	136.5	127.6
Depreciation of property, plant and equipment	54.6	57.6
Amortisation of intangible assets	8.7	4.5
(Increase) / decrease in trade receivables from related parties	(16.9)	2.7
Decrease in trade payables to related parties	(14.3)	(20.2)
Increase in trade and other receivables	(41.4)	(13.1)
Increase in trade and other payables	39.3	41.4
Cash generated by operations	413.1	440.5
Net tax paid	(40.3)	(14.7)
Net cash from operating activities	372.8	425.8
Investing activities		
Purchase of interests in subsidiaries, net of cash acquired	–	(0.7)
Purchase of intangible assets	(8.9)	(3.8)
Purchases of property, plant and equipment	(182.0)	(101.4)
Disposal of property, plant and equipment	0.4	0.1
Dividends from joint ventures and associates	120.5	95.6
Net cash used in investing activities	(70.0)	(10.2)
Financing activities		
Issue of ordinary share capital and proceeds from capital contributions	–	(0.1)
Repayment of lease liabilities including interest	(126.6)	(120.8)
Related party dividends paid	(260.4)	(231.5)
External dividends paid	(58.2)	(51.7)
Net movements in cash management activities with related parties	128.3	0.3
Net interest and other payments	(4.3)	(1.4)
Net cash used in financing activities	(321.2)	(405.2)
Net (decrease) / increase in cash and cash equivalents	(18.4)	10.1
Effect of foreign exchange rates	–	–
Cash and cash equivalents at beginning of period	21.7	22.1
Cash and cash equivalents at end of period	3.3	32.2

Cash generated by operations for the six months ended 30 September 2022 was €413.1 million with net cash generated by operations being €372.8 million, after the net tax paid of €40.3 million.

Investing activities of €70.0 million comprised mainly of capital expenditure of €182.0 million in the period, offset by dividend from associate and joint venture investments of €120.5 million.

Net cash used in financing activities during H1 FY23 was €321.2 million, primarily including the payment of €126.6 million of lease liabilities to the landlords of ground lease sites, dividends paid of €318.6 million and net outflow from cash management activities with related parties of €128.5 million. The net outflow from cash management with related parties refers to the Group's cash pooling arrangements with other Vodafone entities – see Note 6 to the Condensed Consolidated Interim Financial Statements.

Consolidated Recurring Free Cash Flow

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Adjusted EBITDA	443.8	427.4
Recharged capital expenditure revenue	(9.7)	(5.1)
Cash cost of leases	(126.6)	(120.8)
Maintenance capital expenditure	(10.6)	(12.9)
Recurring operating free cash flow	296.8	288.6
(-) Tax paid	(40.3)	(14.7)
(-) Interest	(3.1)	(0.5)
(+/-) Changes in operating working capital	(33.2)	11.0
Recurring Free Cash Flow (RFCF)	220.2	284.4

Recurring operating free cash flow (OpFCF) increased from €288.6 million to €296.8 million (+2.8% YoY) while recurring free cash flow (RFCF) stood at €220.2 million in H1 FY2023 reflecting good adj. EBITDAaL conversion (80.7%) and normalisation of working capital and cash tax payments relative to H1 FY22. 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.

Maintenance capital expenditure

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Germany	(3.9)	(6.5)
Spain	(3.0)	(3.2)
Greece	(0.8)	(1.0)
Other European Markets	(2.9)	(2.2)
Consolidated	(10.6)	(12.9)

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.

Financial position of the Group

Our primary sources of liquidity are cash flows from operating activities and the bank Senior Revolving Credit Facilities (RCF), which remain undrawn as of 30 September 2022. Our policy is to borrow using a mixture of long-term and short-term capital market issues and bank borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries.

Our capital allocation policy focuses on organic growth and value accretive inorganic investments. We have a risk-adjusted return focus.

Any potential changes to our financing strategy as well as our financial policy resulting from the co-control transaction announced on 9 November 2022 (see events after the reporting period) will only be determined upon completion of the transaction.

Opportunities & Risks

Risk Management System

Vantage Towers' Risk Management System has been developed to comply with the revised requirements according to IDW¹⁶ PS 340. These modifications include the calculation of Vantage Towers' risk-bearing capacity as well as the aggregation of risks in order to achieve an overall risk profile by using a newly applied simulation approach. As a result, Vantage Towers has switched from a qualitative to a quantitative risk measurement approach, which utilises uncertainty distributions based on impact and probability of occurrence. Vantage Towers has implemented the new methodology and provided detailed information in the Annual Report for the Financial Year ending 31 March 2022. Our Interim Financial Statements as of 30 September 2022 only include the relevant changes to our risks and opportunities situation.

Risk and opportunity situation of the Group

This section only provides additional relevant information and recent changes in the risks and opportunities to Vantage Towers as described and compared to the last Annual Report for the Financial Year ended 31 March 2022. The overall risk situation remains in a way that we do not foresee any material threats to the viability of the company as a going concern.

Inflation impact and Global Economic Disruption

The Group earns most of its revenue from relationships with Vodafone as defined in the Master Service Agreements (MSA) and other Mobile Network Operators (MNOs). Each of the Vodafone MSAs includes contractual escalators linked to the consumer price index (CPI) of the respective country of operation.

The majority of the Group's contracts with other MNO customers are linked to inflation, with the Group aiming to include CPI escalators in all its new customer contracts and existing ones that are renegotiated. The Group's results of operations are therefore 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 calendar year for the succeeding financial year. 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% (except 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. 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. Besides energy costs the recently high inflation rates across Europe will therefore result in increasing risk exposure on the cost side which is being reduced by the company's strong efforts of overall cost management and Ground lease buyout programme (GLBO) of sites.

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, 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.

¹⁶ Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)

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 the continuing war in the Ukraine and might depend further on its duration and outcome.

Colocation procedures and application in long term customer projects

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 collocation. Colocation procedures for a third-party customers can be delayed or disturbed by various reasons as the availability of space on the tower, carrying capacity, EMF capacity, energy supply or other 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 commitments to the customers and lead to loss or delay of revenues as well as liquidated damages especially for any long-term collocation contracts the company has entered into with fixed commitments for access to its existing sites.

