cellnex

2022
Integrated Annual Report

Consolidated Management Report
Consolidated Financial Statements

Building for the long-term

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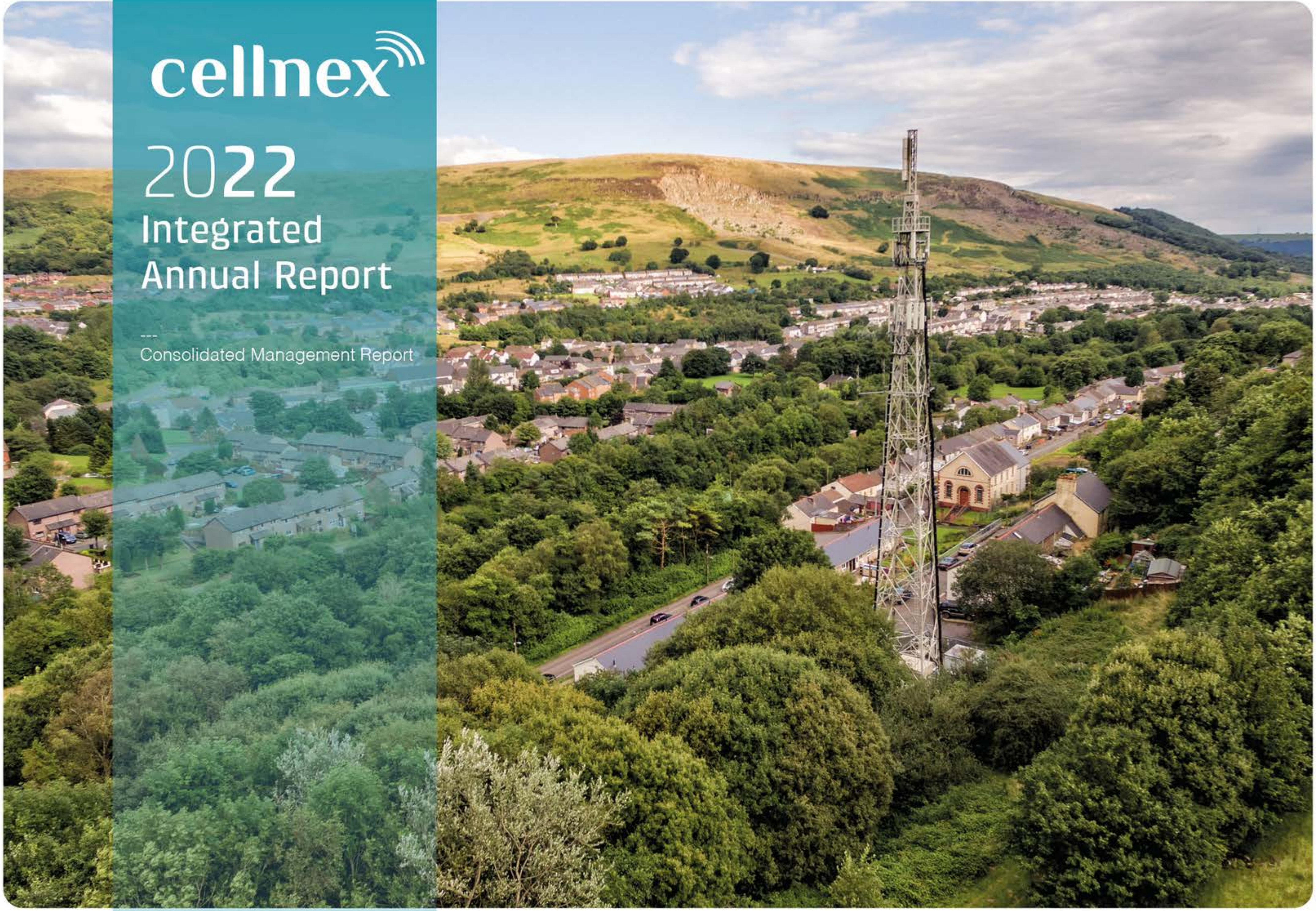

cellnex

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INTERVIEW with the Chairman and the CEO

Building for the long term: starting the next chapter of Cellnex's equity story

Tobías Martinez, CEO

In a much more challenging macroeconomic environment, what is your assessment of Cellnex's performance in 2022? And how are you progressing towards your financial objectives and integrating your most recent acquisitions?

TOBÍAS MARTÍNEZ: 2022 was a step change for the company. Despite the economic uncertainty, we met our guidance for the year by consolidating our growth throughout Europe. This progress has reaffirmed our maxim of “building for the long term”, placing us in a good position to attain our 2025 objectives.

We focused on integrating the acquisitions we made in previous years, which have enabled us to become Europe's telecommunications infrastructure leader with more than 130,000 sites in 12 countries. The completion and integration of the acquisition of Hutchison's assets in the United Kingdom was particularly significant in this regard.

The more complex and demanding macroeconomic environment, particularly higher interest rates, also led us to reposition our financial priorities. We have made a commitment to obtain an investment grade rating from Standard & Poor’s (S&P) in the next 24 months, adding to the investment grade rating we already hold with Fitch. This has a significant impact on our capital allocation priorities.

BERTRAND KAN: After a long period of minimal inflation, in 2022 it increased significantly in most of our markets. Cellnex has very long-term contracts, most of which include CPI adjustments to pass on a significant part of any inflation to its customers. While this has served us well, we have also had to manage our costs carefully, as they too have been subject to inflationary pressure. Rising energy costs in particular have proved difficult for many businesses and have also affected Cellnex and its customers. As a provider of tower infrastructure to telecoms operators and other customers, fortunately our business is not the most energy-intensive. Financing costs have been increasing across the board and have affected Cellnex, although we locked in fixed rates for most of our borrowing for the foreseeable future, which limits the impact of rising interest rates on our financial performance. All in all, we are pleased to have met our financial guidance despite these macro pressures.

You achieved revenue growth despite the necessary divestments in France and the UK. To what extent do these operations affect your future projections?

TOBÍAS MARTÍNEZ: We are very pleased with the acquisitions of Hivory in France and Hutchison’s towers in the UK. In both cases, the competition authorities’ approvals were subject to divestment of certain towers. In France, in accordance with the established deadlines, we are in the process of divesting up to 3,200 sites. In the United Kingdom we have already sold approximately 1,100 sites. Cellnex is very successful in both of these markets and the two businesses are a key part of our tower portfolio. We had anticipated these divestment requirements and managed to sell these towers to other operators at a fair price, so these transactions have not negatively affected the 2022 results, and nor do they have any significant impact on the projections of the company.

What would you say were the main drivers of these results?

TOBÍAS MARTÍNEZ: Geographical expansion, as we already mentioned, has been the main driver in the +40% increase in our key financial metrics. In addition, we have enjoyed significant organic growth of between five and six percent, making for a balanced growth profile.

Since you listed on the stock market in 2015, you have completed around 40 acquisitions to become a European leader in telecommunications infrastructure. Why have you made fewer acquisitions in 2022 and what are your expectations for future deals?

BERTRAND KAN: Several factors have affected our interest in additional acquisitions. Firstly, after our IPO we focused early on the sector, at a time when there was less competition for tower portfolios and purchase valuations were more attractive. This allowed us to gain critical mass through acquisitions and become the main independent tower operator in Europe. In recent years, it has become more challenging to make further acquisitions that fit our well-established long-term investment criteria. Secondly, with increasing interest rates, it became harder to finance acquisitions under attractive terms. Finally, after high levels of activity during the past years, we expect fewer attractive tower assets to be available. In Europe, a large part of the M&A opportunities, especially the transformational ones, have been executed, at least for the foreseeable future.

The time has therefore come to open a new chapter in your equity story. What does it consist of?

BERTRAND KAN: As Tobias already mentioned, in November we made an important announcement that we were refocusing our strategy from growth through acquisition to integrating, growing and optimising the potential of all the businesses that we have acquired in the past few years. In more challenging financial times, it is important to reduce risk and allocate capital more prudently. As such, we intend to prioritise the use of our cash flow to reduce debt and obtain our second investment-grade debt rating, from S&P. We are also continuing to progress towards the financial targets that we have established for 2025.

TOBÍAS MARTÍNEZ: The combination of macro and sector-related factors propels us into this new chapter in which the company will be more focused on managing the income statement through organic growth and adjacent businesses. Our priority is to manage the balance sheet in a more conservative way and to steadfastly follow our commitment to an investment grade rating that will allow a gradual deleveraging.

We already met Fitch's investment grade rating requirements, and last November S&P upgraded Cellnex's rating outlook from "stable" to "positive", just one notch away from investment grade status, which we expect to achieve within 24 months. This announcement, which will involve reducing our debt-to-EBITDA ratio from eight times at the starting point in November 2021 to seven times or less, has already had a clear effect on our bond yields.

We are going to place greater emphasis on the efficiencies, economies of scale and synergies achieved in these years of strong growth. We aim to focus more on the balance sheet and managing the income statement with a focus on consolidation and organic growth, with no significant M&A transactions planned for the foreseeable future.

To what extent have your financing costs increased? What is your current debt structure? Availability of funds?

TOBÍAS MARTÍNEZ: Our financing costs have risen due to the combined effect of an increase in our outstanding debt in 2022 and our larger geographical footprint, as well as a marginal increase in the average cost of financing. In terms of funding availability, following the finalisation of the CK Hutchison acquisition in the United Kingdom, we currently have liquidity of EUR 4.5 billion and our net debt stands at EUR 16.9 billion. 77 percent of the costs of this debt is at a fixed rate.

We have a strong long-term financial position, with a revenue backlog of EUR 110 billion. With the forecast cash flow generation, and without entering into new investment projects, we could pay down all our debt by 2034. From a financial perspective, that would probably not be the optimal funding strategy for us, but it gives an indication of the strength of our financial position.

And could this scenario open the door to a medium-term change in the shareholder remuneration policy? Do you plan to increase the dividend or set up a share buyback programme as you strengthen your balance sheet?

BERTRAND KAN: In the short term, before achieving the investment-grade rating from S&P, we do not foresee a significant change to the Shareholder Remuneration Policy. We have not yet set out our remuneration policy after that point, but will do so in due course. We expect to have more cash flow available for distribution and we could consider an increase in dividends and/or share buybacks at that time.

An important part of your new strategy is focused on the transformation towards the "Augmented Towerco" model with which you intend to add more value through provision of other tower-related services to your customers. What potential do you see in this line of business?

BERTRAND KAN: The Augmented Towerco model can be an important driver of our organic growth. We have been exploring and developing potentially significant projects in telecoms infrastructure over the past few years, including active equipment, fibre-to-the-tower, edge computing, security and emergency networks, private 5G networks for industrial customers and IoT environments. As a neutral operator, we are well-positioned to manage such connectivity infrastructure and we see significant growth opportunities in this market. These activities are often related to customers with whom we have close relationships, so we have a chance to provide greater industrial support to their projects.

One example of this is our work with Polkomtel in Poland, for whom we manage the antenna, transceiver and other active equipment of the network. In future, there may be opportunities to offer similar services to Play, our other anchor tenant in Poland.

It looks like the talent environment in your sector is also going through an inflationary period. How are you dealing with this shortage of STEM qualified professionals? How do you foster innovation, learning, empowerment, purpose and pride of belonging among your engineers?

TOBÍAS MARTÍNEZ: It is true that throughout Europe many sectors, including telecommunications, are facing talent shortages. Managing this situation proactively is an essential task for any company today; keeping an eye on employee turnover, and rolling out policies that attract, foster and, above all, develop professionals as part of a broader project or mission that they can stand behind.

To achieve this, we continue our recruitment outreach through initiatives to help foster STEM careers, with a special emphasis on gender diversity, through support programmes in which the Cellnex Foundation is also taking part.

Within the organisation we have always attached great importance to developing opportunities and upskilling, which is a natural feature of a sector marked by continuous technological evolution —and in some cases disruption— that requires ongoing development of knowledge and skills. We strive to offer a work environment that encourages our people to take initiative and improve our impact, quality, efficiency and success. In addition, we invest a great deal of time and effort in raising the social role that Cellnex plays in the communities and markets in which we are active and in which we seek to attract local talent. We believe that these are key ingredients of long-term success in offering our employees interesting and rewarding careers.

Indeed, various studies have shown that this young talent which companies are striving to attract is diverse, flexible and takes an interest in the sense of purpose and social contribution of companies.

BERTRAND KAN: We are fortunate in that we play a key role in providing the infrastructure for communications services that affect and enhance almost every aspect of people’s lives. In doing so, we have a unique opportunity to close digital gaps in geographical, economic, diversity or generational respects and to foster opportunities for social growth. From the outset this has helped to create a strong sense of purpose among our employees that extends beyond financial considerations. We take pride in operating our business in a responsible manner, for which we have clearly defined our ESG (Environment, Social and Governance) commitments that are audited regularly by recognised external parties. We hope that all these initiatives resonate with some of the interests and priorities of young professionals.

You continue to be a sector benchmark in sustainability. What were the main objectives achieved throughout this year? How has the second year of your Master Plan to 2025 gone?

BERTRAND KAN: We are pleased to be meeting the objectives set in the Master Plan. Among these, we continue to make strong progress towards reducing emissions related to our business and and are on track to reach carbon neutrality by 2035 and net-zero by 2050.

We performed a double materiality analysis during the second half of the year, assessing the company's impact on our surroundings and reviewing how certain factors (such as financial or macroeconomic tensions) impact our activity. The analysis involved all our key stakeholders in order to understand the valuechain factors that have the greatest material impact. Based on the results of this analysis, we will update the actions of the Master Plan during the first half of 2023. Once again, environmental management and climate change, people and talent, the value chain (suppliers and supplies) and the energy transition will constitute the key elements of this ESG Master Plan review.

Have these sustainability and good governance efforts been endorsed in any way?

TOBÍAS MARTÍNEZ: Fortunately, more and more companies are focusing a significant part of their efforts on sustainability. For us it is essential to achieve, disseminate and assess these objectives. We are therefore very satisfied with the ratings awarded us by the sustainability indices.

Our activity is also evaluated and rated by the main sustainability ratings such as the Corporate Sustainability Assessment from S&P Global, in which our company has continued to improve and consolidate its leading position among telecommunications operators for yet another year, being able to break as Industry Mover into the 2023 Sustainability Yearbook; CDP, which at the end of the year confirmed our inclusion in the exclusive Climate Change ‘A List’; or Sustainalytics, FTSE4Good, MSCI and Bloomberg GEI indices in which we have also continued to strengthen our rating.

I would also underline our continued commitment to remaining attached to the United Nations Global Compact as well as its Principles. The same is true of our adherence to the Code of good tax practices of the Spanish tax Authority, or our condition as a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD). All of these reflect our intention to align with the gold standards that measure and guide our practices in the various functional areas.

Bertrand Kan, Chairman

How do you rate the second year of the Cellnex Foundation? To what extent does it complement your social commitment?

TOBÍAS MARTÍNEZ: It is an absolutely complementary element. In addition to reinforcing our commitment to connectivity as an element of cohesion, it responds to the firm desire to go one step further in contributing to a better-connected and socially inclusive environment as part of a comprehensive initiative that embodies the company's ESG commitment. Through the Foundation we bring technology closer to the people, to promote effective connectivity that helps to reduce the digital, social and territorial divides.

As an example, in 2022 we launched the second edition of Cellnex Bridge, our start-ups accelerator that aims to reduce the digital divide through connectivity. We have broadened the scope and duration of the support period for companies. Similarly, we have expanded the Youth Challenge volunteer programme to five countries to help reduce school drop-out rates and improve employability among young people at risk of exclusion, and we have reinforced corporate volunteer programmes which already involve the participation of over 200 Cellnex professionals.

Watch the full interview video

Financial key highlights

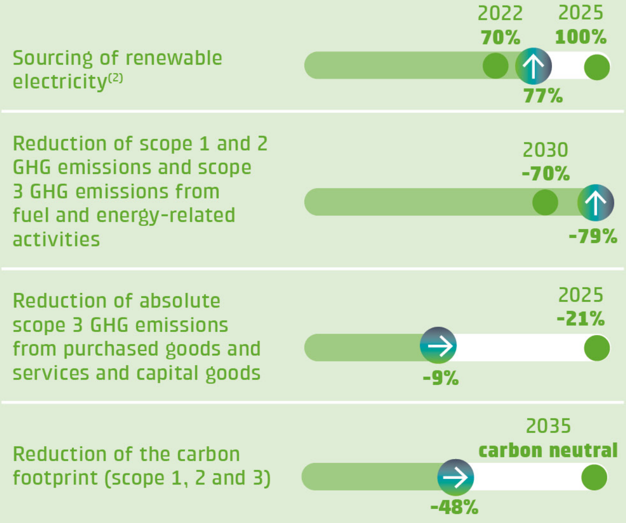
1	**On track to meet the "Next Chapter" targets**	• FCF trending to neutral by the end of 2023 • Committed to securing BBB- by S&P (by 2024 the latest) and maintaining BBB- by Fitch, with organic growth generation and efficiencies plan on track • Cellnex to assess opportunities to open the capital of our subsidiaries to crystallize value • Executive remuneration structure adjusted and consistent with new capital allocation framework
2	**Strong organic growth and financial performance**	• +6% new PoPs vs. FY 2021 and strong progress on BTS programs • Revenues €3,499Mn, +38% vs. FY 2021 • Adjusted EBITDA €2,630Mn, +37% vs. FY 2021 • 2022-2025 efficiency plan on track, with l-f-l Opex performance significantly below inflation • RLFCF €1,368Mn, +39% vs. FY 2021
3	**2022 – another year of delivery**	• New entrants generating organic growth: Iliad in Italy and Digi in Portugal • Key contracts renewed: Telefónica extended for a 30-year period and RTVE for another 5 years • Successful integrations: CK Hutchison UK deal and remedies closed and France remedies processes on track • Progress on ESG: included in Sustainalytics' 2023 Top-Rated ESG Companies List
4	**Building solid foundations for the future**	• Fully funded and hedged: c.€4.5Bn liquidity, c.77% debt fixed, with average interest rate in 2023 expected to be in line vs. 2022 despite current conditions • 2025 outlook reiterated – all operational and financial metrics on track • Cellnex has always listened to all its stakeholders and will remain disciplined, nimble and committed to its public targets

Environmental	Social	Governance
The ESG strategy is reinforced in 2022 with the update of the 2023-2025 Environment and Climate Change strategy, which has been redefined to reduce, offset and neutralize environmental and climate impacts in Cellnex's value chain	Purpose and values redefined conducting a bottom-up exercise	Double Materiality analysis carried out aligned and in advance to the Corporate Sustainability Reporting Directive.
Committed to achieve carbon neutrality by 2035 and net-zero by 2050	Cellnex has increased its visibility to be known as great employers: Employer Branding Strategy created.	Diverse balance in the Board of Directors with 55% of women directors, 73% of independent directors and 7 nationalities represented in the Board
Green energy targets achieved in 2022 within the Energy Transition Plan	Progress on social targets, being recognized externally: Included in Bloomberg Gender Equality Index 2023 and in the 2023 Sustainability Yearbook of S&P Global as Industry Mover (y-o-y improvement of +15p in the social dimension)	The new corporate website was launched to make it more accessible, multi-country, multi-language and multi-device
Natural Capital analysis to assess the impacts, dependencies, risks and opportunities carried out	Employee Engagement survey assessed periodically in all Cellnex Group	Improved the overall score in the sustainability ratings
Climate Change Adaptation Plan developed	Human Rights Policy updated and publication of the first report on Human Rights Due Diligence Assessment in 2022	The Board of Directors and Executive Committee received an ad hoc training course on ESG
Implementation of the environmental and emission reduction requirements under the company's new procurement risk management model	Supplier Risk Management model defined to integrate risks and ESG in the homologation, selection and evaluation of suppliers	Expanded the scope of the Global Integrated Management System to more Business Units
Update the Life Assessment Cycle Project through the Eco-design project	The Cellnex Foundation has launched the second edition of Cellnex Bridge, a programme with the aim of continuously supporting startups with a high social impact through technology and connectivity	2022 Annual Corporate Governance Report has been prepared in free format for the first time

E

Growing with a long-term sustainable environmental approach

CLIMATE CHANGE (1)



Sourcing of renewable electricity[2]	2022 70% 2025 100%	77%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities	2030 -70%	-79%
Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods	2025 -21%	-9%
Reduction of the carbon footprint (scope 1, 2 and 3)	2035 carbon neutral	-48%

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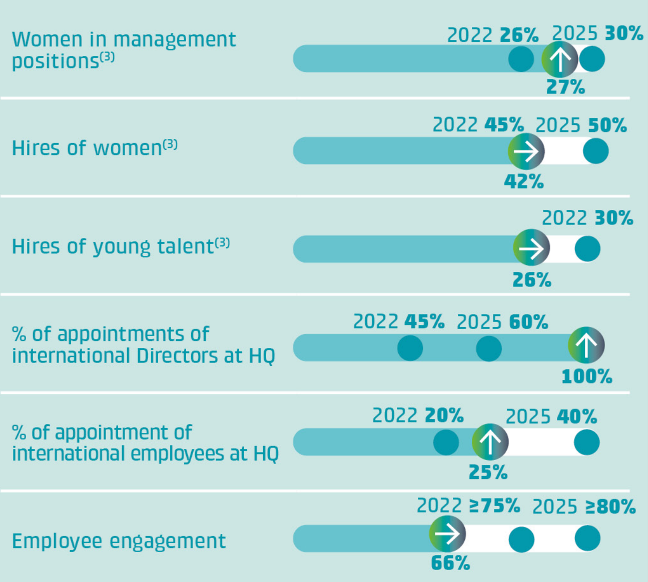
(1) KPIs reported on an annual basis (Q4). Compared to the base year FY20 verified by an external certified entity.

(2) Electricity target (Scope 2) refer to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter. Intake due to M&A will be included not longer than 3 years after the integration's year according to FY20 perimeter.

S

Boosting our talent, being diverse and inclusive

PEOPLE



Women in management positions[3]	2022 26% 2025 30%	27%
Hires of women[3]	2022 45% 2025 50%	42%
Hires of young talent[3]	2022 30%	26%
% of appointments of international Directors at HQ	2022 45% 2025 60%	100%
% of appointment of international employees at HQ	2022 20% 2025 40%	25%
Employee engagement	2022 ≥75% 2025 ≥80%	66%

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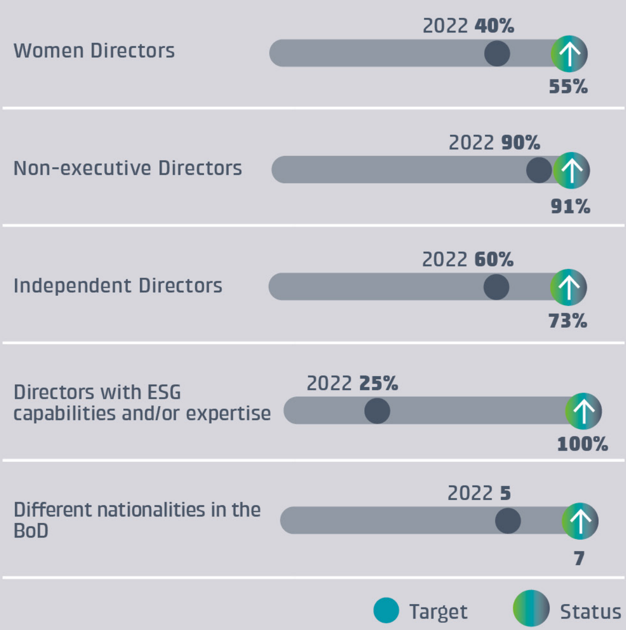
(3) According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.

G

Showing what we are, acting with integrity

CORPORATE GOVERNANCE



Women Directors	2022 40%	55%
Non-executive Directors	2022 90%	91%
Independent Directors	2022 60%	73%
Directors with ESG capabilities and/or expertise	2022 25%	100%
Different nationalities in the BoD	2022 5	7

● Target ● Status

1

CELLNEX
Bring the world closer through telecom connectivity

2022 main actions and KPIs

Nine integrations developed during the year

Integration process upgraded and update of the Integration Playbook

Billing Industrial Model analysis carried out for the whole Group

Double Materiality analysis carried out aligned and in advance to the Corporate Sustainability Reporting Directive

Consolidation of operational processes to guarantee service level agreement and network evolution for the anchor tenant

The new corporate website was launched to make it more accessible, multi-country, multi-language and multi-device

Carried out numerous projects of connectivity solutions in all countries where Cellnex operates

- Portfolio of 110,830 sites located in 12 European countries
- 90.4% of the revenues from Telecom Infrastructure Services (TIS), 6.4% from Broadcasting Networks and 3.2% from Network Services and others
- 14 innovation projects were carried out
- 4.17 millions of euros invested in the development, testing and launch of new products
- 9 top material topics and 4 medium material topics identified as a result of the double materiality analysis
- ESG Master Plan performance of 100% progress in planning and 93% progress in implantation of the 2022 actions

Follow-up of the ESG Master Plan targets

Next steps for the upcoming years

Integrate new potential types of integration projects into the Integration Playbook

Focus on anchor client demands and increase business on current assets

Update the priority SDGs for the company aligned with the ESG Master Plan mid-term review Plan

Update the relationship model with stakeholders

From 2023 all employees will integrate ESG-linked remuneration within its group and/or country targets

1.1 Purpose and Values

Cellnex purpose:

endless opportunities to bring the world closer through telecom connectivity

Connectivity is key to helping humanity succeed in the 21st century. Cellnex, as an independent infrastructure operator, has the goal to create an efficient, neutral, quality telecommunications platform with innovative management to drive digitalisation in Europe.

Digital revolution has redefined the way humans connect. Through connectivity, we can share the ideas that define our world today and will shape the world of tomorrow. Connectivity empowers people. That is why, Cellnex stands for breaking barriers, from rural villages to big cities, from small, countryside schools to large, global tech corporations. Because new solutions are only enabled by creating opportunities for different people, cultures, and territories to connect.

Together with its customers, Cellnex shortens distances to ensure equal opportunities for people to connect and contribute to solutions for the challenges ahead. Cellnex aims to create value for society, its customers, its shareholders and every stakeholder group through an ethical attitude based on tolerance, respect and cooperation under Environmental, Social and Governance (ESG) criteria.

Cellnex purpose: endless opportunities to bring the world closer through telecom connectivity. To this end, Cellnex has defined the values that govern the company.

1.2 Connectivity solutions

Portfolio of

110,830 sites

located in 12 European countries

Business model and value chain

Cellnex is the main neutral[1] infrastructure operator for wireless telecommunication in Europe, focused on the neutral and shared management. Cellnex was born in 2015 as the result of a spin-off from the telecommunications division of Abertis Group, and from that point Cellnex went public as an independent company under the name Cellnex Telecom.

Cellnex Telecom, S.A. (a company listed on the Barcelona, Bilbao, Madrid, and Valencia stock exchanges) is the parent company of a group in which it is the sole shareholder and the majority shareholder of the companies operating in the various business lines and geographical markets. Cellnex offers its customers a suite of solutions and technologies designed to ensure the conditions for reliable top-quality transmission for the wireless dissemination of voice, data, and audiovisual content. The company also delivers innovative connectivity solutions and develops the necessary infrastructure ecosystem for the roll-out of new technologies. Cellnex's business model focuses on the neutral and shared management of telecommunications infrastructures while strengthening its commitment to sustainability, as Cellnex aims to keep improving in this matter and extend its commitment throughout its value chain and stakeholder groups.

The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 100 indices. It is also present in the main sustainability indices, such as CDP (Carbon Disclosure Project), Sustainalytics, FTSE4Good, and MSCI.

Cellnex's reference shareholders include GIC, Edizione, TCI, Blackrock, CPP Investments, CriteriaCaixa and Norges Bank.

The Group's organisational structure is as follows.

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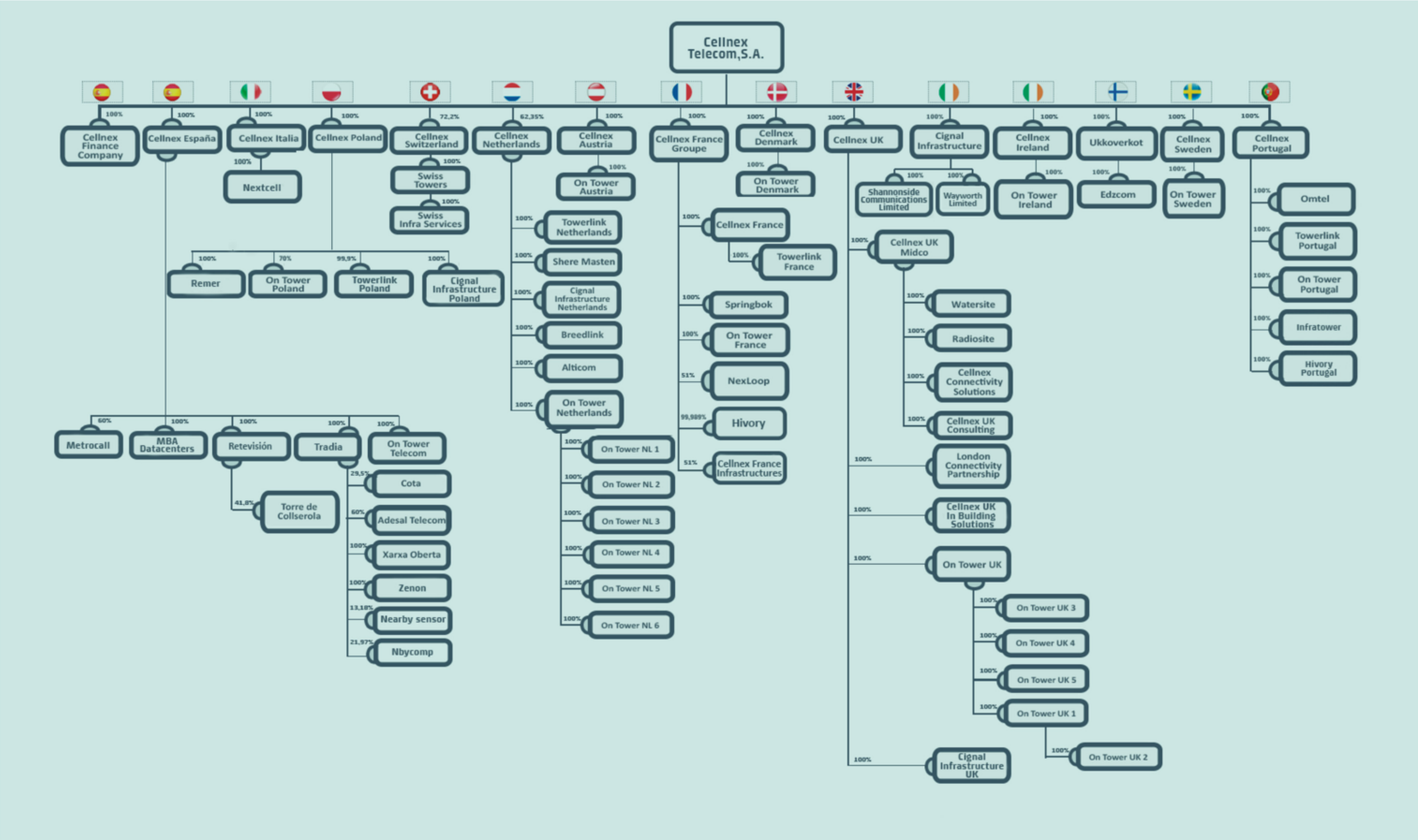
[1] Neutral: without the mobile network operator holding as a shareholder (i) more than 50% of the voting rights or (ii) the right to appoint or remove a majority of the members of the Board of Directors. The loss of the Group's neutral position (i.e. by having one or more mobile network operators as a major shareholder) may make sellers of infrastructure assets reluctant to enter into new joint ventures, mergers, divestitures or other arrangements with the Group (which also affects the organic growth of the business). As the Group grows, management expects that large network operators may become open to collaborating with the Group in various ways, such as by selling their sites or other infrastructure assets to Cellnex, including in exchange for shares, which could adversely affect the Group's business and future prospects, as this type of transaction could affect the perceived neutrality of the Group.


