Vantage Towers

Understanding our financials and growth drivers | Financial overview and trading update

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17th November 2020

VANTAGE TOWERS

6 Understanding our financials and growth drivers

VANTAGE TOWERS

Agenda

6.1 Financial overview and trading update

VANTAGE TOWERS

Key financial highlights | Attractive business model with high cash conversion

1. Attractive business model with clear and predictable structural growth drivers
2. 94% of revenue from macro sites, with the vast majority committed for the long-term
3. Diversified portfolio with attractive margins in all geographies
4. High profitability (Adj. EBITDAaL margin of 55%) and strong cash conversion of 94% in FY20PF

VANTAGE TOWERS

Understanding our FY20PF financials | Basis of preparation

Our perimeter

100% ownership of our segments

Other European Markets

DE ES GR[1] HU PT CZ IE RO

Consolidated

+

Co-controlled operation

IT
(33.2%)

Aggregated

Pro forma financial adjustments	
Revenue	• Revenue from Vodafone MSAs and long term contractual agreements with other customers
Costs	• Standalone costs, including: – New commercial and administrative functions – LTA and TSA with Vodafone – Financing costs of new capital structure

Joint Ventures	
INWIT	• Co-controlled joint venture (equity accounted) – Aggregated profitability metrics (including share from co-controlled JV) to represent scale and scope of Vantage Towers' business
Cornerstone	• Potential to include 50% shareholding in Cornerstone – Incremental share of Adj. EBITDAaL of €50-70m

Source Company information

Note

1 Subject to regulatory approval; Vantage Towers has a call option until 31-Dec-21 to acquire the remaining 38% of Vantage Towers Greece from Crystal Almond for €288 million in cash (with the price increasing by 5% if the Call Option has not completed by 1-Jul-21); if Vantage Towers publishes an "Intention to Float" announcement in relation to an IPO, the Call Option will automatically be triggered and Crystal Almond will acquire €100 million of shares in the IPO at the IPO price; closing subject to closing conditions, including competition approval

VANTAGE TOWERS

The KPIs we focus on

	FY20PF Consolidated (Aggregated)	Why is it important?	Summary definition
Number of macro sites	45.4k[1] (67.5k)	Scale and breadth of our operations	• Total ground-based towers and rooftop towers (excludes micro sites)
Tenancy ratio	1.37x[1]	A measure of our effectiveness at leasing-up our towers	• Total tenants (MNO and non-MNO) • 2 tenants (one physical, one virtual) recorded where there is active sharing
Revenue (ex. pass through)	€945m	A measure to evaluate growth	• Total revenue excluding pass-through capex recharge revenue
Adj. EBITDA after leases[2] (Adj. EBITDAaL)	€523m (€680m)[3]	Incorporates the cost of ground leases, our biggest operating cost	• Adj. EBITDA less IFRS 16 depreciation and interest on leases, excluding capex recharge revenue
Recurring free cash flow[2] (RFCF)	€373m	The underlying, sustainable cash flow our business is generating	• Adj. EBITDAaL after maintenance capex[4], cash interest, cash tax and movements in operating working capital[5]
ROCE (new sites)	Future reporting[6]	How are we performing on new growth investment	• EBIT divided by capital employed (measure to be provided for new site investment)

Source Company information

Note

1 As at 31-Mar-20

2 See appendix for Adj. EBITDAaL and RFCF reconciliations, respectively

3 Aggregate of FY20 pro forma consolidated adj. EBITDAaL of €523m and 33.2% share of INWIT CY19 pro forma adj. EBITDA of €157m (incl. Vodafone estimates for INWIT lease adjustments); please refer to p.21-23 for information on basis of preparation of pro forma financial information

4 Defined as capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure, excl. capital investment in new sites or growth initiatives

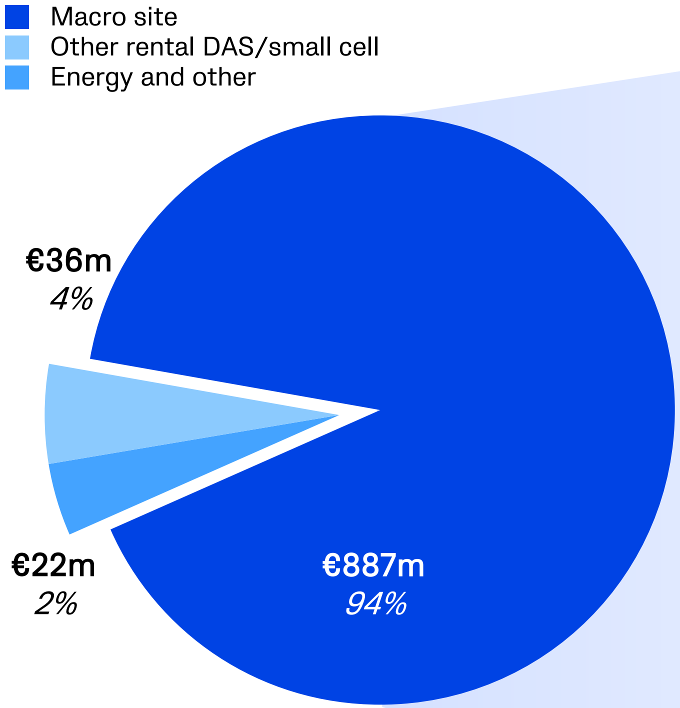
5 Excl. deferred income from capex recharges and working capital relating to growth capital expenditure; movements in operating working capital are not included in FY20PF