Group Outlook

We confirm our unchanged FY23 Group outlook for Group Revenue (ex. pass through) adj. EBITDAaL, and RFCF and reconfirm our medium-term targets underpinned by continued focus on commercialisation and tenancy growth, BTS rollout, and progress being made in the GLBO programme.

Measure	FY23 guidance	Medium-term Targets ¹
Tenancy ratio	-	>1.50x
Revenue (ex. pass through)	3.0% - 5.0% YOY	Mid-single digit CAGR
Adj. EBITDAaL	€550m-€570m	High 50s percentage margin (based on revenue (ex. pass through))
Recurring free cash flow (RFCF)	€405m-€425m	Mid- to high-single digit CAGR
Net financial debt to adjusted EBITDAaL	-	Flexibility to exceed for growth investment
Net financial debt	-	1bn EUR leverage capacity ²

¹ Medium-term guidance on actuals; excluding Cornerstone and INWIT.

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. Any potential changes to our financial policy resulting from the co-control transaction announced on 9 November 2022 will only be determined upon completion of the transaction.

Düsseldorf, 15 December 2022

Vantage Towers AG

The Board of Management



Vivek Badrinath



Thomas Reisten



Christian Sommer

Condensed Consolidated Interim Financial Statements

For the six months ended
30 September 2022



Condensed Consolidated Income Statement

	Note	6 months ended 30/09/2022 €m	6 months ended 30/09/2021 €m
Revenue	2	533.3	499.2
Maintenance costs		(21.3)	(20.1)
Staff costs		(28.3)	(20.2)
Other operating expenses		(39.1)	(31.5)
Depreciation on lease-related right-of-use assets		(136.5)	(127.6)
Depreciation on property, plant and equipment	5	(54.6)	(57.6)
Amortisation of intangible assets	4	(8.7)	(4.5)
Loss on disposal of property, plant and equipment		(0.2)	(0.3)
Share of results of equity accounted joint ventures and associates		37.9	19.9
Operating profit		282.6	257.3
Interest on lease liabilities		(27.3)	(26.9)
Net finance costs		(10.9)	(7.3)
Other non-operating expenses		(0.1)	(3.7)
Profit before tax		244.2	219.4
Income tax expense	3	(55.3)	(52.7)
Profit for the period		188.9	166.7
Attributable to:			
<i>Owners of the Company</i>		188.9	166.7
<i>Non-controlling interests</i>		–	–
Profit for the period		188.9	166.7
Earnings per share (€ct)			
<i>Basic</i>	10	37.4	33.0
<i>Diluted</i>	10	37.3	32.9

Condensed Consolidated Statement of Comprehensive Income

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Profit for the period	188.9	166.7
Items that may be reclassified subsequently to profit or loss:		
<i>Foreign exchange translation differences, net of tax¹</i>	<i>(2.6)</i>	<i>(0.8)</i>
Items that will not be reclassified subsequently to profit or loss:		
<i>Net actuarial gains on defined benefit pension schemes, net of tax</i>	<i>0.6</i>	<i>–</i>
Other comprehensive income for the period, net of income tax	(2.0)	(0.8)
Total comprehensive income for the period	186.9	165.9
Attributable to:		
<i>Owners of the Company</i>	<i>186.9</i>	<i>165.9</i>
<i>Non-controlling interests</i>	<i>–</i>	<i>–</i>
Total comprehensive income for the period	186.9	165.9

¹ The foreign currency translation refers to the consolidation of subsidiaries in Czech Republic and Hungary and the Group's joint venture in the UK, Cornerstone.

Condensed Consolidated Statement of Financial Position

	Note	30/09/2022 €m	31/03/2022 €m
Assets			
Non-current assets			
Goodwill	4	3,315.1	3,319.6
Other intangible assets		270.1	268.9
Property, plant and equipment	5	3,367.0	3,201.9
Investments in joint ventures and associates	9	3,157.7	3,217.9
Deferred tax assets		32.2	29.5
Trade and other receivables		21.9	23.5
		10,164.1	10,061.3
Current assets			
Receivables due from related parties	6	377.4	512.4
Trade and other receivables		179.1	126.2
Cash and cash equivalents		3.3	21.7
		559.7	660.3
Total assets		10,723.8	10,721.6
Equity and liabilities			
Equity			
Share capital		505.8	505.8
Share premium		6,751.4	6,751.4
Merger reserve		(2,266.3)	(2,266.3)
Other reserves		10.8	12.8
Retained earnings		230.3	359.8
Total equity attributable to owners of the company		5,232.0	5,363.7
Non-current liabilities			
Long-term borrowings	12	2,190.7	2,189.5
Lease liabilities	7	1,778.7	1,758.8
Provisions	8	475.8	457.3
Post employment benefits		0.2	0.3
Deferred tax liabilities		133.0	128.9
Trade and other payables		90.9	89.3
		4,669.3	4,624.1
Current liabilities			
Lease liabilities	7	254.9	247.5
Short-term borrowings		4.0	–
Current income tax liabilities		25.8	12.2
Provisions	8	8.6	8.6
Payables due to related parties	6	147.2	117.7
Trade and other payables		381.9	347.7
		822.5	733.8
Total liabilities		5,491.8	5,357.9
Total equity and liabilities		10,723.7	10,721.6

Condensed Consolidated Statement of Changes in Equity

	Note	Share capital €m	Share premium €m	Merger reserve €m	Other reserves €m	Retained earnings €m	Total equity €m	Non-controlling interest €m	Total equity €m
01/04/2021		505.8	6,876.6	(2,266.3)	20.0	158.2	5,294.3	–	5,294.3
Formation of the Group		–	–	–	–	(0.7)	(0.7)	–	(0.7)
Share based payments		–	–	–	1.7	–	1.7	–	1.7
Dividends	11	–	–	–	–	(283.3)	(283.3)	–	(283.3)
Profit for the period		–	–	–	–	166.7	166.7	–	166.7
Other comprehensive expense for the period		–	–	–	(0.8)	–	(0.8)	–	(0.8)
Total comprehensive income for the period		–	–	–	(0.8)	166.7	165.9	–	165.9
30/09/2021		505.8	6,876.6	(2,266.3)	20.9	40.9	5,177.9	–	5,177.9
01/04/2022		505.8	6,751.4	(2,266.3)	12.8	359.8	5,363.7	–	5,363.7
Share based payments		–	–	–	0.7	–	0.7	–	0.7
Non-controlling interest:									
Dividend due to non-controlling interests of subsidiaries		–	–	–	(0.7)	–	(0.7)	–	(0.7)
Dividends	11	–	–	–	–	(318.6)	(318.6)	–	(318.6)
Profit for the period		–	–	–	–	188.9	188.9	–	188.9
Other comprehensive expense for the period		–	–	–	(2.0)	–	(2.0)	–	(2.0)
Total comprehensive income for the period		–	–	–	(2.0)	188.9	186.9	–	186.9
30/09/2022		505.8	6,751.4	(2,266.3)	10.8	230.3	5,232.0	–	5,232.0

