

Co-Control Partnership for Vantage Towers with GIP & KKR

9 November 2022



Highlights

1

Co-control partnership with GIP & KKR

2

Attractive transaction terms at €32 per share and 26x EBITDAaL

3

Deconsolidation + monetisation with €3.2 – 7.1bn¹ net cash proceeds

4

Completion expected in first half of 2023

1. Co-control partnership : Delivering on our passive infrastructure strategy

Transaction overview

- Vodafone to partner with GIP & KKR (the “Consortium”); long-term investors with significant expertise in digital infrastructure
- Creation of a Joint Venture (“JV”) with the Consortium, which will hold Vodafone’s 81.7% stake in Vantage Towers
- JV to launch voluntary takeover offer (“VTO”) for all outstanding Vantage Towers shares held by minority shareholders, funded through new debt in the JV and equity from the Consortium
- Transaction expected to close in the first half of 2023, subject to regulatory clearance

Co-control partnership

- Joint ambition to accelerate organic and inorganic growth to create further sustainable value
- Vodafone to retain co-control and exposure to a fundamentally attractive asset
- Deconsolidation from Vodafone’s balance sheet ensures Vantage Towers can optimise its capital structure

Attractive transaction terms

- €32 per share represents a premium of 19% to the 3m VWAP¹
- 26x EV / FY22 Adj. EBITDAaL, reflecting the premium quality of Vantage Towers’ assets
- Minimum net cash proceeds to Vodafone of €3.2 billion, based on full minority take up in the VTO, which would reduce Vodafone’s leverage by 0.2x
- Maximum net cash proceeds of €5.8–7.1 billion³, dependent on VTO take-up and subject to the Consortium increasing their stake in the JV to up to 50%, reducing leverage by 0.4–0.5x²

Delivering on our priorities

- Retain co-control of strategically important asset
- Enables Vodafone to deconsolidate Vantage Towers
- Generates significant upfront cash proceeds

Will be further discussed at Vodafone’s interim results on 15 Nov (Webcast Q&A session at 10am GMT)

1. Co-control partnership : World class digital infrastructure expertise

About the Consortium



The consortium of GIP and KKR brings together **two of the largest and most sophisticated infrastructure investors globally**. Both firms have **long term investment horizons**, flexible yet **patient capital** and a **skillset that is highly complementary** to Vodafone's to support Vantage Towers' sustainable growth

Investment track record spans the full telecom infrastructure spectrum from towers to fibre and data centres

Investments in the telecoms sector alongside different partners including Deutsche Telekom, Telefonica, Altice, Telecom Italia and Telenor

Total infrastructure AUM: ~US\$84bn¹

Total infrastructure AUM: ~US\$50bn²

A long-term global investor with deep industry expertise



Acquired a 100% stake via two transactions in 2017 and 2022



GIP/KKR jointly acquired the company in an all cash take private in 2021; largest digital infra acquisition to date

A longstanding track record of investing in the sector

TELXIUS

Acquired a 40% stake in 2017



Acquired a 49.99% stake in 2017



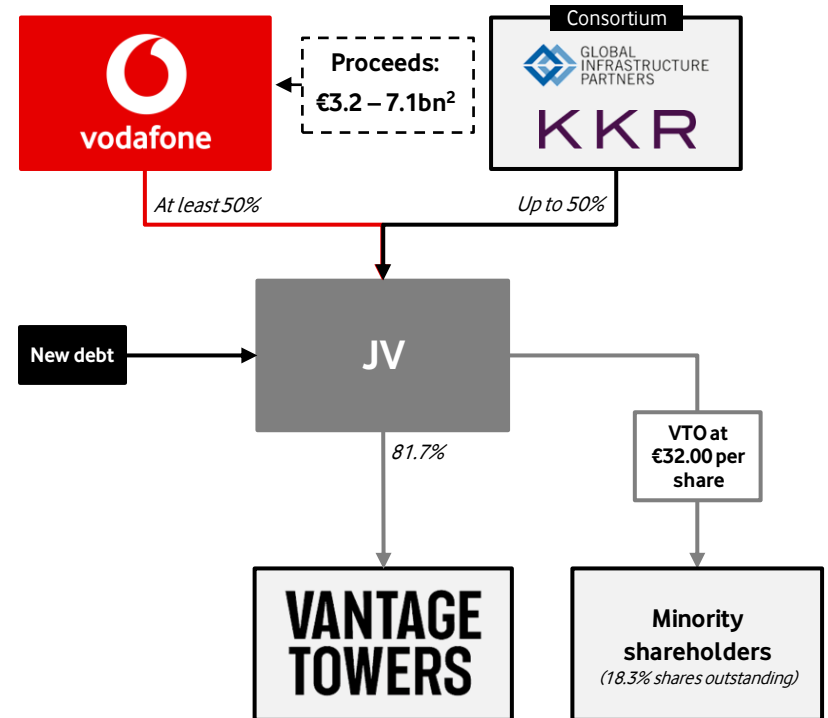
Acquired 37.5% stake in Italy's incumbent telecom last mile network in 2021