6 Historical ROCE less relevant given carve out balance sheet

Attractive business model | Macro site revenue

Vast majority of revenue based on long-term contracted demand from Vodafone and other MNO tenants

Vantage Towers consolidated FY20PF revenue



Macro site revenue:
€887m
Renting space and providing services to our tenants

Total revenue: €945m

Key highlights FY20PF – Macro site revenue

	PF Consolidated[1]	Per site[1,2]
Towers	45.4k	
Tenants	62.1k	1.37x
Vodafone MSA revenue	€740m	€16.3k[3]
Other tenant revenue	€147m	
Total macro site revenue	**€887m**	

- **83% of macro site revenue from Vodafone MSAs**
  - CPI linked, long-term contracts (8+8+8+8 years)[4]
- **Other tenants revenue secured** on average for 8 years
  - Typically not inflation-indexed, but intention to include in new contracts
- **De-risked cash flows**
  - **~95% of anchor revenue from investment grade tenants** and similar proportion in countries with **limited risk from RAN-sharing**
- **Key drivers**: number of towers/tenants, pricing and CPI indexation

Source Company information
Note
1 As at 31-Mar-20
2 Average across the portfolio
3 Illustrative, based on Vodafone MSA revenue and total macro sites; Vodafone not necessarily a tenant on all macro sites in the portfolio
4 8 years with 3 automatic renewals; Vodafone is not required to renew

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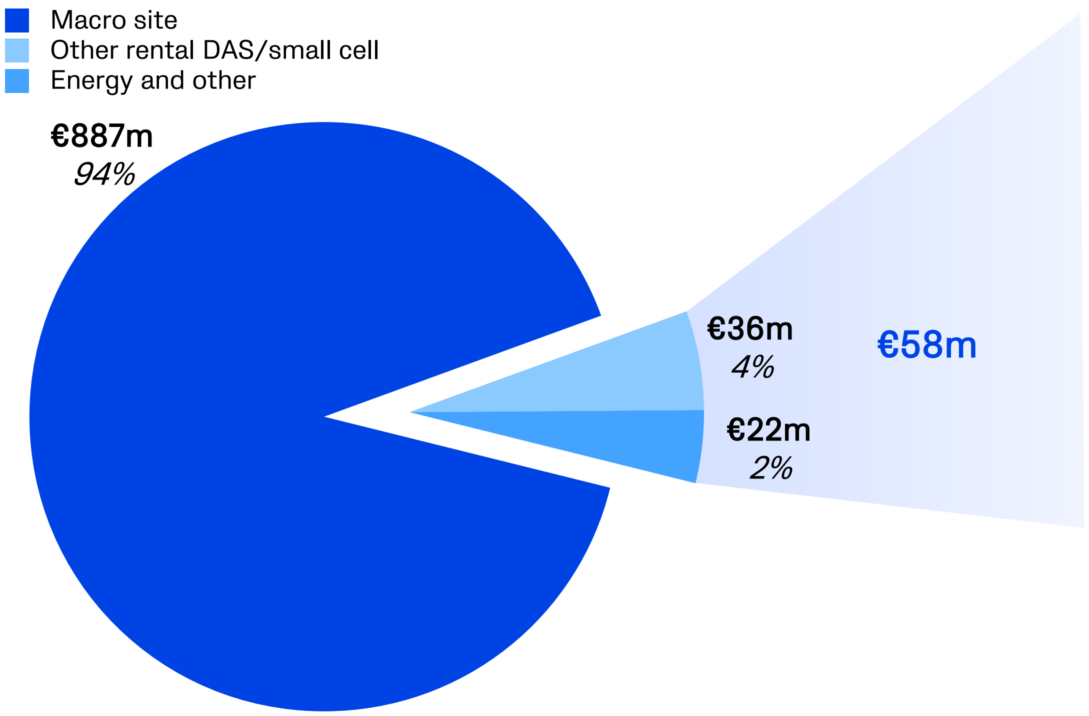
Attractive business model | Other revenue

We earn ancillary revenues from our tenants providing energy and upgrade services and have a growing business providing micro sites (DAS/small cells)