Condensed Consolidated Statement of Cash Flows

	Note	6 months ended 30/09/2022 €m	6 months ended 30/09/2021 €m
Operating profit		282.5	257.3
Adjustments for:			
Share of results of equity accounted joint ventures and associates	9	(37.9)	(19.9)
Share-based payments and other non-cash charges		2.0	2.6
Depreciation of lease-related right of use assets	7	136.5	127.6
Depreciation of property, plant and equipment	5	54.6	57.6
Amortisation of intangible assets		8.7	4.5
(Increase) / decrease in trade receivables from related parties	6	(16.9)	2.7
Decrease in trade payables to related parties	6	(14.3)	(20.2)
Increase in trade and other receivables		(41.4)	(13.1)
Increase in trade and other payables		39.3	41.4
Cash generated by operations		413.1	440.5
Net tax paid		(40.3)	(14.7)
Net cash from operating activities		372.8	425.8
Investing activities			
Purchase of interests in subsidiaries, net of cash acquired		–	(0.7)
Purchase of intangible assets		(8.9)	(3.8)
Purchases of property, plant and equipment		(182.0)	(101.4)
Disposal of property, plant and equipment		0.4	0.1
Dividends from joint ventures and associates		120.5	95.6
Net cash used in investing activities		(70.0)	(10.2)
Financing activities			
Issue of ordinary share capital and proceeds from capital contributions		–	(0.1)
Repayment of lease liabilities including interest	7	(126.6)	(120.8)
Related party dividends paid	11	(260.4)	(231.5)
External dividends paid	11	(58.2)	(51.7)
Net movements in cash management activities with related parties		128.3	0.3
Net interest and other payments		(4.3)	(1.4)
Net cash used in financing activities		(321.2)	(405.2)
Net (decrease) / increase in cash and cash equivalents		(18.4)	10.1
Effect of foreign exchange rates		–	–
Cash and cash equivalents at beginning of period		21.7	22.1
Cash and cash equivalents at end of period		3.3	32.2

Notes to the Condensed Consolidated Interim 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 (Handelsgesetzbuch - HGB), it is also included in the consolidated financial statements of its ultimate parent company, Vodafone, as the largest group of consolidated companies.

The consolidated condensed financial statements of the Group for the six month ended 30 September 2022 were prepared by the Board of Management of the Company and authorised for issue on 8 December 2022.

For further information regarding the development of the Group's ownership since the end of the reporting period, please refer to Note 13 "Events after the reporting period".

Basis of preparation

In accordance with § 115 of the Securities Trading Act, Vantage Towers AG's interim financial report contains all elements required. This includes the condensed interim consolidated financial statements, a condensed interim Group management report and a responsibility statement pursuant to § 297 (2) sentence 4 and § 315 (1) sentence 5 of the German Commercial Code.

The condensed consolidated financial statements for the six months ended 30 September 2022:

- are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU);
- are presented on a condensed basis as permitted by IAS 34 and therefore do not include all disclosures that would otherwise be required in a full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and as adopted by the EU;
- should be read in conjunction with the Group's annual report for the year ended 31 March 2022 (publicly available at www.vantagetowers.com);

- apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2022, which were prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, and the relevant supplementary regulations of section 315e (I) of the German Commercial Code (HGB); and
- include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the amounts of revenue and expenses during the period. Actual results could vary from these estimates. These 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 or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates, assumptions and judgments have been determined using a consistent methodology with that made by management in preparing the consolidated financial statements for the financial year ended 31 March 2022, updated to reflect developments in inflation, interest rates, discount rates and cost of capital. For further information on the significant estimates, assumptions and judgments, 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 2022.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. Amounts are presented in million euros (€ million) except when otherwise indicated.

Composition of the Group

A full list of all our subsidiaries, joint ventures and associates as at 31 March 2022 is detailed below. No subsidiaries are excluded from the Group consolidation.

Subsidiaries

Company name	Country	Address	% of share class held by the Group
Vantage Towers, S.L.U	Spain	San Severo 22, Madrid, 28042, Spain	100
Vantage Towers Limited	Ireland	Mountainview, Leopardstown, Dublin 18, Ireland	100
Vodafone Towers Portugal S.A.	Portugal	Avenida Dom João II, nº 36, 8º, Parque das Nações, 1998-017 Lisboa, parish of Parque das Nações, municipality of Lisbon, Portugal	100
Vantage Towers s.r.o.	Czech Republic	Závišova 502/5, Nusle, 140 00 Prague 4, Czech Republic	100
Vantage Towers Zrt.	Hungary	Boldizsár utca 2, 1112 Budapest, Hungary	100
Vodafone Towers S.R.L.	Romania	Calea Floreasca 169A, AFI Park Floreasca, Building A, 3rd Floor, District 1, Bucharest, Romania	100
Vantage Towers Single Member S.A.	Greece	2 Adrianeiou & Papada Str, 15 25, Athens, Greece	100
Central Tower Holding Company B.V.	The Netherlands	Rivium Quadrant 175, 1st floor, 2909 LC Capelle aan den IJssel, The Netherlands	100
Vantage Towers Erste Verwaltungsgesellschaft mbH	Germany	Prinzenallee 11-13, 40549 Düsseldorf	100
Vantage Towers Zweite Verwaltungsgesellschaft mbH	Germany	Prinzenallee 11-13, 40549 Düsseldorf	100

Joint Ventures and Associates

Company name	Classification	Country	Address	% of share holdings
Infrastrutture Wireless Italiane S.p.A. (INWIT)	Associate	Italy	Via Gaetana Negri 1, 20123, Milan, Italy	33.2
Cornerstone Telecommunications Infrastructure Limited (Cornerstone)	Joint venture	United Kingdom	Hive 2, 1530 Arlington Business Park, Theale, Reading, Berkshire, RG7 4SA, United Kingdom	50

The Group has a 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A (INWIT), which has previously been characterised as a joint venture, considering the rights held by the Group under the terms of a shareholder agreement (SHA) with Telecom Italia S.p.A. (TIM). In August 2022 the Group and TIM agreed to terminate the SHA. As a consequence of this change, the Group is considered to have significant influence and INWIT will be classified as an associate. There is no change in accounting, with INWIT continued to be consolidated under equity accounting.