Agreed to acquire a 30% stake in Telenor's passive FTTH fibre business in 2022

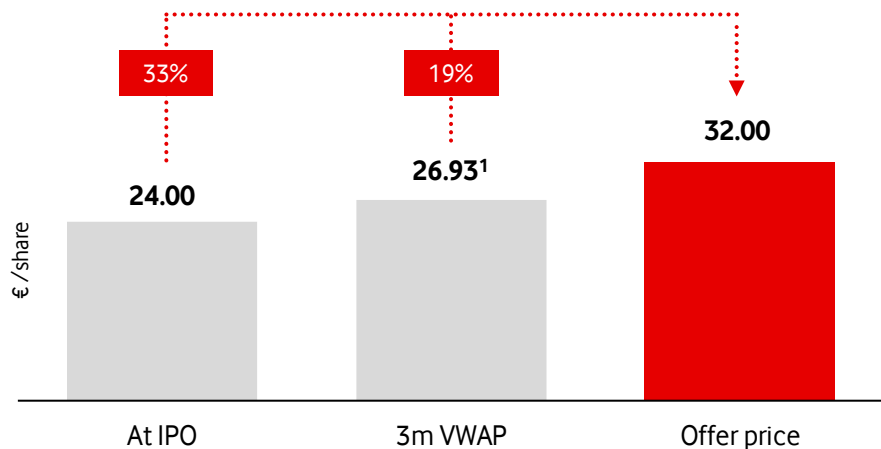
1. Co-control partnership : Creating strong foundations for future success

- Creation of a JV with the Consortium, which will hold Vodafone's existing 81.7% stake in Vantage Towers
- Attractive valuation of €32.00 per share, a premium of 33% to Vantage Towers' IPO price, 19% to the 3m VWAP¹ and a multiple of 26x EV / FY22 Adj. EBITDAaL
- Consortium has fully committed to acquire a minimum stake in the JV of 32% – 40% (subject to VTO take-up), with intention to increase up to 50% by completion
- JV to launch a VTO for all outstanding Vantage Towers shares held by minority shareholders, funded through new debt in the JV and equity from the Consortium
- The JV has received support from RRJ Capital in the form of an irrevocable undertaking to accept the VTO. RRJ Capital is Vantage Towers' second largest minority shareholder and owns 2.4% of Vantage Towers' ordinary share capital in issue (or 13% of total minorities)
- Minimum net cash proceeds to Vodafone of €3.2 billion² (based on 100% VTO take-up), with maximum of €5.8 – 7.1 billion based on 50% shareholding for Consortium, depending on VTO take-up
- Transaction is subject to customary anti-trust and FDI approvals, and expected to close in the first half of 2023
- Post-closing, Vodafone and the Consortium will consider removing Vantage Towers' public listing from the Frankfurt Stock Exchange



2. Attractive transaction terms : Premium valuation achieved + strategic upside

Offer price implies 26x EV / FY22 Adj. EBITDAaL



- Material premium to publicly traded EU TowerCos and in-line with precedent transactions
- Underlines inherent quality and upside potential of Vantage Towers' assets
- Exposure to future value creation retained

Co-control

- Vodafone and Consortium to have balanced governance rights in the JV, with equal voting rights
- Current management team to continue to lead Vantage Towers to deliver the next phase of growth

Lock-up

- Lock-up period of 3 years post closing of the transaction
- Following lock-up, Vodafone and Consortium able to fully or partially sell down, subject to a right of first offer (ROFO)