Vantage Towers consolidated FY20PF revenue



Total revenue: €945m

Key highlights

Other rental revenue (DAS/small cells)	• ~1.5k sites[1], largely in Germany, Spain and Greece • Key drivers: number of sites, pricing, CPI indexation
Energy and other revenue	• Primarily reflects passive energy revenue (€19m), split evenly across segments on a per tower basis • Passive energy for anchor tenant based on fixed annual fee which is agreed every 3 years • Active energy is a pass-through cost and netted out in the income statement • Key driver: energy cost per tower, growing annually
Capex recharge revenue[2] (once Vodafone MSAs come into force)	• Upgrade capex that is recharged (pass-through) will be recorded as revenue and spread over the remaining period of the Vodafone MSA term • Almost no capex recharge revenue recognition in FY20, but expected to increase over time as Vodafone MSAs come into force • Revenue growth (ex. pass through) to be reported on an ongoing basis

Source Company information
Note
1 Excl. Italy
2 Refer to appendix uploaded for accounting treatment and impacts

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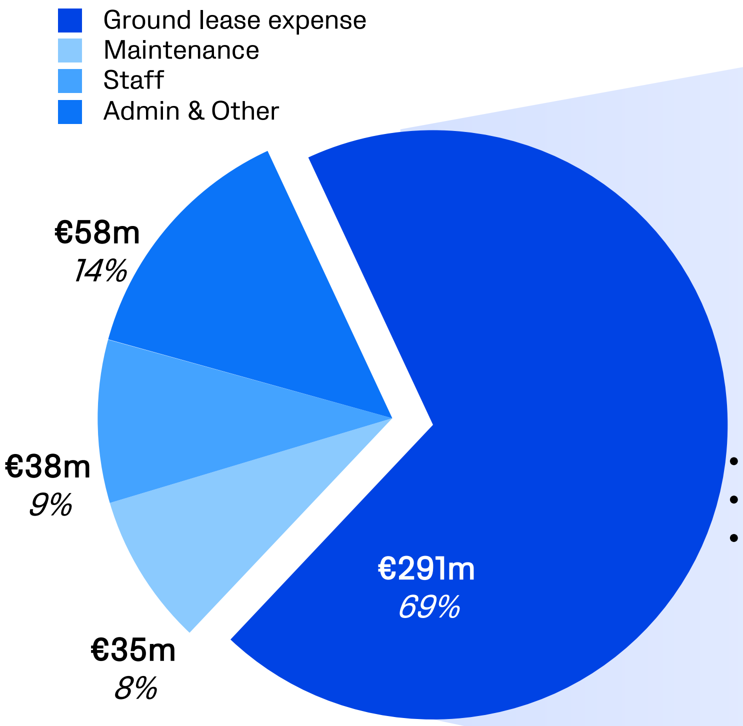
Attractive business model | Ground lease costs

Ground leases are our largest expense (69% of costs in Adj. EBITDAaL) and our key efficiency opportunity

Vantage Towers consolidated FY20PF costs



Ground lease expenses:
€291m

- Accounted under IFRS16
- Not in adj. EBITDA
- Included in adj. EBITDAaL

Total costs: €422m

Key highlights[1]

Towers	45.4k
% of leased sites	94%
Average lease cost per site	€6.4k
Outstanding period remaining	4.9 years[2]

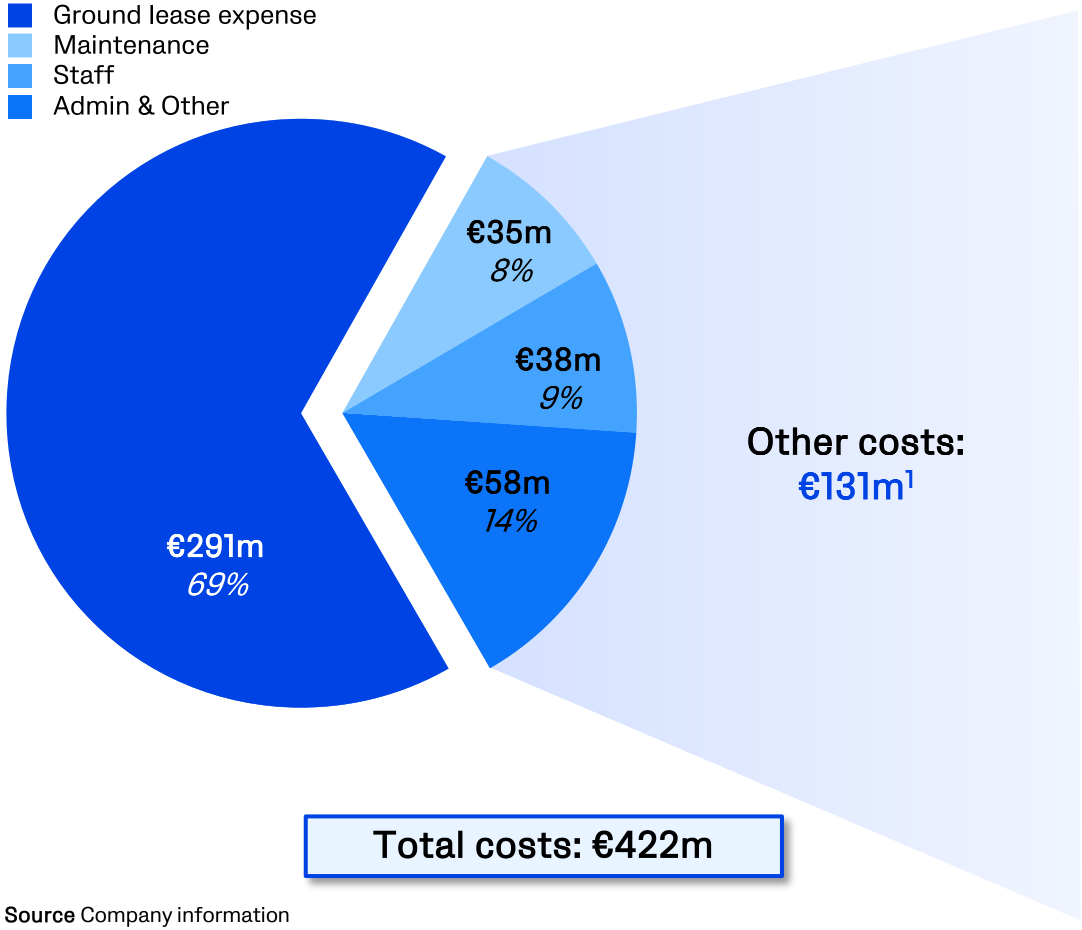
- >85% single site landlords on our sites[3]
- IFRS 16 accounting for cost based on depreciation on right of use assets and interest on lease liabilities
  - Upfront payments and buy-out costs amortised over period to which they relate
  - Reassessment of IFRS 16 lease term policy once carve-out complete in early 2021 may result in minor historical restatement
- P&L cost of leases not materially different to cash cost in FY20PF