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

Going concern

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

The Management Board has reviewed the financial performance and position of the Company and has assessed the monthly cash flow forecasts through to December 2023. They note the Group's €144.0 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 for the six months ended 30 September 2022, the Management Board is satisfied that the Vodafone Group has sufficient liquidity for the Company to continue to access the cash balance held in its call deposit account.

The Management Board has also reassessed the principal risks disclosed in the annual report for the year ended 31 March 2022 and have considered changes to the principal risks. The macroeconomic environment factors during the six months ended 30 September 2022 that mostly impact Vantage Towers are the developments in Europe's energy supply crisis, high inflation, the rising benchmark interest rate and steel supply shortages. Despite the potential for a sustained macroeconomic downturn, the Management Board is satisfied that, due to stable margins and the available headroom in the cash flow forecast, the business will continue to have sufficient cash available even in the event of any reasonably possible downturn in trading.

On 9 November 2022, the Company announced that the shareholder of Vantage Towers AG, Vodafone GmbH, and a consortium consisting of Global Infrastructure Partners ("GIP") and KKR (jointly "GIP/KKR") entered into a co-control partnership under which they created a joint venture (the "Joint Venture") which will hold all shares currently held by Vodafone GmbH in Vantage Towers AG (81.7% of the share capital), subject to various regulatory approvals. On the same date, the Joint Venture of Vodafone GmbH and GIP/KKR announced a voluntary public takeover offer at a price of €32.00 per Vantage Towers share (cum dividend gross offer). Closing of the transaction is subject to various regulatory approvals being obtained and is expected to complete in the first half of calendar year 2023.

The Management Board has considered within the evaluation of the Company's ability to continue as a going concern the impact of the completion of the proposed transaction. This assessment has

taken into account the currently anticipated debt profile of Vantage Towers AG upon completion of the transaction, including any change of control clauses triggering debt repayment, our understanding of the Joint Venture's intentions for the Vantage Towers Group subsequent to completion, and analysis of the cashflow forecast for the period 12 months subsequent to signing the financial statements. The members of the Management Board have also considered the scenario in which the proposed Joint Venture transaction does not complete and are comfortable that the Vantage Towers Group would remain as a going concern based on an assessment of ongoing liquidity requirements and covenant compliance.

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 up to and including December 2023, and hence continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

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

The below table illustrates the mandatory first time application of accounting pronouncements, 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 condensed consolidated interim financial statements of the Group.

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

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

IFRS not yet endorsed by the EU

	Effective for annual periods beginning on or after:	Expected Impact:
Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	1 Jan 2024	No material impact expected

The Group continues to assess the impact of the new standards and the Group's financial reporting will be presented in accordance with these from the applicable date in the year ending 31 March 2023.

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. For further information on the accounting policies and disclosures relating to revenue disaggregation and segmental analysis, please refer to section "2. Revenue disaggregation and segmental analysis" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

Segmental analysis

The aggregation of operating segments into the Germany, Spain, Greece, and Other Europe, 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.

6 months ended 30/09/2022	Total revenue	Adjusted EBITDA	Ground lease expense ¹	Recharged capital expenditure revenue	Adjusted EBITDAaL
	€m	€m	€m	€m	€m
Germany	262.7	210.8	(57.1)	(8.6)	145.1
Spain	92.1	79.4	(35.8)	(0.3)	43.3
Greece	70.1	61.2	(33.5)	–	27.8
Other Europe	108.5	92.3	(35.0)	(0.8)	56.5
Consolidated	533.3	443.8	(161.3)	(9.7)	272.7

¹ Ground lease expense represents the sum of depreciation on ground lease-related right-of-use assets and interest on lease liabilities. See note 7 for additional analysis.

6 months ended 30/09/2021	Total revenue	Adjusted EBITDA	Ground lease expense ¹	Recharged capital expenditure revenue	Adjusted EBITDAaL
	€m	€m	€m	€m	€m
Germany	245.4	205.4	(52.7)	(4.8)	147.9
Spain	83.6	73.3	(34.8)	(0.2)	38.3
Greece	65.4	58.5	(32.8)	–	25.7
Other Europe	104.8	90.2	(34.2)	(0.2)	55.8
Consolidated	499.2	427.4	(154.5)	(5.2)	267.7

¹ Ground lease expense represents the sum of depreciation on ground lease-related right-of-use assets and interest on lease liabilities. See note 7 for additional analysis.

The Group measures segment profit using adjusted EBITDA, defined as operating profit before depreciation on ground lease-related right of use assets, depreciation, amortisation, share of results of at-equity accounted joint ventures and associates 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:

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Adjusted EBITDA	443.8	427.4
Depreciation on ground lease-related right-of-use assets ¹	(134.0)	(127.6)
Depreciation on property, plant and equipment	(54.7)	(57.6)
Amortisation of intangible assets	(8.7)	(4.5)
Loss on disposal of other property, plant and equipment	(0.2)	(0.3)
Share of results of equity accounted joint ventures and associates	37.9	19.9
One off and other items	(1.6)	–
Operating profit	282.5	257.3

¹ See note 7 for additional analysis.