Cellnex Telecom,S.A.
100%
Cellnex Finance Company
100%
Cellnex España
100%
Cellnex Italia
100%
Nextcell
100%
Cellnex Poland
72,2%
Cellnex Switzerland
100%
Swiss Towers
100%
Swiss Infra Services
62,35%
Cellnex Netherlands
100%
Cellnex Austria
100%
On Tower Austria
100%
Cellnex France Groupe
100%
Cellnex Denmark
100%
On Tower Denmark
100%
Cellnex UK
100%
Cignal Infrastructure
100%
Shannonside Communications Limited
100%
Wayworth Limited
100%
Cellnex Ireland
100%
On Tower Ireland
100%
Ukkoverkot
100%
Edzcom
100%
Cellnex Sweden
100%
On Tower Sweden
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Cellnex Portugal
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Omtel
100%
Towerlink Portugal
100%
On Tower Portugal
100%
Infratower
100%
Hivory Portugal
100%
Remer
70%
On Tower Poland
99,9%
Towerlink Poland
100%
Cignal Infrastructure Poland
100%
Towerlink Netherlands
100%
Shere Masten
100%
Cignal Infrastructure Netherlands
100%
Breedlink
100%
Alticom
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100%
On Tower NL 2
100%
On Tower NL 3
100%
On Tower NL 4
100%
On Tower NL 5
100%
On Tower NL 6
100%
Cellnex France
100%
Towerlink France
100%
Springbok
100%
On Tower France
51%
NexLoop
99,989%
Hivory
51%
Cellnex France Infrastructures
100%
Cellnex UK Midco
100%
Watersite
100%
Radiosite
100%
Cellnex Connectivity Solutions
100%
Cellnex UK Consulting
100%
London Connectivity Partnership
100%
Cellnex UK In Building Solutions
100%
On Tower UK
100%
On Tower UK 3
100%
On Tower UK 4
100%
On Tower UK 5
100%
On Tower UK 1
100%
On Tower UK 2
100%
Cignal Infrastructure UK
60%
Metrocall
100%
MBA Datacenters
100%
Retevisión
41,8%
Torre de Collserola
100%
Tradia
100%
On Tower Telecom
29,5%
Cota
60%
Adesal Telecom
100%
Xarxa Oberta
100%
Zenon
13,18%
Nearby sensor
21,97%
Nbycomp

2000

Acesa Telecom (later Abertis Telecom and now Cellnex Telecom) acquired 52% of the shares of Tradia.

2005

Abertis Telecom (now Cellnex Telecom) had the only network of Digital Terrestrial Television in the whole of Spain providing coverage for 80% of the population.

2006

Abertis Telecom (now Cellnex Telecom) became the DTT signal operator to provide national coverage to Spanish radio stations.

2012

The company acquired 1,000 telecommunication towers from Telefónica, and laid the foundations for its future position as a neutral operator

2014

Abertis Telecom (now Cellnex Telecom) bought TowerCo, the telecommunications operator that manages the mobile telephony tower located in the Italian motorway network.

2015

Cellnex Italy reached an agreement with WIND to acquire 90% of the capital of Galata Towers (7,377 towers).

"Ringing the bell" for Cellnex Telecom at the Madrid Stock Exchange.

Inaugural bond issuance of 600 million euros, under EMTN program

2016

Cellnex Telecom acquired Protelindo Netherlands BV and Shere Masten BV in the Netherlands and reached an agreement with Bouygues Telecom in France and with the Shere group in the United Kingdom.

CSR Master Plan 2016-2020 was approved.

Adquisition of Commscon

2017

Cellnex Italy acquired from WIND the 10% of the Galata Towers capital that it did not yet control.

Cellnex entered the Switzerland market through the acquisition of Swiss Towers AG

FTSE Russell added Cellnex Telecom to the FTSE4Good Index Series.

Adquisition of Alticom and 551 towers from Masmóvil

2018

Deutsche Telekom certified Cellnex as a "Zero Outage Supplier".

Cellnex joined the ESG sustainability index from Sustainalytics.

First issuance of a convertible bond of 600 million euros

2019

Capital increase of €1.2 billion and € 2.5 billion.

An Equity, Diversity and Inclusion Policy was approved by The Board of Directors.

Cellnex announced the agreement to acquire the telecommunications division of English company Arqiva.

Cellnex were admitted to the MSCI Europe index.

Cellnex announced the acquisition of the Irish operator Cignal. It operates 546 sites in Ireland.

Agreement with Iliad and Salt: Cellnex acquire 10,700 sites in France, Italy and Switzerland and roll out a "built to suit" program up to 4,000 new sites.

2020

Cellnex acquired OMTEL and NOS Towering in Portugal.

Cellnex entered the "A List" of companies leading the fight against climate change and was recognised as a "Supplier Engagement Leader" by CDP.

Cellnex set-up a fund of 10 million euros over 2020-2021 to "Cellnex's Covid-19 Relief Initiative"

Cellnex completed the acquisition of Arqiva's telecommunications division in the UK.

Capital increase of €4 billion.

Cellnex reached an agreement with Iliad to adquired the network of c. 7,000 Play sites in Poland.

Cellnex has reached an agreement to incorporate about 25,000 sites from CK Hutchison to its portfolio (Italy, UK, Ireland, Austria, Sweden and Denmark).

Saint Malo/Nexloop agreement with Bouygues to deploy fiber to the tower in France

6 bond issuances and a tap of a existing bond amounting 4 billion euros including a 1.5 billion convertible bond.

2021

Appointment of Bertrand Kan as the new non-executive Chairman of Cellnex

Closing of the acquisition of several of the CK Hutchison's assets

Acquisition of Hivory with a portfolio of 10,500 sites in France

Agreement with Deutsche Telekom to integrate the 3,150 sites of T-Mobile Infra BV in the Netherlands

Renewal for the fourth consecutive year of Cellnex's qualification as a "Zero Outage Supplier" in Spain by Deutsche Telekom

A Capital increase of 7 billion euros to finance Cellnex's growth

8 bond issuances amounting 6 billion Euros, including an inaugural issuance in the U.S. dollar market

Acquisition of Polkomtel Infrastruktura in Poland. Presentation of the Augmented TowerCo model.

Approval of Cellnex's emission reduction targets by the Science Based Targets (SBTi) initiative

Launch of the first acceleration program for social impact startups by the Cellnex Foundation

2022

Cellnex enters the Bloomberg Gender-Equality Index for its commitment to equity, diversity and inclusion.

Cellnex is recognized by CDP as "Supplier Engagement Leader 2021".

Cellnex successfully completes the pricing of a bond issue for a total amount of 1,000 million euros.

Cellnex among the five leading global telecommunications companies in sustainability.

Cellnex acquires the British connectivity provider Herbert In-Building Wireless.

Cellnex partners with Paris La Défense to develop a 5G mmWave pilot in the economic district of the French capital.

Cellnex reaches an agreement with WIG for the sale of nearly 1,100 sites to the British infrastructure operator, within the framework of the closing of the transaction with CK Hutchison in the United Kingdom.

Cellnex completed its acquisition of the telecommunications tower assets of CK Hutchison in the United Kingdom.

Cellnex successfully completed the pilot programme to test and validate the use of aluminium-air batteries as backup power at its sites.

Cellnex receives award from Catalan Association of Accounting and Management (ACCID) for best practices in financial reporting.

CDP recognises Cellnex for its commitment to tackling climate change, securing a place on the prestigious 'A List' of CDP.

Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures have reached agreements to dispose approximately 3,200 sites in France in very dense areas, subject to FCA approval, in order to fulfill Hivory closing requirements

The Cellnex Group achieved many Milestones during 2022:

January 4: Deutsche Telekom renews Cellnex's rating as "Zero Outage Supplier" for the fifth consecutive year in Spain.

January 26: Cellnex enters the Bloomberg Gender-Equality Index for its commitment to equity, diversity and inclusion.

February 3: Lorin Networks chooses Cellnex infrastructures to install and deploy a national IoT network in Portugal.

February 15: Cellnex is recognized by CDP as "Supplier Engagement Leader 2021" for its action in the fight against climate change and its effort to measure and reduce the environmental impact in its supply chain.

February 25: Cellnex and BT reinforce their partnership in the United Kingdom with a "multi-decade" agreement.

February 28: Cellnex presents the Augmented TowerCo model that makes it a comprehensive connectivity infrastructure operator, at the Mobile World Congress in Barcelona.

March 3: The CMA approves the acquisition of the CK Hutchison sites in the United Kingdom by Cellnex.

March 9: Cellnex and Segula Technologies join forces to make the capabilities of 5G private networks available to the automotive industry. Cellnex will deploy a private 5G network at the Segula test center in Rodgau-Dudenhofen, Germany.

March 21: Cellnex sells 3,200 sites in France to comply with the closing conditions established by the FCA after the purchase of Hivory.

March 30: Cellnex successfully completes the pricing of a bond issue for a total amount of 1.00 billion euros.

April 28: Cellnex holds the Shareholders' Meeting corresponding to the 2021 financial year.

May 5: Cellnex among the five leading global telecommunications companies in sustainability. The company obtains a rating of 14 points in the Sustainalytics ESG Risk Rating.

May 13: The CMA approves and publishes the final commitments related to the acquisition of the CK Hutchison site in the United Kingdom.

June 8: Cellnex and Nokia reinforce their alliance to deploy private networks for companies.

June 9: the Board appoints Ana García Fau as Independent Director. She is the sixth female director out of a total of 11 members, thus exceeding the 50% threshold in terms of gender diversity in the company's highest governing body.

June 15: The UNED awards Cellnex an energy efficiency project based on IoT and Artificial Intelligence technologies.

June 17: the company pays a dividend of 0.01761€ per share charged to reserves.

July 1: The company publishes the Second Environment and Climate Change report, corresponding to the 2021 financial year, in which it has exceeded the green energy and emissions targets set.

September 22: Digi and Cellnex Portugal reach a long-term strategic agreement whereby the mobile operator will deploy 2,000 PoPs (Points of Presence) at Cellnex sites throughout the country, until the end of 2023.

September 23: Cellnex Netherlands provides indoor mobile coverage to Valley, an innovative and sustainable built residential and office complex in Amsterdam.

October 3: Cellnex acquires the British connectivity provider Herbert In-Building Wireless.

October 10: Cellnex and Ferrovial sign an international deal for the joint development of infrastructures that facilitate the adoption of 5G in the construction sector.

October 13: Cellnex partners with Paris La Défense to develop a 5G mmWave pilot in the economic district of the French capital.

October 18: Cellnex obtains the highest rating (A) in the GRESB Infrastructure Public Disclosure, positioning itself as the best valued company in the telecommunications infrastructure sector.

October 19: Cellnex completes a milestone of the integration process in Poland and opens a new headquarters in Warsaw.

October 24: Cellnex reaches an agreement with WIG for the sale of nearly 1,100 sites to the British infrastructure operator, within the framework of the closing of the transaction with CK Hutchison in the United Kingdom.

November 11: Cellnex completed its acquisition of the telecommunications tower assets of CK Hutchison in the United Kingdom. This marks the closing of the last transaction included in the agreements entered into between Cellnex and CK Hutchison in November 2020.

November 18: Axión and Cellnex will implement a new digital network to provide security and emergency mobile communications services for the Andalusia government (Spain).

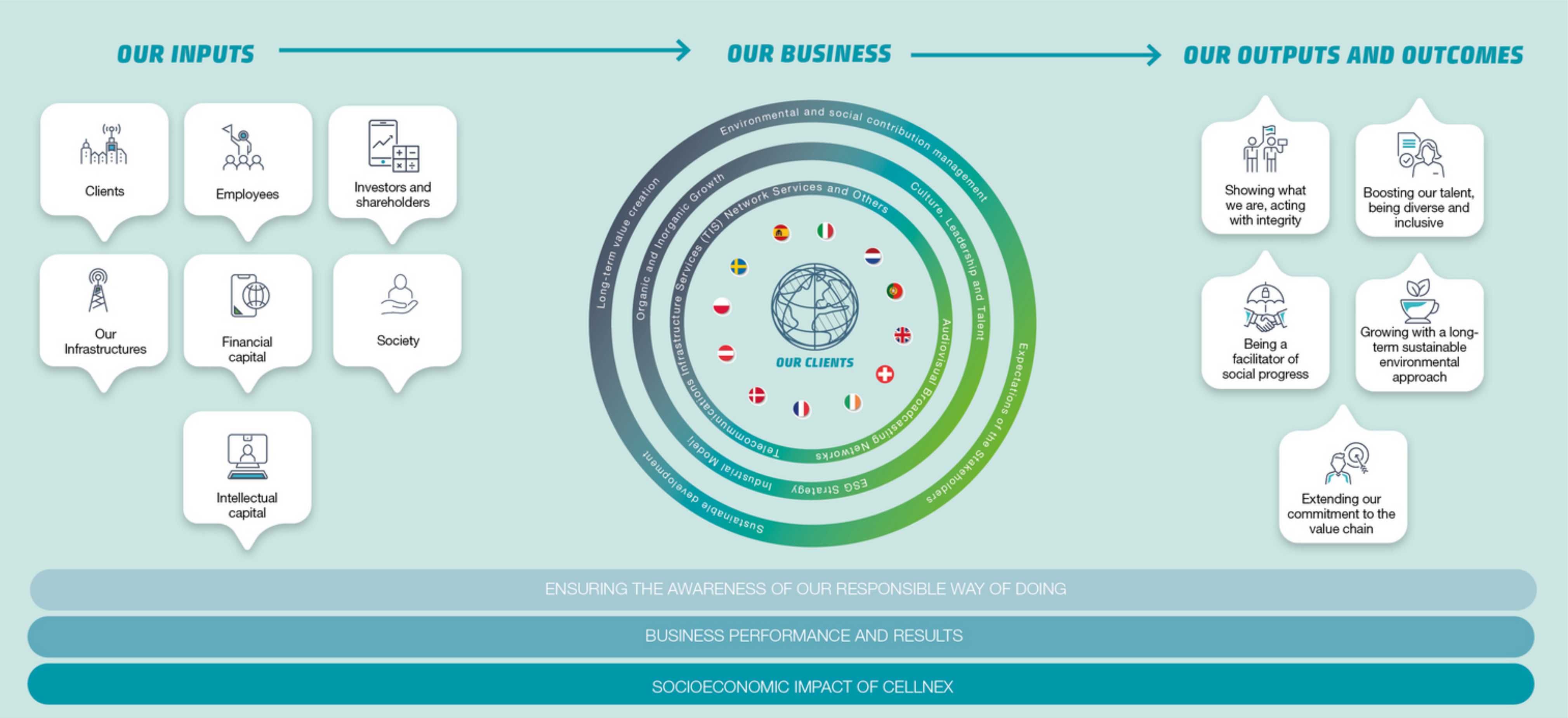
November 28: Cellnex, in collaboration with the Phinergy company, successfully completed the pilot programme to test and validate the use of aluminium-air batteries as backup power at its sites.

November 30: Cellnex receives award from Catalan Association of Accounting and Management (ACCID) for best practices in financial reporting.

December 9: Cellnex Sweden signed an agreement with Bauhaus to equip two department stores with DAS.

December 13: CDP recognises Cellnex for its commitment to tackling climate change, securing a place on the prestigious ‘A List’ of CDP.

The company integrates Environmental, Social and Governance (ESG) factors into its strategy, measuring and managing its impact on society and the environment in an efficient and responsible way. Cellnex's own value creation model, focusing on the shared management of telecommunications infrastructures, fosters sustainability, efficiency, and responsibility, in the use of the resources with which it works. By building partnerships with its customers, Cellnex enjoys a long-term relationship with them and manages the Company with the long cycle in mind, aware of the principles of ethics, good governance, respect for human rights and dialogue with its stakeholders, which should govern Cellnex's actions.



Global presence

Due to the success of its business model, Cellnex's operations have grown exponentially in recent years. A product of this growth has been the expansion of its European presence, increasing operational complexity and widening the scope of products and services offered by the company. With the Group's main offices in Spain, this growth has resulted in Cellnex having footprint in a total of 12 European countries (Austria, Denmark, France, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom) with the goal of driving digitalisation and creating a pan-European telecommunications infrastructure platform.

Cellnex has a portfolio of 110,830 sites in the balance and 127,267 if including the ones in the process of completion or with planned roll-outs up to 2030. The resulting total amount of sites, as of 31st December 2022, built or acquired by Cellnex is presented as follows.

> **Due to the success of its business model,**
>
> ***Cellnex has grown exponentially in recent years***

Cellnex portfolio

110,830

sites

Austria **4,529** sites	Denmark **1,563** sites
Spain **10,462** sites	France **24,598** sites
Ireland **1,921** sites	Italy **21,287** sites
Netherlands **4,079** sites	Poland **15,298** sites
Portugal **6,398** sites	United Kingdom **12,410** sites
Sweden **2,864** sites	Switzerland **5,421** sites

Cellnex in Europe

Cellnex Austria

Cellnex Austria joined the Group in 2020, as a result of the agreement between Cellnex Group and CK Hutchison. Since its entrance into the Austrian market, Cellnex has become the main independent operator of telecommunication towers in the country. Cellnex Austria operates more than 4,500 telecommunication sites located in urban, peripheral and rural areas throughout Austria. Cellnex Austria provides services ranging from accommodation and co-location to electrical connections, security and alarm detection, among many others. Notably, several dozen Cellnex sites have recently been deployed to provide mobile coverage for the first time to isolated rural towns in areas previously considered dead spots. All of this has been achieved by Cellnex Austria's employees, a team that has years of experience in the sector and provides efficient and quality solutions to customers.

Cellnex Denmark

Cellnex Denmark owns more than 1,500 sites throughout Denmark, serving telecommunications operators and technology companies through state-of-the-art telecommunications infrastructure. Cellnex Denmark has been part of the Group since 2020, when HI3G Networks Denmark officially transferred ownership of its towers and sites to Cellnex. Within the next few years, Cellnex Denmark plans to build more than 300 new sites in order to support the deployment of 5G in the country. At the forefront of these efforts is a proactive team of professionals with extensive experience in telecommunications, committed to providing telecommunications infrastructure services for the benefit of all interested parties. This link provides a video of how **Cellnex Denmark erected a mast just outside Elsinore**.

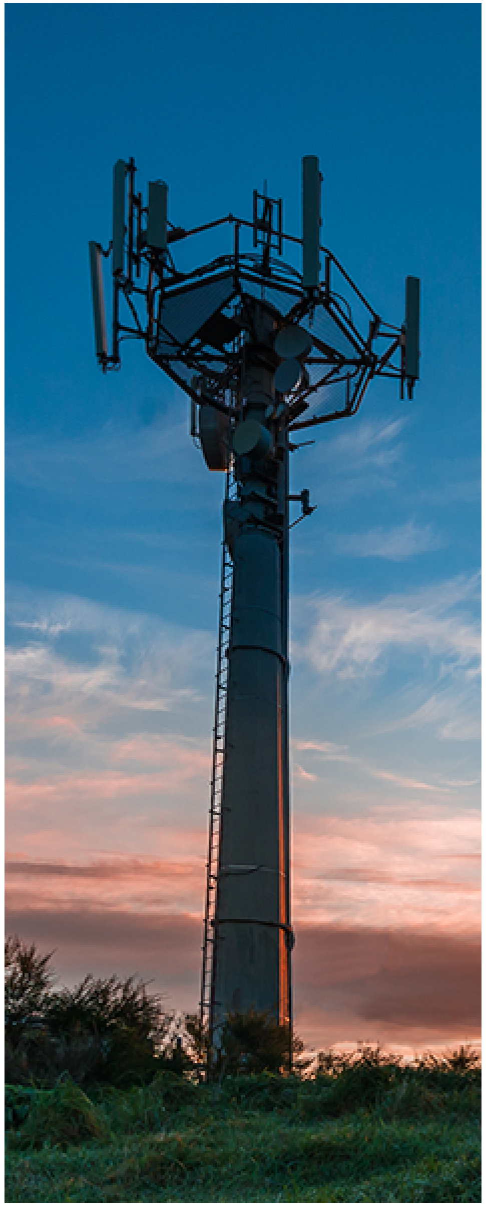
Cellnex Spain

Cellnex Spain, location of the Cellnex Group’s central offices, has a vast telecommunications infrastructure network in Spain that encompasses around 10,500 operational sites. This extensive network of sites has a broad geographical reach and enables Cellnex Spain to offer services to different types of clients, ranging from mobile operators and broadcasters to administrations, among others.

Cellnex Spain, as a neutral operator, offers services to three customer segments: (i) Operators, (ii) Broadcasters and (iii) Public Administrations and Large Companies. (i) To the Operators, it provides collocation of base stations mainly and connectivity (data transmission), with a high degree of efficiency in the deployment of networks, a high degree of continuity in their locations and is strategically positioned within the Development Area of 5G networks. (ii) Public and private broadcasters entrust the distribution and broadcast of their signal to Cellnex, which has high quality parameters and extensive experience in spectrum management. (iii) Cellnex Spain provides services to state, regional and local public administrations, as well as large companies to provide them with network services such as Mission Critical Private Networks (PPDR, Public Protection and Catastrophe Response) and Critical Business Private Networks, among others services. Operational excellence is the objective in providing service to its customers.

Cellnex France

Cellnex in France was founded in July 2016 as part of an initial agreement to purchase more than 500 telecommunication sites from Bouygues Telecom. Cellnex France Group, which in turn is part of the Cellnex Group, is made up of seven companies: Cellnex France, On Tower France, Nexloop France, Springbok Mobility, ITM 1, Hivory and Cellnex France Infrastructure . The vast majority of the sites are located in quality locations in densely populated areas, an ideal situation for the future deployment of 5G. On Tower France, founded in December 2019, currently manages more than 8,000 sites throughout France. Nexloop France was created in May 2020 under a strategic partnership between Bouygues and the Cellnex France Groupe. Nexloop designs, implements, owns, manages, operates and maintains fibre optic infrastructure networks and numerous regional collection sites, as well as marketing services related to these activities. Springbok Mobility, a 100% subsidiary of the Group since 2019, develops and operates dedicated indoor infrastructures for companies and real estate businesses, in existing or planned buildings, under its Mobile Inside global service contract, which is based on ensuring that buildings are 100% connected. Hivory, a recent 2021 acquisition from Altice France and Starlight Holdco, manages the 11,000 sites that principally serve the French mobile phone operator SFR. In total, Cellnex France Group manages more than 24,500 sites. To highlight that France is the only country where Cellnex has three anchor clients (Bouygues, Iliad and SFR) with which it is deploying Build-to-suit programs.



"The closing of the UK part of the acquisition of Hutchinson towers was concluded in November 2022, which followed a lengthy period working with the UK regulator to gain approval. It was a great collaborative effort between Cellnex and Hutchinson corporate and local UK teams, which sets the foundation for a strong relationship in the future"

Paul Stonadge, Commercial Director - Cellnex UK

Cellnex Ireland

Cellnex Ireland's portfolio of sites consists of more than 1,900 sites located throughout the country, including the CK Hutchison sites, for which an agreement was reached in 2020. Cellnex Ireland is focusing primarily on the development and management of fibre infrastructure and tower sites to meet the requirements of the wireless communications industry. Furthermore, Cellnex Ireland is committed to providing the necessary infrastructure to support the improvement and availability of high-speed wireless broadband in rural areas and to help mobile operators address coverage in said communities.

Cellnex Italy

Cellnex Italy has been operating since 2014 and was the group's first international market outside Spain. Cellnex manages a complex and far-reaching network of high strategic value for mobile telecommunications, as well as for the development of current ultra-fast mobile 4-4.5G networks and new 5G technology, that covers the whole of Italy, with a total of over 21,000 sites. Cellnex Italy provides multiple services in multi-operator mode, a key concept for the development of wireless networks and services, in order to optimize investments and ensure a more rational and efficient use both in terms of operations and the environmental impact of the existing and future network.

Cellnex Netherlands

Cellnex Netherlands' infrastructure is managed by a capable team of professionals with years of experience within the data centre and telecommunications sector. Main offices are located in Utrecht. Cellnex's telecommunications infrastructure in the Netherlands consists of antenna masts, rooftops, broadcasting towers and networks, data centers, DAS and Private Network installations and advertising masts strategically located in both urban and rural areas. Cellnex Netherlands joined the company in 2016 following the acquisitions of Protelindo Netherlands BV (in 2016) Shere Masten BV (in 2016) Alticom BV (in 2017) On Tower Netherlands BV (in 2019) Cignal Infrastructure Netherlands BV (originally TMobile Infra BV) (integrated in 2021), Media Gateway (purchased in 2021) and Breedlink BV (in 2022). Cellnex Netherlands manages more than 4,000 sites.

Cellnex United Kingdom

Cellnex has been operating in the UK market since 2016 following the purchase of Shere Group's assets. In June 2019, Cellnex United Kingdom (UK) acquired the marketing rights of 220 tall towers from BT, and in July 2020 it acquired Arqiva Services Limited. From this acquisition "On Tower UK Limited" was born to be integrated into the current structure of Cellnex UK. Cellnex UK has over 12,000 sites and has access to hundreds of thousands of street-level assets essential for outdoor Small Cells and 5G deployments in dense urban areas. Responsible for leading Cellnex's business in the UK, the management team is committed to developing collaborative partnerships with clients, portfolio partners and stakeholders across the industry, driving innovation and growth, and creating value for everyone in today's connected world.

In addition, pursuant to a sale and purchase agreement dated 12 November 2020, Hutchison agreed to sell to Cellnex UK 100% of the share capital of CK Hutchison Networks (UK) Limited. The completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom was subject to the satisfaction or waiver of applicable conditions precedent, including in relation to anti-trust and national security clearances, as required.

The UK transaction between Cellnex and CK Hutchison was **formally approved** by the CMA on 3 March 2022, subject to the divestment of around 1,100 Cellnex's existing UK sites which overlap geographically with CK Hutchison sites to be acquired.

Cellnex Telecom announced in Nov 2022 that it has completed its acquisition of the telecommunications tower assets of CK Hutchison in the United Kingdom (which includes interests in or revenues deriving from up to 6,600 sites, once the build-to-suit ("BTS") programmes are completed), after the Competition and Markets Authority (CMA) accepted final undertakings proposed by Cellnex and CK Hutchison in May this year (Final Undertakings) and **following the agreement** by Cellnex to transfer approximately 1,100 of Cellnex's existing sites to the UK telecommunications infrastructure operator Wireless Infrastructure Group (WIG).

> ***"After the first full year with all three entities working together as Cellnex Poland, the integrated atmosphere is felt more than ever. Thanks to all the people involved, their commitment and willingness to help, the cooperation is now very smooth. With this approach, we are ready for new challenges in 2023, knowing that together we can face all of them"***
>
> **Aureliusz Bochniak, Site Management Director - Cellnex Poland**

Cellnex Poland

Following the completion of the transactions with two Polish MNOs (Play and Plus) in 2021, Cellnex companies in Poland operates more than 15,000 sites distributed throughout the country, mainly consisting of towers that provide telecommunications operators and technology companies with state-of-the-art telecommunications infrastructure. In more detail, in October 2020, Cellnex reached an agreement with Iliad to acquire a 60% of the shares in On Tower Poland, i.e. Play's dedicated subsidiary holding the legal title to Play's portfolio of towers in Poland. After receiving the green light from the Polish Office for Competition and Consumer Protection, Cellnex completed the transaction on 31 March 2021. In parallel, in February 2021, Cellnex announced a transaction with entities from Cyfrowy Polsat Group, concerning for the acquisition of 99.9% of the shares in Polkomtel Infrastruktura (currently: Towerlink Poland), a subsidiary dedicated to telecommunications infrastructure. This transaction was completed on 8 July 2021. The Polkomtel MSA is following a business model consisting in a long-term revenue that ensures the profitability and return on investment (Capex) executed by Cellnex on behalf of the customer, encouraging investment in the expansion and modernization of client infrastructure and allowing better customer quality services owing to new investments (Capex). The revenue of any year according to the MSA is composed mainly by the addition of the following items: i) a Capex payback (which tend to be 10 years, ii) an industrial margin on the Capex payback iii) an agreed opex required to run the Capex, (iv) electricity pass through, and (v) other opex items. This long term revenue model presents a tariff scheme that allow Cellnex to increase items ii), iii) and v) on year basis following the Polish CPI. Item i) will follow inflation as new capex cycles are considered in the long term revenue model. This business model presents similar characteristics to the BTS programs, as Cellnex is remunerated when Cellnex invests on the new Capex programme agreed with the client. Also, Cellnex i) can share the infrastructure with third parties, ii) has operating leverage, iii) strong backlog and iv) maintenance capex higher to its c. 3% of total Revenues.