Leverage / dividend policy

- €1.6 billion of additional debt to fund VTO / acquire shares from Vodafone
- Debt non-recourse to Vodafone
- Intention to pay annual dividends from excess FCF

Significant upside from strategic optionality

- Deconsolidation provides additional flexibility to pursue further growth opportunities
- Value accretive bolt-on and transformational M&A to complement and expand Vantage Towers portfolio

3. Deconsolidation + monetisation : Cash proceeds of €3.2 – 7.1 billion

Vodafone proceeds at illustrative VTO take-up levels¹

(€bn unless otherwise stated)

Minority take up (%)	0%	100%
Acquisition of minorities	-	(3.0)
Additional JV debt (net of existing debt)	1.6	1.6
Committed cash from Consortium	4.7	4.7
Other ²	(0.3)	(0.2)
Minimum net cash proceeds to Vodafone	6.0	3.2
<i>Implied Consortium JV shareholding (%)</i>	<i>40%</i>	<i>32%</i>
Net additional cash from Consortium ⁴	1.1	2.6
Maximum net cash proceeds to Vodafone	7.1	5.8
<i>Implied Consortium JV shareholding (%)</i>	<i>50%</i>	<i>50%</i>

- As a result of the transaction, Vodafone will deconsolidate Vantage Towers³
- Proceeds and ownership depends on VTO take-up given additional funding required
- Consortium intends to increase investment from minimum commitment by June 2023, after which Vodafone retains the right to sell-down to 50% ownership in JV to third parties
- Reduction of leverage by ~0.2 – 0.5x⁴ on a Net Debt / EBITDAaL basis

4. Completion expected in first half of 2023 : Key next steps

Today	<ul style="list-style-type: none">• Section 10 announcement• Firm intention to implement a DPLTA¹ if JV shareholding below 95% at Vantage Towers or otherwise initiate a squeeze-out if above 95%
Early to mid December	<ul style="list-style-type: none">• Expected publication of offer document and expected start of the main offer period
Mid January	<ul style="list-style-type: none">• Expected end of the main offer period• Expected start of the additional acceptance period
Early February	<ul style="list-style-type: none">• Expected end of the additional acceptance period
1H 2023	<ul style="list-style-type: none">• Expected transaction closing and settlement of offer• Extraordinary general meeting at Vantage Towers to vote on DPLTA, unless 95% ownership in Vantage Towers to initiate squeeze-out• Expected registration of the DPLTA in the commercial register²

Importance notice

IMPORTANT - Please read the following carefully:

The following applies to this presentation, which has been prepared by Vodafone Group Plc (the "Company") and together with its subsidiaries, the "Group") solely for the purpose of providing certain information in connection with the proposed Takeover Offer (as defined below) to the shareholders of Vantage Towers AG ("Vantage Towers"), the "Vantage Towers Shareholders" and the "Information", by a wholly owned indirect subsidiary of Vodafone GmbH (which itself is a wholly-owned indirect subsidiary of the Company) that shall become part of a joint venture between Vodafone GmbH and Oak Consortium GmbH (currently still operating under SCUR-Alpha 1539 GmbH), a holding company controlled by funds advised by KKR and GIP (the joint venture being the "Bidder"), and should be not be taken out of this context.

The Information does not purport to contain all information required to evaluate the Company or the Group and/or its financial position or prospects and must not be relied upon for such purpose.

The Information does not constitute an offer to purchase or a solicitation of an offer to sell shares in Vantage Towers (Vantage Towers together with its subsidiaries, the "Vantage Group") nor is it a recommendation regarding any securities of, or investments in, the Company or any of its subsidiaries or any other entity. The terms and further provisions regarding the voluntary public takeover offer by the Bidder to the Vantage Towers Shareholders pursuant to the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) (the "Takeover Offer") will be set forth exclusively in the offer document that will be published following approval of its publication by BaFin. Further, it should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice. Recipients and Vantage Towers Shareholders are strongly recommended to read the offer document and to seek independent advice, where appropriate, in relation to the matters therein.