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

Segmental assets

	Non-current assets ¹		Lease-related right-of-use assets	
	30/09/2022 €m	31/03/2022 €m	30/09/2022 €m	31/03/2022 €m
Germany	871.4	712.1	902.3	855.4
Spain	145.6	143.8	447.3	463.3
Greece	204.6	104.2	311.3	317.5
Other Europe	102.3	206.2	404.2	423.0
Consolidated	1,323.8	1,166.2	2,065.1	2,059.2

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

Capital expenditure

	6 months ended 30/09/2022 €m	Maintenance capital expenditure ¹ 6 months ended 30/09/2021 €m	6 months ended 30/09/2022 €m	Other capital expenditure 6 months ended 30/09/2021 €m
Germany	(3.9)	(6.5)	(146.4)	(75.4)
Spain	(3.0)	(3.2)	(11.1)	(7.2)
Greece	(0.8)	(1.0)	(5.2)	(2.0)
Other Europe	(2.9)	(2.2)	(17.7)	(8.1)
Consolidated	(10.6)	(12.9)	(180.4)	(92.7)

¹ 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.

Depreciation

	6 months ended 30/09/2022 €m	6 months ended 30/09/2021 €m
Germany	(82.2)	(80.4)
Spain	(36.0)	(32.1)
Greece	(39.8)	(36.4)
Other Europe	(41.8)	(40.8)
Consolidated	(199.9)	(189.7)

Revenue disaggregation

Revenue reported for the period includes revenue from contracts with customers, comprising service revenue as well as other service revenue items, including energy revenue, lease 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.

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Service revenue	125.1	120.4
Other service related revenue	27.7	15.3
Total revenue from service contracts with customers	152.8	135.7
Lease revenue	370.8	357.0
Other lease related revenue	9.7	6.5
Total revenue from lease contracts with customers	380.5	363.5
Total revenue	533.3	499.2
Split as:		
Macro site revenue	474.6	456.7
Other rental revenue	21.3	22.2
Energy and other revenue	27.7	15.1
Recharged capital expenditure	9.7	5.2
Total revenue	533.3	499.2

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 "6. Related party transactions"). No other single customers contributed 10% or more to the Group's revenue in the 6 month period to 30 September 2022.

3. Income taxes

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

The blended tax rate is based on an estimate of the weighted average income tax rate expected, taking into account country specific factors for the full financial year, adjusted for certain discrete items which occurred in the interim period in accordance with IAS 34. Share of results of equity accounted joint ventures and associates in the amount of €37.9 million are not taken into account when determining the blended tax rate. As a result, the blended tax rate for the interim reporting period is 26.7% (30 September 2021: 26.2%).

For information on the accounting policies and disclosures relating to income taxes please refer to section "5. Income taxes" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Corporation income tax:		
Current year	54.1	47.5
Total current tax expense	54.1	47.5
Deferred tax on origination and reversal of temporary differences	1.2	5.2
Total deferred tax expense	1.2	5.2
Total income tax expense	55.3	52.7

4. Goodwill and intangible assets

The statement of financial position contains significant goodwill. For further information on the accounting policies and disclosures relating to goodwill please refer to section "6. Goodwill and intangible assets" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

	Goodwill	Intangibles	Total
	€m	€m	€m
Cost			
01/04/2022	3,319.6	283.7	3,603.3
Additions	–	9.9	9.9
Foreign exchange differences	(4.5)	–	(4.5)
30/09/2022	3,315.1	293.6	3,608.7
Accumulated impairment losses and amortisation			
01/04/2022	–	(14.8)	(14.8)
Amortisation charge	–	(8.7)	(8.7)
Accumulated impairment losses and amortisation			
30/09/2022	–	(23.5)	(23.5)
Net book value			
01/04/2022	3,319.6	268.9	3,588.5
30/09/2022	3,315.1	270.1	3,585.2

Impairment assessment

Goodwill arising from both the pooling of interests approach and the acquisition method is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be required.

A review for indicators of potential impairment was performed at 30 September 2022. The principal macroeconomic factors affecting the Group's businesses are inflation (including the price of construction materials), interest rates and energy pricing. Management has assessed each of these indicators and determined that no impairment charge is required during the period to 30 September 2022.

The allocation of the carrying value of goodwill to the cash generating units at 30 September 2022 was as follows:

	30/09/2022	31/03/2022
Cash-generating unit	€m	€m
Germany	2,565.0	2,565.0
Portugal	246.0	246.0
Ireland	151.0	151.0
Greece	123.3	123.3
Czech Republic	137.8	138.6
Romania	58.0	58.0
Hungary	24.0	27.7
Spain	10.0	10.0
Total	3,315.1	3,319.6

5. Property, plant and equipment

For information on the accounting policies and disclosures relating to property, plant and equipment please refer to section "7. Property, plant and equipment" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

	Land and buildings €m	Other €m	Total €m
Cost			
31/03/2022	104.8	1,183.0	1,287.8
Transfers from related parties	–	6.3	6.3
Additions	2.8	188.2	191.0
Changes in estimates of asset retirement obligations (see note 8)	–	20.7	20.7
Disposals	–	(0.7)	(0.7)
Foreign exchange differences	(0.1)	(1.6)	(1.7)
30/09/2022	107.5	1,395.9	1,503.4
Accumulated depreciation			
31/03/2022	–	(145.1)	(145.1)
Charge for the period	–	(54.6)	(54.6)
Disposals	–	0.4	0.4
Foreign exchange differences	–	(2.1)	(2.1)
30/09/2022	–	(201.5)	(201.5)
Net book value			
01/04/2022	104.8	1,037.9	1,142.7
30/09/2022	107.5	1,194.4	1,301.9

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:

	30/09/2022 €m	31/03/2022 €m
Other property, plant and equipment	1,301.9	1,142.7
Lease-related right-of-use assets ¹	2,065.1	2,059.2
Total Property, Plant & Equipment	3,367.0	3,201.9

¹ Additions of €175.8 million (30 September 2021: €99.4 million) and a depreciation charge of €134.7 million (30 September 2021: €127.6 million) were recorded in respect of right-of-use assets during the six month period to 30 September 2022. Right of use assets relate mainly to ground leases (land and buildings).

At 30 September 2022, no indications of impairment were identified in relation to the property, plant and equipment.