Source Company information
Note
1 As of Mar-20
2 Excl. rolling leases
3 Excl. Italy; estimate as data not de-duplicated

Attractive business model | Other costs

Organisational structure right-sized for standalone operations and our medium-term growth plans

Vantage Towers consolidated FY20PF costs



Key highlights

Maintenance	• Average maintenance cost per tower: €770 • Varies across markets • Key driver: per tower cost
Staff	• 421 FTEs[2], of which around 61% focussed on operating passive infrastructure
Admin & other	• Includes passive energy costs, IT costs and central costs

Source Company information

Note

1 ~13% of our other costs derived from intercompany services agreements (LTA, INCA, TSA)

2 Run rate FTEs, excl. Italy latest available headcount of c.340

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Attractive business model | Recurring operating performance

High profitability (Adj. EBITDAaL margin of 55%) and strong cash conversion (94%)

€m, Mar YE	FY20PF
Revenue	**945**
Maintenance costs	(35)
Staff costs	(38)
Administrative & Other	(58)
Adj. EBITDA	**814**
margin (%)	*86%*
Capex recharge revenue [1]	(0)
Ground lease expense[2]	(291)
Adj. EBITDAaL	**523**
margin (%)[3]	*55%*
Maintenance capex	(29)
Recurring OpFCF[4]	**494**
Cash conversion (%)	*94%*

- **Long-term contracted revenue with our tenants**
  - Vodafone MSA represents 83% of total revenue
- **Highly profitable business at 86% Adj. EBITDA margin**
  - Lean and efficient organisation structure, right-sized for standalone operations and medium-term growth plans
- **Ground leases** represent our largest expense, as well as **our largest efficiency opportunity**
- **Attractive EBITDAaL margin of 55%**
  - Benefits from high operating leverage
- **Stable and low maintenance capex** at ~3% of revenues
- **Highly cash generative business** with **cash conversion of 94%**
  - Enabled by low ongoing maintenance capex requirements

Source Company information

Note

1 Pass through revenue excluded from Adj. EBITDAaL and Recurring OpFCF, almost nil in FY20PF

2 Depreciation of ground lease RoU assets and interest on lease liability

3 Adj. EBITDAaL divided by Revenue (ex. pass through)

4 Defined as Adj. EBITDAaL less maintenance capex (excl. capex recharge revenue)

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Attractive business model | Recurring financial performance

Attractive Recurring FCF including contribution from high RFCF generating co-controlled operation in Italy

€m, Mar YE	FY20PF
Recurring OpFCF	**494**
(-) Tax paid[1]	(103)
(-) Interest[1]	(18)
(+/-) Change in operating working capital[2]	n.a.
Recurring free cash flow (RFCF)	**373**

INWIT RFCF CY20PF guidance[3]: **€310m**

Vantage Towers share[4]: **€103m**

- **Effective tax rate of 26% for the consolidated group** (excl. share of net income from joint ventures)
- **Interest cost reflects 0.8% interest rate** on pro forma capital structure
- **€373m consolidated RFCF**
- **INWIT RFCF guidance of €310m in CY20**
  - Pro forma for merger with Vodafone Italy Towers
- **Vantage Towers share of €103m**