Cellnex Switzerland

Cellnex is the leading independent and neutral telecommunications infrastructure and services operator in Switzerland. Led by a team of experienced industry experts, Cellnex Switzerland manages a broad network of more than 5,400 telecommunications sites across the country. Cellnex Switzerland is made up of the companies Swiss Towers AG and Swiss Infra Services SA. Swiss Towers AG was acquired in 2017 by integration the infrastructure of Sunrise Communications AG. In 2019, Swiss Infra Services SA was created by taking over the infrastructure of Salt Mobile (90%). In the first quarter of 2021, Cellnex (through Cellnex Switzerland AG), entered into an agreement with Matterhorn Telecom SA to acquire 10% of the share capital of Swiss Infra Services SA from Matterhorn, as described in Note 2.h.II of the accompanying consolidated financial statements. Pursuant to this acquisition, Swiss Towers AG held 100% of Swiss Infra as of 31 December 2021.

In the first half of 2019, the Group entered into a long-term industrial alliance with Matterhorn by virtue of which Swiss Towers purchased 90% of the share capital of Swiss Infra.

Cellnex Sweden

Cellnex has been operating in the Swedish market since 2021, following the acquisition of CK Hutchison's assets and the consequent incorporation of On Tower Sweden. Cellnex Sweden has more than 2,800 sites throughout the country and includes everything from 72-meter towers to distributed antenna systems and private networks. This enables the company to offer operators extremely cost-effective and environmentally-friendly installations. Cellnex Sweden provides a full range of services, including the deployment and optimisation of sites, installation services and site operation and maintenance. Cellnex Sweden is an infrastructure co-location partner of the main Swedish wireless operators. The company provides secure and well-maintained sites for mobile, broadcast, IoT, Wi-Fi and fibre operators.

Cellnex Portugal

Cellnex Portugal joined the group in 2020 and is made up of Omtel (Omtel, Estruturas de Comunicações, S.A.), On Tower Portugal (On Tower Portugal, S.A.), Towerlink (Towerlink Portugal, S.A.), Infratower (Infratower, S.A.), Cignal Infrastructure and Hivory Porotugal. Towerlink was incorporated to the Group in 2019 and owns and operates a SIGFOX IoT network. In January 2020, Cellnex acquired the full share capital of Omtel, the first independent Portuguese tower company. In September 2020, Cellnex acquired the full share capital of Nos Towering - Gestâo de Torres de Telecomunicaçôes, S.A., which changed its corporate name on that date to On Tower Portugal, S.A. In the last quarter of 2021, Cellnex acquired 100% of the share capital of Infratower S.A., owner of approximately 223 macro-sites and 464 micro-sites (DAS and Small Cells) in Portugal. Through Omtel, On Tower and Infratower, Cellnex owns around 6,400 telecommunications sites located in urban, suburban and rural areas throughout mainland Portugal and the islands of Madeira and Azores. Of these, a few dozen Cellnex sites were deployed to strategic point areas to bring mobile coverage to remote rural areas for the first time. Cellnex has a highly experienced and diversified team in Portugal, totally independent from the telecommunications operators, dedicated to supporting its growth and commitment to service excellence.

Significant events in 2022

In 2022 the following significant events took place regarding corporate operations at Cellnex Group.

CK Hutchison

Milestones 2022: concluding the operation with Hutchison in the UK and the focus on organic growth with industrial agreements in Cellnex's main markets

In November, Cellnex concluded the agreement with CK Hutchison in the UK (which includes interests in and income derived from up to 6,600 sites, once the BTS Programme has been completed), following approval by the UK’s Competition and Markets Authority (CMA) of the Final Undertakings proposed by Cellnex and CK Hutchison in May, and the agreement to transfer a package of around 1,100 sites to the British telecommunications infrastructures operator Wireless Infrastructure Group (WIG).

This was the last of the set of acquisitions announced in November 2020 and concluded between Cellnex and CK Hutchison in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom itself, with an overall investment of around EUR 10 billion.

In parallel, the Company has expanded its collaboration with Telefónica in Spain through an industrial agreement that includes the renewal of service contracts linked to 4,500 sites for a period of 30 years. Also in Spain, in the field of broadcasting infrastructures, RTVE awarded Cellnex the broadcasting rights for its radio and television signals for the next five years.

In Portugal, the company has expanded collaboration with NOS, in accordance with the agreements signed in 2020 when it acquired the infrastructure portfolio from the Portuguese operator, and has reached an agreement with Digi through which the mobile operator will deploy 2,000 PoPs (Points of Presence) at Cellnex sites in Portugal.

In the United Kingdom, Cellnex extended the current framework contract for the provision of services with BT through a multi-decade agreement.

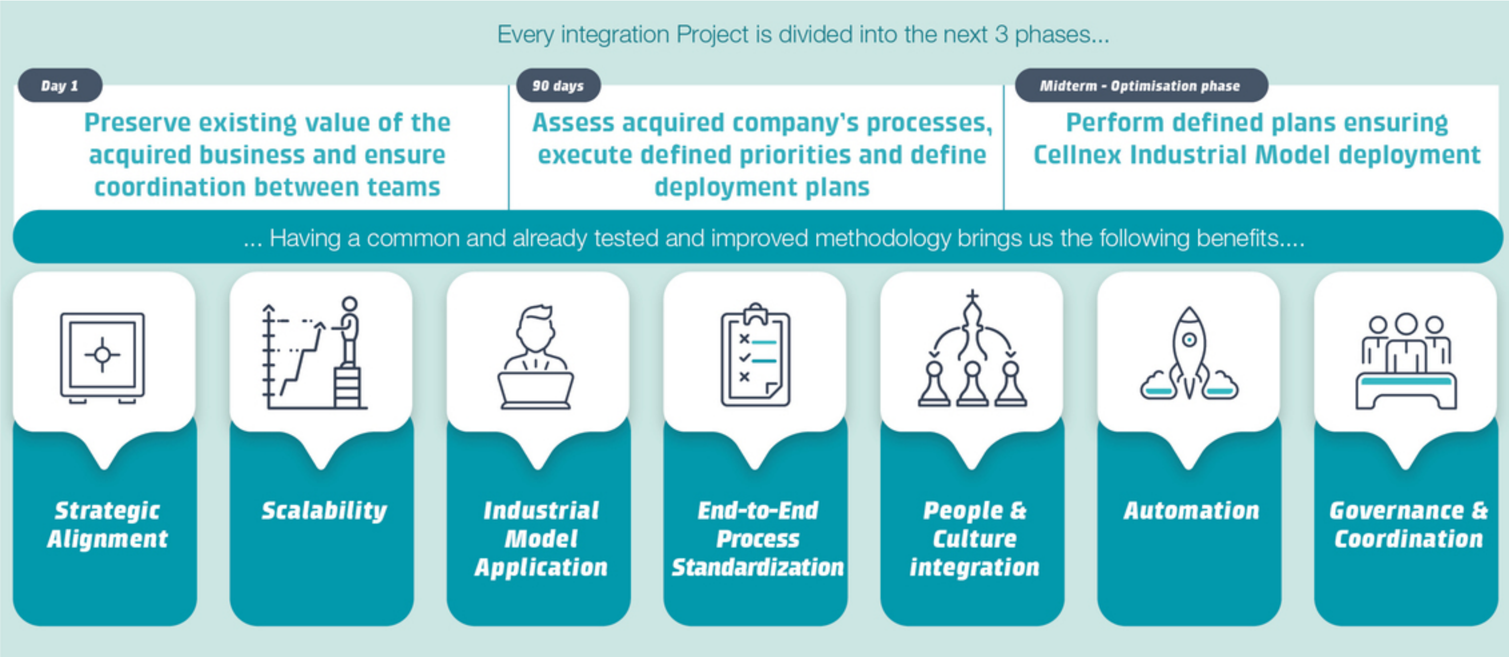
Cellnex's Integration Process

Cellnex has demonstrated its ability to grow and integrate the different Business Units that have been joining the Group. Proof of this are the more than 40 deals executed since 2015 and its presence in 12 countries. Despite the deals carried out, the mission of the integration team remains the same: lead the integration processes to ensure business continuity, optimize synergies and maintain the highest level of team commitment.

Cellnex Integration's team main purpose is to be at Local and Corporate disposal throughout the whole integration, pushing both teams as well as helping and supporting them when needed while ensuring always a clear and transparent communication. With the valuable experience gained with all integrations, Cellnex has defined an Integration Playbook which is evolved year after year and has been implemented and tested successfully in more than 25 integrations (of which 9 of them were managed during 2022).

Using its own and continuously improved methodology, allows Cellnex to preserve the existing value of the acquired businesses and ensure coordination between teams; assess the acquired company's processes, execute defined priorities and define deployment plans; always ensuring the deployment of the Cellnex Industrial Model.

As a reminder; the integration process begins right after the Pre-closing phase (M&A Deal Group phase) and is divided into three phases: Day 1 phase - whose objective is to preserve the existing value of the acquired business and ensure its business continuity as well as initiate coordination between local and corporate teams; 90 Days phase - where the main integration actions are carried out; and the Optimisation Phase, which consists basically on performing the defined plans while deploying the Cellnex Industrial Model.



Every integration Project is divided into the next 3 phases...

Day 1
Preserve existing value of the acquired business and ensure coordination between teams

90 days
Assess acquired company's processes, execute defined priorities and define deployment plans

Midterm - Optimisation phase
Perform defined plans ensuring Cellnex Industrial Model deployment

... Having a common and already tested and improved methodology brings us the following benefits....

- **Strategic Alignment**
- **Scalability**
- **Industrial Model Application**
- **End-to-End Process Standardization**
- **People & Culture integration**
- **Automation**
- **Governance & Coordination**

During 2021, a series of lessons learned have been identified and included in Playbook 3.0 (which has been applied and used in the 9 Integrations executed during 2022), some examples are stated below.

Cellnex is organised in a way that ensures that the Group is well-prepared for all Integrations (current and future ones): there is a small, dedicated and integration-experienced internal team which is reinforced with external support whenever it is needed. Cellnex has a framework agreement signed that allows an easy expansion of the services when needed. This helps the integration team to calibrate work peaks.
Moreover, all Corporate and Country areas are committed and involved in the cases in which a company is acquired in a Country in which Cellnex has already presence, it is Local project team who leads the Integration. Depending on the needs of each Country and acquisition, Corporate team members can support the needs temporary in order to ensure control, give support based on expertise and monitor core processes.

Integration Playbook's evolution, from 2.0 to 3.0

1. The relationship and process to carry out during the Pre-Closing phase, between the M&A Deal Group and the Integrations Team, has been formalized. A Governance model has been created as well as templates to ease the handover from the Deal Group and understanding of the signed contracts and commitments incurred (such as TSA Service Catalogue, TSA Tracking model, etc.)

2. During the Day 1 phase, it is crucial to create confident environments and understand the acquired business' concerns and its way of doing. Our Day 1 communication templates have been updated considering this approach to help the Integrations team to create a 'warmer' environment.

3. The same Governance Model is not applicable for all Integrations and/or every Integration phase. For this reason, different Governance Models have been defined based on the different Integration's lifecycles: pre-closing phase / standard Integrations / extended model (for complex projects) / handover governance model, etc.

4. Reporting methodology has been fine-tuned – PowerBi tool is used.

5. When closing an Integration, there are usually still some activities to be completed (mainly IT and TSA exit related). Therefore, the Handover process has been formalized to ensure the still open (but minor) topics are tracked and have an owner. Additionally, a Lessons learned Workshop has been implemented (on site or online), which helps the team to continuously improve based on the received feedback.

In 2022 the complexity of the executed (and current) integrations has not diminished and has required a different approach, although the number of current integrations is lower compared to previous years. Information about these projects can be found in the "**Significant events in 2022**" section. Far from being able to predict the future, with the facts and the macroeconomic information available today, Cellnex wants to ensure its readiness for everything that may come, as well as take the 2023 as a year to assess the Integration degree and maturity of the acquired businesses in recent years, and build jointly the Company that Cellnex wants to build.

Cellnex Poland completes another milestone in company integration and opens new office

Cellnex acquired 60% of PLAY's telecommunications infrastructure in April 2021, which today constitutes OnTower Sp. z o.o. In June 2021 the company acquired 99.9% of Polkomtel Infrastruktura, part of Polsat Group, which is now part of TowerLink Poland Sp z o.o, managed by Cellnex Poland. Cellnex Poland team includes nowadays around 500 employees (half of them dedicated to design and management of the network roll-out and the other half dedicated at maintaining the network and operations).
Cellnex Poland, which currently owns around 15,500 sites in the country, has inaugurated a new office in Warsaw.

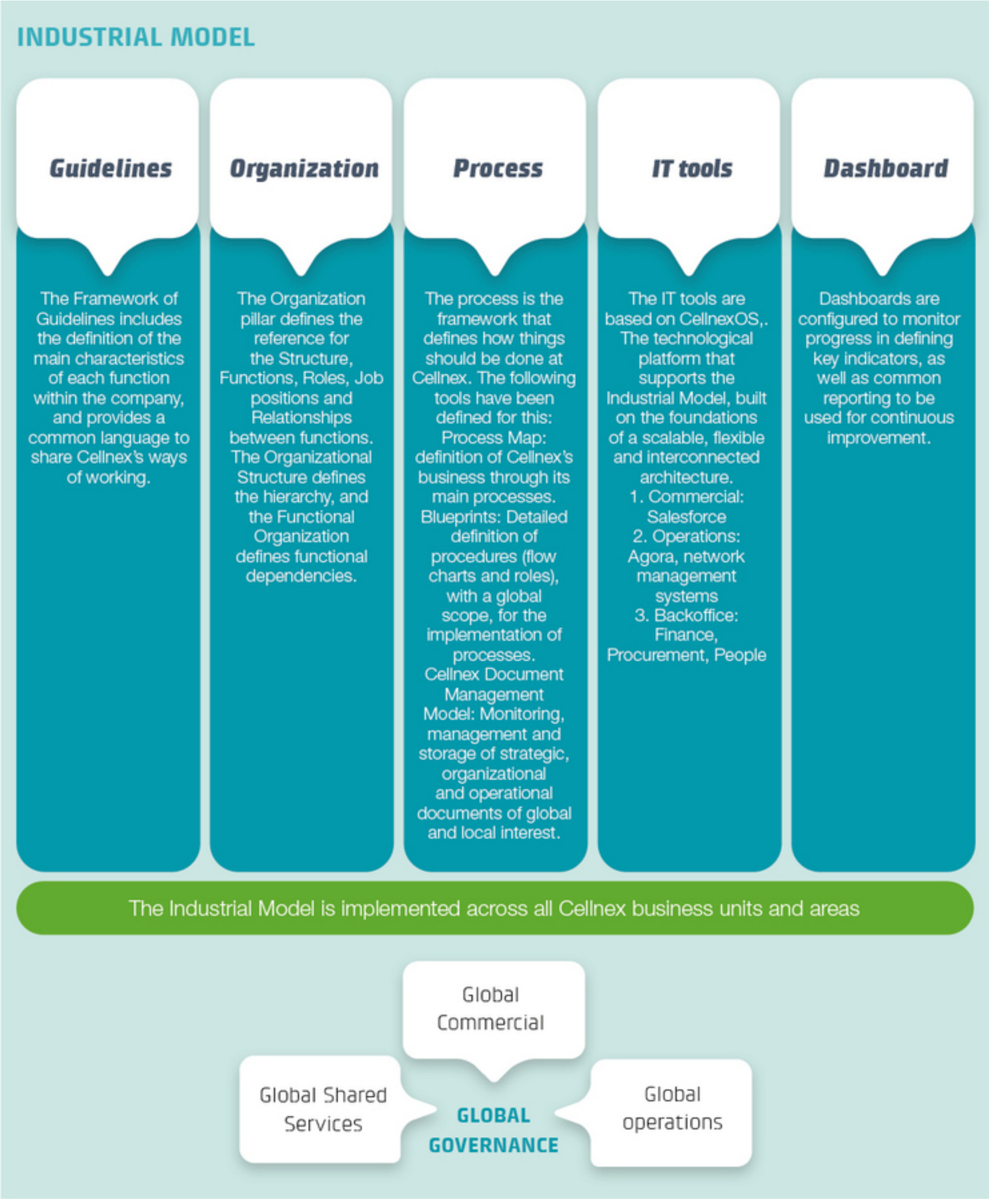
Cellnex's Industrial model

The *Industrial Model is the key tool* for supporting the Cellnex strategy and ensuring sustainable and scalable growth

The Cellnex Industrial Model consists of a common way of working, that is replicable, scalable, homogeneous and that allows rapid growth, but not proportional in costs or consumption of resources. Therefore, the Cellnex Industrial Model is the key tool for supporting the Cellnex strategy and ensuring sustainable and scalable growth, as the Industrial Model is deployed both through integration projects of new acquisitions, as well as through value creation and/or continuous improvement projects.

The Cellnex Industrial Model is supervised by Cellnex's Senior Management at corporate and country levels (Global Governance), through a common Management Model for monitoring the strategy, objectives and results, and as a support for making the appropriate decisions in this regard. To that end, a scalable standard organizational structure has been formally defined for all Business Units, embodying basic general functions. The Cellnex Industrial Model has a matrix structure to facilitate a joint work between corporate departments and countries, combining a global and local vision. Consequently, in each country the various departments report to the Managing Director, who, in return, reports to the Deputy CEO; and have a functional relationship with the corresponding Corporate departments.

The Industrial Model is implemented through the following five elements and evolves for each department according to its needs.



INDUSTRIAL MODEL

Guidelines

The Framework of Guidelines includes the definition of the main characteristics of each function within the company, and provides a common language to share Cellnex's ways of working.

Organization

The Organization pillar defines the reference for the Structure, Functions, Roles, Job positions and Relationships between functions. The Organizational Structure defines the hierarchy, and the Functional Organization defines functional dependencies.

Process

The process is the framework that defines how things should be done at Cellnex. The following tools have been defined for this: Process Map: definition of Cellnex's business through its main processes. Blueprints: Detailed definition of procedures (flow charts and roles), with a global scope, for the implementation of processes. Cellnex Document Management Model: Monitoring, management and storage of strategic, organizational and operational documents of global and local interest.

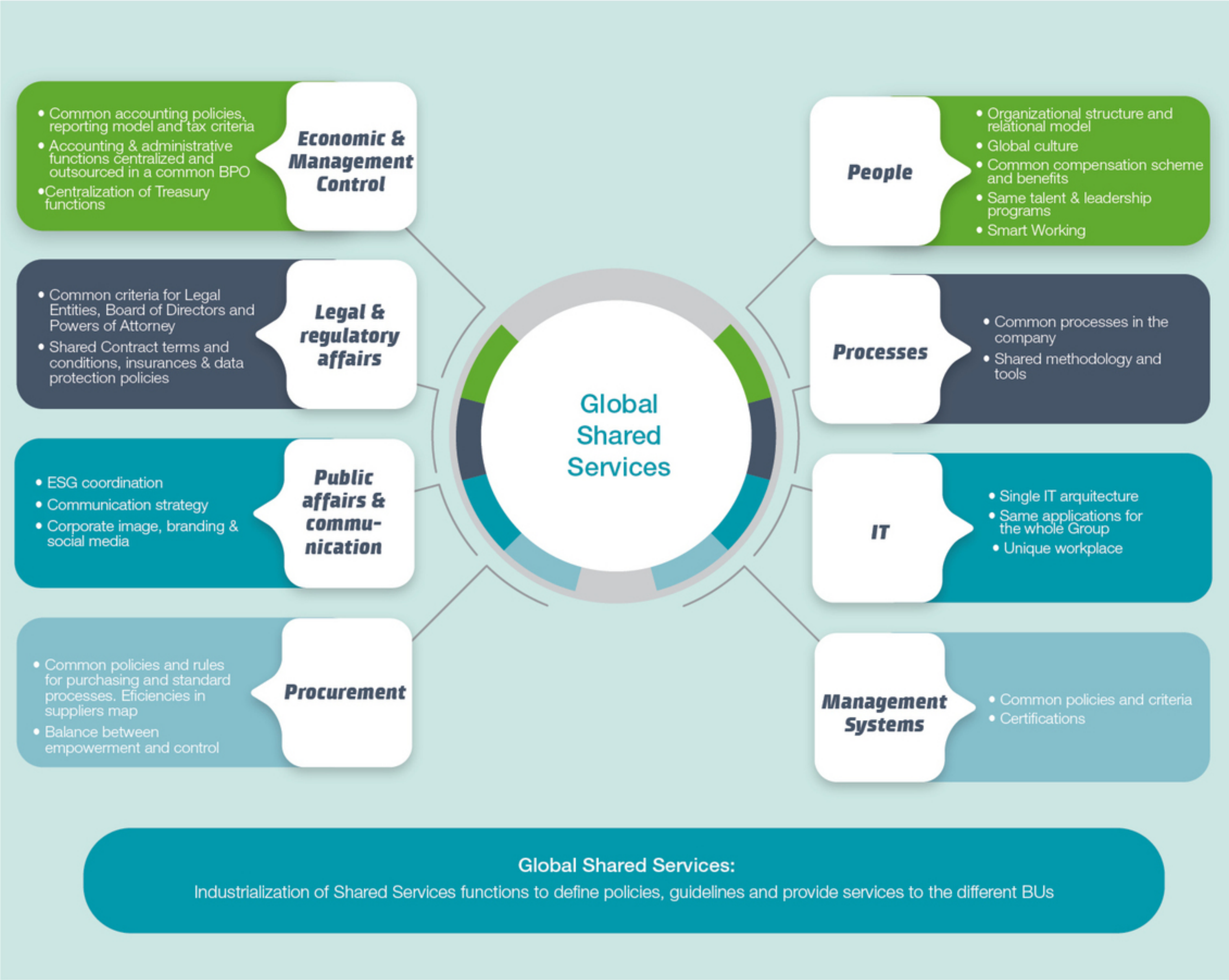
IT tools

The IT tools are based on CellnexOS,. The technological platform that supports the Industrial Model, built on the foundations of a scalable, flexible and interconnected architecture.
1. Commercial: Salesforce
2. Operations: Agora, network management systems
3. Backoffice: Finance, Procurement, People

Dashboard

Dashboards are configured to monitor progress in defining key indicators, as well as common reporting to be used for continuous improvement.

The Industrial Model is implemented across all Cellnex business units and areas



Economic & Management Control
- Common accounting policies, reporting model and tax criteria
- Accounting & administrative functions centralized and outsourced in a common BPO
- Centralization of Treasury functions

Legal & regulatory affairs
- Common criteria for Legal Entities, Board of Directors and Powers of Attorney
- Shared Contract terms and conditions, insurances & data protection policies

Public affairs & communication
- ESG coordination
- Communication strategy
- Corporate image, branding & social media

Procurement
- Common policies and rules for purchasing and standard processes. Eficiencies in suppliers map
- Balance between empowerment and control

Global Shared Services

People
- Organizational structure and relational model
- Global culture
- Common compensation scheme and benefits
- Same talent & leadership programs
- Smart Working

Processes
- Common processes in the company
- Shared methodology and tools

IT
- Single IT arquitecture
- Same applications for the whole Group
- Unique workplace

Management Systems
- Common policies and criteria
- Certifications

Global Shared Services:
Industrialization of Shared Services functions to define policies, guidelines and provide services to the different BUs

Cellnex has the necessary levers to guarantee the expected response to the business strategy and provide the necessary capacities to support growth and business transformation. To this end, Cellnex has developed a series of projects associated with the definition of the industrial model of a company function and/or a specific pillar of the function, such as Agora, Billing Industrial Model, and Active Network.

Agora

Agora is the technological support (IT tool) for the Industrial Model of Operations for the TIS Business Line. Agora supports the following Operations features:

- Services Inventory.
- Inventory of Equipment and Infrastructures of a site.
- Management of incidents.
- Preventive and corrective maintenance.
- Service provision.
- Management of permissions with the administrations.
- Site access management.
- Management of documentation associated with a site.
- Negotiation of contracts with the landlords.

Agora's objective is to facilitate the use of the Cellnex Industrial Model in these areas with a system that is:

- Homogeneous: collecting at the same time the best practices of each country as well as their specific needs.
- Integrated: facilitating end-to-end execution of processes.
- Scalable: incorporating new countries, companies and users in an agile way
- Connected with Cellnex clients and its subcontractors.

Agora is currently fully or partially deployed in France, Italy, Switzerland, the United Kingdom, and Portugal. During the year 2022, a technological update of the platform has been carried out, and during the 2023 it is planned to continue completing the use in the countries that already use it as well as incorporating new countries.

Billing Industrial Model

In 2022, an analysis of the current billing model has been carried out for the whole group. All pillars of the industrial model were considered on the analysis. This project has been led by the Global Commercial team with the support of Operations, Finance and the Organization and Processes team to obtain an end-to-end vision of the model. The objective of this analysis was to identify opportunities to improve the model and redefine it considering:

- Improvement of the efficiency and digitization of processes.
- Increase control.
- Gather and leverage best practices from countries.
- Homogenise functions and tasks.
- Integrate processes and systems to the current structure of Cellnex.

Once the assessment phase has been completed, a new phase of the project will begin to:

- Define common responsibilities for each billing-related task.
- Defines a common end-to-end Billing Process.
- Review organizational model.
- Establish an objective Systems Map.

Active Network

With the integration of Polkomtel Infrastruktura in Poland, in addition to the purchase of the passive infrastructure, Cellnex has also acquired the Radio Access and Transmission network. Being the first purchase of this type of infrastructure, Cellnex Poland, with the collaboration of the Corporate teams, is working on the definition of the Active Network Model.

In addition, the development of this model aims to be the basis of the Cellnex Industrial Model for future countries where this line of business can be developed.

The importance of agility and flexibility to adapt the company to the current circumstances

In an interview with Executive Digest on "The New Challenges of Leadership" Nuno Carvalhosa, Managing Director of Cellnex Portugal, shared his vision on the opportunities and challenges from the current economic, financial, and geopolitical tensions. Nuno Carvalhosa argued that "our strong growth requires us to make considerable efforts in order to integrate and consolidate the various transactions carried out. At the same time, we have been investing massively in adapting our existing infrastructures and building new ones to enable the acceleration of the 5G growth in Portugal." In this regard it was highlighted the importance of companies operating with a strong sense of agility and flexibility in adapting to the current circumstances, while fostering a work culture that offers employees a strong sense of purpose, fulfilment, and growth prospects for their careers.

Technology and connectivity solutions

> ***Cellnex services are aimed at ensuring the conditions for reliable and high-quality transmission for both fibre and wireless telecommunications***

Cellnex offers its clients telecom infrastructure services for sustainable connectivity so that customers do not have to manage the infrastructures and networks over which their systems operate. Cellnex neutral host nature makes its model the most efficient possible, as Cellnex develops multi-operator sites which means decreasing costs to its clients, increasing sustainability to telecom and connectivity ecosystem, and rapidly meeting all stakeholders' expectations as services are quickly deployed. In this regard, Cellnex sites are the option of choice for the Mobile Network Operators (MNOs) as well as other telcos and operators for sustainable connectivity.

Cellnex range of services are aimed at ensuring the conditions for reliable and high-quality transmission for both fibre and wireless telecommunications. The services provided by Cellnex are:

- Telecom Infrastructure Service (TIS): Co-location, Built to suit, and Distributed Antenna System (DAS), and Small Cells.
- Broadcast: Terrestrial Network Operator for TV Broadcasters (Using DTT, Digital Terrestrial Television), and Radio Broadcasters (Using AM, FM and DAB technologies).
- Other network services: Mission Critical Private networks, Business Critical Private Networks, Connectivity services, Infrastructure management, Smart Cities and Internet of Things (IoT) solutions.

Although the main service is Telecom Infrastructure Services, Cellnex offers other types of services in the different countries in which it is present, as presented below.

In this regard, the portfolio of services provided by Cellnex can be marketed in all the countries where the company is present, always complying with the market regulations and particular regulations of each country.

Finally, asset buy back options can be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers ("SLAs") or if a change of control clause included in any of the Group's material contracts is triggered. These asset buy back options will be executed at a price below fair market valuation.