6. Related party transactions

The Group has a number of related parties including Vodafone companies outside the Group, Directors 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 Vodafone master service agreements ("MSAs"). The provision of certain maintenance

and support shared services is also in place under the terms of Long-Term Agreements ("LTAs") and other Support Agreements.

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

6 months ended 30/09/2022	Revenue €m	Purchase of services €m
Vodafone Group plc	—	—
Subsidiaries of Vodafone Group plc	431.2	(9.2)

6 months ended 30/09/2021	Revenue €m	Purchase of services €m
Vodafone Group plc	—	—
Subsidiaries of Vodafone Group plc	418.7	(14.9)

The following amounts were outstanding at the reporting date:

30/09/2022	Receivables due from related parties €m	Payables due to re- lated parties €m
Vodafone Group plc	144.2	(0.9)
Subsidiaries of Vodafone	233.2	(148.0)

31/03/2022	Receivables due from related parties €m	Payables due to re- lated parties €m
Vodafone Group plc	273.1	(0.5)
Subsidiaries of Vodafone	239.3	(117.2)

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

Included within the amounts outstanding at the reporting date is a net €144.0 million (€272.3 million at 31 March 2022) receivable in relation to the Group's cash management activities and €3.0 million (€13.4 million at 31 March 2022) cash deposits with subsidiaries of Vodafone Group Plc.

7. Leases

For information on the accounting policies and disclosures relating to leases, please refer to section "11. Leases" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

Lease periods

The Group's cash outflow for leases in the six months ended 30 September 2022 was €126.6 million (30 September 2021: €120.8 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.

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 5. "Property, plant and equipment".

Lease liabilities

The Group's lease liabilities are disclosed below. The maturity profile of the Group's lease liabilities is as follows:

	30/09/2022	31/03/2022
	€m	€m
Within one year	312.3	293.5
In more than one year but less than two years	284.6	275.3
In more than two years but less than five years	780.5	764.3
In more than five years	982.8	917.5
	2,360.2	2,250.7
Effect of discounting	(326.6)	(244.3)
Lease liability	2,033.6	2,006.4
Analysed as:		
Non-current	1,778.7	1,758.8
Current	254.9	247.5

Amounts recognised in the income statement are as follows:

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Depreciation on ground lease-related right-of-use assets	134.0	127.6
Interest on lease liabilities	27.3	26.9
Depreciation on other lease-related right-of-use assets ¹	–	–
Total	163.8	154.5

¹ The depreciation on other lease-related right-of-use assets has been analysed € 0.9 million "other operating expenses" and € 1.6 million "depreciation on right-of-use assets" in the presentation of adjusted EBITDA and adjusted EBITDAaL.

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

8. Provisions

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. For further information on the accounting policies and disclosures relating to provisions, please refer to section "12. Provisions" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

	Asset retirement obligations	Other	Total
	€m	€m	€m
31/03/2022	460.7	5.2	465.9
Additions and adjustment of discount rate	20.5	3.3	23.8
Unwinding of discounting	2.1	–	2.1
Movement in the year	(1.4)	(4.4)	(5.8)
Effects of foreign exchange	(1.6)	–	(1.6)
30/09/2022	480.3	4.1	484.5
Current liabilities	7.1	1.5	8.6
Non-current liabilities	473.2	2.6	475.8
	480.3	4.1	484.5

9. Investments

For further information on the accounting policies and disclosures relating to investments, please refer to section “14. Investments in Joint Ventures” in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022. Associates are companies on which Vantage Towers has a significant influence, and that are neither subsidiaries nor joint ventures. As with joint ventures, associates are accounted for using the equity method.

The Group has a 33.2% equity interest in Infrastrutture Wireless Italiane S.p.A (INWIT), which has previously been characterised as a joint venture, considering the rights held by the Group under the terms of a shareholder agreement (SHA) with Telecom Italia S.p.A. (TIM). In August 2022 the Group and TIM agreed to terminate the SHA. As a consequence of this change, the Group is considered to have significant influence and INWIT will be classified as an associate. There is no change in accounting, with INWIT continued to be consolidated under equity accounting.

		Principal activity	Country of incorporation or registration	Percentage share-holdings
				%
Infrastrutture Wireless Italiane (INWIT) S.p.A.	Associate	Network infrastructure	Italy	33.2
Cornerstone Telecommunications Infrastructure Limited (Cornerstone)	Joint venture	Network infrastructure	UK	50

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

	Investment in joint ventures and associates 30/09/2022	Profit from continuing operations 30/09/2022	Other comprehensive income 30/09/2022	Total comprehensive income 30/09/2022
	€m	€m	€m	€m
Infrastrutture Wireless Italiane S.p.A. (INWIT)	2,778.7	30.0	–	30.0
Cornerstone Telecommunications Infrastructure Limited (Cornerstone)	379.0	7.9	4.6	12.5
Total	3,157.7	37.9	4.6	42.5

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

For the purposes of the consolidated financial statements of the Group, the results of INWIT are derived from the previous quarter's financial reporting issued by the company. This approach has been consistently applied in the formation of the Group and at IPO. Accordingly, reported results for INWIT for the six months ended 30 June 2022 being the most recently available public information, has been used with adjustments being made for the effects of any significant events or transactions occurring between the accounting period ends.

In addition following the merger between INWIT and Vodafone Towers Italy and the subsequent acquisition of shares in INWIT, a purchase price allocation exercise was performed in accordance with IFRS 3 which resulted in, inter alia, a step up in property plant and equipment and intangible asset values and a corresponding increase in depreciation and amortisation charges. The resulting additional expenses from the purchase price allocation and the associated tax effect are included within the reported results for INWIT for the 6 months ended 30 June 2022.

On 25 May 2022, INWIT paid an annual dividend for the previous financial year ended 31 December 2021 of €102.7 million (26 May 2021: €95.6 million for the financial year ended 31 December 2020).

On 12 May 2022, CTIL paid a dividend declared in the previous financial year ended 31 March 2022 of £15.0 million (€ 17.7 million).

