Vantage Towers

Understanding our financials and growth drivers | Appendix

Thomas Reisten, Chief Financial Officer

17th November 2020

VANTAGE TOWERS

6 Understanding our financials and growth drivers

VANTAGE TOWERS

Agenda

VANTAGE TOWERS

Country financial deep-dives

VANTAGE TOWERS

Key highlights

1. Germany: strong opportunity for medium- and long-term growth given coverage obligations, densification requirements and the new market entrant

2. Spain: providing de-risked growth from new network sharing tenancies, with margin upside from site decommissioning and ground lease optimisation

3. Greece: recent combination of Vodafone and Wind Hellas Greek tower assets creates the leading TowerCo, with committed demand from 2 anchor tenants

4. Other European Markets: balanced geographical presence with strong mix of committed growth and further opportunities

5. INWIT: co-control in Italy's leading mobile infrastructure operator, with an attractive growth runway and high cash generation

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Vantage Towers starting point (FY20PF)

A diversified European portfolio with Germany at its core

€m (unless stated)	Fully-owned segments					Co-controlled operation[2]	
	Germany	Spain	Greece[1]	Other European Markets	Consolidated	INWIT (33.2% stake)[3,4]	Aggregated[4]
Macro sites (#)[5]	19.0k	8.9k	4.9k	12.6k	**45.4k**	22.1k	**67.5k**
Tenancy ratio[5]	1.20x	1.58x	1.61x	1.37x	**1.37x**	1.80x	
FY20PF Revenue	462	159	126	198	**945**		
FY20PF Adj. EBITDAaL[6]	290	71	53	109	**523**	157	**680**
FY20PF % margin	*63%*	*45%*	*42%*	*56%*	*55%*	*64%*	

Source: Company information

Note

1 Treated as 100% ownership
2 Co-controlled status in INWIT equity accounted in Vantage Towers' financial statements
3 Based on INWIT reported metrics (not Vantage accounting policies)
4 Incl. 100% of macro sites from Italy; financial metrics for INWIT based on 33.2% ownership
5 As at 31 March 2020
6 Excl. capex recharge revenue

VANTAGE TOWERS

Financial deep-dive | Germany revenue build-up

Attractive financial profile and key driver of medium-term growth given coverage obligations, densification requirements and the new market entrant

Historical performance[1]

19,000 macro sites	23% GBT 77% RTT	1.20x tenancy ratio	~5,500 new sites committed

Key financials (€m), Mar-YE	FY20PF
Revenue	**462**
Opex	(71)
Adj. EBITDA	**391**
margin (%)	85%
Capex recharge revenue	(-)
Ground lease expense	(101)
Adj. EBITDAaL	**290**
margin (%)	63%
Maintenance Capex	(14)
ROpFCF	**276**
Cash conversion (%)	95%

Key drivers

Revenue drivers

FY20PF macro site revenue

Average Vodafone MSA[2] revenue / total sites

(€k / site)

1.5 /1.0 FY21/22 escalator[4] (%)

FY20PF other tenant revenue[3]

€57m

New macro sites & tenants

New macro sites

~5,500 committed new sites

- ✓ FY22-26 commitment
- ✓ Roll-out to reach run-rate by FY23
- ✓ Including 2,000 white spots with 3 tenants per site (higher costs, higher revenue)

+

Preferred supplier for additional sites

- ✓ ROFO for Vodafone new sites build

New tenancies

- Targeting new tenancies from
  - Existing tenants
  - New entrant
- Leveraging our attractive portfolio
- Data-driven planning approach to identify attractive sites

Opportunities beyond guidance

- ✓ New sites for new market entrant
- ✓ Capturing our incremental tenancy growth opportunity
- ✓ RTT tenancy lease-up potential

Source: Company information

Notes

1 As of Mar-20

2 Master services agreements with Vodafone; illustrative, based on Vodafone MSA revenue and total macro sites; Vodafone not necessarily a tenant on all macro sites in the portfolio

3 Includes MNO and non-MNO tenants revenue from macro sites

4 FY21 MSA rates deflated by a CPI rate by market for the purposes of an implied FY20 rate; FY22 rates contractually agreed

VANTAGE TOWERS

Financial deep-dive | Germany costs and capex build-up

Significant investment to support committed growth, with key efficiency initiatives rolled out to increase profitability

Historical performance[1]

19,000 macro sites	23% GBT 77% RTT	1.20x tenancy ratio	~5,500 new sites committed