90.4%	**6.4%**	**3.2%**
Telecom Infrastructure Services (TIS)	**Broadcasting Networks**	**Network Services and others**
🇪🇸 🇮🇹 🇫🇷 🇳🇱 🇬🇧 🇮🇪 🇨🇭 🇵🇹 🇩🇰 🇦🇹 🇵🇱 🇸🇪	🇪🇸	🇪🇸 🇮🇹 🇵🇹 🇨🇭 🇳🇱

Services are provided continuously *24 hours a day, 7 days a week* with continuous technical staff present at the service control centre

Policies are developed to ensure the availability of services throughout the value chain, from the engineering and design phase, the implementation of the technical solutions, up to the Service Assurance by the network operation and maintenance:

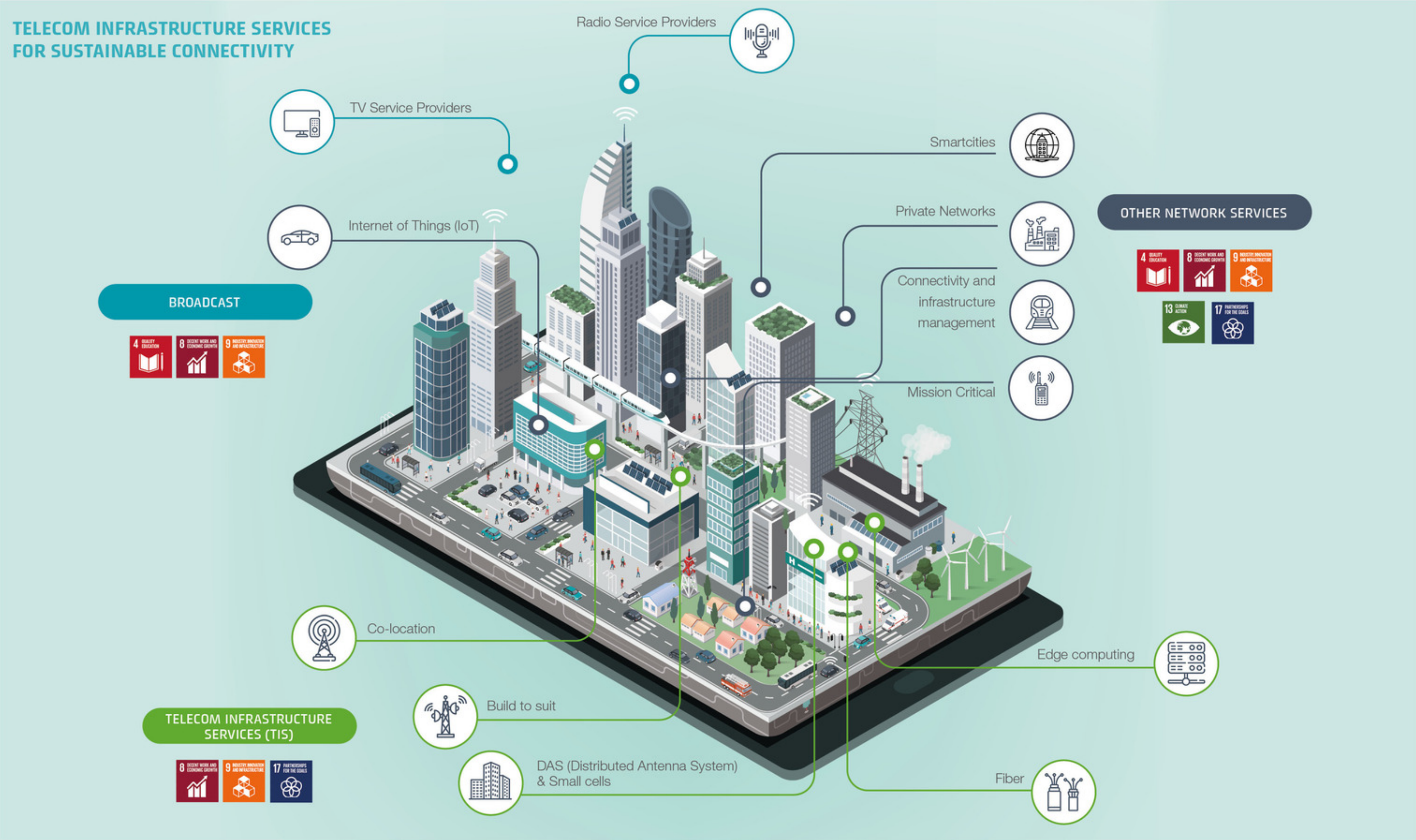
- As for engineering, the policies aimed at ensuring the availability and quality of services are based on the choice of resilient and minimum fault network architectures, those are: the selection of manufacturers and suppliers of recognized value and with products and processes that meet the maximum quality standards and a minimum level of failure contemplated in the selection process, the use of backup systems (redundancies of complete equipment and/or internal elements such as power supplies, interfaces, amplifiers, back-haul connectivity, etc.) and the duplicity of the most critical sections of the network (transport rings, alternative satellite links, backup technologies of different nature, etc.). Special attention is required for redundancy in energy assurance systems, such as duplicated power grid connections, uninterruptible power supply systems or backup generator sets, which are installed in the most critical centres of the network.

- Regarding implementation, Cellnex follows an end-to-end surveillance and management of the entire process, through a strict control of each phase of the service implementation, a follow-up of the work carried out both by internal field engineers and by suppliers, the completion of installation acceptance checklists to verify that the technical infrastructure is installed as defined in the designs and final strict service acceptance tests protocols to verify that the technical infrastructure provides to the customer the service quality levels defined in the initial requirements.

- For operation and maintenance, the policies to ensure the availability of services combine both preventative and corrective aspects. The use of preventative maintenance protocols stands out to ensure an adequate useful life of the installed equipment, as well as the surveillance of services through monitoring systems managed by a control centre that has location redundancy, being able to operate and monitor the services from different physical locations to allow working in parallel or one replacing the other. Likewise, there are contingency protocols for specific critical services and infrastructures that, following predefined processes within the limits established, allow the continuity of certain services to be guaranteed in the event of possible far-reaching incidents, such as for the headends and main distributions of DTT. With regard to corrective maintenance, in addition to what has already been indicated, the network operation centre manages the incidents, devoting and coordinating the needed resources to solve them and prioritizing the tasks according to the service levels agreed, to minimize the impact on the business and taking into account the objective of maximizing compliance with the SLAs agreed with the clients. Within the practices to maximize the availability of services, there is also the analysis of repetitiveness and the associated management of problems, within the processes of continuous improvement, whose purpose is to reduce the future probability of both the volume of interruptions and their times of restoration, so minimising service unavailability.

The services are provided continuously 24 hours a day, 7 days a week, with continuous technical staff present at the service control centre, as well as staff from the Technical Units area and the different levels of escalation, so there are no periods of inactivity.

TELECOM INFRASTRUCTURE SERVICES FOR SUSTAINABLE CONNECTIVITY



Telecommunications Infrastructure Services (TIS)

Cellnex operates in 147,581 Point of Presence (PoPs), has a portfolio of 110,830 sites, including BTS committed deployments and is committed to the development of new generation networks. A summary of the portfolio of Telecommunications Infrastructure Services sites as for December 31, 2022, is presented below. The Cellnex data centres have been set upper floor, compact and modular, so they can always be set up according to the latest technology and fine-tune based on individual specific requirements.

Framework Agreement	Project	Nº of Sites acquired	Beginning of the contract	Initial Terms + Renewals (1)
Telefónica	Babel (Renewed, see detail footnote 18)	1,000	2012	10+10+5
Telefónica and Yoigo (Xfera Móviles)	Volta I (Renewed, see detail footnote 18)	1,211	2013	10+10+5 (Telefónica) Until 2030+8 (Yoigo)
Telefónica	Volta II (Renewed, see detail footnote 18)	530	2014	10+10+5
Business combination	TowerCo Acquisition	321	2014	Until 2038
Telefónica and Yoigo (Xfera Móviles)	Volta III (Renewed, see detail footnote 18)	113	2014	10+10+5 (Telefonica) Until 2030+8 (Yoigo)
Telefónica	Volta Extended I (Renewed, see detail footnote 18)	1,090	2014	10+10+5
Neosky	Neosky	10	2014	10+10+5
Telefónica	Volta Extended II (Renewed, see detail footnote 18)	300	2015	10+10+5
Business combination	Galata Acquisition	7,869	2015	15+15 (Wind) (2)
Business combination	Protelindo Acquisition	261	2012 2016	+15 (KPN) +12 (T-Mobile)
Bouygues	Asset purchase	5,004	2016 - 2017	20+5+5+5 / 25+5+5 (3)
		41	2018	20+5 (3)
Business combination	Shere Group Acquisition	1,099	2011 2015 2015	+15 (KPN) +10 (T-Mobile) +15 (Tele2)
Business combination	On Tower Italia Acquisition	11	2014 2015	9+9 (Wind) 9+9 (Vodafone)
K2W	Asset purchase	32	2017	Various
Business combination	Swiss Towers Acquisition	2,239 320	2017 2019	20+10+10 (Sunrise Telecommunications) (4) 20+10+10 (Sunrise Telecommunications) (4)
Business combination	Infracapital Alticom subgroup Acquisition	30	2017	Various
Others Spain	Asset purchase	45	2017	15+10
		36	2018	15+10
		375	2018	20+10
Masmovil Spain	Asset purchase	551	2017	18+3
		85	2018	6+7

Framework Agreement	Project	Nº of Sites acquired	Beginning of the contract	Initial Terms + Renewals (1)
Linkem	Asset purchase	426	2018	10+10
Business combination	TMI Acquisition	3	2018	Various
Business combination	Sintel Acquisition	15	2018	Various
Business combination	BRT Tower Acquisition	30	2018	Various
Business combination	DFA Acquisition	9	2018	Various
Business combination	Video Press Acquisition	8	2019	Various
Business combination	On Tower Netherlands Acquisition	114	2019	7 (5)
Business combination	Swiss Infra Acquisition	2,862	2019	20+10 (6)
Business combination	Cignal Acquisition	762	2019	20 (7)
Business combination	Business unit from Iliad Italia, S.p.A.	3,269	2019	20+10 (6)
Business combination	On Tower France Acquisition	8,407	2019	20+10 (6)
Orange Spain	Asset purchase	1,500	2019	10+10+1 (8)
Business combination	Omtel Acquisition	3,366 687 102	2018 2021 2022	20+5 (9) 20+5+5+5 (17) 20+5+5+5 (17)
Business combination	Arqiva Acquisition	6,455	2020 2014	10+1+1+4 (MBNL/EE) (10) 2024 (CTIL) (10)
Business combination	NOS Towering Acquisition	2243	2020	15+15 (11)
Business combination	Hutchison Austria Acquisition	4,529	2020	15+15+5 (12)
Business combination	Hutchison Ireland Acquisition	1,159	2020	15+15+5 (12)
Business combination	Hutchison Denmark Acquisition	1,563	2020	15+15+5 (12)
Business combination	Small M&A	9	2020	Various
Business combination	Hutchison Sweden Acquisition	2,864	2021	15+15+5 (12)
Business combination	T-Mobile Infra Acquisition	3,137	2021	15+10 (13)
Business combination	On Tower Poland Acquisition	8,227	2021	20+10 (14)
Business combination	Hutchison Italy Acquisition	9,289	2021	15+15+5 (12)
Business combination	Polkomtel Acquisition	7,071	2021	25+15 (15)
Business combination	Hivory Acquisiton	11,146	2021	18+5+5+5 (16)
Business combination	Iaso Acquisition	5	2021	Various
Business combination	Hutchison UK Acquisition	5,393	2022	15+15+5 (12)
Shared with broadcasting business		1,682		
Others		232		
Telefónica (Renewal)	Tranche I	1,543	2022	13+10+7 (18)
Telefónica (Renewal)	Tranche II	1,450	2022	10+10+10 (18)
Telefónica (Renewal)	Tranche III	1,400	2022	7+10+10+3 (18)

(1) Renewals: most of these contracts have clauses prohibiting partial cancellation and can therefore be cancelled only for the entire portfolio of sites (typically termed "all or nothing" clauses), and some of them have pre agreed pricing (positive/negative).

(2) The initial term of the MSA with Wind is 15 years, to be extended for an additional 15-year period (previously confirmed), on an "all-or-nothing" basis. The fees under the MSA with Wind are 80% CPI-linked, taking into consideration that the increase shall not exceed 3% per year, without having a minimum in case it is 0%. After the initial term, the fee could have +5%/-15% adjustment.

(3) In accordance with the agreements reached with Bouygues during 2016 – 2020, at 31 December 2022 Cellnex had committed to acquire and build up to up to 5,300 sites that will be gradually transferred to Cellnex until 2030 (see Note 8 of the accompanying consolidated financial statements). Of the proceeding 5,300 sites, a total of 1,877 sites have been transferred to Cellnex as of 31 December 2022 (as detailed in the previous table). Note that all Bouygues transactions, like most of the BTS programmes Cellnex has in place with other MNOs, have a common characteristic "up to" as Bouygues does not have the obligation to reach the highest number of sites. During 2016 – 2017 have been signed different MSA's with Bouygues in accordance with the different transactions completed (Glénan, Belle-Ille, Noirmoutier). All MSAs have an initial term of 20/25 years with subsequent renewable three/two 5-year periods, on an "all-or-nothing" basis. In relation to the MSA signed with Bouygues in 2018 (Quiberon transaction) the initial term is 20 years with subsequent renewable 5-year periods (undefined maturity). The contracts with customers are linked to a fixed escalator of 2%, except for Nexloop which is 1%.

(4) The MSA with Sunrise have an initial term of 20 years, to be automatically extended for 10-year periods, on an all-or-nothing basis, with undefined maturity. The contracts with customers are index-linked to the CPI, taking into consideration that the increase has no maximum per year, and the decrease cannot be less than 0%.

(5) Contracts with customers are index-linked to the CPI and have an average duration of approximately seven years to be automatically extended (undefined maturity).

(6) The MSAs with Iliad and Salt have an initial term of 20 years, to be automatically extended for 10-year periods, on an all-or-nothing basis, with undefined maturity. The contracts with customers are linked to a fixed escalator of 1%.

(7) Contracts with customers are index-linked to the CPI, have an average duration of c.20 years and a significant probability of renewal due to the portfolio's strong commercial appeal and limited overlap with third party sites.

(8) Orange Spain is the main customer of this portfolio of telecom sites, with which Cellnex has signed an inflation-linked Master Lease Agreement for an initial period of 10 years that can be extended by one subsequent period of 10 years and subsequent automatic one-year periods, on an "all-or-nothing" basis.

(9) The initial term of the Omtel MSA is 20 years, subject to automatic extensions for additional five-year periods, unless cancelled, on an "all-or-nothing" basis, with undefined maturity. The fees under the Omtel MSA are CPI-linked, taking into consideration that the increase shall not exceed 2% per year and the decrease cannot be less than 0%.

(10) The initial term of the MSA with MBNL and EE is 10 years with three extension rights. The duration of the MSA with CTIL is until 2024 at least two years before, extension to be discussed. This MSA is index-linked to the CPI.

(11) The NOS Towering MLA have an initial duration of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity. The fees under the NOS Towering MLA will be CPI-linked, taking into consideration that the increase shall not exceed 2% per year and the decrease cannot be less than 0%.

(12) The initial term of each CK Hutchison Continental Europe MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an "all-or-nothing" basis (same duration for all countries). The fees under the CK Hutchison Continental Europe MSA are CPI-linked, taking into consideration that the increase shall not exceed 2.25% per year and the decrease cannot be less than 0%.

(13) Initial term of 15 years + subsequent automatic renewals of 10 year periods (all or nothing, undefined maturity basis). The fees under the T-Mobile Infra MLA are CPI-linked, taking into consideration that the increase shall not exceed 3.5% per year and the decrease cannot be less than 0%.

(14) Initial term of 20 years to be automatically extended for subsequent 10 year periods (on an all or nothing basis). The fees agreed in the Iliad Poland MSA are annually adjusted in accordance with the Polish CPI provided that the increase shall not exceed 4% per year, without having a minimum in case it is 0%.

(15) 25 years with automatic 15 year renewals.

(16) 18 years with automatic 5 year renewals. All-or-nothing renewal clause, undefined maturity. The contracts with customers are linked to a fixed escalator of 2%.

(17) MSA with 20 years + automatic 5 year renewals. All-or-nothing renewal clause, undefined maturity. The fees under the Omtel MSA are CPI-linked, taking into consideration that the increase shall not exceed 2% per year and the decrease cannot be less than 0%

(18) All Telefónica contracts as an anchor tenant have been renewed and unified under one single MLA. The new MLA is CPI- linked without cap and with floor at 0%. Likewise, in each tranche and once the initial period and first two extensions have elapsed, the price may be revised by a +5%/-5%.

> ***"It was with great satisfaction that we saw the tenancy ratio on our towers increasing almost as much in the last 3 years, since Cellnex entered the market, as in the previous 3 decades, and it will increase significantly further with the existing agreements. It fills us with pride to see Cellnex playing a central role in fostering the digital connectivity in Portugal"***
>
> ***Joao Cardosa, Country Commercial Director - Cellnex Portugal***

Cellnex Portugal partnerships with Digi for the deployment of 2,000 PoPs until the end of 2023

Cellnex Portugal and Digi reached a nationwide strategic long-term agreement comprising the roll-out of 2,000 PoPs (Points of Presence) until the end of 2023. This agreement demonstrates the effort of Cellnex Portugal in supporting both incumbents and new market entrants to provide the best possible mobile communications coverage and quality of service throughout Portugal.

Cellnex Site Share solution enables Mobile Network Operators (MNOs) to develop and grow their networks, cost-effectively and efficiently, as Site Share allows MNO to place their radio base stations on Cellnex managed structures and sites in return for an annual license fee. This service involves adapting sites for new co-locations or multiple network modifications required by the operators (installation of new technologies, equipment changes, upgrades...). The objective is to meet and improve the SLAs (service level agreements) offered by Cellnex, which are of two main types: The delivery time SLA, when an Operator requests a new shelter or a network modification to carry it out with the highest quality and in the agreed time or better; and the Operation and Maintenance (O&M) SLA to provide the services with the agreed continuity and service level, and to work proactively in their improvement.

Moreover, Cellnex offers a diversity of topography from dense-urban and suburban to rural locations, including an unrivalled selection of high and privilege positioned sites, enabling its customers to extend its coverage to fill gaps, increase density of PoPs and enabling them to expand to new spectrum bands.

Cellnex Spain expands its co-location services acquiring bitNAP company

In 2022 Cellnex Spain has acquired the company bitNAP, a company that develops co-location, connectivity and interconnection services for operators from a data center of more than 3,000m^2 located in Barcelona.

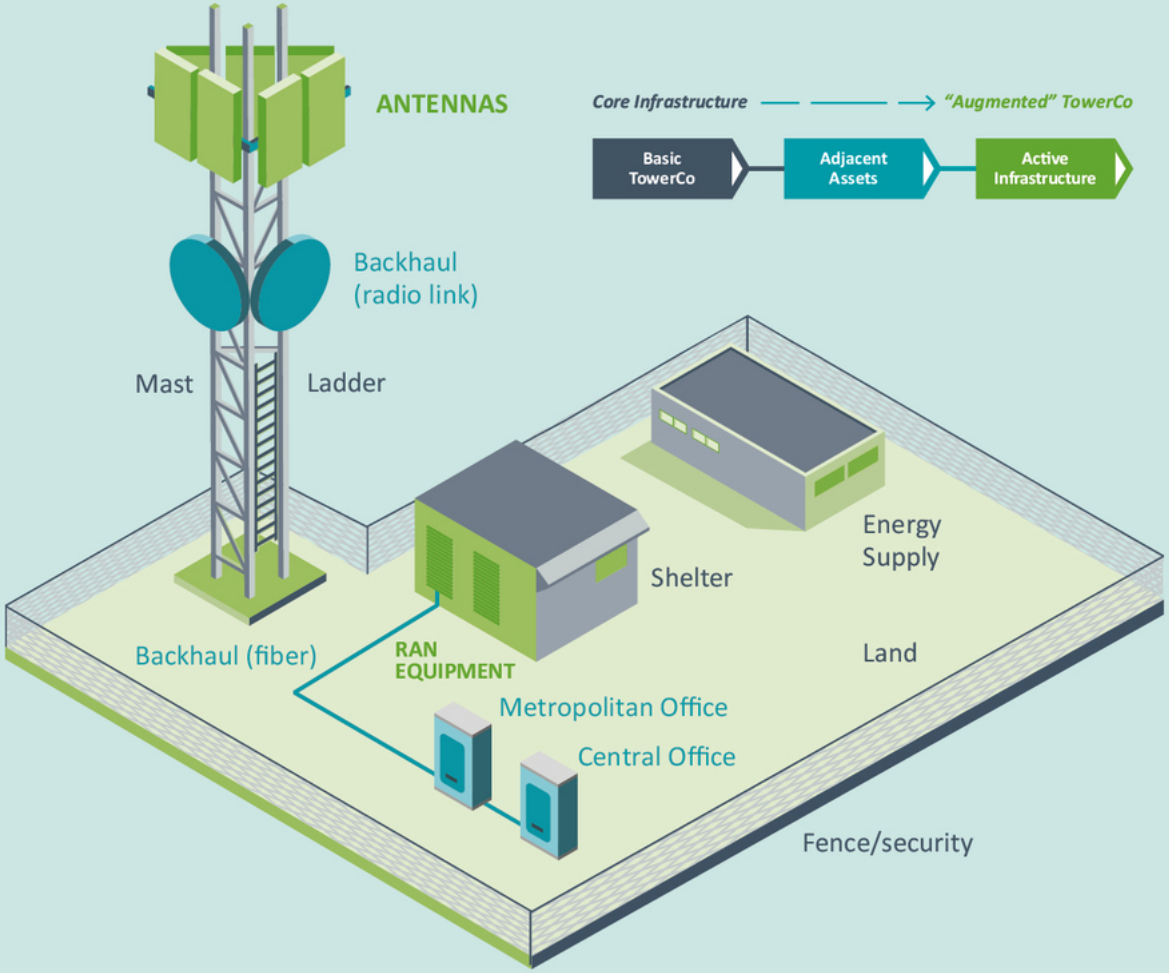
Also, wherever a new telecommunications site is required, Cellnex's built-to-suit service will build on demand. In this sense, Cellnex will develop brand new, high quality, shareable infrastructures, taking care of everything: from the site location search, the permits and landlord agreements management, the site and tower construction to the connection to the power grid. The sites are available in a range of heights from 15m to more than 50m, and the site will be tailored to customer requirements and to the environmental regulations.

During 2022 Cellnex has been working on the concept of "The augmented TowerCo", a model aimed at supporting customers in defining, implementing, operating and maintaining infrastructures and assets adjacent to towers, including active equipment. These adjacent assets include distributed antenna systems (DAS) and Small Cells, which are key to increase the network coverage levels and capacity; fibre-to-the-tower (FTTT), to expand data transmission capacity; and edge data centres and edge computing, key to ensure the low latencies (response times) crucial for the delivery of critical applications and processes. The augmented TowerCo model is based on the company's know-how and expertise in end-to-end services.

Cellnex UK and BT strengthen their relationship with multi-decade partnership agreement

Cellnex UK and BT plc have agreed to enhance their current MSSA (Master Site Services Agreement), due to end in 2030,with a multi-decade partnership agreement. As part of the deal, BT may choose to extend the MSSA on an "all or nothing basis" for further renewal periods, giving both parties long-term certainty and strengthening their relationship.

AUGMENTED TOWERCO



Small Cells and DAS are systems aimed to *increase the coverage and capacity* of the network

DAS (Distributed Antenna System) and Small Cells

Small Cells and Distributed Antenna Systems (DAS) are systems aimed to increase the network coverage and capacity, by extending the mobile operators coverage, mainly in indoor and in outdoor highly crowded areas, where the signal level and capacity of existing mobile operators base stations don't reach the required levels of service. Instead of providing coverage with high power base stations, Cellnex provides tailored coverage with a system of distributed radios and antennas. This allows outstanding mobile connectivity to spots where large numbers of users are concentrated, such as stadiums, skyscrapers, shopping malls, crowded outdoor areas or airports. These solutions also provide excellent coverage to underground places like tunnels, car parks or railway stations. In addition, DAS and Small Cells are one of the base infrastructures from which the new 5G communication standard will be deployed.

Cellnex UK acquires industry-leading connectivity provider Herbert In-Building Wireless

The acquisition will expand Cellnex UK's indoor connectivity business and sees the creation of a new Cellnex company, Cellnex UK In-Building Solutions (CUKIS), which will be led by Tim Loynes, HiBW's current Director. The creation of CUKIS will further strengthen Cellnex UK's current indoor connectivity business.

Milan Underground M4 with 5G ready mobile coverage

Thanks to DAS solutions applied by Cellnex Italia, the first 6 stations of the M4 (Blue Line) inaugurated on November 26th 2022 are equipped with a network of mini-antennas (DAS) to guarantee WINDTRE and iliad users a stable and high-performance 4G and 5G Ready mobile connection.

The same DAS technological solution will also be deployed in the additional 2 stations to be opened by the first half of 2023, as well as in the next 13 stations to be completed by 2024.

Ensuring stable and high-performance mobile coverage in the public transport network is one of the key factors in transforming a city, and its transport network, into a smart city. Thanks to the agreement between Cellnex Italia and M4, the company managing Line 4 as well as its design and construction, WINDTRE and iliad users will be able to have a dedicated 4G mobile coverage, with a 5G-Ready infrastructure soon to be activated, on the first 6 stations of the Blue Line of the Milan subway. The 6 stops inaugurated in November 2022, for a total of 5km of route, connect Linate Airport with Piazzale Dateo.

Cellnex Sweden to offer indoor coverage for Bauhaus

Cellnex Sweden has signed an agreement with German hardware and DIY chain Bauhaus to provide mobile coverage inside its shops in the Nordic country. Bauhaus wants to be at the forefront of innovation and customer experience and has trusted Cellnex Sweden for the design, installation, start-up and operation of multi-operator distributed antenna systems (DAS) which, once deployed in the shops, will make it easier for customers to use their mobile phones to call, browse, manage their payments with digital solutions, and access the websites of members of the Bauhaus customer club in a fast and seamless way.

The collaboration project between both companies has started in the Bauhaus department stores located in Sundsvall and Löddeköpinge in Sweden, but it is expected that it can be extended to other stores of the chain in the Nordic country.

> ***"This project is a first step in our mobile edge computing strategy with a local breakout capability, allowing certain applications such as live streaming and content replay to be made available to fans at the stadium without having to go onto the internet (i.e. mobile core), further improving customer experience with low, stable latency whilst increasing security and reducing back haul bandwidth in real-time content delivery"***
>
> **Eduardo Fichmann, Global Innovation & Product Strategy Director - Cellnex Corporate**

Cellnex Spain to revolutionise the stadium fan experience via mobile

Cellnex has installed a Distributed Antenna System (DAS) at the Real Betis Balompié football club's Benito Villamarín Stadium to provide all spectators at the match with optimal mobile coverage, even when its maximum 60,000 spectators capacity is reached. To this end, Cellnex has teamed up with specialized partners to roll out and test an application that can offer fans a unique experience through their mobile phones. This is an innovative real-time edge streaming video, with eight cameras, which allows viewers to enjoy a live audiovisual experience on their mobile phones, on the pitch that complements the match experience. This connectivity infrastructure, will turn Benito Villamarín Stadium into a Smart Stadium.

Network and other services

Cellnex offers integrated and adaptable solutions to develop a connected society and make the *Smart* concept a tangible reality in both urban and rural areas. These include: Mission Critical Private Networks (MCPN) services, Business Critical Private Networks (BCPN) services, connectivity services, Operation and Maintenance services and IoT and Smart City services.

Audiovisual broadcasting networks

Cellnex is one of the leading operators of broadcasting infrastructures in Europe. In its high tower sites Cellnex host main TV and radio broadcasters, from where it transmits TV and radio signals to all homes and users. Thanks to the defined operation processes and to the high reliability of the infrastructure in its sites Cellnex can guarantee the stringent high levels of availability required by its clients.

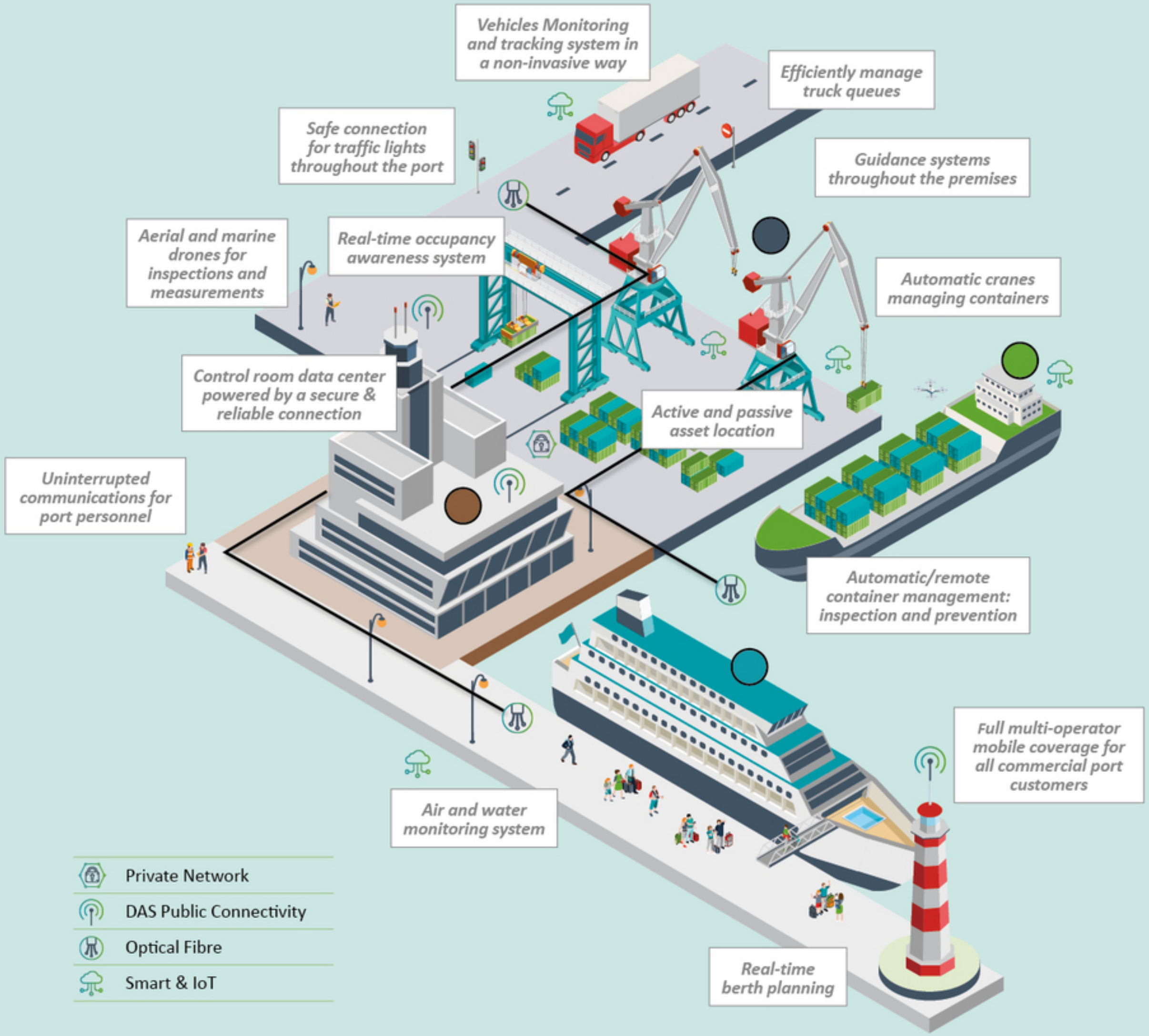
Cellnex Spain has circa 3,000 sites that transmit Digital Terrestrial Television (DTT) and radio signals. It is leading the innovation of the DTT platform in Spain: better quality and hybrid services and Mobility. Cellnex has led the evolution of the broadcast quality to Ultra High Definition (UHD). In collaboration with Radio Televisión Española (RTVE), Cellnex has broadcasted the World Cup in Qatar in UHD (4K and HDR image and Dolby sound). Cellnex is providing to the main Spanish TV broadcasters the LOVEStv platform using HbbTV (Hybrid broadcast broadband TV), this service is combining broadcast television and broadband capabilities to provide the viewer with a better, more flexible and high quality TV experience delivered through Digital Terrestrial Television. During past MWC 2022, Cellnex participated in a full end-to-end live streaming demonstration using 5G Broadcast, delivering content to smartphone devices and showcasting broadcast/multicast capabilities over 5G. For radio services, Cellnex offers FM and digital radio broadcasting (DAB).