Income statement – 6 months ended 30/09/2022	INWIT €m	Cornerstone €m
Revenue	417.7	229.0
Operating expenses	(37.8)	(72.8)
Operating profit or loss before amortisation, depreciation, capital gains/(losses) and reversals/(write-downs) of non-current assets (EBITDA)	379.8	156.1
Amortisation, depreciation, capital gains/(losses) on disposals and write-downs of non-current assets	(182.0)	(106.6)
Operating profit (EBIT)	197.8	49.5
Net finance costs	(25.7)	(12.6)
Interest on lease liabilities	(12.1)	(13.2)
Other non-operating expenses	–	(7.9)
Profit before taxation	160.0	15.8
Profit before taxation	(18.1)	–
Profit for the period	141.9	15.8

Statement of financial position – at 30/09/2022	INWIT €m	Cornerstone €m
Non-current assets	9,031.9	2,553.2
Current assets	226.6	210.3
Total assets	9,258.5	2,763.5
Equity shareholders' funds	(4,314.6)	(758.1)
Non-current liabilities	(4,318.5)	(1,360.8)
Current liabilities	(625.5)	(644.6)
Total equity and liabilities	(9,258.5)	(2,763.5)

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:

6 months ended 30/09/2022	INWIT	Cornerstone
	€m	€m
Equity shareholders' funds	4,314.6	758.1
Investment in joint ventures and associates	1,431.3	379.0
Purchase price adjustment	1,347.3	–
Carrying value	2,778.7	379.0
Profit for the period	142.0	15.8
Share of profit	47.1	7.9
Purchase price adjustment – depreciation and amortisation	(17.1)	–
Share of results - equity accounting	30.0	7.9

10. 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. For further information on the accounting policies and disclosures relating to earnings per share, please refer to section "16. Earnings per Share" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Weighted average number of shares for basic earnings per share	505.8	505.8
Effect of dilutive potential shares: restricted shares and share options	0.9	0.7
Weighted average number of shares for diluted earnings per share	506.7	506.4

	6 months ended 30/09/2022	6 months ended 30/09/2021
	€m	€m
Earnings for earnings per share	188.9	166.7
	Eurocents	Eurocents
Basic earnings per share	37.4	33.0
Diluted earnings per share	37.3	32.9

11. Equity dividends

Dividends are one type of shareholder return. For further information on the accounting policies and disclosures relating to dividends, please refer to section "17. Equity dividends" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

On 28 July 2022, the Company declared a dividend for the previous financial year ended 31 March 2022 of €318.6 million which was paid in August 2022.

12. 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. For further information on the accounting policies and disclosures relating to borrowings, please refer to section "20. Borrowings" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022.

Liabilities arising from the Group's lease arrangements are also reported in borrowings; please refer to section "11. Leases" in the notes to the consolidated financial statements in the Annual Report for the year ended 31 March 2022 for further information.

Borrowings	30/09/2022	31/03/2022
	€m	€m
Short-term borrowings		
Lease liabilities	254.9	247.5
Short-term borrowings	4.0	–
	259.0	247.5
Long-term borrowings		
Lease liabilities	1,778.7	1,758.8
Long-term borrowings included in net debt:		
<i>Bonds</i>	<i>2,190.7</i>	<i>2,189.5</i>
	3,969.4	3,948.3
Total borrowings	4,228.3	4,195.9

Bonds

Bonds with a nominal value equivalent of 2.2bn EUR are currently in issue by the Group. These consist of 750m EUR 0.000% notes due 2025, 750m EUR 0.375% notes due 2027 and 700m EUR 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.

The terms and conditions of the notes contains customary change of control provisions. If there (i) occurs a change of control and (ii) within a certain period of time a rating downgrade occurs and (iii) the rating agency responsible for the rating downgrade announces publicly or confirms in writing to the Company that such rating downgrade resulted, in whole or in part, from the occurrence of the change of control, each noteholder will have the option to require the Company to redeem the note(s) subject to the terms and conditions of the notes.

One or several steps in connection with the transaction announced on 9 November 2022 (see events after the reporting period) will likely constitute a change of control under terms and conditions of the notes. However, as described above, the change of control does not automatically entail the redemption of the bonds. Whether a rating downgrade will occur will depend, inter alia, on the (future) financing structure of the bidder.

13. Events after the reporting period

On 9 November 2022, the Company announced that the principal shareholder of Vantage Towers AG, Vodafone GmbH, and a consortium consisting of Global Infrastructure Partners ("GIP") and KKR (jointly "GIP/KKR") entered into an investment agreement under which they created a joint venture (the "Joint Venture") which will hold all shares currently held by Vodafone GmbH in Vantage Towers AG (81.7% of the share capital), subject to various regulatory approvals. In this context, Vantage Towers AG entered into a Business Combination Agreement with Vodafone GmbH and GIP/KKR. The Business Combination Agreement includes, among others, provisions with respect to continuing the business strategy, adequate financing, the future corporate governance structure, employees' interests and Düsseldorf continuing to be the headquarters even after GIP/KKR have acquired their indirect shareholding.

The Joint Venture of Vodafone GmbH and GIP/KKR has announced a voluntary public takeover offer at a price of €32.00 per Vantage Towers share (cum dividend gross offer). Closing of the transaction is subject to various regulatory approvals being obtained and is expected to complete in the first half of the calendar year 2023. The Company acknowledges that the Joint Venture intends to implement a domination and profit and loss transfer agreement in accordance with sections 291 et seq. of the Stock Corporation Act (Aktiengesetz). The Company notes the Joint Venture's intention to pursue a squeeze-out of the minority shareholders of Vantage Towers AG pursuant to sections 327a et seq. of the German Stock Corporation Act should a shareholding of 95% of the share capital be reached. Information on the offer are made available on the Company's website under <https://www.vantagetowers.com/en/investors/public-takeover-offer-gip-kr>.

Düsseldorf, 15 December 2022

Vantage Towers AG

The Board of Management



Vivek Badrinath



Thomas Reisten



Christian Sommer

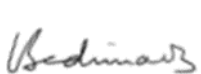
Responsibility Statement

To the best of our knowledge, and in accordance with the applicable interim reporting principles, the Condensed Consolidated Interim Financial Statements for the six months ended 30 September 2022 give a true and fair view of the assets and liabilities, financial position, and profit or loss of the Group, and the Interim Group Management Report 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 for the remaining months of the year.