Source Company information, INWIT Q3 20 results presentation

Note

1 For the purposes of the PF reconciliation, PF income statement taxation and interest have been used as a proxy for cash paid as no PF cash flow has been prepared

2 Definition of RFCF to include operating working capital movements (excl. movements related to recharged and growth capex; not available for pro forma periods)

3 As communicated by INWIT at its Q3 results on 5 November 2020

4 Based on Vantage Towers 33.2% shareholding

VANTAGE TOWERS

Growth capital expenditure | Investment with clear & contracted returns

Our growth investments are typically linked to clear & contracted revenues or cost savings

	New sites	Ground lease optimisation	Other growth and non-recurring capex	Pass-through capex[1]
	Expenditure to construct new towers	Acquisition of land or long-term right of use (RoU) • Freehold or 10-30+ year RoU	Capex linked to other initiatives to grow earnings • Examples include upgrade capex to enable third party tenancies, efficiencies investment, DAS/indoor rollout, capitalised payroll, etc.	Capex recharged to Vodafone • Capex to accommodate Vodafone within standard configuration • No FCF impact for Vantage Towers
Example	*Typical new site build* • Variables on cost[2] – Site type – Location/terrain – Regulatory approvals	*Pilot programme examples* • Spain rural GBT – Freehold: €22k • Madrid urban RTT – 30 year RoU: €64k	*Lease-up upgrade* • Cost: varies depending on tenant requirements	*Tower upgrade* • Net cost to Vantage Towers: nil • MSA rental revenue impact: nil
FY20 management estimate for consolidated perimeter	~€35m	Not meaningful for FY20PF	~€30m	~€35m

€101m (growth, other) + €29m (maintenance) = €130m FY20 total capex in consolidated perimeter[3]

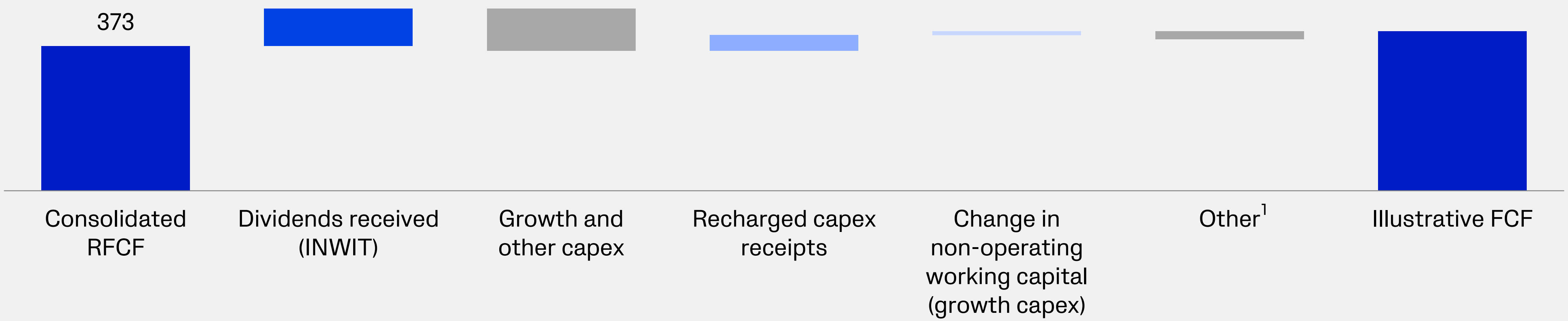
Source Company information
Note
1 Not included in FY20 revenue since MSAs were not enforced
2 Protection from higher build costs included as part of the Vodafone MSAs
3 Total capex not pro forma for standalone capex (see guidance for estimates). Other capex includes, for example, decommissioning. Total capex includes recharge capex

VANTAGE TOWERS

What to expect in our Free Cash Flow (FCF)

Going forward, the key bridging item from our consolidated RFCF to our FCF will be growth capex (new sites, lease optimisation) and dividends from INWIT

Illustrative FY20PF FCF (€m)



Dividends from INWIT

- Clear and attractive dividend policy
- INWIT 2020 dividend at €0.30 per share, with progressive growth of 7.5%

Growth and other capex

- Includes investments for new sites, upgrades (incl. pass-through), leases and land buyout capex
- In FY20, attributable growth and other capex for the Vantage Towers perimeter was €101m (not pro forma for standalone operations)

Recharged capex receipts

- Add-back of pass-through capex for upgrades to Vodafone within the standard configuration
- ~€35m in FY20 (not recharged in FY20 as Vodafone MSAs not in force)

Change in working capital

- Non-operational, reflects working capital relating to non-recurring items (e.g. capex payables)

Source Company information
Note
1 Includes disposal of PPE, restructuring payments and one-off items

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Capital structure and dividend policy

Balancing capacity for growth investments, cash distributions to shareholders and leverage

Capital structure and dividend policy

Initial leverage

4.0x Net Financial Debt / Adj. EBITDAaL

Dividend policy

60% of RFCF (incl. dividends from joint ventures)[1]