In this sense, some of the outstanding projects of 2022 carried out by Cellnex Spain are the execution of the extension with RTVE (the state-owned public corporation of radio and television service) for DTT and FM services by the period of one year, and the concession of the contract for the supply and maintenance of Andorra Telecom's DTT stations. In addition, customers continue to trust in Cellnex for the renewals and extensions of their contracts, thanks to the operational excellence that Cellnex has been demonstrating, both in DTT and in radio during the many years of commercial relationship.some of the outstanding projects of 2022 carried out by Cellnex Spain are the execution of the extension with RTVE (the state-owned public corporation of radio and television service) for DTT and FM services by the period of five years, and the concession of the contract for the supply and maintenance of Andorra Telecom's DTT stations. In addition, customers continue to trust in Cellnex for the renewals and extensions of their contracts, thanks to the operational excellence that Cellnex has been demonstrating, both in DTT and in radio during the many years of commercial relationship.

Multi-camera television broadcast using a private 5G network

The project validated the usefulness of 5G private networks for multi-camera contributions. In this way, La Xarxa and betevé used the 5G network implemented for the Catalunya Project by Cellnex, Lenovo and Masmovil, to simultaneously contribute and edit multiple live television camera signals in the cloud using the TVU Networks solution.

FULL INFRASTRUCTURE MANAGEMENT



> ***"Austria has gained a strong player in the field of IOT: Drei Austria is currently rolling out a nationwide LoRaWAN network. OnTower Austria, a subsidiary of Cellenx SA. provides the necessary passive infrastructure and is therefore an important enabler for this future-oriented service.The team of Drei Austria and OnTower work hand in hand during the implementation."***
>
> ***Josef Künz, Global Head of Operations - Cellnex Austria***

Mission Critical Private Networks (MCPN) services

Mission Critical Private Networks (MCPN) are networks for Security and Emergency forces that are provided with very high availability and communications security. Mission critical communications are networks that must comply with advanced services specifications and must provide a secure and resilient mobile voice, data and video service platform to address these needs. In this sense, Cellnex provides professional radio communication systems for public safety authorities complying all mission critical communications requirements from the network design and engineering to the end-to-end operation and maintenance service.

During 2022, customers have renewed the Critical Mission Networks with Cellnex Spain, from which services are provided to more than 100,000 users of security and emergency forces (police, firefighters, etc.). Is worth highlighting that the contract for the comprehensive management of mission-critical communications for emergency and security corps in Catalunya (RESCAT) have been renewed for a period of 5 years with the Generalitat de Catalunya, in Valencia (COMDES) has been extended for one year more, and the LINCE project, the security and emergency network in Andalusia (the largest DMR technology network in Europe), has been awarded to Cellnex Spain.

Private networks

Private wireless network technology enables users and customers to integrate machines and people across a wide range of applications and usage scenarios in diverse industrial and business critical domains as in manufacturing, supply chain, transportation and energy, where is key assuring high degrees of security as is an isolated and dedicated network and also the allowance of network and services self-configuration and management.

Wireless connectivity provides employees with data and insight whilst on the move, real time insight into operational processes, allows for the wireless control of moving objects and vehicles, and for the permanent extraction and logging of sensor and status information from processes and assets. For the tightest, most controlled performances for critical business processes, Cellnex offers the option to establish a genuinely private network with all elements and control in the hands of the enterprise itself.

Deployment of Private 5G Network capabilities into the Automotive Industry

Cellnex, through its business unit EDZCOM, has launched a partnership with the automotive branch of SEGULA Technologies to offer its automotive customers a private 5G network capabilities. As part of the collaboration, Cellnex will deploy a Private 5G Network at the Segula's German test center located in Rodgau-Dudenhofen, bringing high mobility due to very low latency, as well as a dedicated spectrum, strong security and data confidentiality.

IoT and Smart Services

Being 'smart' indicates the building or premises dispose of wireless –and wired– infrastructures and the associated devices and sensors that allow the infrastructure to 'think' and act all by itself, optimising its performance and characteristics for the usage it is intended for. These infrastructures are Internet of Things (IoT) based; a network where an internet is used to connect countless numbers of electronic systems, computers, sensors and action devices ('things').

IoT is expected to rapidly increase to enhance our daily world with 'smart' and autonomous environments. Cellnex operates IoT networks, deployed either at a local or national level, in order to offer smart services to its clients.

Cellnex Portugal chosen by Lorin Networks to deploy an IoT network in its infrastructures

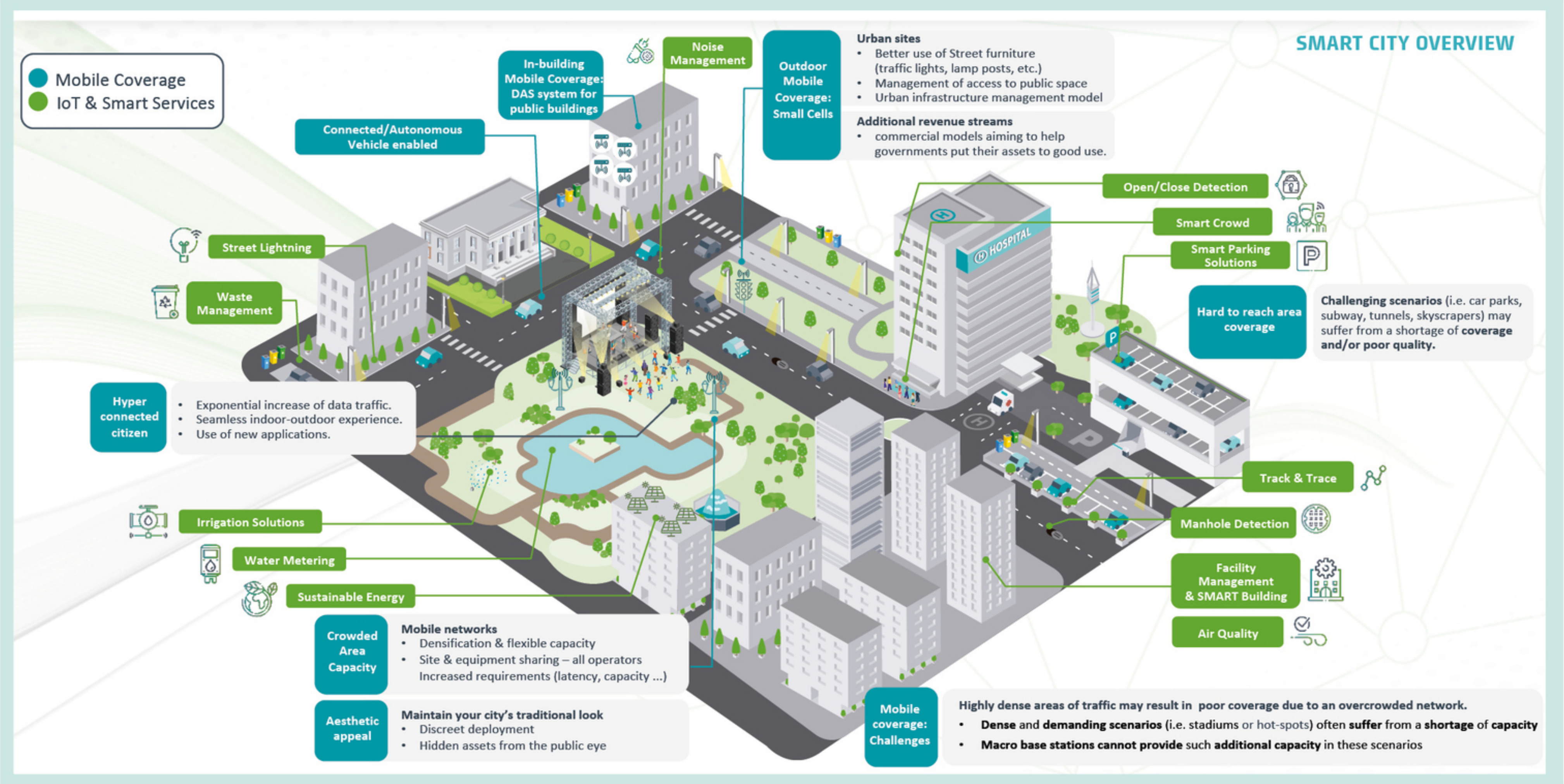
Cellnex Portugal and Lorin Networks reached an agreement to deploy an IoT (Internet of Things) network based on LoRaWAN technology in Cellnex infrastructures in Portugal. IoT networks allow for the installation of a range of oriented solutions not only to improve connectivity in essential sectors of activity, such as agriculture or transport and industry, but also to the acceleration and development of smart cities, for example, through intelligent sensor services capable of monitoring various kinds of consumption in real time.

Cellnex Ireland acted as key infrastructure partner in “smarting” Dublin

Cellnex Ireland, in collaboration with Bigbelly, a world leader in smart waste and recycling solutions for public spaces, has repurposed litter bins and equipped them for connectivity. The litter bins that Bigbelly has distributed around the Irish capital are solar-powered and include smart services such as usage alerts to speed up collection. With the arrival of Cellnex, these bins house an infrastructure of small cells (small embedded antennas) to improve connectivity in the city and Internet of Things (IoT) applications. Antennas have also been installed in smart streetlights and lamp posts, where the infrastructure remains hidden and installation permits are faster and easier to obtain. The project, a pioneer in Europe, taps into the new concept of universalising telecommunications services as a result of the pandemic.

Cellnex Spain to develop an energy-efficiency project based on IoT technology and artificial intelligence

UNED (National University of Distance Education) has awarded Cellnex a project to optimise the energy efficiency of the air-conditioning and lighting systems of its university campuses through Internet of Things (IoT) technology. The objective is to reduce and optimise energy consumption, especially in empty spaces, maintaining pre-comfort conditions that, in turn, avoid cost overruns by reducing or raising the temperatures of spaces when unoccupied and also avoiding too drastic differences between occupied and unoccupied spaces that prevent them being kept at optimal levels. Cellnex is to equip UNED university campuses with sensors to enable remote data collection and monitoring for real-time control of lighting and air-conditioning systems, thereby cutting energy consumption.



SMART CITY OVERVIEW

- ● Mobile Coverage
- ● IoT & Smart Services

Outdoor Mobile Coverage: Small Cells

Urban sites
- Better use of Street furniture (traffic lights, lamp posts, etc.)
- Management of access to public space
- Urban infrastructure management model

Additional revenue streams
- commercial models aiming to help governments put their assets to good use.

Hard to reach area coverage

Challenging scenarios (i.e. car parks, subway, tunnels, skyscrapers) may suffer from a shortage of **coverage and/or poor quality.**

Hyper connected citizen
- Exponential increase of data traffic.
- Seamless indoor-outdoor experience.
- Use of new applications.

Crowded Area Capacity

Mobile networks
- Densification & flexible capacity
- Site & equipment sharing – all operators
Increased requirements (latency, capacity ...)

Aesthetic appeal

Maintain your city's traditional look
- Discreet deployment
- Hidden assets from the public eye

Mobile coverage: Challenges

Highly dense areas of traffic may result in poor coverage due to an overcrowded network.
- **Dense** and **demanding scenarios** (i.e. stadiums or hot-spots) often **suffer** from a **shortage** of **capacity**
- **Macro base stations cannot provide** such **additional capacity** in these scenarios

Innovation

Innovation at Cellnex is led by the Product Strategy and Innovation Department, which is responsible for the following three areas of work:

- The Innovation area, which focuses on monitoring existing and future technologies that may have an impact on the company's business (e.g. 6G).
- The Product Strategy area, which is in charge of new products definition, from design and validation to launch and implementation (such as Edge Computing).
- The Project Management Office, responsible for economic and administrative control of the innovation and product strategy activities.

These areas of work focus on the development of three main types of projects, which are the communications for connected and intelligent infrastructure (e.g. highways, railways, maritime, ports) (Mobility), broadcast and media services (Broadcast evolution) and infrastructure for the future of telecom communications (Site of the future).

In line with this commitment to innovation and technology improvement, Cellnex is investing EUR 4.17 million in the development, testing and launch of new innovative products and solutions in the countries in which Cellnex operates. The main projects developed are presented as follows.

cellnex

MOBILITY
4
Highways
Rail
Maritime
Ports

BROADCAST EVOLUTION
5
Ultra HD over DTT
5G Broadcast
Edge computing broadcast
LovesTV improvements
Hybrid TV

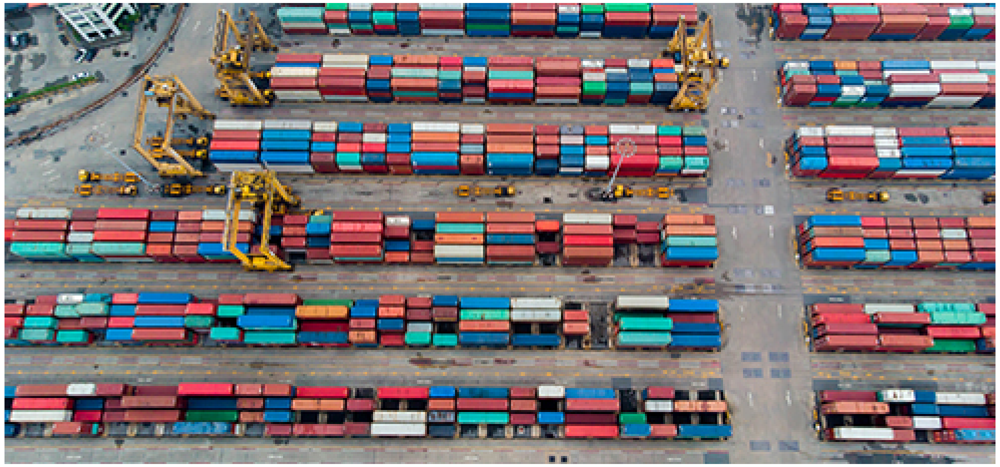
SITE OF THE FUTURE
5
mmWave
Disaggregated RAN
Green Energy
MEC
Next gen central offices

In 2022 14 *innovation projects* were carried out

Cellnex is *investing* €4.17 *million* in the development, testing and launch of new products

Transforming E-commerce and the local marketplace

Parlem Telecom together with Cellnex Spain, Lenovo and Red.es, presented a technological solution that will serve to transform the e-commerce of local shops and offer the user a real shopping experience virtually equivalent to the face-to-face shopping that could be experienced in any market or shop.
In 2022, the first use case of the 5G pilot in Catalonia was presented at the Boqueria Market (Barcelona, Spain) to shop online with augmented reality and in real time for products from the merchants of this iconic and famous Barcelona market. In the future, this will make it possible to make purchases from anywhere in the world, making it an immersive shopping experience in which the user will feel as if they were in the shop itself.



5G UK Innovation Network

Cellnex UK has been selected for grant funding as part of the Department of Digital, Culture, Media and Sport's Future Radio Access Network Competition (FRANC). The grant will go towards funding a Cellnex UK-led consortium of industry partners that is developing a new software-based platform to create a testbed for both public and private 5G cellular networks deployed in the centre of Bristol as well as providing backhaul over the LEO-Satellite Constellation. The £35 million competition is designed to fund innovative R&D projects to develop Open RAN technology across the UK. The O-RANOS project will create an architectural blueprint to accelerate development and reduce costs of new product offerings and create new business models for both private and public 5G networks. It plans to demonstrate Open RAN backhaul over a number of transmission methods, including the world's first demonstration over OneWeb's LEO-Satellite Constellation, which will extend Open RAN intelligence to the transport network and pave the way for backhaul convergence.

PORTWIN. Digital twins, edge computing and 5G to increase port efficiency and Security

Cellnex contributed to port infrastructures digitalization with the project PORTWIN. Within the scope of this project, the company deployed a network in the frequencies from 2,370 MHz to 2,390 MHz (the n40 band), a frequency band that the Spanish spectrum regulator has recently assigned and reserved to deploy mobile networks for business and industrial use.

The 5G network in the Port of Valencia is standalone (SA), which makes it possible to use all the advantages of the fifth generation of mobile communications, namely ultra-reliable, low-latency communications which provide security, consistency and real-time operation. In addition, massive connectivity between devices ensures that up-to-date sensor information is available at all times.

Ship information is collected in real time using civilian radars based on ultra wideband (UWB) technology. This information, transmitted through the 5G private network reaches the local computing system (edge computing), where complex mathematical algorithms process the signals received in real time. The end result facilitates optimal decision-making for port managers, ensuring maximum safety during berthing manoeuvres.

Cellnex Spain developed and validated a use case of bidirectional holography applied to distance learning

The bidirectional holographic solution validated by 5G Catalunya made it possible to volumetrically capture the image of a speaker at a remote point and reproduce it in 3D elsewhere via streaming across a private 5G network. The advantages of the innovative 5G technology (high speed and low latency) allow for an immersive two-way video and audio communication experience. The volumetric system that is used to capture and broadcast the 3D image guarantees nearly real contact with the interlocutor, while the 5G network allows for virtually immediate bidirectional interaction between both remote points, with minimal latency.
The role of Cellnex was providing the 5G access network infrastructure with stand-alone configuration to enable the required streaming connection between both remote points to roll out this demonstration.

Transforming La Défense square into a very-high-speed 5G sandbox

Cellnex France has been selected by Paris La Défense as partner to run a 5G mmWave (26Ghz) trial at the heart of this emblematic business district. This project has a two objectives: firstly, to test the feasibility of a neutral host model allowing the sharing of antennas and infrastructures; and secondly, to experiment with new use cases leveraging very-high-speed 26 GHz 5G deployed in La Défense district.

By deploying the small cell infrastructure, that will guarantee unprecedented speeds, Cellnex and Paris La Défense plan to turn La Défense esplanade into a unique playground and experimental area for companies wishing to test use cases.Alongside these experiments open to innovative companies in the field of connectivity, the appeal of deploying 5G mmWave (26 GHz) in Paris La Défense is also to demonstrate the relevance of the neutral host model. A model that guarantees efficient and effective wireless deployment by sharing antennas and infrastructure.

Cellnex will promote 5G infrastructure in European transport corridors

Cellnex has been awarded by the European Commission of six projects (4 deployment projects and 2 feasibility studies) to boost 5G infrastructure in European transport corridors, thus benefiting EU citizens and the industry.
The deployment projects will cover two cross-border corridors connecting Spain with France and two corridors connecting Spain with Portugal. In addition, the studies include the connection between Italy and Austria and the EUMOB project with Abertis.
The main objective of these projects, which are part of the European Commission's Digital Connecting Europe Facility (CEF-2) programme, is to provide high-quality and uninterrupted 5G connectivity for road safety services, and offer connectivity services to vehicle users and passengers along these corridors. To this end, Cellnex will deploy 34 new telecommunications sites (including DAS in tunnels), in which it plans to work with mobile operators based on its neutral host model, complemented by a V2X communications infrastructure and edge computing nodes to provide connectivity. 5G along the more than 1,400 km of these four cross-border corridors.

Parvis de La Défense 2021 © Paris La Défense - Sabrina Budon

Cellnex connects more than *338 million* people in Europe

Regulatory context

Ensuring safety and service continuity

The COVID-19 crisis has meant a great disruption in public health, economic and social terms and for its synchronous impact worldwide. This is a disruption such as we have not seen in the past 100 years, precisely because of its global scope, not even during wartime. At the same time though, as a society, digitalisation and connectivity have provided the antidote that has mitigated the impact of this crisis. It is still too early to draw conclusions about what we will have learned and what will be left when we come out of this crisis. Nonetheless, a certainly inescapable fact is the acceleration of digitalisation in our daily lives.

Over the past three years, this has highlighted the need to maintain connectivity, as we all depend on technology to obtain information, observe social distancing, stay in touch with loved ones, and work from home. The maintenance and continuity of Cellnex Group's business has therefore been critical throughout the course of this worldwide pandemic.

Cellnex Group has more than 110,500 infrastructures (towers and communication nodes) throughout Europe that provide mobile network communication, television and radio broadcasting, dedicated communication networks for security and emergency services, and communication and security within the maritime rescue network, among other things. Cellnex connects more than 338 million people in Europe.

Right from the outset of the crisis caused by the COVID-19 pandemic, Cellnex Group has deployed its contingency and business continuity plans in the countries in which it operates. The Group's main goal has been to preserve the security and availability of the services it provides while also ensuring the strictest protection measures for its employees and co-workers. Furthermore, under the umbrella of the “Cellnex COVID-19 Relief Initiative”, the Group maintains several lines of cooperation to the tune of €10 million with NGOs and various hospitals that are helping to minimise the health, economic, and social impact derived from the pandemic.

In this regard, even though national COVID-19 measures were not as strict throughout 2022, Cellnex professionals continued to work on contingency plans to ensure the proper functioning of telecommunications infrastructures, which in turn has ensured round-the-clock continuity of uninterrupted services throughout the entire COVID-19 pandemic. A specific Global Contingency Plan was drawn up in order to guarantee the continuity of critical services and a Global Crisis Committee, in addition to local crisis committees (which report periodically to the global committee), were set up to monitor the contingency plan and take action based on the current situation.

A number of engineers and technicians, grouped in the Service Operation Center (SOC), are in charge of basic tasks to ensure that services keep operating, with permanent 24/7 assistance, while continuously assessing the state of the networks, data transmission, the operation of DTT and digital radio, and the IT security of Cellnex facilities.

In Spain, the main support centre is the Network Operation Center (NOC), which for security reasons is split across two sites (Madrid and Barcelona). This is a surveillance centre, similar to that of air traffic controllers or large transport networks, which safeguards the services of the network managed by Cellnex in broadcasting activities (DTT television, digital radio, and multimedia services, such as streaming), its own network (self -provisioning services for its own television signal, for example) and third-party network services, for fiber or radio customers, with more than 10,400 sites in Spain.

There are other services that also require uninterrupted communications to which Cellnex has to give very high guarantees of continuity. One of the most important is the Global Maritime Distress and Safety System. This is an essential service to aid maritime navigation. Cellnex provides maritime coverage from its towers from which weather forecasts and navigational warnings are broadcasted, distress calls are received and ships can communicate directly with Salvamento Marítimo.

Cellnex is present in several EU countries and will therefore be able to actively *contribute to the achievement* of the objectives set by the European Union

How has the perception of telecommunications services changed during the pandemic?

Cellnex Poland participated in the European Economic Congress in Katowice during which the Director of Transformation and Public Affairs of Cellnex Poland commented through a video interview for the editorial office of SuperBiznes, where the Director of Transformation and Public Affairs of Cellnex Poland commented that “The increase in telecom traffic during the pandemic has stimulated the necessary investments to increase the capacity of telecommunication networks. Consumers have invested in better service packages, better telecommunications deals. We are seeing a positive trend for consumers to appreciate better quality services, for which they can pay more, which also translates into investment opportunities for operators. Thanks to the involvement of companies like Cellnex, who have taken on the burden of investing in shared telecom infrastructure, the cost and risk of expanding this infrastructure is coming down, so this bodes very well for the future when it comes to further development of wireless networks in Poland”.

The future of telecommunications infrastructures

As new technologies come onto the market, they are more intelligent, with even better functionalities and applications. Then, it is necessary for the mobile telecommunications infrastructure to be kept up to date and capable of supporting these new technologies. Cellnex Switzerland spoke about it at the Asut (Swiss Telecommunications Association) lunch in Zurich.

Next Generation EU

Next Generation EU is a temporary recovery instrument endowed with more than €800 billion that will help repair the immediate economic and social damage caused by the coronavirus pandemic. The aim is to make post-COVID-19 Europe greener, more digital, more resilient, and better adapted to current and future challenges.

The Next Generation EU funds are based on three pillars involving public administrations, businesses, and society as a whole: Green Transition, Digitalisation and Reindustrialisation.

Ecological transition: The European Union (EU) aims to achieve climate neutrality by 2050, transforming the EU into a sustainable and climate neutral economy based on decarbonisation, energy efficiency, pollution 0, circular economy, sustainable mobility, and "farm to fork" .

- Digitalisation: The EU's data and Artificial Intelligence (AI) strategies seek to boost and develop new technologies: to create a single European market for data, both public and private, allowing it to flow freely across the EU and between sectors; and proposals to promote the development of AI by setting out the options available to maximise the benefits and address the challenges.
- Re-industrialisation: The EU has identified six strategic value chains to boost industrial competitiveness and help achieve the climate ambition: cybersecurity, Internet of Things (IoT), Smart Health, hydrogen systems, CO_2 reduction, and autonomous vehicles.

Cellnex is present in several EU countries and will therefore be able to actively contribute to the achievement of the objectives set by the European Union. This is especially true when dealing with the digitalization of rural areas, where the objective is to bridge the divide between rural and urban areas, thereby mitigating depopulation by creating the

> ***"I have the opportunity to work on an innovative and cross-cutting project that will pave the way for Future Connected and Automated Mobility on a pan-European scale. The most enriching part has been working collaboratively with the different countries and corporate areas as one team."***
>
> **Ismael Pacheco, Senior New Business INIT Project Manager - Cellnex Corporate**

necessary conditions for reliable and resilient access to communication networks and providing coverage through high-speed networks for the development of local public services, such as education and health.

Cellnex's position as a neutral and independent infrastructure operator presents the opportunity to provide its customers and society with solutions to promote new technologies throughout Europe. Next Generation funds can be a mechanism for this, which is why Cellnex Group aspires to participate in initiatives to which, as a company, it can add value. The current lines of action are as follows: urban and rural agenda and combating depopulation, resilient infrastructures and ecosystems, 22nd century administration, and modernization and digitization of the business ecosystem.

Accordingly, Cellnex has actively worked on multiple proposals for the deployment of Next Generation funds within Cellnex's operational scope, providing ideas, proposing different approaches, and acting as a partner for the main stakeholders (public administrations and industry) through the figures established (MDI Spain, AMi, France, etc.).

All the proposals are aimed at meeting the connectivity needs included in the national resiliency plans. Digital connectivity is a key factor for the development of economic activity, for increasing productivity, boosting innovation and territorial and social structuring.

All these initiatives should help Cellnex and the countries where it operates to establish themselves as a benchmark for connectivity, and enable a transformation of their productive network, helping the process of recovery from the COVID-19 pandemic.

Cellnex can help to improve the coverage of urban spaces, providing greater digitalisation of public spaces and public services such as hospitals, schools, research centres, etc.). In this regard, Cellnex is focusing its efforts on the development and roll-out of 5G technology.

Broadband Cost Reduction Directive

To make high-speed broadband available quickly, in 2014 the European Union established a set of harmonised measures to reduce the cost of broadband deployment, through the Broadband Cost Reduction Directive. The European Commission is reviewing the infrastructure deployment framework and a new framework is expected in 2023.

The Broadband Cost Reduction Directive reduces the cost and helps to accelerate broadband deployment by simplifying permit procedures for civil works; promoting better coordination and synergies between civil engineering projects and the various authorities involved; providing companies with a better overview and access to existing infrastructure, including inside buildings, which could host network elements; and equipping new buildings and major renovations with high-speed physical infrastructure.

Therefore, the Directive introduces measures to simplify permit procedures and make them more transparent. This leads to time savings and, potentially, advanced services being provided earlier to end-users. In addition, it lowers barriers to market entry, which favours competition.

In this regard, addressing the forthcoming review of the Broadband Cost Reduction Directive, as well as the opportunities it will bring, is a strategic priority for Cellnex's business. Indeed, the European Commission is currently reviewing the Directive to provide a better, quicker and easier framework for the roll out of connectivity services. The Company will closely follow the review which is envisaged to take up to 2025.

Digital decade

The digital society and digital technologies present new ways to learn, entertain, work, explore, and fulfil ambitions. They also offer new freedoms and rights and give EU citizens the opportunity to reach beyond physical communities, geographic locations, and social positions. However, there are still many challenges associated with digital transformation that need to be addressed during the “digital decade”.

In this regard, on 9 March 2021, the European Commission presented a vision and pathways for Europe's digital transformation by 2030. The Commission proposes a Digital Compass (communication) for the EU's digital decade that evolves around four cardinal points: skills, government, infrastructures and business. Key policy areas to ensure that these objectives are met include cloud computing, artificial intelligence, digital identities, data and connectivity.

On 26 January 2022, the Commission proposed an inter-institutional solemn **declaration on digital rights and principles for the digital decade**. The proposed digital rights and principles are the following.