Key financials (€m), Mar-YE	FY20PF
Revenue	**462**
Opex	(71)
Adj. EBITDA	**391**
margin (%)	85%
Capex recharge revenue	(-)
Ground lease expense	(101)
Adj. EBITDAaL	**290**
margin (%)	63%
Maintenance Capex	(14)
ROpFCF	**276**
Cash conversion (%)	95%

Key drivers

Ground lease expense

- ✓ Ground lease optimisation programme
- ✓ Future rural roll-out at lower unitary cost

Maintenance capex

Historical performance

- Represents 2.9% of segment revenue
- Slightly lower than Group average

Outlook

- ✓ Target to improve efficiency over time

Growth capex – new sites

Phasing

- Rollout **beginning in FY21**
- Yearly investment expected to **reach run-rate by FY23**

Unitary costs

- **Average build cost per site higher** than in other geographies
- Early **focus on relatively high cost white spots rollout**

Source: Company information
Notes
1 As of Mar-20

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Financial deep-dive | Spain revenue build-up

De-risked growth underpinned by portfolio fee mechanism

Historical performance[1]

8,900[2] macro sites	46% GBT 54% RTT	1.58x tenancy ratio	~900 Sites to be decommissioned

Key financials (€m), Mar-YE	FY20PF
Revenue	**159**
Opex	(20)
Adj. EBITDA	**139**
margin (%)	87%
Capex recharge revenue	(-)
Ground lease expense	(68)
Adj. EBITDAaL	**71**
margin (%)	45%
Maintenance Capex	(7)
ROpFCF	**64**
Cash conversion (%)	91%

Key drivers

Revenue drivers

FY20PF Vodafone MSA[3] revenue

€133m

- Portfolio fee of €124m of macro sites revenue and €9m micro sites
- Escalator applies
  - FY21: 0.6%[5]
  - FY22: 1.0%[5]

FY20PF other tenant revenue[4]

€20m

Portfolio fee mechanism

1. MSA[4] revenue not impacted by **decommissioning of sites**[6]
2. **Incremental revenue** from new active sharing tenancies

→ **Net positive** revenue impact

New macro sites & tenants

Contracted
- **1.1k tenancies secured**
  - 1.9k new tenancies from active sharing agreement by FY23
  - 150 new macro sites by FY26
  - ~900 sites to be decommissioned

Uncontracted
- Targeting new tenancies from both
  - Our anchor tenants
  - New tenants
- Leveraging our attractive portfolio

Revenue upsides beyond guidance

Potential coverage obligations from 5G spectrum auction

Source: Company information

Notes

1 As of Mar-20
2 Excl. impact from decommissioning of 900 sites by FY23 , of which 700 related to active sharing agreement
3 Master services agreements with Vodafone; based on Vodafone MSA revenue from total macro and micro sites
4 Includes MNO and non-MNO tenants from macro sites
5 FY21 MSA rates deflated by a CPI rate by market for the purposes of an implied FY20 rate; FY22 rates contractually agreed
6 Decommissioning costs paid by Vodafone

VANTAGE TOWERS

Financial deep-dive | Spain costs and capex build-up

Margin upside from site decommissioning and ground lease optimisation

Historical performance[1]

8,900[2] macro sites	46% GBT 54% RTT	1.58x tenancy ratio	~900[2] Sites to be decommissioned

Key financials (€m), Mar-YE	FY20PF
Revenue	**159**
Opex	(20)
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margin (%)	87%
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Adj. EBITDAaL	**71**
margin (%)	45%
Maintenance Capex	(7)
ROpFCF	**64**
Cash conversion (%)	91%

Key drivers

Ground lease expense

Historical performance
- €7.7k average lease cost per site
- Reflects depreciation and interest on RoU lease assets

Outlook
- ✓ Ground lease optimisation programme
- ✓ Decommissioning mostly related to active sharing agreement

Maintenance capex

Historical performance
- Represents 4.1% of revenue
- Slightly higher than Group average

Outlook
- ✓ Target to improve efficiency over time

Growth capex – new sites

Phasing
- 150 sites to be delivered by FY26
- Upside from further new sites in the future
  - Driven by future coverage obligations

Unitary costs
- In line with broader portfolio (ex-Germany)

Source: Company information
Notes
1 As of Mar-20
2 Excl. impact from decommissioning of 900 sites, of which 700 related to active sharing agreement

VANTAGE TOWERS

Financial deep-dive | Greece

Combination of Vodafone and Wind Hellas Greek towers assets to support demand for Vantage Towers

Historical performance[1]