The Takeover Offer to the Vantage Towers Shareholders for the acquisition of all of the shares in Vantage Towers will be implemented solely in accordance with German law, in particular the provisions of the WpÜG, and certain applicable securities law provisions of the United States of America (the "United States") and otherwise in accordance with the disclosure and procedural requirements of German law, including with respect to the timetable of the potential offer, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. The Takeover Offer is made in the United States in reliance on, and compliance with, Section 14(e) of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") and Regulation 14E thereunder, as exempted thereunder by Rule 14d-1(d). The Takeover Offer is to be made to all Vantage Towers Shareholders to whom an offer may be made on the same terms and conditions, including those whose place of residence, seat or place of habitual abode is in the United States (the "U.S. shareholders").

As the legal provisions of the Federal Republic of Germany on the implementation of such a takeover offer differ significantly from the corresponding U.S. legal provisions, it may be difficult for U.S. shareholders to enforce their rights and claims under U.S. federal securities laws, since both Vantage Towers and the Bidder have their seat outside the United States, and some or all of their officers and directors may be residents of a country other than the United States, and their respective assets are located primarily outside the United States. U.S. shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, although U.S. shareholders would not be waiving their rights under U.S. federal laws by accepting the Takeover Offer, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

To the extent permissible under applicable law or regulation, and in accordance with German market practice and the applicable provisions of the exemption provided under Rule 12-5 of the Exchange Act, the Bidder, its affiliates or brokers acting on its behalf may, outside of the United States, from time to time make certain purchases of, or arrangements to purchase, directly or indirectly, Vantage Towers Shares or any securities that are immediately convertible into, exchangeable for, or exercisable for, Vantage Towers Shares, other than pursuant to the Takeover Offer, before, during or after the period in which the Takeover Offer will remain open for acceptance. These purchases may occur either in the open market at prevailing market prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required by law or regulation in Germany, in the United States by dissemination of an English-language press release through an electronic information distribution system accessible in the United States which directs individuals to this website where this information will be posted in English or other relevant jurisdictions or by the provisions of the offer document. To the extent information about such purchases or arrangements to purchase is made public in Germany, such information will be disclosed online and made available at <https://angebot.wpueg.de/oak>/<https://offer.wpueg.de/oak>. In addition, the financial advisers to the Bidder may also engage in ordinary course trading activities in securities of Vantage Towers, which may include purchases or arrangements to purchase such securities.

The Takeover Offer will not be made or is not intended to be made pursuant to the provisions of any legal system other than the Federal Republic of Germany. Accordingly, no notifications, registrations, admissions or approvals of the Takeover Offer or of the offer document containing the Takeover Offer will be applied for or initiated by the Bidder or the persons acting jointly with the Bidder within the meaning of section 2 para. 5 sentence 1 and 3 WpÜG outside of the Federal Republic of Germany. The Bidder and the persons acting jointly with the Bidder do not assume any responsibility for compliance with law other than the laws of the Federal Republic of Germany and the United States. Neither the U.S. Securities & Exchange Commission nor any U.S. state securities commission has approved the Takeover Offer, passed upon the merits or fairness of the potential offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this public announcement. Any representation to the contrary is a criminal offence in the United States.

The publication, dispatch, distribution or dissemination of the offer document or other documents connected with the Takeover Offer, outside the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States may be subject to legal restrictions. The offer document and other documents connected with the Takeover Offer, may not be dispatched to, or disseminated, distributed or published in jurisdictions where this would be illegal. The Bidder has not given its permission for the dispatch, publication, distribution or dissemination of the offer document or other documents connected with the Takeover Offer, outside the Federal Republic of Germany, the Member States of the European Union, the European Economic Area and the United States. The ability of Vantage Towers Shareholders who are not located in or a citizen of the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States to accept the Takeover Offer might be affected by the laws of the jurisdiction in which such shareholder is located or of which such shareholder is a citizen. Vantage Towers Shareholders who come into possession of the offer document outside the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States, who wish to accept the Takeover Offer outside the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States and/or who are subject to legal provisions other than those of the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States are advised to inform themselves of the applicable legal provisions and to comply with them. The Bidder assumes no responsibility for acceptance of the Takeover Offer outside the Federal Republic of Germany, the Member States of the European Union, the European Economic Area or the United States being permissible under the applicable legal provisions.

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Upcoming events

15 Nov
2022

H1 FY23 results

Feb
2023

Q3 FY23 trading update

May
2023

FY23 Results