1. Putting people and their rights at the centre of the digital transformation
2. Supporting solidarity and inclusion
3. Ensuring freedom of choice online
4. Fostering participation in the digital public space
5. Increasing safety, security and empowerment of individuals
6. Promoting the sustainability of the digital future

On 14 November, Member States, Parliament and Commission concluded the negotiations on the declaration (text not available yet).

In addition, the digital decade can also help the EU meet the objectives of the European Green Deal, helping Europe reach its target of reducing greenhouse gas emissions by at least 55% by 2030. One example is the "Twin Revolution: Digital and Green", where the transition to a more digital and a more green Europe go hand by hand and can reinforce each other in many areas.

The Commission would first develop projected EU trajectories for each target to monitor progress towards the goals. In turn, Member States would define the projected trajectories at national level, to the extent possible, and propose national strategic roadmaps, outlining their plans, to achieve them. Progress along the national and EU trajectories would be assessed annually.

Some of the proposed projects fall under the umbrella of 5G deployment in transport networks, as well as deployment in European cities to provide seamless connectivity. As well as making BTS servers more sustainable (lower consumption and lower carbon footprint). This is why Cellnex is monitoring the proposals at European and country level that are being developed within the framework of the Digital Decade.

EU Electronic Communications Code

The European Electronic Communications Code (EECC) regulates electronic communications networks and services, updating the regulatory framework governing the European telecom sector in order to deal with new and emerging challenges. The Code is a critical step in ensuring the participation of citizens across the EU in the development of a digital economy and society, and modernises telecommunications regulations through the stimulation of competition and investments and the strengthening of the internal market and consumer rights. It was adopted in December 2018, initially giving Member States a timeline of two years to implement its rules. Since this time, ten Member States have been referred to the Court of Justice of the European Union over their failure to fully transpose and communicate to the Commission how national measures transpose the EECC.

Cellnex Group has closely followed the regulatory process and has a favourable framework for network deployment. Almost all countries that were originally referred have been transposed. Cellnex has been actively involved in the process and continues to work with all stakeholders involved. In addition, Cellnex UK has been an active participant in the legislative change to the UK Electronic Communications Code.

Exposure to electromagnetic fields

Exposure to electromagnetic fields (EMF) comes from many different sources and occurs in various situations in everyday life. EMF in the extremely low frequency (ELF) range are ubiquitous, where the main sources of these fields are in-house installations such as household appliances and powerlines. The environmental exposure from EMF is dominated by broadcasting antennas, antennas from private and governmental telecommunication services and mobile communications base stations.

In 2015, an opinion of the Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR) of the European Commission was published on the potential health effects of exposure to electromagnetic fields. The results of current scientific research show that there are no obvious adverse health effects if the

Cellnex has set up an *internal Task Force*, a multidisciplinary group that coordinates the Cellnex approach to EMF issues

exposure is kept below the levels recommended by EU legislation.

In 2018, the European Commission published the EU Electronic Communications Code, which calls for consistency and predictability throughout the Union in granting the use of the radio spectrum, while protecting public health and ensuring more consistent 5G deployment conditions throughout the Union.

According to the EU Electronic Communications Code, exposure to electromagnetic fields caused by wireless communications equipment is subject to the limits defined in a Council Recommendation. These limits are established in accordance with the guidelines published by the International Commission for the Protection against Non-Ionizing Radiations (ICNIRP).

Cellnex complies with the defined limits, both for workers and for the general public.

Furthermore, Cellnex complies with the local legislation regarding electromagnetic emissions in each of the countries in which the company operates.

Reflecting public concern about the possible effects of electromagnetic radiation on human health and the natural environment, Cellnex supports the development of scientific studies and monitors the reports published on this subject (some of the most extensive catalogues of EMF studies are on the **IEEE ICES**, **ARPANSA** and **RWTH Aachen University's EMF-Portal** websites).

Several scientific reports produced by prestigious health and environment organisations have been published in recent months. Among other aspects, the possible correlation between the use of mobile telephony for long periods of time and the incidence of cancer cases in the population has been analysed, but no correlation between the two has been established (**ANSES, 2022** and **SSM, 2022**). Other studies (**BAKOM, 2021**) have also analysed the reduction in the amount of electromagnetic radiation to which the population is exposed with the use of new antennas, which delimit much more precisely the space to which they direct their emissions, thereby reducing both energy consumption and the total radiation emitted by the antenna.

In the light of these studies, the balance of evidence indicates that there is no general risk to the health of people living near to base stations as long as exposures are under the thresholds set by international guidelines **(ICNIRP, 2020)** and national regulators.

Cellnex also participates in activities related to the evaluation, management and communication of the possible risks that this exposure may pose to health.

In this regard, Cellnex has set up an internal Task Force, a multidisciplinary group that coordinates the Cellnex approach to EMF issues with the vision of being an internal forum to exchange knowledge and best practices; monitoring international, European Union and national developments; coordinating the Technical and Regulatory approaches; and working on an eventual EMF strategy.

The EMF Task Force includes representatives from different functional areas and from all the countries in which Cellnex operates. The working group strives to involve and engage the stakeholders (MNOs, public administrations, sector associations, business associations) in each country. To this end, the EMF Task Force collaborates with telecom sector associations at national and international level, supports initiatives such as "Speed up Britain" and "Chance5G, participates in events, webinars and training sessions and drafts and distributes a report in this regard.

Collaboration between Cellnex Ireland, IBEC and EPA

In Ireland, Cellnex works with IBEC (Irish Business and Employers Confederation) to produce a 5G FAQs leaflet and a COVID-19 and 5G factsheet. Cellnex Ireland also has assisted the EPA (Environment Protection Agency) in producing a public 5G factsheet.

Collaboration between Cellnex Spain and DigitalES

Cellnex works with DigitalES, the Spanish Association for Digitisation, which performs activities related to radio emissions. This work involves examining issues of legal compliance and proposals for improvement, based on the recommendations of the International Electrotechnical Commission (IEC), in addition to studying 5G emissions.

Collaboration between Cellnex Italia and Asstel

In Italy, Cellnex works with Asstel, a branch dedicated to the whole TLC ecosystem within the Italian Association of industrial enterprises (CONFINDUSTRIA). Asstel has always been very vocal in advocacy for the sector on all industrial and political issues towards all stakeholders (NRA, Parliament, Local Administrations) throughout the debate on the development of digitalization. Since 2018 a strong institutional and communication effort has been carried out on EMF and 5G. With the engagement of valued academic institutions, extensive research has been carried out thanks to the cooperation with Universities, Public and Private Health research Institutes, Engineering, Economic Studies, with the goal of establishing a robust debate and being able to react to adverse criticism on solid grounds on multidisciplinary aspects.

National Registry of Radiofrequency Workers

In the UK there is a National Register of Radio Frequency Workers. It was established in 2002 and is the only database of its kind dedicated to exploring the possible health effects of people potentially exposed to radiofrequency above the reference values of the general public.

Public exposure limits for electromagnetic fields are based on guidelines established by the International Commission on Non-Ionizing Radiation Protection. Its exposure standards for radiofrequency are based on the assumption that the main route of potential damage is through heat deposition, with the additional potential for nerve stimulation at lower frequencies.

Cellnex UK is currently in the process of registering as a member of the National Registry of Radiofrequency Workers. In addition, Karina Beeke, a radiofrequency expert at Cellnex UK, is a member of ITU-R WP6A, the group of rapporteurs that deals with exposure to radiofrequencies.

The Swiss Research Foundation for Electricity and Mobile Communication

Cellnex Switzerland supports “Forschungsstiftung Strom und Mobilkommunikation (FSM)”. The Swiss Research Foundation for Electricity and Mobile Communication (FSM) is a non-profit-making foundation for promoting scientific research into the opportunities and risks of radio and electric power technologies that produce and use electromagnetic fields. Further aims of the FSM are the publication of the results of this research in scientific bodies and the dissemination of the research findings and specialist knowledge about electromagnetic fields within the broader community.

1.3 Our commitment

Sustainability is a fundamental pillar of the company, and it is embedded in the company's business model, which focuses on the shared management of telecommunications infrastructures.

Cellnex's strategy is based on the Environmental, Social and Governance (ESG) Policy and is formalised through the **ESG Master Plan (2021-2025)**, which it is measures and manages the impacts generated on society and the environment in an efficient and responsible manner.

ESG Governance

The Nominations, Remunerations and Sustainability Committee (NRSC) is the body responsible to monitor the ESG strategy at Cellnex and has the accountability to report to the Board of Directors (BoD). ESG topics were discussed in 100% of the meetings held by the NRSC in 2022 and in 11 out of 22 meetings [2]held by the BoD in 2022 (50%)

Moreover, an executive ESG Committee was created for the development of these functions. The Committee is chaired by the Corporate and Public Affairs area and is composed of various departments related to ESG topics, such as People, Operations, Corporate Governance, Sustainability, Investor Relations and Procurement.

During 2022, the The ESG Committee met three times (same than in 2021).

ESG oversight	
Nominations, Remunerations and Sustainability Committee (NRSC)	Governance body in charge of oversight ESG and related topics, reporting to the Board of Directors. A list of its main responsibility functions are: • Supervise and evaluate the relationship processes with our stakeholders • Oversight that Cellnex's environmental and social practices are aligned with the company ESG strategy and policies • Evaluate and periodically review the corporate governance system and the Company's environmental and social policy to ensure that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders • Review and accountability on the Integrated Annual Report and ESG Master Plan development • Advise on the strategy regarding contributions to the Cellnex Foundation and adapt them to compliance with the ESG programmes adopted by Cellnex
ESG Committee	Day-to-day management of ESG functional teams. Its main functions can be found the following: • Assess, promote and guide the Group's actions in ESG matters • Ensure compliance with the ESG Policy • Involve every Cellnex Corporate Area & BUs in the implementation of the ESG strategy and Master Plan. • Anticipate potential risks associated with changes in the ESG regulatory framework.

ESG Leaders Meeting 2022

To disseminate the ESG strategy, in 2022 was created an online community to create synergies and improve the relationships between all the Cellnex group ESG country leaders.

This team is composed by the main responsible people of ESG at each country and meets quarterly to follow up on ESG issues like:

- Coordination of the reporting process
- Keeping up to date with ESG trends and projects
- Sharing knowledge and experiences
- Monitoring of the ESG Master Plan

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[2] Please note that in 2022 there have been several extraordinary Board of Directors' meetings to address M&A transactions"

ESG essentials training launched for all the employees in 2022 with the aim that *80% of the Cellnex Group* employees have knowledge of sustainability

From 2023 all employees will integrate *ESG-linked remuneration* within its group and/or country targets

ESG Policy

In March 2021 Cellnex approved its ESG Policy, which establishes the basic guidelines and lines of action regarding Cellnex's ESG strategy which allow the formalisation and implementation of the concept of ESG within the framework of the organisation, its communication thereof to stakeholders and the progressive systematisation in all systems and operational processes of the Cellnex Group.

The **ESG Policy**, therefore, constitutes the minimum requirements in terms of ESG-related matters to be met by all companies that operate under the umbrella of Cellnex Group, and the managing director of each company of Cellnex Group must ensure that internal regulations are developed and/or adapted in line with this policy and with any applicable legal regulations.

Within the ESG Policy, Cellnex recognises three basic principles:

- **Human Rights**: The protection of and respect for universally recognised fundamental Human Rights, within the Cellnex Group's sphere of influence, and non-complicity in the infringement thereof, as well as redressing the damages arising in the case of infringement.
- **Stakeholders**: The identification of the organisation's stakeholders, taking into consideration the entire value chain of the activity, the development of communications and participation channels and their direct and indirect involvement in the identification of material aspects and the assessment of the performance.
- **Environment and climate change**: The protection and preservation of the environment and the biodiversity, in which the Company activities are carried out, using renewable energies, mitigating of and adapting to climate change, and contributing to sustainable development through an efficient use of resources.

Cellnex value creation model, based on the ESG Policy, is materialized through its 2021-2025 ESG Master Plan that sets out the roadmap to be followed. By establishing objectives and commitments, Cellnex aspire to continue improving its sustainability performance while extending its commitment throughout its value chain and stakeholders.

ESG training and awareness

During 2022 all Cellnex employees have been involved in different initiatives to create a positive impact on society. Aligned with the core values of the company there have been taken place some initiatives to integrate sustainability at the core business as well as in everyday life:

- "ESG essentials" training course was launched for all employees. This online programme includes the basics to discover sustainability and how it is integrated into the Cellnex Strategy.
- During 2021-2022 the Board of Directors and Senior Management received an ad hoc training course on ESG designed by IESE.
- Promote annual awareness initiatives, both internal and external, to disseminate knowledge about sustainability and ESG within the organisation, such as: participation in roundtables, events and conferences among others.
- In 2023 all employees will integrate ESG-linked remuneration within its group and/or country targets as part of the **Holistic Performance Management Model (HPM).**

Cellnex Italy has been awarded for its commitment to sustainability

For the third consecutive year, Cellnex Italia has been included by Forbes Italia among the 100 Sustainability Champions. Cellnex Italia has been the first to obtain the PdR125 certification in Parità Di Genere (Gender Equality) as well as the EASI in Governance for Sustainability, as well as its ability to involve all stakeholders in ESG issues. This reinforces Cellnex's conviction that sustainable development is a strategic priority for the company and an integral practice of its work model.

Double materiality analysis

> ***"Double materiality provides us with an interconnected view of the company's impacts on society and the environment, as well as the financial impacts on Cellnex's value. Identifying and focusing on the main key ESG topics enables us to manage risks and opportunities appropriately".***
>
> **Andrea Suárez, Senior ESG Analyst - Cellnex Corporate**

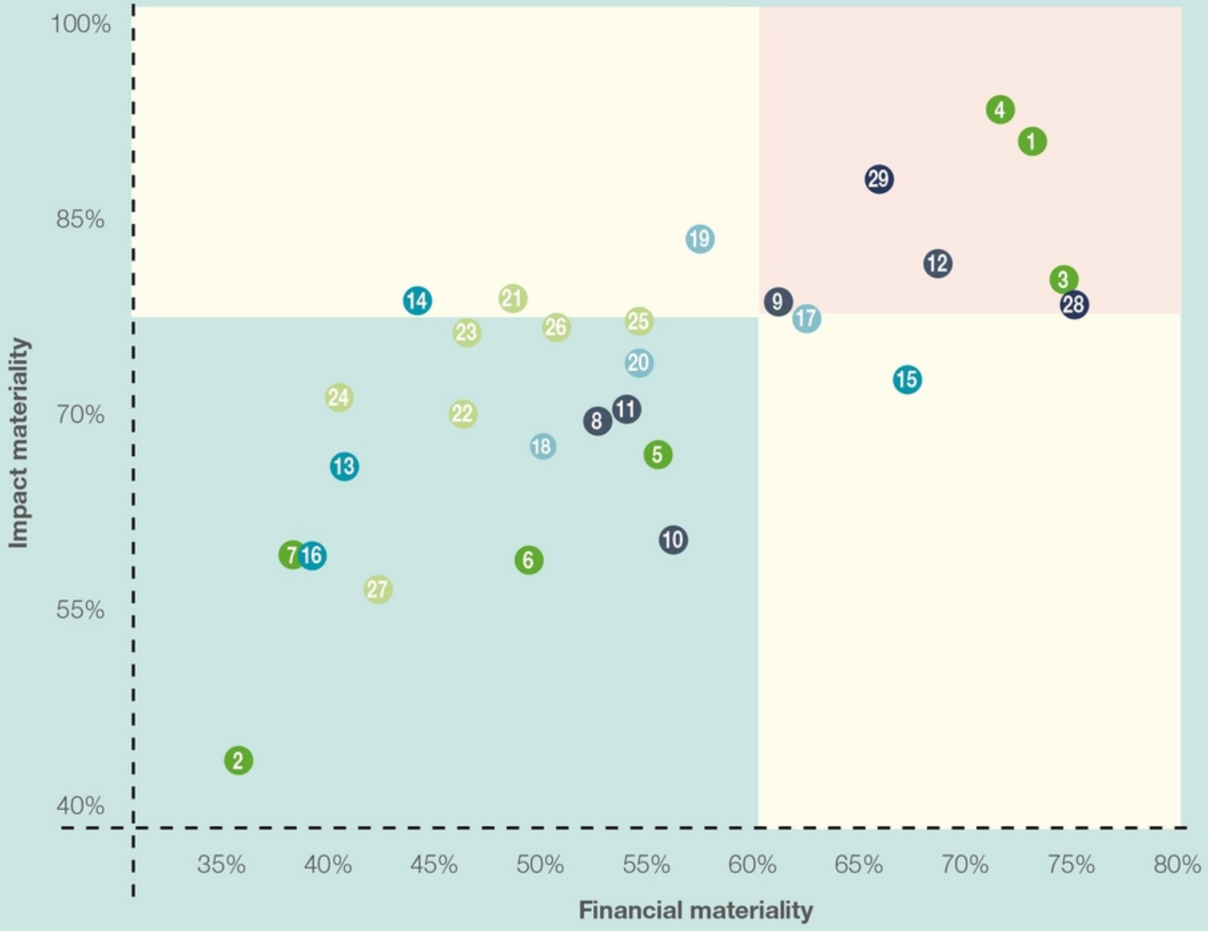
For a few years there has been an increase in the demands and requirements in terms of sustainability framed by the new business environment, where the integrated management of both the sustainability and the business is essential for the companies. In this context, the identification of a company's material issues in relation to ESG topics is essential to meet the requirements of its stakeholders.

In this sense, since the introduction of the Non-Financial Reporting Directive (NFRD) and its review through the Corporate Sustainability Reporting Directive (CSRD) as well as the European Financial Reporting Advisory Group (EFRAG) sustainability reporting standards, there is an accelerated movement towards the double materiality concept, which entails analyzing the organization's impact on the environment and society (impact materiality) and the impact of ESG topics on the organization's value creation (financial materiality).

In 2022 Cellnex has carried out a double materiality analysis, where 29 predefined Specific ESG Topics were identified for the Cellnex Group based on the Group's 2020 materiality matrix, and the requirements of the NFRD, CSRD and EFRAG's standards. These 29 predefined Specific ESG Topics were analysed taken into account the impact materiality and the financial materiality. Then, these Specific ESG Topics represent the main impacts generated by Cellnex.

> ***9 top material topics and 4 medium material***
> **topics were obtained as a result of the double materiality analysis carried out in 2022**

	ESG Topics	ESG Specific Topics		Definition
Environment	Environmental management	1	Environmental strategy and positioning	Certifications, policies, procedures and environmental reporting.
		2	Water management	Actions aimed at water management, efficiency and reduction, and water supply according to local limitations.
		3	Climate change	GHG emissions inventory, verification of the carbon footprint, compensation of emissions, actions aimed at achieving the objectives of the SBT, internal price of carbon and net-zero strategy.
		4	Energy management	Energy efficiency measures, reduction of energy consumption, purchase of green energy and energy self-generation.
		5	Circular economy	Life cycle analysis, guide for the construction of towers, use of sustainable materials, sustainable waste management.
		6	Biodiversity and land use	Compliance with biodiversity legislation, contribution of natural capital, actions to improve Cellnex's impact on biodiversity and land management.
		7	Infrastructures environmental impact	Management of the visual impact of telecommunication towers.
Social	People	8	Employee engagement	Engagement and belonging to a common Cellnex Culture.
		9	Equity, diversity and inclusion	Equity, diversity and inclusion in the workplace.
		10	Leadership and development	Leadership model and career development.
		11	Talent management	Talent attraction and retention, including compensation and benefits.
		12	Well-being, health and safety	Promotion and protection of the well-being in the workplace. Health and safety measures for internal and external employees and contractors.
	Social impact	13	Local communities	Partnership and dialogue with the local communities and management of the relationship with landlords and owners of roof terraces. Includes local stakeholder groups such as communities, authorities, media, associations and NGOs.
		14	Access to communications	Promote a better connected and digitally inclusive society and promote Cellnex innovation as a lever for change in ESG topics.
		15	Human Rights	Commitment and enforcement of Human Rights.
		16	Electromagnetic fields	Mitigation and control of electromagnetic emissions, impact on the society including social awareness.
	Value Chain	17	Sustainable supply chain strategy	Inclusion of ESG topics in the procurement process, selection, evaluation and homologation of suppliers and ESG supplier audits and follow-up.
		18	Supplier engagement	Supplier relationship, training and awareness on ESG topics.
		19	Cybersecurity and privacy of the information	Cybersecurity and privacy of the information.
		20	Customer relationship and satisfaction	Customer relationship management and satisfaction, including customer training and awareness on ESG topics.
Governance	Business model, activity and strategy	21	Network expansion	Network expansion, considering both organic and inorganic growth and M&A transactions.
		22	Sustainable business	Products and services with a social and environmental impact and Sustainable-linked financing (finance mechanisms based on sustainability criteria, linking its conditions to the fulfilment of targets in ESG matters).
		23	Innovation	Innovation and development of products and services. Includes product and process innovation as well as open innovation.
		24	Integration and deployment of the Industrial Model	Integration and deployment of the Industrial Model.
		25	Risks and opportunities	Risk and opportunities management strategy.
		26	Business continuity	Continuity of business processes and operations, assuring the availability of systems, facilities, people, and suppliers involved.
		27	Quality and Management Systems	Certifications, quality of the services provided, processes effectiveness, procedures and continuous improvement.
	Governance model and compliance	28	Good governance	Diversity, experience and skills of the governance bodies.
		29	Ethics and compliance	Promotion of a solid culture of compliance, ethics and integrity. Including corruption, bravery and money laundering.



ESG Topics	ESG Specific Topics
Environmental management	1 Environmental strategy and positioning
	2 Water management
	3 Climate change
	4 Energy management
	5 Circular economy
	6 Biodiversity and land use
	7 Infrastructures environmental impact
People	8 Employee engagement
	9 Equity, diversity and inclusion
	10 Leadership and development
	11 Talent management
	12 Wellbeing, health and safety
Social impact	13 Local communities
	14 Access to communications
	15 Human Rights
	16 Electromagnetic fields
Value Chain	17 Sustainable supply chain strategy
	18 Supplier engagement
	19 Cybersecurity and privacy of the information
	20 Customer relationship and satisfaction
Business model, activity and strategy	21 Network expansion
	22 Sustainable business
	23 Innovation
	24 Integration and deployment of the Industrial Model
	25 Risks and opportunities
	26 Business continuity
	27 Quality and Management Systems
Governance model and compliance	28 Good governance
	29 Ethics and compliance

For the **financial materiality**, the sustainability issues that affect the value, development and positioning of the entity, involving the risks and opportunities generated by the environment for the entity were identified. This was done based on a:

- Telecom Peers benchmark, to identify the best practices in the telecom sector from the financial point of view.
- ESG and Sectorial prescribers benchmark, were a consultation of public information on reference prescribers was performed.
- Questionnaires and interviews to the Board of Directors and Shareholders, as well as Cellnex personnel (including Senior management).

For the **impact materiality**, the sustainability issues that are material in terms of the impacts and opportunities generated by the entity's own operations and its value chain in the environment where they operate were identified. For the assessment the following inputs were considered:

- Telecom Peers benchmark, to identify the best practices in the telecom sector from the ESG point of view.
- Benchmarking analysis of the public and internal documentation available from Cellnex.
- Questionnaires and interviews to Cellnex personnel, Clients, and Suppliers.

Based on these inputs, the double materiality matrix was obtained. In this sense, to identify the specific topics that are a priority for Cellnex, those topics that are relevant from the point of view of the impact materiality, as well as those that are relevant from the point of view of financial materiality, have been taken into account.

As there is no standardized and universally accepted methodology to define the cut-off in the Financial materiality and the Impact materiality in order to identify the material topics that are more relevant of each materiality, the cut-off has been set based on professional judgment reviewing the distribution of material issues.

In this sense, the maximum and the minimum scores have been identified and the average between them has been calculated. This has resulted in setting the cut-offs at 15% of the maximum. Resulting in a Financial Materiality cut-off of 60.5% and an Impact Materiality cut-off of 77.6%.

Based on the results, two levels of priority have been established: Top material ESG topics, and Medium material ESG topics.

Top material ESG topics

Top material: are those specific material topics that exceed the cut-off of the impact materiality and the cut-off of the financial materiality.

Environmental management	1	Environmental strategy and positioning
	3	Climate change
	4	Energy management
People	9	Equity, diversity and inclusion
	12	Well-being, health and safety
Value Chain	17	Sustainable supply chain strategy
Governance model and compliance	28	Good governance
	29	Ethics and compliance

Medium material ESG topics

Medium material: these are those specific material issues that exceed the cut-off of impact materiality or financial materiality.

Social impact	14	Access to communications
	15	Human Rights
Value Chain	19	Cybersecurity and privacy of the information
Business model, activity and strategy	21	Network expansion

The double materiality analysis was validated by the Nominations, Remunerations and Sustainability Committee (NRSC) and presented to the executive ESG Committee. The management of each of the impact generated by Cellnex is explained thought the present Consolidate Management report, were in **Annex 4. GRI Content Index,** the correlations of the chapters and the management of each of the impact generated by Cellnex is explained.

ESG Master Plan

Cellnex's ESG Policy is materialised through the 2021-2025 ESG Master Plan, as it that sets out the roadmap to be followed. The ESG Master Plan 2021-2025 is a 5-year plan that is based on 5 strategic axes with 16 strategic lines each and a transversal strategic axe related to communication, awareness and training actions. The Plan is applicable in all Cellnex geographies where all Cellnex corporate areas are involved, demonstrating the relevance of ESG within the company.

The 2021-2025 ESG master plan was defined taking as input the materiality analysis carried out in 2020, as well as the identification of the SDGs that are a priority for the company, a study that was also carried out in 2020. In this regard, based on the update of Cellnex's materiality following the double materiality approach that has been carried out in 2022 and the consequent update of the priority SDGs for the company that will be carried out in 2023, the ESG Master Plan is currently under review for the period 2023-2025.

The Master Plan integrates ethical and good governance, social and environmental initiatives aligned with the Sustainable Development Goals (SDG), in accordance with international standards, as well as the latest trends in sustainability with commitments and objectives in accordance with the expectations of all Cellnex stakeholders. Cellnex integrates ESG aspects into its strategy, measuring and managing the impacts generated on society and the surrounding area in an efficient and responsible manner.

From the Social point of view, the company boosts its talent by being diverse and inclusive, with different programs to promote this culture. Cellnex is also committed to contributing to society by providing knowledge and technology, collaborating with charities, financing projects, and acting through volunteering. All these values are embedded into the Company's culture and its employees.

Cellnex is aware of the new risks and demands arising as a result of the environmental and social phenomena that dominate the international context. The greater awareness of those aspects beyond the purely economic ones, as well as the great challenges faced by organizations such as Cellnex (greater transparency, shareholder involvement, climate change, risks in the value chain, circular economy, Sustainable Development Goals (SDGs), …) have led the company in recent years to bolster its commitment to Environmental, Social and Governance (ESG) issues.

A correlation between the updated 2022 materiality matrix, the ESG Master Plan, the GRI reporting standards (2021 version) and applicable non-financial reporting requirements (Spain Law 11/2018 on non-financial information and diversity) is presented as follows.

"Driving telecom connectivity among the territories, with a common and inclusive culture, pursuing to be part of the solution to the society."

Materiality matrix		ESG Master Plan 2021-2025	Reporting	
ESG main topics	**ESG specific topics**	**Strategic axes**	**GRI**	**Law 11/2018**
Company business model	Economic management and performance	Showing what we are, acting with integrity	2: The organization and its reporting practices 201: Economic Performance 202: Market Presence 203: Indirect Economic Impacts 207: Tax 419: Socioeconomic Compliance	Business Model Tax Information
	Risks and opportunities management (business, ESG risks, etc.)	Showing what we are, acting with integrity	2: Strategy, policies and practices	Risks
Governance model and Compliance	Corporate Governance	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	2. Governance	Competitive Behavior
	Ethics and Human Rights	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	2: Strategy, policies and practices 205: Anti-corruption 406: Non-discrimination 408: Child Labor 409: Forced or Compulsory Labor 412: Human Rights Assessment 414: Supplier Social Assessment	
People management	Corporate Culture	Boosting our talent, being diverse and inclusive	2: Activities and workers 401: Employment 405: Diversity and Equal Opportunity	Employment Work organisation Social relations Accessibility Equality
	Equity, diversity and inclusion	Boosting our talent, being diverse and inclusive	405: Diversity and Equal Opportunity 406: Non-discrimination	Employment Accessibility Equality
	Talent attraction and retention	Boosting our talent, being diverse and inclusive	401: Employment 404: Training and Education	Employment Work organisation Training
	Training and development	Boosting our talent, being diverse and inclusive	404: Training and Education	Training
	Health and Safety	Boosting our talent, being diverse and inclusive	402: Labor/Management Relations 403: Occupational Health and Safety 407: Freedom of Association and Collective Bargaining	Health and safety

Materiality matrix		ESG Master Plan 2021-2025	Reporting	
ESG main topics	**ESG specific topics**	**Strategic axes**	**GRI**	**Law 11/2018**
Commitment to innovation	Boosting the digitalisation of society	Being a facilitator of social progress	413: Local Communities	Commitments of the company to sustainable development
Contribution to society	Social contribution	Being a facilitator of social progress	204: Procurement Practices 413: Local Communities	Commitments of the company to sustainable development
	Mitigation of infrastructures' impacts	Being a facilitator of social progress	203: Indirect Economic Impacts 413: Local Communities 416: Customer Health Safety	Commitments of the company to sustainable development
Sustainability and environment	Environmental and climate risks and impacts management	Growing with a long-term sustainable environmental approach	102: Strategy 302: Energy 304: Biodiversity 305: Emissions 307: Environmental Compliance 308: Supplier Environmental Assessment	Environmental Footprint of Operations Product End-of life Management
	Climate change and carbon footprint strategy	Growing with a long-term sustainable environmental approach	302: Energy 305: Emissions	
	Sustainable use of resources	Growing with a long-term sustainable environmental approach	302: Energy	
Customers management	Privacy and security of information	Extending our commitment to the value chain	2: Stakeholder engagement 417: Marketing and Labeling 418: Customer Privacy	Data Privacy Data Security Manage systemic risks from technology disruptions

Within the ESG Master Plan 2021-2025 Cellnex has identified its Key Performance Indicators (KPIs) and related targets based on its main priorities, risk and opportunities.