4,900 macro sites	42% GBT 58% RTT	1.61x tenancy ratio	~500 new sites committed

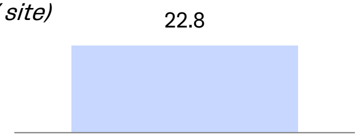
Key financials (€m), Mar-YE	FY20PF
Revenue	**126**
Opex	(13)
Adj. EBITDA	**113**
margin (%)	90%
Capex recharge revenue	(0)
Ground lease expense	(60)
Adj. EBITDAaL	**53**
margin (%)	42%
Maintenance Capex	(5)
ROpFCF	**48**
Cash conversion (%)	91%

Key drivers

Revenue drivers

FY20PF total macro site revenue per site

(€k / site)



- Materially all macro site revenue from Vodafone and Wind Hellas
- Small portion of other tenant revenue

0.2 / 0.0 FY21/22 MSA escalator[2] (%)

Tenancies

New sites	New tenancies	Upsides
• ~500 new sites committed – ~250 sites for Vodafone – ~250 sites for Wind Hellas	• Meeting densification and coverage requirements for Vodafone and Wind Hellas	✓ Upgrade of existing antennas to allow for greater EMF capacity ✓ Micro-layer sites to drive further tenancy growth ✓ Upside from relocation of decommissioned rural Cosmote sites

Other

- Vodafone and Wind Hellas have each signed long term 8+8+8+8[3] anchor MSA on similar terms
- Ground lease costs are significantly above the average across the portfolio

Source: Company information

Notes

1 As of Mar-20

2 Based on Master services agreements with Vodafone; FY21 MSA rates deflated by a CPI rate by market for the purposes of an implied FY20 rate; FY22 rates contractually agreed

3 8 years with 3 automatic renewals; Vodafone is not required to renew

Financial deep-dive | Other European Markets

Balanced geographical presence offering diverse growth levers

Historical performance[1]

12,600 macro sites	43% GBT 57% RTT	1.37x tenancy ratio	~950 new sites committed

Key financials (€m), Mar-YE	FY20PF
Revenue	**198**
Opex	(27)
Adj. EBITDA	**171**
margin (%)	87%
Capex recharge revenue	-
Ground lease expense	(62)
Adj. EBITDAaL	**109**
margin (%)	56%
Maintenance Capex	(3)
ROpFCF	**106**
Cash conversion (%)	96%

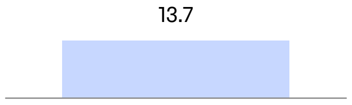
Key drivers

Revenue drivers

FY20PF macro site revenue

Average Vodafone MSA[2] revenue / total sites

(€k / site)



1.1 /1.7 FY21/22 escalator[4] (%)

FY20PF other tenant revenue[3]

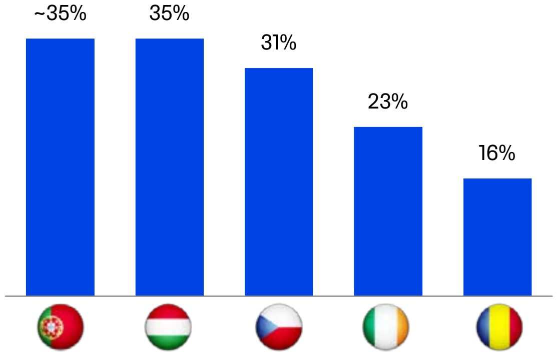
€18m

Committed tenancies

New macro sites

- ✓ 950 new macro sites committed in Other European Markets over five year period (FY22-26)
- ✓ ~750 new net committed tenancies

Market share by country[5]



Well-positioned to attract new market tenancies

Source: Company information

Notes

1 As of Mar-20
2 Master services agreements with Vodafone; illustrative, based on Vodafone MSA revenue and total macro sites; Vodafone not necessarily a tenant on all macro sites in the portfolio
3 Includes MNO and non-MNO tenants revenue from macro sites
4 Weighted average based on FY20PF revenues; FY21 MSA rates deflated by a CPI rate by market for the purposes of an implied FY20 rate; FY22 rates contractually agreed
5 Based on number of sites; numbers as of 30-Sep-20 for VT, latest available from TowerXchange for others. Hungary excl. CETIN as figures not available; management estimate for Portugal

Financial deep-dive | Other European Markets

Balanced geographical presence offering diverse growth levers

Historical performance[1]

12,600 macro sites	43% GBT 57% RTT	1.37x tenancy ratio	~950 new sites committed

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margin (%)	56%
Maintenance Capex	(3)
ROpFCF	**106**
Cash conversion (%)	96%