Düsseldorf, 15 December 2022

Vantage Towers AG

The Board of Management



Vivek Badrinath



Thomas Reisten



Christian Sommer

Review Report

To Vantage Towers AG

To Vantage Towers AG

We have reviewed the interim condensed consolidated financial statements Vantage Towers AG, Düsseldorf, which comprise the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and selected explanatory notes, and the interim group management report for the period from 1 April to 30 September 2022, which are part of the half-year financial report pursuant to Sec. 115 WpHG [“Wertpapier-handelsgesetz”: German Securities Trading Act. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance

with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Cologne, 16 December 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Ueberschär	Hillebrand
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Non-IFRS Measures – 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**").

These Non-IFRS Measures on a consolidated 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 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 are calculated. Even though the Non-IFRS Measures 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, amortization, and gains/losses on disposal for fixed assets, share of results of equity accounted associates and 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 ground 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 Group Revenue excluding recharged capital expenditure revenue.	Management uses adjusted EBITDAaL margin as a key measure of Vantage Towers' profitability and as a means to track the efficiency of the business.
Recurring operating free cash flow	Recurring Operating Free Cash Flow is adjusted EBITDAaL plus depreciation on ground lease-related right of use assets and interest on lease liabilities, less cash lease costs and maintenance capital expenditure. Maintenance capital expenditure is defined as capital expenditure required to maintain and continue the operation of the existing tower network and other Passive Infrastructure, excluding capital investment in new sites or growth initiatives ("maintenance capital expenditure").	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	Recurring Free Cash Flow is Recurring Operating Free Cash Flow less tax paid and interest paid and adjusted for changes in operating working capital.	Management uses Recurring Free Cash Flow to assess and compare the underlying cash flow available to shareholders, which could be distributed or reinvested in Vantage Towers for growth as well as reference point for cross industry valuation
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	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.

Measure	Definition	Relevance of its use
	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.	
Cash conversion	Cash Conversion is defined as Recurring Free Cash Flow divided by adjusted EBITDAaL.	Management uses Cash Conversion to assess and compare the capital intensity and efficiency of Vantage Towers.
Net financial debt	Net Financial Debt is defined as long-term borrowings, short-term borrowings, borrowings from Vodafone Group companies and mark-to-market adjustments, less cash and cash equivalents and short-term investments and excluding lease liabilities.	Management uses Net Financial Debt to assess the capital structure of Vantage Towers without including the impact of lease liabilities which typically have different types of rights to financial debt and can be impacted by the Company's accounting policies.

Reconciliations of Non-IFRS measures

Adjusted EBITDA

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

	6 months 30/09/2022	6 months 30/09/2021
	€m	€m
Profit before tax	244.2	219.4
Interest on lease liabilities	27.3	26.9
Net finance costs	10.9	7.3
Other non-operating expenses	0.1	3.7
Operating profit	282.5	257.3
Share of results of equity accounted joint ventures and associates	(37.9)	(19.9)
Amortisation of intangibles	8.7	4.5
Depreciation on PP&E	54.6	57.6
Depreciation on ground lease-related right-of-use assets	134.0	127.6
Gain on disposal of PP&E	0.2	0.3
One-off and other items	1.6	–
Adjusted EBITDA	443.8	427.4

Adjusted EBITDAaL

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

	6 months 30/09/2022	6 months 30/09/2021
	€m	€m
Profit before tax	244.2	219.4
Net finance costs	10.9	7.3
Other non-operating expenses	0.1	3.7
Share of results of equity accounted joint ventures and associates	(37.9)	(19.9)
Amortisation of intangibles	8.7	4.5
Depreciation on PP&E	54.7	57.6
Recharged capital expenditure revenue	(9.7)	(5.1)
Gain on disposal of PP&E	0.2	0.3
One-off and other items	1.6	–
Adjusted EBITDAaL	272.7	267.7

Recurring Operating Free Cash Flow and Recurring Free Cash Flow

The table below sets forth the reconciliation of the Group's non-IFRS measures Recurring Operating Free Cash Flow and Recurring Free Cash Flow to adjusted EBITDA for the periods indicated.

	6 Months 30/09/2022	6 Months 30/09/2021
	€m	€m
Adjusted EBITDA	443.8	427.4
Recharged capital expenditure revenue	(9.7)	(5.1)
Cash cost of leases	(126.6)	(120.8)
Maintenance capex	(10.6)	(12.9)
Recurring Operating Free Cash Flow	296.8	288.6
Net tax paid	(40.3)	(14.7)
Interest paid (excluding interest paid on lease liabilities)	(3.1)	(0.5)
Changes in operating working capital	(33.2)	11.0
Recurring Free Cash Flow	220.2	284.4

Net financial debt

The table below sets forth the calculation of the Group's non-IFRS measure Net Financial Debt from the Consolidated statement of financial position as at 31 March 2022 and 30 September 2022.

	30/09/2022	31/03/2022
	€m	€m
Bonds	(2,194.7)	(2,189.5)
Cash and cash equivalent	3.3	21.7
Cash deposits held with related parties	144.0	272.3
Mark to market derivative financial instruments	(0.5)	(0.5)
Net Financial Debt	(2,047.9)	(1,895.9)

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 2023, medium-term targets, new site builds, tenancy targets and the tenancy pipeline; Vantage Towers’ working capital, capital structure and dividend policy; future plans, events or performance, economic outlook and industry trends.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “could”, “may”, “should”, “expects”, “intends”, “prepares” or “targets” (including in their negative form or other variations). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. All subsequent written or oral forward-looking statements attributable to Vantage Towers or any member of the Vantage Towers Group, or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Any forward-looking statements are made of the date of this announcement. Subject to compliance with applicable law and regulations, Vantage Towers does not intend to update these forward-looking statements and does not undertake any obligation to do so.

References to Vantage Towers are to Vantage Towers AG and references to Vantage Towers Group are to Vantage Towers AG and its subsidiaries unless otherwise stated.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Glossary

Please refer to our FY22 Annual Report as well as to the announcement of the half-year results on November 15 at www.vantagetowers.com/en/investors/results-report-and-presentation for a full glossary of terms used.

Financial Calendar

31 January 2023

Q3 FY23 Trading Update

Imprint

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