As part of its commitment to transparency and accountability of ESG in the following table it is disclosed the follow-up of these KPIs and targets defined in each of the dimensions.

The great majority of the targets for 2022 have been successfully achieved and on the right track to meet short-term objectives.

Cellnex is currently working on the hiring KPIs which are slightly behind its expectations for 2022. On the one hand, through the Employer Branding Strategy it is being rolled out an action plan to have better access to talent, and in particular to diverse talent.

On the other hand, and as part of the active listening culture, the company is working on specific action plans arising from the results of the pulse survey.

Further information on each of the initiatives is disclosed in the specific chapters of the Integrated Annual Report.

Follow-up of the ESG Master Plan

	Target year	Target	FY22 Achievement
Environmental[3]			
Growing with a long-term sustainable environmental approach			
Sourcing of renewable electricity (SBT)[4]	2022 / 2025	70% / 100%	77%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT)	2030	(70)%	(79)%
Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT)	2025	(21)%	(9)%
Carbon Neutral - Reduction of the carbon footprint (scope 1, 2 and 3)	2035	(100)%	(48)%
Social			
Boosting our talent, being diverse and inclusive[5]			
Women in management positions(*)	2022 / 2025	26% / 30%	27%
Hires of women(*)	2022 / 2025	45% / 50%	42%
Hires of young talent(*)	2022 / 2025	30% / 30%	26%
Appointments of international Directors at Cellnex HQ	2022 / 2025	45% / 60%	100%
Appointments of international employees at Cellnex HQ	2022 / 2025	20% / 40%	25%
Career advancement for women(*)	2022 / 2025	33% / 40%	35%
Employee engagement	2022 / 2025	≥75% / ≥80%	66%
Employees responding to the pulse survey	2022 / 2025	≥70%	73%
Inclusive leadership positive scores on the employee pulse survey	2022 / 2025	≥75% / ≥80%	80%
Extending our commitment to the value chain			
Critical suppliers homologated considering ESG criteria	2023	100%	10%
Critical suppliers audited	2025	80%	*Work in progress*
Ensuring the awareness of our responsible way of doing			
Cellnex Group employee outreach with ESG awareness initiatives	2021	100%	100%
Cellnex Group management team participating in the ESG awareness sessions	2021	100%	100%
Cellnex Group employees attending the ESG annual training	2023	80%	33%
Governance			
Showing what we are, acting with integrity			
Women directors	2022	40%	55%
Non-executive directors	2022	90%	91%
Independent directors	2022	60%	73%
Directors with ESG capabilities and expertise	2022	25%	100%
Nationalities in the Board of Directors	2022	≥5	7

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[3] KPIs reported on an annual basis (Q4). Compared to the base year FY20 verified by an external certified entity.

[4] The electricity target (Scope 2) refers to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter. Intake due to M&A will be included not longer than 3 years after the integration's year according to FY20 perimeter.

[5] For social KPIs marked with (*) it is applicable the following: According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.

In 2022, the second year of application of the ESG Master Plan, the performance has been 100% progress in planning and 93% progress in implementation.

100%

of progress in actions planing

93%

of progress in actions implementation

Actions by strategic axe	Number of actions carried out in 2022	Planning status	Implementation status
Showing what we are, acting with integrity	7	100%	92%
Boosting our talent, being diverse and inclus	9	100%	100%
Being a facilitator of social progress	3	100%	88%
Growing with a long-term sustainable environmental approach	2	100%	100%
Extending our commitment to the value chain	3	100%	76%
Ensuring the awareness of our responsible way of doing	0	–	–

Cellnex's commitment to the Sustainable Development Goals (SDG)

The **Sustainable Development Goals** (SDGs) were defined as part of the United Nations 2030 Agenda for Sustainable Development, in order to establish the opportunity for countries and their societies to embark on a new path to improve the lives of everyone, leaving no one behind.

Cellnex wants to contribute to achieving the objectives set, which is why Cellnex is committed to the SDGs.

In this regard, in 2020 Cellnex carried out a study to identify to which SDGs the company contributed the most based on its activity.

For this identification, information of a different nature (economic, social, environmental, etc.) was collected from the countries where Cellnex was located at that time and based on financial modelling, the relevance of each SDG and its targets were defined.

Based on the analysis, two types of SDGs were identified in regard to their relevance for Cellnex:

- SDGs of high importance: defined as those in which the contribution of Cellnex's activity is greater. Those resulted in SDGs 4, 5, 8, 9, and 13.
- SDGs of medium importance: defined as those SDGs that are important for Cellnex but in which the contribution to their achievement is relatively less than in the SDGs of high importance. These identified were SDGs 1, 10, 15 and 17.

In 2022 Cellnex has updated its materiality matrix based on the double materiality approach. With this update, and taking into account the increase in the scope of the countries that now make up the company, during the first half of 2023 the priority SDGs for the company will be redefined.

The identification of the SDGs, as well as the materiality study carried out in 2020, served as the starting point for the preparation of Cellnex's ESG Master Plan 2021-2025.

Therefore, the ESG Master Plan was designed so that Cellnex can carry out actions that allow the Company to increase its contribution to the SDGs in a period of 5 years. In this sense, a correlation between the lines of action of the ESG Master Plan and the SDGs and their specific target to which they respond is provided as follows.

Line of action	SDG		SDGs targets
Showing what we are, acting with integrity	Promote inclusive and sustainable economic growth, employment and decent work for all	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	8.3 8.7 8.8
	Reduce inequality within and among countries	10 REDUCCIÓN DE LAS DESIGUALDADES	10.2 10.3 10.4
	Take urgent action to combat climate change and its impacts	13 ACCIÓN POR EL CLIMA	13.1
	Revitalize the global partnership for sustainable development finance	17 ALIANZAS PARA LOGRAR LOS OBJETIVOS	17.14 17.15 17.16 17.17
Boosting our talent, being diverse and inclusive	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4 EDUCACIÓN DE CALIDAD	4.3 4.4 4.5
	Achieve gender equality and empower all women and girls	5 IGUALDAD DE GÉNERO	5.1 5.2 5.3 5.b 5.c
	Promote inclusive and sustainable economic growth, employment and decent work for all	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	8.3 8.5 8.6 8.8
	Reduce inequality within and among countries	10 REDUCCIÓN DE LAS DESIGUALDADES	10.2 10.3 10.4
Being a facilitator of social progress	End poverty in all its forms everywhere	1 FIN DE LA POBREZA	1.4
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4 EDUCACIÓN DE CALIDAD	4.3 4.4 4.5 4.7 4.b
Being a facilitator of social progress	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA	9.1 9.4 9.5
	Reduce inequality within and among countries	10 REDUCCIÓN DE LAS DESIGUALDADES	10.2
	Revitalize the global partnership for sustainable development finance	17 ALIANZAS PARA LOGRAR LOS OBJETIVOS	17.7 17.15
Growing with a long-term sustainable environmental approach	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA	9.1 9.4
	Take urgent action to combat climate change and its impacts	13 ACCIÓN POR EL CLIMA	13.1 13.2 13.3
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	15 VIDA DE ECOSISTEMAS TERRESTRES	15.1 15.4 15.5
Extending our commitment to the value chain	Promote inclusive and sustainable economic growth, employment and decent work for all	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	8.3 8.7 8.8
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA	9.3
	Revitalize the global partnership for sustainable development finance	17 ALIANZAS PARA LOGRAR LOS OBJETIVOS	17.14 17.15 17.16 17.17

The actions carried out in 2022 that have contributed to the main Sustainable Development Goals are presented below.

Moreover, as an expression of its commitment to include the corporate social responsibility into its operational strategy and organisational culture Cellnex is a participant of the **United Nations Global Compact** since November 2015. In this regard, annually Cellnex publishes its Communication of Progress on the Global Compact website and it is commited to the corporate responsibility initiative of the United Nations Global Compact and its principles in the areas of human rights, labour, environment and anti-corruption".

WE SUPPORT
UN GLOBAL COMPACT

CELLNEX'S MAIN CONTRIBUTION TO THE SDGS IN 2022

SDG OF HIGH RELEVANCE FOR THE CELLNEX GROUP

4 QUALITY EDUCATION

- Fourth edition of the "Youth Challenge" programme, and expansion of the programme to other geographies.
- Cellnex "Talent Academy" and its associated programmes (Women Acceleration Development Program, Cellnex MBA, etc.).
- Technology sessions.
- Career Development Assessment Framework (CDA) and 360º assessments.
- Promotion of the Agile way of working.
- Sixth edition of Ignición Program, for developing young talent.

5 GENDER EQUALITY

- Identification and expansion of EDI champions within all the Group.
- Recognition of Cellnex by Bloomberg Gender-Equality index for its commitment to advancing gender equality in the labour market.
- Equality Plan and Harassment and Discrimination Protocol.
- Diversity Charters signed by various Cellnex geographies.
- Cellnex 's Equity, Diversity and Inclusion plan.
- Development of diversity and equality programs, such as Women Acceleration Development Program, Connecting Circles, Blid CV, or participation in Women in Tech in Poland.

8 DECENT WORK AND ECONOMIC GROWTH

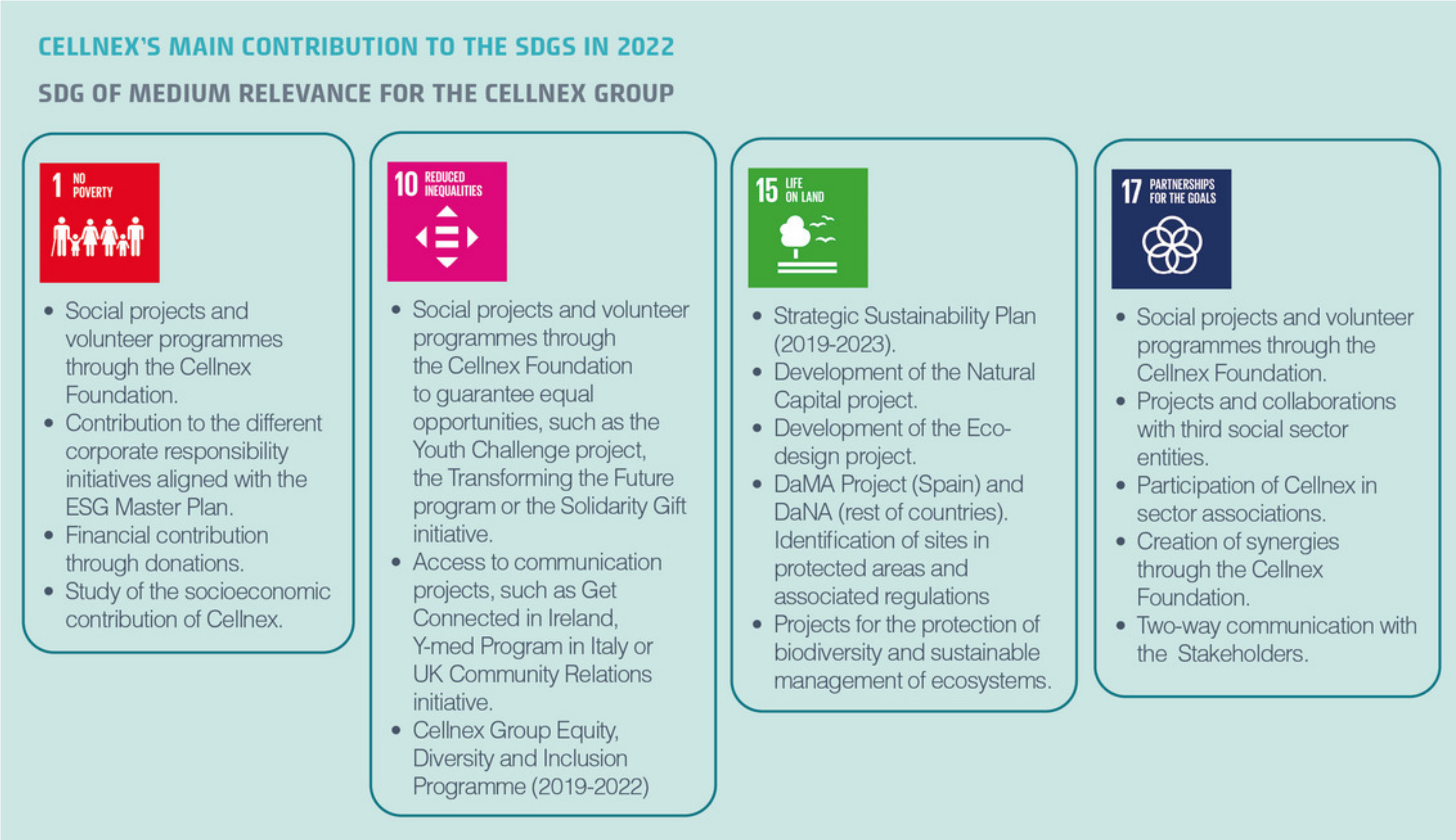
- Company commitments reflected in several policies and documents such as Due diligence in Human Rights, ESG Policy, Health and Safety Policy, Code of Ethics, Equity, Diversity and Inclusion Policy and Code of Conduct for suppliers.
- Study of the socioeconomic contribution of Cellnex.
- Cellnex Bridge Programme, of the Cellnex Foundation, for the acceleration of social impact startups.
- Y-med programme, organized by the International Organization for Migration in Italy.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Deployment of 5G to facilitate the development of sustainable and resilient telecommunications infrastructures.
- Aumented "TowerCo".
- Development of innovation projects to facilitate connectivity.
- Programmes of the Cellnex Foundation to bridge the digital, social and territorial divide.

13 CLIMATE ACTION

- Publication of the second Environment and Climate Change report.
- Strategic Sustainability Plan (2019-2023) and its update into the Environment and Climate Change Strategy 2023-2025.
- Definition of the Cellnex Net Zero Strategy.
- Analysis of climate change scenarios in all countries, following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD).
- Establishment of specific targets and milestones for emissions reduction validated by the Science Based Targets initative (SBTi).
- Development of the Natural Capital project.
- Development of the Eco-design project.



CELLNEX'S MAIN CONTRIBUTION TO THE SDGS IN 2022

SDG OF MEDIUM RELEVANCE FOR THE CELLNEX GROUP

- Social projects and volunteer programmes through the Cellnex Foundation.
- Contribution to the different corporate responsibility initiatives aligned with the ESG Master Plan.
- Financial contribution through donations.
- Study of the socioeconomic contribution of Cellnex.

- Social projects and volunteer programmes through the Cellnex Foundation to guarantee equal opportunities, such as the Youth Challenge project, the Transforming the Future program or the Solidarity Gift initiative.
- Access to communication projects, such as Get Connected in Ireland, Y-med Program in Italy or UK Community Relations initiative.
- Cellnex Group Equity, Diversity and Inclusion Programme (2019-2022)

- Strategic Sustainability Plan (2019-2023).
- Development of the Natural Capital project.
- Development of the Eco-design project.
- DaMA Project (Spain) and DaNA (rest of countries). Identification of sites in protected areas and associated regulations
- Projects for the protection of biodiversity and sustainable management of ecosystems.

- Social projects and volunteer programmes through the Cellnex Foundation.
- Projects and collaborations with third social sector entities.
- Participation of Cellnex in sector associations.
- Creation of synergies through the Cellnex Foundation.
- Two-way communication with the Stakeholders.

Stakeholders

> ***"2022 has been highlighted by the launch of the new multi-country webpage on which we have been working for the last two years in conjunction with all areas of the company, from the strategic concept to the look & feel, including the organisation and usability of the content adapted to each and every one of our stakeholders. It has been a large-scale project that has also helped us to boost the Group's main digital channel".***
>
> **Cristina Ungo de Velasco, Senior Communications Analyst - Cellnex Corporate**

Stakeholders are those actors that are directly or indirectly affected by the development of Cellnex's business activity, and therefore also have the ability to directly or indirectly affect Cellnex development. That is why engaging with them is essential for Cellnex.

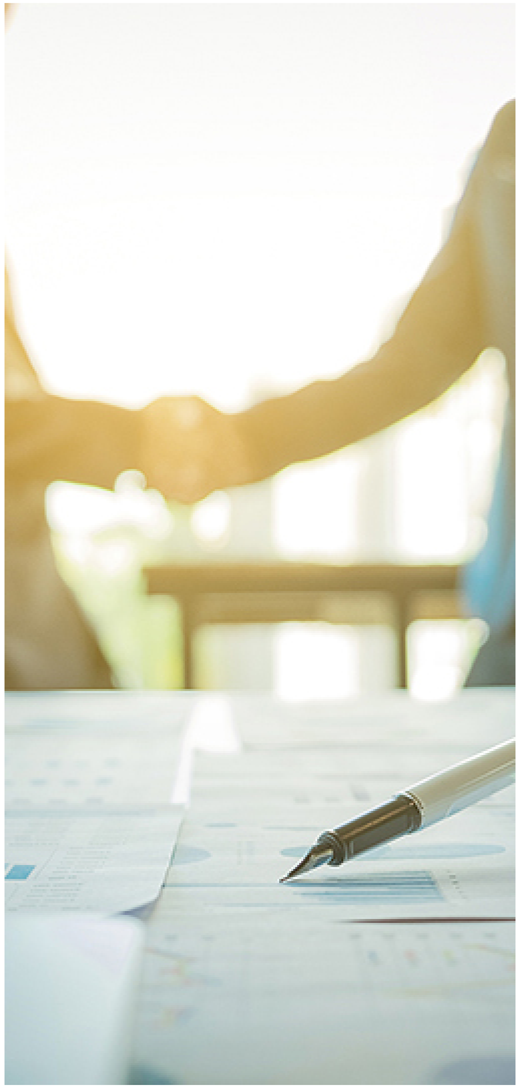
Cellnex has identified seven stakeholders that are a priority for the Company, and those are: Suppliers, Media, Public administration and Associations, Customers, Investors and Shareholders, Employees, Society and Local community. For each stakeholder, specific communication tools have been established so that Cellnex can interact and engage with them. In addition, Cellnex has also common channels to communicate with all stakeholders, such as Cellnex's website, press releases, etc.

Furthermore, Cellnex is committed to each of the identified stakeholders by taking them into account during the development of the ESG Master Plan, as each stakeholder is included in one or more strategic axe within the Plan. Moreover, for the periodic update of the materiality analysis, Cellnex consults each of its stakeholders, which makes it possible to obtain their feedback on the issues that they identify as relevant to Cellnex as well as their expectations and needs from the Company.

Cellnex has a new website

In 2022 Cellnex updated its **corporate website**, focusing on publicizing the solutions and technologies offered by the company and that facilitate the connectivity of people and territories. Thus, to facilitate navigation, the information has been distributed by sectors and products and use cases have been added to better understand connectivity solutions. A service and product search engine has also been created that facilitates the search for information in just a few steps.

In addition, the new portal, multi-country, multi-language and multi-device, thus giving visibility to the 12 countries in which Cellnex operates. The portal also improves transparency and access to information linked to the Group's ESG policies, as well as Corporate Governance and information to shareholders, where the company will publish all the information related to the social and environmental impact of its activity. as well as issues relating to its governance. The new Talent section also stands out, from where it will be possible to find out about the professional opportunities offered by the company.



Cellnex's commitment and relationship map with its stakeholders is shown bellow:

Stakeholders	Communication tools and relationship with Stakeholders		Cellnex commitments	ESG Master Plan Strategic axis	SDG
	Common	Specific			
Suppliers Group of companies, regardless of their size, that supply goods and/or provide services to Cellnex	ESG Committee Nominations, Remunerations and Sustainability Committee (NRSC) Ethical channel Integrated Annual Report Materiality Analysis Corporate website Social networks Cellnex Trends Newsletter	Ariba Tool (Supplier portal) Supplier Code of Conduct Ecovadis (Supplier evaluation) CDP Supply chain Confidential complaints channel	Create long-term relationships with suppliers based on communication and transparency, always seeking growth and continuous improvement. Involve suppliers in Cellnex's corporate values and policies (for example, in matters of human and labor rights protection, and respect for the environment and sustainable management of resources).	Extending our commitment to the value chain	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS
Media Channels and internal or external instruments to inform and communicate information regarding Cellnex. It includes press, communication, brand and advertising agencies, as well as Cellnex's website and social networks.		Press releases Online press room Relationship with the media Participation in forums and events	Guarantee the dissemination of truthful and transparent information on different platforms to ensure access to information by all interested parties. Content creation through collaboration agreements with other entities. Communication of regulated information through the National Securities and Markets Commission (CNMV).	Showing what we are, acting with integrity + Ensuring the awareness of our responsible way of doing	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES 13 ACCIÓN POR EL CLIMA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS
Public administration and associations Public entities that regulate Cellnex's activity. It includes European, national, regional and local administrations, regulators, industrial associations, technology platforms, universities and training centres.		Participation in associations Interaction with Public Administrations Collaboration agreements	Guarantee compliance with the regulations that affect Cellnex. Contribution to the socio-economic development of the countries in which Cellnex operates through collaboration for the development of an inclusive and sustainable economy. Building alliances for development and global well-being	Showing what we are, acting with integrity + Being a facilitator of social progress	1 FIN DE LA POBREZA 4 EDUCACIÓN DE CALIDAD 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA 10 REDUCCIÓN DE LAS DESIGUALDADES 13 ACCIÓN POR EL CLIMA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS
Customers Group of people, companies or entities, regardless of their size, that use Cellnex's services. Under Cellnex's business model, all clients are B2B.		Commercial network Customer Service Customer Engagement Survey Connectivity days Local, regional, international events and forums	Guarantee a good quality of service, personalized assistance, reliability and coverage to meet expectations and maintain trust and long-term collaboration.	Extending our commitment to the value chain	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS

Stakeholders	Communication tools and relationship with Stakeholders		Cellnex commitments	ESG Master Plan Strategic axis	SDG
	Common	Specific			
Investors and shareholders Person or entity that owns Cellnex shares and / or makes an investment in the Company.	Nominations, Remunerations and Sustainability Committee (NRSC) ESG Committee Country ESG leaders Ethical channel Integrated Annual Report Materiality Analysis Corporate website Social networks Cellnex Trends Newsletter	General Shareholder Meeting Quarterly and annual results reports Sustainability ratings ESG KPIs Investors relations (calls, meetings, roadshows, etc.)	Commitment to transparency and traceability of financial and non-financial metrics. Maintain the confidence of investors and shareholders, by creating long-term value.	Showing what we are, acting with integrity + Ensuring the awareness of our responsible way of doing	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES 13 ACCIÓN POR EL CLIMA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS
Employees Professionals, regardless of their seniority, who carry out a job in each of the countries where Cellnex operates.		Intranet Pulse survey Holistic Performance Management Training Internal communications Volunteer program	Fulfillment of employee expectations through active listening, engagement and development of a corporate culture. Guaranteeing respect for labour rights and freedom of collective association. Promote empowerment and management of professional development. All of this taking into account the commitment to Equity, Diversity and Equality.	Boosting our talent, being diverse and inclusive	1 FIN DE LA POBREZA 5 IGUALDAD DE GÉNERO 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES
Society and local community Group of people and entities that are part of the environment in which Cellnex operates and therefore receive its benefits and impacts.		Cellnex Foundation Conferences, events and forums Cooperation with NGOs and local entities Participation in collaboration and sponsorship projects	Contribution to a better connected and socially inclusive environment by reducing the digital, social and territorial GAP. Generation of social impact and dynamization of the economy, facilitating sustainable and respectful environments with the environment.	Being a facilitator of social progress + Growing with a long-term sustainable environmental approach	4 EDUCACIÓN DE CALIDAD 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA 10 REDUCCIÓN DE LAS DESIGUALDADES 13 ACCIÓN POR EL CLIMA 17 ALIANZAS PARA LOGRAR LOS OBJETIVOS

Partnerships

The establishment of partnerships with its stakeholders allows Cellnex to achieve its commitments with them as well as to improve on ESG topics. In this regard, Cellnex actively participates in various organizations and associations in each of the countries in which the Company operates. Through these partnerships, Cellnex makes its activity and business known, as well as positions itself within the sector.

Committed to sustainability

In early 2022 Cellnex joined **Forética**, the leading organization in sustainability and corporate social responsibility in Spain. Its mission is to integrate social, environmental and good governance aspects into the strategy and management of companies and organizations. Cellnex is one of the participant members in the Climate Change Cluster and Cluster of Transparency, Good Governance and Integrity.

forética

Associations		
UER/EBU (European Broadcasting Union)	Instituto Auditores Internos	Eureka Itea 3
DVB (Digital Video Broadcaster)	Asociación Emisores Españoles	5G UK Board
TCCA (antes Tetra MOU association)	Asociación Española para la Calidad (AEC)	Tech UK
DIGITALES	Asociación Española para las Relaciones con Inversores (AERI)	Iberian Nanotechnology Lab (INL Vigo)
FENITEL (Federación de Instaladores)	Asociación para el Progreso de la Dirección (APD)	Mobile World Capital
Broadcast Network Europe	Cámara de Comercio e Industria Italiana para España (CCIS)	CDTI
EWIA (European Wireless Infrastructure Association)	Confederación Empresarial de usuarios de seguridad y servicios (CEUSS)	TIP
EIF (European Internet Forum)	Cámara de Comercio de Francia en Cataluña (CCI)	Centro Tecnológico Gradiant
HbbTV Association	AIOTI (Alliance for Internet of Things)	Tecnalia
Asociación empresarios y directivos Aragón	GSMA	Ofitem
ETSI European Telecommunications Standard Institute	Instituto de Oficiales de Cumplimiento (IOC)	Associação Filarmónica Apoio Sociedade Recriativa Artística da Amadora
European Innovation Partnership on Smart Cities and Communities (EIP-SCC)	Cámara Comercio de España	Associazione Centro ELIS
SmartCat Challenge	5G MAG	Unindustria
IoT Catalan Alliance	SCF (Small Cell Forum)	ASSTEL
Clúster audiovisual de Catalunya	Foment del Treball	Camera di Commercio di Spagna in Italia
Cátedra RTVE	Centro de Innovación Tecnologica de Logistica y Transporte (CITET)	A CrescerSer (Instituição Particular de Solidariedade Social de âmbito nacional)
Global Compact	As Nacional de Operadores (AOETEC)	Donatie Ouderenfonds 2022
Forética	As Valenciana de Ingenieros	Procurement & Cost Management
CCIES (Cámara de Concesionarios)	As Valenciana de Empresarios	FIRE - Federazione Italiana Uso Razionale Dell'energia
Barcelona Global	Associació Catalana de Radio	Innovate UK
Comité Español de la LECE (UE)	CIMNE	Celtic Next Cluster
Union International Telecomunications (UIT/ITU)	ENERTIC	CYBERSEC
DIRCOM (Directores de Comunicación)	Cámara Comercio Reino Unido	Scottish Council for Voluntary Organisations
Cluster de la Industria - CIAC	Cámara Comercio Francia	UHD spain
Asociación Empresarial de l'Hospitalet de Llobregat (AEBALL)	Enterprise Ireland	Duchenne Heroes
Ambientech	IDA Ireland	Ellis Italia

Forum, events, and participation in working groups

For Cellnex, being up to date with all the news and trends in the sector, sharing knowledge and experience is very important to remain the European leader in telecommunications sector. That is why Cellnex is a member of several Foundations, and participates in forums and collaborates with Universities and training centres.

Foundations		
EURECAT	Fundación Circulo de Tecnologías para la Defensa y la Seguridad	Banco Alimentos Portugal
i2CAT	Lega Italiana Contro l'Epilessia	Casa dos Rapazes
Fundación Seres	Onlus Race for the Cure	Terra dos Sonhos
Fundación Circulo de Telecomunicaciones (Roberto Prieto)	Associazione Peter Pan	Fundación Gran Teatre del Liceu
Het Oranje Fonds	Ajuda de Mãe - Escola de mães	Fundación NPH Spain
Fundació BEST	Medicos sin Frontera	UNICEF
Fundación Hermes	Children Cancer-free Foundation	Cruz Roja
Fundación CEDE	Sodalitas	Cáritas Diocesana Madrid
Fundación Festival de Peralada	Brain Fundation	Cáritas Catalunya
Fundación LEITAT	ViaData - against Cancer	FESBAL (Federación Española Bancos Alimentos)
Community Foundation Ireland	Planting Trees	Banco de Alimentos de Madrid
Fundación Pere Tarrés	Emmaus	Fundació Oncolliga
Fundació Clínic per la Recerca Biomédica	UK Community Foundations	Save the Children España
Fundació La Marató	Médecins Sans Frontières	Armoedefonds
Fundación Privada Caja de Ingenieros	Cancer fund for children Ireland	National Ouderen Fonds
Fundación Privada Cercle d'Infraestructures	Dutch Cancer Society	Donatie Cellnex Netherlands Oekraïne

Universities and Training Centers		
Escola de Noves Tecnologies Interactives – Universitat de Barcelona	ESADE becas alumnos	IESE
BGSE - Barcelona Graduate School of Economy	Bristol University	Cardiff University
Universidad de Granada	Universidad Politécnica de Madrid	Universidad Politécnica de Barcelona
HRC International Academy Srl		

Participation in events in 2022

Cellnex Corporation

Mobile World Congress (MWC) MWC is held in Barcelona and Cellnex has taken part since its inception. In 2022, the Company's stand featured open spaces while showing a complete vision of its activity in the various market segments and territories. Cellnex's new 'AugmentedTowerCo' model, or the latest solutions in sustainable connectivity are some examples of what Cellnex was able to present.

TowerXchange Cellnex, together with other key players in the tower industry, had the opportunity to discuss market opportunities, the changing dynamics of the infrastructure landscape and the communication of Cellnex's strategic vision at the 'ToweXChange Meetup Europe' event 2022' held in London.

VivaTech Event dedicated to startups and technology, which in 2022 took place in Paris, France. The event showcased the latest innovations in topics related to technology for the environment, technology for society, technology for monitoring and the future of work. All these initiatives were presented by leading corporations and hundreds of innovative startups.