Key drivers

Ground lease expense

Historical performance
- €4.9k average lease cost per site
- Reflects depreciation and interest on RoU lease assets

Outlook
- Per tower costs expected to remain stable

Maintenance capex

Historical performance
- Represents 2.3% of segment revenue
- Lower than Group average

Outlook
- ✓ Target to improve efficiency over time

Growth capex – new sites

Phasing
- Rollout **beginning in FY21**
- Yearly investment expected to be **stable, decreasing slightly through commitment period**

Unitary costs
- **Average build cost per site significantly lower** than in other geographies

Source: Company information
Notes
1 As of Mar-20

VANTAGE TOWERS

INWIT | Co-control of Italy's tower infrastructure champion

A unique TowerCo with 2 market leaders as its anchor tenants

Historical performance

Key financials (€m), Dec-YE	Q2 2020	Q3 2020
Anchors MSA	161	163
OLOs and others	21	21
New services	2	2
Total revenue	**184**	**186**
Opex	(12)	(13)
EBITDA	**172**	**173**
Margin (%)	93%	93%
Other	(134)	(133)
Net income	**38**	**40**
EBITDAaL	119	121
Margin (%)	64%	65%

Key drivers (Q3 20 Business Plan update)

Revenue drivers

New tenancies

Anchor (2020-26)

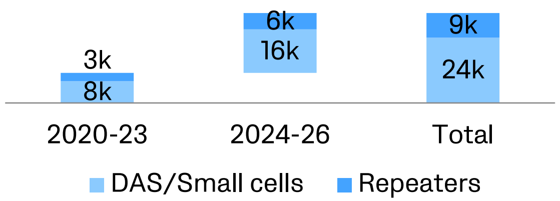
BTS	4.8k tenancies (2.4k sites)
Existing sites	7.9k

12.8k committed new tenancies

Other parties

2020-23	+8-10k (102% of current)
2023-26	+4-5k (51% of current)
2020-26	**+12-15k**

DAS/Small cells[1]



33k DAS/small cells compared to 3.4k as of 3Q 20 (~8x increase)

- +600 new units in Q3 20
- Dedicated salesforce of 15 account managers
- Small cells pilot in main cities with TIM

Source: Company information

Notes

1 Incl. repeaters

VANTAGE TOWERS

INWIT | Co-control of Italy's tower infrastructure champion

€1.4bn of RFCF to be generated in 2021-23 supporting enhanced shareholder remuneration

Historical performance

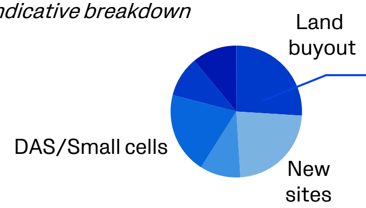
Key financials (€m), Dec-YE	Q2 2020	Q3 2020
EBITDA recurring	**173**	**173**
Lease payments	(56)	(48)
Cash taxes	(23)	(1)
Financial charges	(1)	(14)
Other	(14)	(13)
RFCF	**79**	**97**
Net debt / EBITDA[1]	**5.8x**	**5.5x**

Key drivers (Q3 20 Business Plan update)

Capital allocation

Growth capex

Indicative breakdown

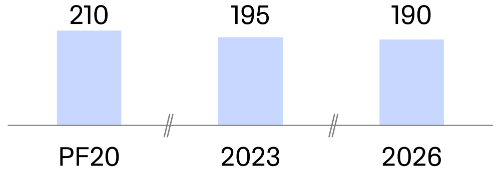


Investment mainly in:
- New sites
- Land acquisition
- DAS/Small cells

Land acquisition cost

Cost reduction opportunity targeting 10k sites

Ground lease cost, €m



Dividends to Vantage Towers

	2020	2021	2023
Declared dividend[2] (per share)	€0.30	€0.32	€0.37
Implied Vantage Towers 33.2% share of dividend[3]	€96m	€102m	€118m

Source: Company information

Notes

1 Leverage ratio calculated as Net Debt on EBITDA guidance average value
2 Consistent with updated dividend policy
3 Based on constant number of shares outstanding (960.2m)