- Initial leverage consistent with investment grade credit rating and appropriate headroom for strategic (organic and inorganic) investments
- Flexibility to increase leverage for the right organic and inorganic opportunities
  - €1bn of leverage capacity[2]
  - Additional meaningful capacity through share issuance
- Dividend policy to provide attractive shareholder remuneration while still enabling growth investments

Source Company information

Note

1 Subject to the availability of distributable profit (Bilanzgewinn) and legal restrictions with respect to the distribution of profits and available funds; first dividend to be paid in July 2021

2 Assuming capacity to invest in organic or inorganic opportunities up to pro forma leverage of 5.5x Net Financial Debt / Adj. EBITDAaL

VANTAGE TOWERS

FY20 consolidated pro-forma financials | From Adj. EBITDA to net income

€m, Mar YE	FY20PF
Adj. EBITDA	**814**
margin (%)	86%
Depreciation on right of use assets	(261)
Depreciation on other property, plant and equipment	(105)
Operating profit	**448**
Margin (%)	47%
Share of net income from joint ventures	71
Net finance cost	(48)
Profit before tax	**471**
Taxation[1]	(103)
Net income	**368**

Net finance cost comprises

- €18m interest on net financial debt at 4.0x Adj. EBITDAaL at 0.8% interest rate
- €30m of interest related to lease liabilities

Effective tax rate of 26% for the consolidated group (excl. share of net income from joint ventures)

Joint ventures income from INWIT

- Based on 33.2% of CY19 pro forma net income (including Vodafone Italy Towers)

Source Company information

Note

1 Based on profit before tax excl. share of net income from joint ventures

FY20 consolidated pro-forma financials | Market by market

High profitability and cash conversion across our portfolio with Germany as our largest market

FY20PF financial performance

€m				Other European Markets	Consol.	[2]	Aggr.
Revenue	**462**	**159**	**126**	**198**	**945**		
% of consolidated	*49%*	*17%*	*13%*	*21%*	*100%*		
Operating expenses	(71)	(20)	(13)	(27)	(131)		
Adj. EBITDA	**391**	**139**	**113**	**171**	**814**	**226**	**1,040**
margin (%)	*85%*	*87%*	*90%*	*87%*	*86%*		
Capex recharge revenue					(0)		
Ground lease expense	(101)	(68)	(60)	(62)	(291)	(69)	(360)
Adj. EBITDAaL	**290**	**71**	**53**	**109**	**523**	**157**	**680**
% of consolidated	*55%*	*14%*	*10%*	*21%*	*100%*		
margin (%)	63%	45%	42%	56%	55%	64%	65%
Maintenance capex	(14)	(7)	(5)	(3)	(29)		
Recurring OpFCF	**276**	**64**	**48**	**106**	**494**		
Conversion (%)[1]	95%	91%	91%	96%	94%		
RFCF					**373**		

- **Diversified portfolio with attractive margins in all geographies**
- **Germany is our largest and most profitable market**
- **Market-by-market profitability** reflective of in-market pricing for tower rental services and ground lease costs

Source Company information
Note
1 Cash conversion defined as Recurring OpFCF / Adj. EBITDAaL
2 Based on INWIT accounting policies

VANTAGE TOWERS

Current trading (H1 FY21) | Overview

Growth, margins and cash conversion in line with expectations

€m	FY20PF	H1 FY21PF		
Macro sites (k)	45.4	**45.5**	✓	Limited new sites as initial focus on standardising sites to scale upcoming roll-out
Tenancy ratio	1.37x	**1.38x**	✓	Tenancy ratio improving in line with expectations – ~0.7k new tenants in H1
Revenue (ex. pass through)	945	**479**	✓	Revenue (ex. pass through) – Mainly reflects CPI-based growth
Adj. EBITDAaL	523	**267**	✓	Adj. EBITDAaL in line with expectations
RFCF[1]	373	**190**	✓	RFCF on track to grow year-on-year

Source Company information
Note
1 Excl. dividends from co-controlled joint ventures

VANTAGE TOWERS

Key financial highlights | Attractive business model with high cash conversion

1. Attractive business model with clear and predictable structural growth drivers
2. 94% of revenue from macro sites, with the vast majority committed for the long-term
3. Diversified portfolio with attractive margins in all geographies
4. High profitability (Adj. EBITDAaL margin of 55%) and strong cash conversion of 94% in FY20PF

VANTAGE TOWERS

Basis of preparation (1/3)

Introduction

The financial information presented above sets out certain summary pro forma consolidated financial results for Vantage Towers for the twelve months ended 31 March 2020 and the six months ended 30 September 2020.

The basis of the pro forma information for the consolidated group reflects the historical results of Vantage Towers (including its operations in Germany, Spain, Greece, Ireland, Portugal, Romania, Hungary and Czech Republic).