VANTAGE TOWERS

Current trading (H1 FY21) | Country overview

€m (unless stated)	Fully-owned segments					Co-controlled operation[2]	
	Germany	Spain	Greece[1]	Other European Markets	Consolidated	INWIT (33.2% stake)[3,4]	Aggregated[4]
Macro sites (#)[5]	19.1k	8.8k	4.9k	12.7k	**45.5k**	22.1k	**67.6k**
Tenancy ratio[5]	1.21x	1.62x	1.63x	1.37x	**1.38x**	1.80x	
Revenue	235	79	63	102	**479**		
Adj. EBITDAaL[6]	149	36	26	56	**267**	80	**347**
% margin	*63%*	*45%*	*41%*	*57%*	*56%*	65%	

Note
1 Treated as 100% ownership
2 Co-controlled status in INWIT treated as equity joint venture in Vantage Towers' financial statements
3 Based on INWIT reported metrics (not Vantage accounting policies)
4 Incl. 100% of macro sites from Italy and; financial metrics for INWIT based on 33.2% ownership
5 As at 30 September 2020
6 Excl. capex recharge revenue

VANTAGE TOWERS

Key highlights

1. Germany: strong opportunity for medium- and long-term growth given coverage obligations, densification requirements and the new market entrant

2. Spain: providing de-risked growth from new network sharing tenancies, with margin upside from site decommissioning and ground lease optimisation

3. Greece: recent combination of Vodafone and Wind Hellas Greek tower assets creates the leading TowerCo, with committed demand from 2 anchor tenants

4. Other European Markets: balanced geographical presence with strong mix of committed growth and further opportunities

5. INWIT: co-control in Italy's leading mobile infrastructure operator, with an attractive growth runway and high cash generation

VANTAGE TOWERS

Supporting materials

VANTAGE TOWERS

FY20 consolidated pro-forma financials | Working capital

Carve-out balance sheet that will normalise as working capital balances are established

Operational working capital

- Independent working capital balance establishing as separation occurs
- Expected average of 45 days receivables and 90 days payables
- Working capital balances to normalise from end of FY21
- Movements will be included in the calculation of Recurring free cash flow (RFCF) once balances normalise (from FY22)
- Net balance expected to be on average 12-18% of revenue

Non-operational working capital

- Consisting of working capital related to growth investment and upgrades, including deferred income recognised as a result of upgrade capex accounting
- Not included in definition of RFCF
- Refer to following page for upgrade capex accounting explanation

Source Company information

FY20 consolidated pro-forma financials | Recharged capex accounting treatment and impacts

Payment for recharged upgrade capex as part of Vodafone MSAs is received upfront but recognised through the P&L over time

Key highlights

- Recharged upgrade capex consists of macro sites upgrades to accommodate existing and new tenants
- Enhances portfolio quality and attractiveness as sites are upgraded to an agreed configuration with tenants

Principles

1. Upgrade capex within the configuration agreed with the anchor tenant is recharged back to tenants
   - Most of the upgrades over medium term are expected to be within an agreed configuration
2. Recharged capex is recorded as revenue, spread over the remaining period of the site contract term
3. The portion of revenue not yet recognised will be accounted for as deferred income, released through the term of the site contract

Accounting impacts (illustrative)

Cash flow

€m, as of 31-Mar	21	22	23	24	25	26	27	28
Cash received for upgrade capex	50	-	-	-	-	-	-	-
PP&E investment	(50)	-	-	-	-	-	-	-

- ✓ Cash received from operators for upgrades – one year in this example
- ✓ Neutral cash flow effect

P&L

€m, as of 31-Mar	21	22	23	24	25	26	27	28
Other revenue	6	6	6	6	6	6	6	6
Depreciation of upgrade capex	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- ✓ Revenue spread over the remaining site contract term (i.e. 8 years)
- ✓ Depreciation of recharged portion only, over useful life (10 years here)

Balance sheet

€m, as of 31-Mar	21	22	23	24	25	26	27	28
Deferred income	44	38	31	25	19	13	6	-
NBV of PP&E	(45)	(40)	(35)	(30)	(25)	(20)	(15)	(10)

- ✓ Balancing figure is the difference between cash received and revenue recognised. Deferral unwinds over the remaining site contract term