The pro forma results of operations are adjusted for the expected financial impact of the separation of the business from Vodafone Group Plc ("Vodafone"). The impact of commercial agreements, including the Master Services Agreements ("MSAs") and Long Term Agreements ("LTAs") which have been or are expected to be entered into with Vodafone, together with expected incremental running costs of Vantage Towers, are included as if they had been in place throughout the twelve month period and six month periods respectively.

The pro forma results relating to Vantage Towers Greece are based on the historical results of the tower assets contributed by Vodafone-Panafon Hellenic Telecommunications Company S.A ("Vodafone Greece") and Wind Hellas Telecommunications SA ("Wind Hellas") and reflect the commercial arrangements (including the Master Services Agreement) between Vantage Towers Greece, Vodafone Greece and Wind Hellas, and certain expected incremental costs of Vantage Towers Greece on a standalone basis, as if they had been in place for 100% of both businesses throughout the twelve month period and six month period respectively.

In addition, Vantage Towers is expected to hold Vodafone's equity stake in Infrastrutture Wireless Italiane S.p.A ("INWIT"). Selected financial information in relation to INWIT is set out separately. This investment is classified as an equity accounted joint venture and will therefore not be included in consolidated EBITDA measures for financial reporting purposes.

The financial information presented herein has been neither audited nor reviewed by Vodafone or Vantage Towers' independent auditors and may be subject to changes.

Pro forma financial information for Consolidated Vantage Towers

Historical financial information for the twelve months ended 31 March 2020

The summary historical financial information used as the basis for the pro forma financial information for the twelve months ended 31 March 2020 contained herein has been prepared by extracting the directly attributable revenues and costs of the infrastructure assets to be included in Vantage Towers from the accounting records of Vodafone. The financial statement line items that can be directly identified are:

- Revenues from tenants other than Vodafone;
- Costs which are directly attributable to the tower infrastructure assets, such as energy, maintenance, depreciation of property, plant and equipment ("PPE") and lease costs recognised under IFRS 16; and
- The non-current PPE assets and related asset retirement obligations.

The same accounting policies and measurement principles as were applied by Vodafone in preparing its consolidated financial information for inclusion in its Annual Report for the year ended 31 March 2020 have been used for the preparation of the historical financial information, which forms the basis of the pro forma financial information. This includes IFRS 16 "Leases" which was adopted by Vodafone on 1 April 2019.

Historical financial information for the six months ended 30 September 2020

The summary historical financial information used as the basis for the pro forma financial information for the six months ended 30 September 2020 contained herein is derived from the accounting records of the five markets that demerged before or during the period from the following dates:

- Vantage Towers S.L.U ("Vantage Towers Spain") – 1 April 2020;
- Vantage Towers GmbH ("Vantage Towers Germany") – 25 May 2020;
- Vantage Towers Limited ("Vantage Towers Ireland") – 1 June 2020;
- Vodafone Towers Portugal S.A. ("Vantage Towers Portugal") – 16 July 2020; and
- Vantage Towers s.r.o. ("Vantage Towers Czech Republic") – 1 September 2020.

The post-demerger financial information has been combined with historical results for the pre-demerger periods in the above markets, and historical results for the full period for Vantage Towers Hungary, Vantage Towers Romania and Vantage Towers Greece. This historical financial information has been prepared by extracting the directly attributable revenues and costs of the passive infrastructure to be included in Vantage Towers from the accounting records of Vodafone (and Wind Hellas in the case of Greece).

VANTAGE TOWERS

Basis of preparation (2/3)

Pro forma adjustments

Pro forma financial adjustments have then been made to present what the material effects of the separation of Vantage Towers from Vodafone would have had on the historical financial information if Vantage Towers had existed in the structure set out in the introduction above, for the twelve months ended 31 March 2020 and for the six months ended 30 September 2020. The main adjustments that have been made in preparing the pro forma financial information arise from:

- Revenue from Vodafone based on the terms of the relevant MSA that are/will be in place for each market. This adjustment includes the anchor tenant rental income from Vodafone.
- Costs required to run Vantage Towers on a standalone basis. This adjustment includes charges for local Vodafone markets, such as maintenance and other support services, and group services and other contractual arrangements covering, inter alia, maintenance and insurance costs.
- Employment and other general and administrative costs.

The adjustments set out above are based on the commercial arrangements that have been or are expected to be entered into between Vantage Towers and other members of the Vodafone group, and with Wind Hellas in Greece, and the expected future costs of Vantage Towers, and are subject to potential change. These changes might result from amendments to the proposed portfolio of assets and equity investments to be held by Vantage Towers, the scope and pricing of services supplied by Vantage Towers, the actual incremental costs of Vantage Towers, changes to accounting policies and related estimates and other potential business developments. The pro forma results exclude any one-off costs in relation to the separation of Vantage Towers from Vodafone.

Along with Vodafone Group, it is expected that Vantage Towers will reassess the IFRS 16 lease term for its head leases once all Vantage Towers assets have been separated. This may result in minor historical restatement of the pro forma depreciation of lease-related right of use assets and interest on leases.

Summary historical financial information for INWIT

Vodafone owns a 33.2% stake in INWIT, which it intends to transfer into Vantage Towers. This stake will be equity accounted by Vantage Towers. The merger of Vodafone Towers Srl ("Vodafone Towers Italy") and INWIT was effective from 31 March 2020 (the "INWIT Transaction") and as such INWIT did not contribute to Vodafone's results for the year ended 31 March 2020.

The financial information presented in respect of INWIT for the 12 months ended 31 March 2020 is directly extracted from the INWIT prospectus dated 10 June 2020, is based on INWIT's accounting policies and is prepared in accordance with EU-IFRS and with the legal and regulatory provisions in force in Italy (in particular, the measures adopted in implementation of Section 9 of Italian Legislative Decree no. 38 of 28 February 2005). Lease costs have been derived from the INWIT prospectus and INWIT's CY19 Annual Report and is therefore based on INWIT's accounting policies.

The pro forma income statement in the INWIT prospectus represents INWIT's financial performance for the 12 months ended 31 December 2019 combined with the Vodafone Towers Italy carve out financial information and adjusted to reflect the performance of the combined group as though the INWIT Transaction had taken place as at 1 January 2019. The pro forma adjustments include adjustments to reflect the MSA between Telecom Italia S.p.A. ("TIM"), Vodafone Italia S.p.A. ("Vodafone Italy") and INWIT, as if it had been in place for the full year presented, and adjustments to align the Vodafone Towers Italy carve out financial information to INWIT's accounting policies and adjustments for one-off and standalone costs. As a joint venture the results of INWIT will be equity accounted for by Vantage Towers. The financial information presented in respect of INWIT for the six months ended 30 September 2020 is directly extracted from the INWIT Q3 2020 results announcement as the sum of INWIT's Q2 and Q3 results, based on INWIT's accounting policies.

Basis of preparation (3/3)

KPIs and financial terms

A number of Alternative Performance Measures ("APMs") are presented in this announcement, which are used in addition to IFRS statutory performance measures. These APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business.

Adjusted EBITDA is defined as operating profit before depreciation on lease-related right of use assets and interest on leases, depreciation, amortisation and gains/losses on disposal for owned fixed assets, and excluding share of results in associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other operating income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.

Adjusted EBITDAaL is defined as operating profit, less capital expenditure recharge revenue and after depreciation on lease-related right of use assets and interest on leases, but excluding depreciation, amortisation and gains/losses on disposal for owned fixed assets, and excluding share of results in associates and joint ventures, 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.

Capital expenditure recharge revenue represents direct recharges to tenants of capital expenditure in connection with upgrades to existing sites.

Aggregated adjusted EBITDAaL represents adjusted EBITDAaL for the Consolidated Vantage Towers operations, plus Vodafone's ownership share of the adjusted EBITDAaL of INWIT. The results of INWIT will be equity accounted by Vantage Towers.

Recurring operating free cash flow ("OpFCF") is adjusted EBITDAaL less maintenance capital expenditure.

Maintenance capital expenditure represents capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure. For the avoidance of doubt, maintenance capital expenditure excludes capital investment in new sites or other growth initiatives and should not be taken to be indicative of the total future investment requirement of Vantage Towers.

Recurring free cash flow ("RFCF") is recurring OpFCF less taxation, interest and changes in operating working capital. For the pro forma results, pro forma income statement taxation and interest have been used as a proxy for cash paid as no pro forma cash flow has been prepared.

Tenancy ratio represents the total number of tenancies (including both Vodafone and another MNO where there is existing active sharing on a site) of Vantage Towers divided by the total number of towers.

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Disclaimer (1/3)

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This document contains pro forma financial information of the Group for the financial year ended March 31, 2020 and for the six-months ended September 30, 2020 (together, the “PF Financial Information”) as well as financial information from Infrastrutture Wireless Italiane SpA (“INWIT”). For a description of the basis of preparation of the pro forma financial information of the Group for the financial year ended March 31, 2020, please refer to the slide entitled “Understanding our FY20 PF financials | Basis of preparation” included in the section “Understanding our financials and growth drivers”. The PF Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Group’s actual results of operations. Such information may not, therefore, give a true picture of the Group’s results of operations nor is it indicative of its results. The PF Financial Information is subject to change. This presentation also includes summary historical financial information from Vantage Towers Greece and INWIT. For a description of this information, please refer to the appendix section of this presentation. In this document, the Company utilises certain alternative performance measures, including but not limited to adjusted EBITDA, adjusted EBITDAaL, recurring operating free cash flow, recurring free cash flow, aggregated recurring free cash flow, return on capital employed, that in each case are not recognized under International Financial Reporting Standards (“IFRS”). These non-IFRS measures are presented as the Company believes that they and similar measures are widely used in the markets in which it operates as a means of evaluating a company’s operating performance and financing structure. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in the financial statements included in this document.

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