Source Company information

VANTAGE TOWERS

Current trading (H1 FY21) | Detailed overview

Strong growth and margins/cash conversion in line with expectations

€m	FY20PF	H1 FY21PF
Towers (k)	45.4	45.5
Tenancy ratio	1.37x	1.38
Tenants (k)	62.1	62.7
Macro sites revenue	887	451
Other rental revenue (DAS/indoor)	36	17
Capex recharge revenue	0	0
Energy and other revenue	22	11
Revenue	**945**	**479**
(-) Maintenance costs	(35)	(15)
(-) Staff costs	(38)	(19)
(-) Administrative & Other (incl. energy)	(58)	(32)
Adj. EBITDA (before leases)	**814**	**413**
margin (%)	*86%*	*86%*
(-) Capex recharge revenue	(0)	(0)
(-) Ground lease expense	(291)	(146)
Adj. EBITDAaL (after leases)	**523**	**267**
margin (%)	*55%*	*56%*
(-) Maintenance capex	(29)	(14)
Recurring operating free cash flow (ROpFCF)	**494**	**253**
conversion (%)	*94%*	*95%*
(-) Tax paid	(103)	(54)
(-) Interest	(18)	(9)
Recurring free cash flow (RFCF)[1]	**373**	**190**

- Limited new sites as initial focus on standardising sites to scale upcoming roll-out
- Tenancy ratio improving in line with expectations
  - ~0.7k new tenants in H1
- Revenue (ex. pass through)
  - Mainly reflects CPI-based growth
- Adj. EBITDAaL in line with expectations
- RFCF on track to grow year-on-year

Source: Company information

Notes

1 Excl. dividends from co-controlled joint ventures

VANTAGE TOWERS

Adj. EBITDA and Aggregated EBITDAaL | Reconciliation

Aggregated Adj. EBITDA reconciliation

€m	FY20PF	H1 21PF
Profit/(Loss) for the period	**368**	**178**
Income tax (expense)/credit	103	54
Other income/(expense)	0	(0)
Finance costs	18	9
Finance income	0	0
Share of net income from Joint ventures	(71)	(26)
Depreciation on property, plant and equipment	105	52
Depreciation on right of use asset	261	130
Interest on lease liabilities	30	16
Consolidated Adj. EBITDA	**814**	**413**
Ownership of INWIT Adj. EBITDA	226	114
Aggregated Adj. EBITDA	**1,040**	**527**

Aggregated Adj. EBITDAaL reconciliation

	FY20PF	H1 21PF
Profit/(Loss) for the period	**368**	**178**
Income tax (expense)/credit	103	54
Other income/(expense)	0	(0)
Finance costs	18	9
Finance income	0	0
Share of net income from Joint ventures	(71)	(26)
Depreciation on property, plant and equipment	105	52
Capex recharge revenue[1]	(0)	(0)
Consolidated Adj. EBITDAaL	**523**	**267**
Ownership of INWIT EBITDAaL	157	80
Aggregated Adj. EBITDAaL	**680**	**347**

Source: Company information

Notes

1 Capex recharge revenue includes costs from capital expenditure recharged to tenants following the provision of upgrade services on sites.

VANTAGE TOWERS

ROpFCF and RFCF | Reconciliation

ROpFCF reconciliation

€m	FY20PF	H1 21PF
Consolidated Adj. EBITDAaL	**523**	**267**
Maintenance capital expenditure	(29)	(14)
Recurring Operating Free Cash Flow	**494**	**253**

RFCF reconciliation

€m	FY20PF	H1 21PF
Consolidated Adj. EBITDAaL	**523**	**267**
Maintenance capital expenditure	(29)	(14)
Tax paid[1]	(103)	(54)
Interest[2]	(18)	(9)
Change in operating working capital[3]	-	-
Recurring Free Cash flow	**373**	**190**

Source: Company information

Notes

1 For the purposes of the pro forma reconciliation, pro forma income statement taxation has been used as a proxy for cash paid as no pro forma cash flow has been prepared

2 For the purposes of the pro forma reconciliation, pro forma income statement interest has been used as a proxy for cash paid as no pro forma cash flow has been prepared

3 As no pro forma opening balance sheet has been prepared, changes in working capital balances are not available.

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).

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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.

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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.

Disclaimer (1/3)

IMPORTANT: The following applies to this document, which consists of the sections “Introduction and key investment highlights”, “Portfolio overview”, “Contracts, organisation and operations”, “ESG”, “Market drivers and commercial strategy” and “Understanding our financials and growth drivers”, and which has been prepared by Vantage Towers GmbH (the “Company” and together with its subsidiaries and those entities to become its subsidiaries, the "Group") solely for use at this meeting, to the oral and video presentation of the information in this document by members of the Company’s management, to any question-and-answer session that follows the oral and video presentation and any material distributed in connection with this presentation (collectively, the “Information”), each of which should be considered together and not taken out of context. By attending the oral and video presentation and/or accessing or reading a copy of the Information you agree to be bound by the following limitations and conditions.

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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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VANTAGE TOWERS

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