Cellnex Austria

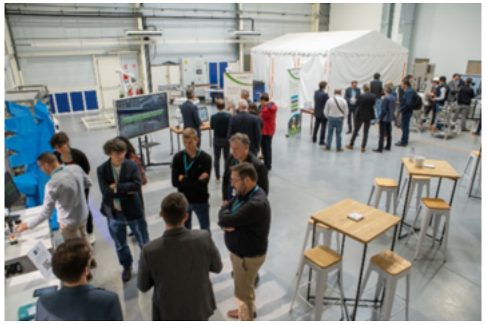
Business Breakfast Cellnex Austria is a new member of the Spanish-Austrian Business Club CEHAUS, whose objectives include the establishment of a platform for dialogue and cooperation and the promotion of economic projects. Cellnex Ausria was invited to the Business Breakfast by the Spanish Ambassador to Austria, Cristina Fraile, to present her future plans to the Austrian-Spanish business community.

Cellnex Denmark

Digital Tech Summit In November 2022, Cellnex Denmark had their first trade show participation as exhibitors at DTS22 in the Bella Center, Copenhagen. The main objective was to discuss and share the "what, when, how and why" of the digital technologies and transformations. The event was characterized by many good dialogues with other exhibitors, experts, visitors and students.

Cellnex France

M.G.A Technologies and Cellnex France event On October 13, M.G.A Technologies and Cellnex France welcomed their industrial partners. The opportunity to exchange and present 6 5G use cases. It was also an opportunity to share Cellnex's vision for the future of the industry.



AGURRE Cellnex France was present on November 16 at the AGURRE annual conference. At the event, Cellnex France was able to present its solutions and use cases deployed in more than 40 projects in Europe, as well as the first laboratory developed with M.G.A Technologies.

KMPG 2022 conference Cellnex France participated in the KPMG 2022 conference with the representation of its CEO, Vincent Cuvillier. This conference was a great opportunity to share Cellnex's experience on the opportunities offered by the development of 5G.

Cellnex Ireland

EU-IoT On 21 June, 2022 Paul Delaney, Cellnex Sales Director took part in a panel discussion at EU IoT week in Dublin where he discussed the evolution of IoT and what the future roadmap of research and innovation looks like.

Connectivity Day Cellnex Ireland celebrated the inaugural Connectivity Day at the K-Club with the theme "Building Smart Communities". At the event, stakeholders from the public and private sectors came together to discuss the key issues affecting the industry, both current challenges and future opportunities.

Cellnex Italy

Infralogical Investor Forum Gianluca Landolina, CEO of Cellnex Italy, participated in the Infralogic Investors Forum where he spoke about the key success factors for the future of Italian telecommunications and digital infrastructures. Innovation, growth, business diversification and sustainability were the major topics covered in his speech.

Rome Innovation Hub Cellnex Italy participated in the Rome Innovation Hub in September and presented its innovative and sustainable solutions for the green conversion of the economy, sustainability and digitization.

Global Summit Logistics & Manufacturing 2022 Cellnex Italy was present on November 16 and 17 at the 9th Global Summit Logistics & Manufacturing. There Cellnex Italy had the opportunity to present its solutions and innovations in terms of connectivity and sustainability in terms of logistics.

Cellnex Netherlands

Zorg&ICT Cellnex Netherlands and IPConnected B.V. were present at the Zorg&ICT fair. During the fair we explained more about our joint Private Network as a Service solution. The private LTE network benefits were showed and the added value of a new private network was also deepened in addition to existing wireless networks such as WiFi and public mobile networks..

Telecom Insights 2022 At the Duch Telecom Event, the topic "Connectivity as the most important prerequisite for digitization and innovation" was discussed. Ed Boerema, Country Manager Director, participated in these Telecom Insights on Wednesday May 25 and discussed the central role of connectivity in the digitization of our society.

ICT & Health Opening Event On May 9, 2022, Cellnex Netherlands was present at the ICT & Health Opening Event. Joe Geesken from Siza and Hugo Brandhorst from Cellnex explained the approach taken to make 'Het Dorp' an accessible and inclusive neighbourhood where people with and without disabilities live together in a friendly, sustainable and green environment; and how good connectivity contributes to this.

Cellnex United Kingdom

Accelerate Rail David Crawford, Cellnex UK Managing Director, participated in a panel at Accelerate: Rail discussing strategies for recovery, stability and prosperity in the UK rail industry. A fantastic opportunity to talk about the importance of connectivity and innovation in the sector.

Tech UK Catherine Gull, Head of Private Network Sales at Cellnex UK, joined the techUK podcast to talk about how we can accelerate the deployment of private networks from beyond the tested phase and drive adoption across industry and the public sector.

Webinar Exploring the world of 5G private wireless networks: On May 19, 2022, Martin Green, Head of Business Development at Cellnex UK, Catherine Gull, Head of Sales at Cellnex UK and Simon Parry, CTO at Nokia Enterprise UK discussed why adoption is growing, detailed key use cases and discovered the commercial benefits.

Webinar: Exploring the world of 5G private wireless networks

Title: Cutting the connectivity cord: building the business case for 5G private wireless networks
Date: May 19, 2022
Time: 10:30 BST
Duration: 45 minutes

Cellnex Portugal

Cellnex Morning Sessions Cellnex Portugal held the first edition of the Cellnex Morning Sessions in 2022 to discuss key trends in the real estate sector. The session included Adolfo Mesquita Nunes, former Secretary of State for Tourism and partner of Gama Glória, José Cardoso Botelho, CEO of Vanguard Properties, and Nuno Carvalhosa, General Director of Cellnex Portugal, as keynote speakers and brought together business partners and employees of all Cellnex areas. This was followed by a round table presented by João Cardosa, Head of Marketing and Commercial at Cellnex Portugal, dedicated to the topic 'Infrastructures that support indoor connectivity as a competitive advantage'.

APDC Annual Digital Business Congress In 2022 and for the first time, the APDC Annual Digital Business Congress held a panel dedicated to telecommunications infrastructures reflecting on the state of the art of the sector in Portugal. The Managing Director of Cellnex Portugal, Nuno Carvalhosa, together with Paolo Favaro, Managing Director of Vantage Towers Portugal, participated in the round table, moderated by João Adelino Faria. On that occasion, Nuno Carvalhosa had the opportunity to explain the pro-competitive benefits of Cellnex's wholesale, neutral and independent industrial positioning.

Business and Technological Week Cellnex Portugal closed its first participation in SET - Business and Technological Week with a golden key: the CFO & Director of Shared Services of Cellnex Portugal, João Osório Mora, former student of the Instituto Superior Técnico , spoke about the role of engineering in promoting the technological evolution of the business sector.

Cellnex Poland

TIME Economic Forum From March 7 to 8, 2022, Cellnex Poland participated in the TIME Economic Forum, of which they are also a partner. That year it was held under the motto "Challenges of the green digital transformation".

European Economic Congress Cellnex was a partner and participated in the European Economic Congress, one of the largest congress events in Central Europe, which took place in Katowice. During three days, discussions, presentations, meetings and exchange of experiences were established in an extraordinary group of experts, professionals and decision makers. In addition, Cellnex received the honourable title of "Investor without Borders" in the contest of the WNP.PL portal and Nowy Przemysł magazine.

"Smart Energy" Conference Cellnex Poland participated in the conference organized by Smart Grids Polska Poland under the motto #ENERGETYKA3D – Digitization, Decentralization, Decarbonization. Cellnex Poland explained the company's expertise in managing telecommunication towers in Europe, often used to provide connectivity in the energy sector. This allows you to efficiently use existing locations instead of building new towers.

Cellnex Sweden

How Private Networks enable Industry 4.0 On Wednesday, October 26, Cellnex Sweden welcomed customers, partners and industry experts to an event dedicated to the topic of private networks. The main focus was why private networks will play a key role in enabling the next industrial revolution.

KTH research on the future of sustainable transport Cellnex Sweden participated in a demonstration by Integrated Transport Research Lab at Kungliga Tekniska högskolan, as one of the activities in connection with the Spanish state visit to Sweden.

Cellnex Switzerland

Swiss Telecommunications Summit 2022 The Swiss Telecommunication Summit took place on June 21, 2022 under the motto "Future of Communication". The event offered interesting presentations, exciting panel discussions and valuable networking opportunities. The way people communicate and transmit data and knowledge is constantly changing and technical innovations play a central role in this. Internet, smartphones and comprehensive networking have enormously accelerated and multiplied the possibilities of communication. Not just between people, but increasingly also between things. The Swiss Telecommunication Summit 2022 took a look into the crystal ball of what the future of communication might look like.

Cellnex Spain

4K SUMMIT

In 2022, the eighth edition of the 4K HDR Summit was held, where the latest developments in technology were announced and the future of audiovisuals and the metaverse were discussed.

III National Telecommunications Congress - Connected, Digital and Sustainable Building

It is a meeting point, which allows to know, expand and develop new technological solutions, connectivity, IoT, 5G, telemedicine, tele-education, teleworking, smart cities, etc.

XXXIII ACUTEL Technology congress

The congress is dedicated to the latest developments in telecommunications and the audiovisual sector and Cellnex participated with a stand.

Awards and recognitions in 2022

Award for good practices in financial information

Cellnex received the award for good practices in financial information, an award given annually by the Catalan Association of Accounting and Management (ACCID), an entity founded by the College of Economists of Catalonia and the College of Chartered Accountants of Catalonia. The Award, delivered within the framework of the XIX Edition of the ACCID Awards, recognizes the quality and transparency of the company's annual report. Specifically, it values information on the situation and risk management, intangible assets –including intellectual capital–, the environment and the social dimension, among others.

Fund Investment: Best Value of the elEconomista.es Portfolio

Cellnex won the elEconomista Portfolio award at the eighth edition of the Fund Investment Awards. This active management tool that was born at the beginning of 2021 had its best strategy in Cellnex, from which it obtained a return of 24%.

VIII Premios Inversión a fondo
elEconomista

El diario **elEconomista** organiza sus premios anuales **"Inversión a Fondo"** que reconocen a los mejores valores, empresas y productos financieros relacionados con el mundo de la inversión durante el año 2021.

La entrega de los premios tendrá lugar el **miércoles, 29 de junio de 2022,** en un hotel céntrico de Madrid.

Premiados Inversión a fondo 2022

Sicav más rentable	Masira Inversión (Santander Private Banking)
Mejor plan de empleo	Thermo Fisher 2 (Mutua)
Mejor fondo de bolsa española	Magallanes Iberian Equity
Mejor fondo RF euro en España	Caixabank Smart RF Inflación
Mejor plan de pensiones de RV	Azvalor Global Value PP
Mejor plan de pensiones de RF	Colonya SR PP
Mejor fondo activo de bolsa global	Azvalor Managers
Mejor fondo bolsa española de gestión activa	Horos Value Iberia
Valor que más ha mejorado su recomendación	Neinor
Valor que más ha incrementado el seguimiento de análisis	Iberdrola
Emisión de deuda más barata	Repsol
Emisión de deuda más barata	Acciona Energía
Valor que más ha incrementado su negociación	Fluidra
Dividendo más rentable no Ibex	Metrovacesa
Dividendo más rentable del Ibex	Telefónica
Mejor estreno en bolsa	Acciona Energía
Mejor valor de la Cartera	Cellnex
Mejor valor del Eco30	Marvell Technology
Mejor valor del Top10 por fundamentales de Ecotrader	Arcelor
Mejor cartera de consenso del Eco10	Metagestión
Mejor valor del Eco10	Arcelor
Mejor valor del ranking ESG	Endesa
Premio elEconomista a la creación de valor	Vidrala

Your Economy Awards

The Tu Economía Awards honoured the professional career of the CEO of Cellnex, Tobías Martínez, for his effort and talent in contributing day by day to creating wealth and modernizing the Spanish economy, making it more competitive and resilient.

Engineer of the year

Albert Cuatrecasas, CEO of Cellnex Spain, was awarded Engineer of the Year by the Official College of Telecommunications Engineers (COIT) and the Spanish Association of Telecommunications Engineers (AEIT). Albert Cuatrecasas has developed his career at Cellnex for 22 years, but his previous experiences have also forged his character and professionalism. Albert highlighted all these experiences in the thank-you speech he gave at the Award ceremony, which was attended by nearly 200 people, including authorities, leaders and representatives of the entire secto.

Investor without Borders

Cellnex Poland won the award of "Investor without Borders" in the XIV European Economic Congress. The aim of the competition is to promote exemplary, transparent, based on trust, partnership and responsibility relationships between the investor, administration and the market, capable of yielding economic benefits and successfully implementing investment strategies.

Scale Up award

Cellnex was announced the winner of the ‘Scale up’ category at the Energy Industry Council (EIC) awards. The Scale up award recognises Cellnex’s work ‘to increase a business’ production, size or capacity in a marked and rapid way, above normal growth rates’. Cellnex’s private network solutions can help to significantly enhance operations within the energy industries; driving increased efficiency, productivity and growth.

2

GOVERNANCE Showing what we are, acting with integrity

2022 main actions and KPIs

Updated the Human Rights, Global Risk Management, and Procurement Policies

New Whistleblowing Channel launched

2022 Annual Corporate Governance Report has been prepared in free format for the first time

Code of Ethics updated considering the company growth

The Board of Directors and Executive Committee received an ad hoc training course on ESG

Expanded the scope of the Global Integrated Management System to all Business Units

Improved the overall score in the sustainability ratings, reaching all-time highs

Diverse balance in the composition of the Board of Directors in terms of gender, origin and expertise

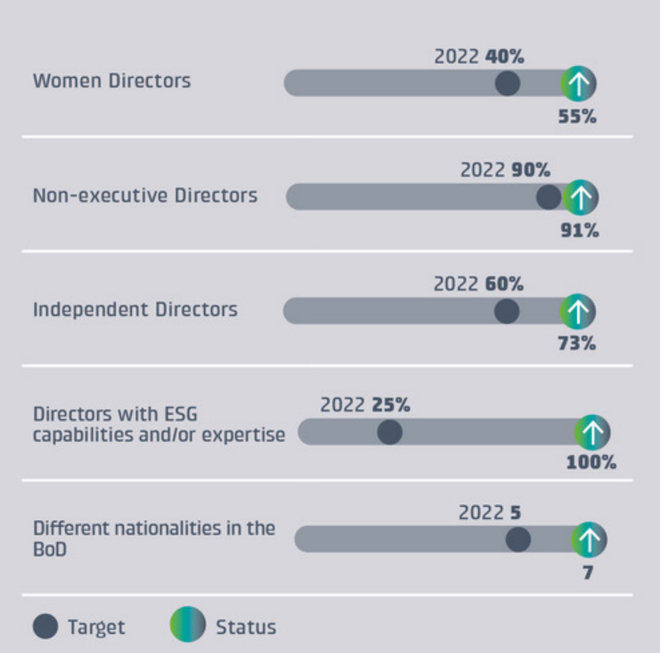
New Global Risk Committee established

Included in the 2023 Sustainability Yearbook as Industry Mover

- Strong organic growth and financial performance: 6% new PoPs vs. FY 2021 and strong progress on BTS programs with like-for-like Opex performance significantly below inflation
- 73% of independent Directors, 55% of female Directors and 7 nationalities represented
- 100% of the Board of Directors with ESG capabilities and/or expertise
- 22 meetings of the Board of Directors, with an attendance of 97.47%
- 4 main channels to access to the Whistleblowing Channel
- 100% of the Business Units certified with ISO 14064 (Carbon Footprint)
- +8 points of improvement in S&P Global Corporate Sustainability Assessment (CSA) 2022

2022 – another year of delivery: new entrants generating organic growth, key contracts (Telefónica, RTVE) renewed and successful integrations executed

Follow-up of the ESG Master Plan targets



Next steps for the upcoming years

Carry out an awareness campaign on the updates in ethics and compliance

Update the Global Quality Master Plan for the next period of application

Deployment of the Business Continuity Management System in the remaining Business Units

New outlook set for 2023 while 2025 outlook has been reiterated:

- Free Cash Flow for the year ended 31 December 2023 is targeted to trend to neutral
- Adjusted EBITDA is expected to increase to between EUR 2,950 million and EUR 3,050 million by 2023

2.1 Corporate Governance

Cellnex is firmly committed to doing business under efficient and transparent corporate governance, which promotes this culture. Cellnex works to implement and consolidate the best corporate governance practices, essentially as set out in the Good Governance Code for listed companies, approved by the Spanish Securities Market Commission in February 2015 and revised in June 2020.

The actions of the Board of Directors in the interests of the Company and in compliance with its legal and statutory functions and those arising from the Board of Directors' Regulations are oriented towards the corporate interest and to fulfilling its mission while abiding, in particular, by the Law, complying in good faith with explicit and implicit contracts with employees, suppliers, financiers and customers and, in general, observing such ethical duties that are reasonably imposed by a responsible business conduct. In this regard, the Board of Directors is responsible for managing and representing the Company in the terms set out in the Spanish Companies Law.

In this regard, Cellnex has been working to incorporate the principles of the Good Governance Code of the Spanish Securities Market Commission's (CNMV, from the Spanish abbreviation) . This Good Governance Code contains a number of recommendations that aim, among other things, to ensure the correct functioning of the governing and administrative bodies of Spanish companies to conduct the highest levels of competitiveness in them; to generate confidence and transparency for shareholders and domestic and foreign investors; to improve internal control and corporate responsibility in Spanish companies; and to ensure a proper segregation of functions, duties and responsibilities in companies, from a perspective of maximum professionalism and rigour.

The *2022 Annual Corporate Governance Report* has been prepared in free format for the first time to reinforce the Company's good governance practices *aligned with the best standards in Europe*

Progress made in 2022

Corporate policies update

The following corporate policies were updated in 2022:

- **Human Rights Policy**; amended on 24 March 2022.
- **Directors' Remuneration Policy;** amended on 28 April 2022.
- **Global Risk Management Policy**; amended on 27 April 2022.
- **Shareholder Remuneration Policy**; amended on 15 December 2022.

Additionally in early 2023 the following policies have been updated:

- **Procurement Policy,** amended on 26 January 2023.
- **Conflict of Interest Policy,** approved on 26 January 2023.
- **Gifts and Hospitality Policy,** approved on 26 January 2023.

The most up-to-date list of **corporate Policies** is publicly disclosed on the corporate website.

Based on Cellnex's ongoing endeavours, at its meeting held on 24 March 2022, the Board of Directors of Cellnex Telecom, S.A. approved the proposal of the Nominations, Remunerations and Sustainability Committee, to submit a new Directors' Remuneration Policy for financial years 2022, 2023, 2024 and 2025 to a binding vote of the 2022 Annual General Shareholders' Meeting, as a separate item on the agenda, in accordance with the provisions of the restated text of the Spanish Companies Law (*Ley de Sociedades de Capital*) approved by Royal Legislative Decree 1/2010 of 2 July 2010, as amended by Law 5/2021 of 12 April 2021 regarding the encouragement of long-term involvement of shareholders in listed companies.

The new 2022 Directors' Remuneration Policy, although it is consistent with the last policy, approved by the 2022 Annual General Shareholders' Meeting introduces changes to adapt certain components of remuneration to the rapid evolution of the Company and recognise its greater complexity following the various integrations that are being carried out simultaneously. Two of the main triggers were:

1. To align with best market practices, and incorporate the feedback provided by major investors.
2. To include in the Long Term Incentive Plan (LTIP) demanding targets and reward value creation as a strategic element to retain management and key talent in this highly competitive sector.

The Board of Directors agreed to these amendments, following a favourable recommendation of the Nominations, Remunerations and Sustainability Committee after considering corporate governance recommendations, market practice of peer sectors and companies, and the opinion of Cellnex's main shareholders and certain proxy advisors, with whom the Company has shared the main amendments contained in this Remuneration Policy and the provisions of the Good Governance Code for listed companies in Spain concerning directors' remuneration.

Detailed information is enclosed on the **Annual Report on Remuneration of Directors** (Annex 10).

Other internal regulations amended

The list of other internal regulations amended in 2022 is as follows:

- **Whistleblowing Channel**, amended on 24 March 2022.

Additionally, in early 2023 these other internal regulations were updated:

- **Supplier Code of Conduct,** approved on 26 January 2023.
- **Code of Ethics,** amended on 26 January 2023.

Annual Corporate Governance Report

The 2022 Annual Corporate Governance Report has been prepared in free format for the first time to reinforce the Company's good governance practices in line with the highest standards in Europe.

Therefore, in addition to the information provided in the CNMV format, further information is provided to increase the transparency of the information contained in this report. Moreover, the Report has a more visual design.

Detailed information is given in the **Annual Corporate Governance Report** (Annex 11).

During 2021-2022 the *Board of Directors* and Senior Management received an

ad hoc *training course on ESG* designed with IESE

Training and ESG awareness

Additionally, during 2021-2022 the Board of Directors and Senior Management received an ad hoc training course on ESG. The course was designed with IESE Business School to create value on the discussions and to ensure that the governance bodies have the right oversight and decision-making capabilities on ESG.

Specifically, the training was focused on four themes:

1. To identify ESG factors that may have an impact on the business, as well as those ESG factors that are legally required in order to develop a strategy to take relevant ESG factors into account in business decisions.
2. To understand the turning point in institutional investors' strategy regarding ESG, as well as how investors require various ESG disclosure standards in order to understand how to integrate ESG when communicating with investors and proxy advisors.
3. To understand the US and EU models of reporting ESG and the notion of materiality in different businesses in order to integrate financial and non-financial reporting.
4. To understand how to lead ESG and how to integrate ESG into the business strategy.

Cellnex's Board of Directors

Composition of the Board of Directors

The **Board of Directors** ensures that the composition of the body favours diversity of knowledge, professional experience, origins, nationalities, age and gender of its members and that proprietary and independent Directors represent a large majority of the Board of Directors. Also that the number of executive directors is the minimum necessary, and that the independent Directors make up at least a half of the total number of directors.

In this regard, the Board of Directors should comprise the number of directors determined by the General Shareholders' Meeting, within the limits set by the **Company's Corporate Bylaws**. The Board of Directors must propose to the General Shareholders' Meeting a number which, in accordance with the changing circumstances of the Company, is most appropriate to guarantee the proper representativeness and efficient operation of the Board of Directors.

As stated in the **Board of Directors' Regulations** and in the **Policy on the composition of the Board of Directors**, the least represented gender should represent at least 40% of the total number of Board members. This objective was already achieved in 2021, when female Directors represented 45% of all Board members. With the incorporation of Ana García Fau, the number of female directors rises to 6 out of 11 (55%).

In addition, following its commitment to Diversity, the Board of Directors includes representatives of 7 different nationalities: Spain, France, The Netherlands, Germany, Austria, United Kingdom and Australia.

Another key indicator of the Good Governance of the Board is the number of independent Directors, which amounts to 8 out of 11 (73%); 2 out of 11 (18%) are proprietary Directors and there is only one executive Director.The functions of the CEO are separated from those of the Chair, who is an independent Director.

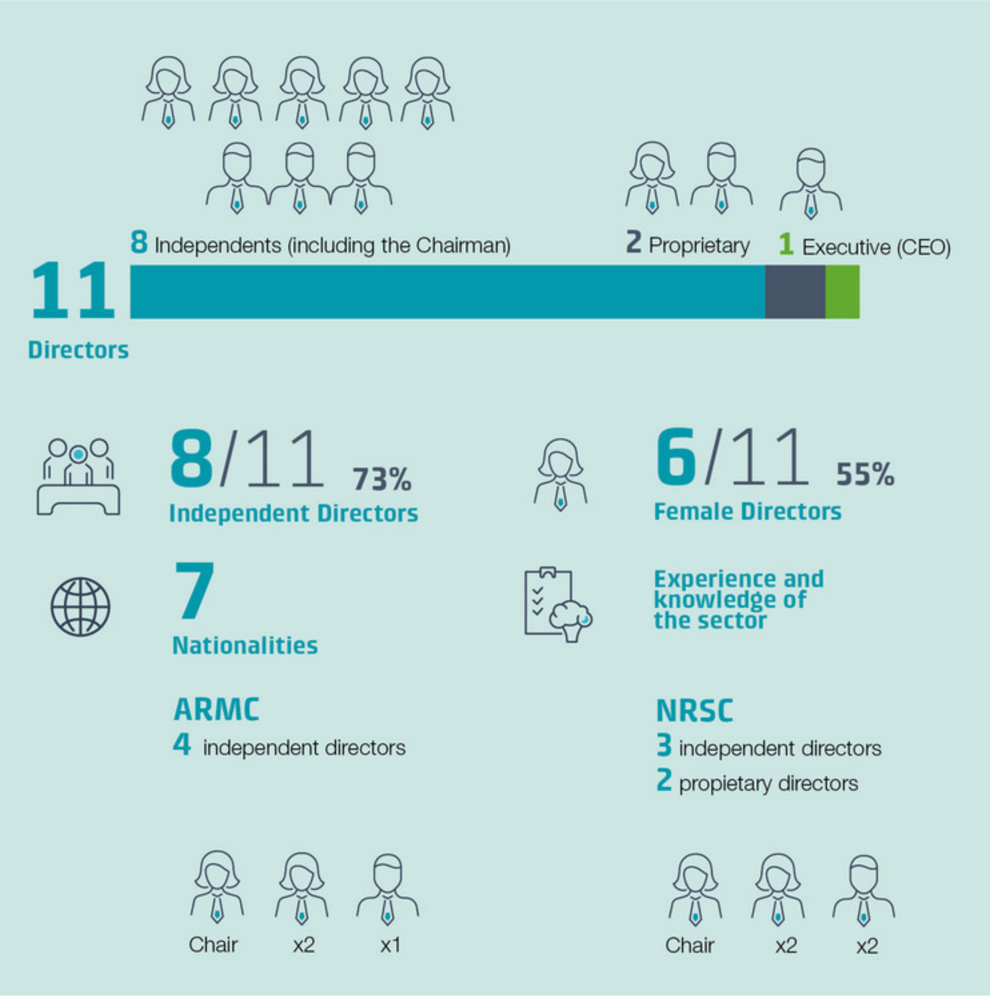
The changes made to the composition of the Board of Directors in 2022 include the following:

- Mr. Giampaolo Zambeletti did not stand for re-election as Director at the Meeting held on 28 April 2022.
- Ms. Ana García Fau joined the Board as a new independent director on 18 July 2022 to fill the vacancy on the company's Board of Directors that arose after Giampaolo Zambeletti did not stand for re-election. She is also Chair of the Audit and Risk Management Committee since December 15, 2022.

Additionally, in the 2022 Annual General Shareholders' Meeting 7 Directors were re-elected for the 3-year term specified in the Company's bylaws.

The Board of Directors meets on a regular basis to discuss and supervise the.company's performance and evolution. In 2022, 22 meetings of the Board of Directors were held, with an attendance of 97.47%.

The most up-to-date composition of the Board of Directors and its Committees is available on the Cellnex's corporate website: **Corporate Governance - Board of directors.**



The current composition of the Board of Directors of the Cellnex Telecom is as follows:

Independent Directors

Bertrand Boudewijn Kan has extensive professional experience in investment banking and focused on the telecoms, media and technology sector in particular. He spent most of his career at Morgan Stanley where he became a Managing Director and Head of the European Telecoms Group. Subsequently in 2006 he moved to Lehman Brothers, where he was Co-Head of the Global Telecoms Team and was a member of the European Operating Committee. In 2008, following the acquisition of Lehman Brothers by Nomura, he became Head of the Global Telecoms, Media and Technology Group at Nomura and was a member of the Investment Banking Global Executive Committee. He left investment banking in 2012. Among other responsibilities, in addition to the Cellnex Board, he is currently Chairman of the Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.Sc. degrees in Economics from the London School of Economics.

Pierre Blayau is currently holding the position of Censor of FIMALAC, Senior Advisor of Bain & Company, Chairman of Harbour Conseils and Board member of Newrest. He was previously Chief Executive Officer of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as a member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva and President of CCR (Caisse Centrale de Réassurance). Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance, and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.

Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of Chair of Arqiva in the UK (2007-2014). Shore was Group Managing Director at Telstra in Australia and in that role also a Director of Pay TV operator Foxtel, SMS Management and Technology, and OnAustralia. He has also been Chair of Uecomm, Lonely Planet Publications, the Hostworks Group, Unwired and Airwave, CEO of MyPrice (Aust/NZ), Managing Director of Media/Communications/Partners and a Director of Objectif Telecomunications Limited. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the UK Corporate Board of the National Society for the Prevention of Cruelty to Children and Board of the Australia-United Kingdom Chamber of Commerce. He is also currently Chairman of Gigacomm Pty Ltd, a private Australian broadband service provider. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide. Other current professional activities and positions: Chair of Minnamurra Partners Pty Ltd y BlueJay Technologies Ltd.

Marieta del Rivero is independent director of Cellnex Telecom and Gestamp Automotive and a member of its sustainability committee. Non-executive Chair of Onivia. She is a member of the Advisory Board of Mutualidad de la Abogacía, member of the Board of the Spanish Executives Association and Co-Chair of Women Corporate Directors Spain. She has been global marketing director of Telefonica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner of Seeliger & Conde and Chair of International Women´s Forum Spain. She was one of 'The 500 Most Influential Women in Spain' in 2018, 2019, 2020, 2021 and 2022 according to 'El Mundo'; she was one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía, and she was recognized as the 'Best Executive 2017' by the Spanish Association of Business Women. She is the author of the book 'Smart Cities: a vision for the citizen'. Marieta del Rivero completed an AMP (Advanced Management Program) by IESE, an EP (Executive Program) by Singularity University California and is an executive coach certified by ECC and ICF. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).

Anne Bouverot is currently Chairperson of the Board of Technicolor Creative Studios, as well as Senior Advisor of TowerBrook Capital Partners, Board member of Ledger and Chairperson of École Normale Supérieure in Paris. She is also Chairperson of Fondation Abeona, whose motto is "Championing Responsible AI", working on social impact of AI and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company (between 2015 and 2017) and general director of the GSMA (between 2011 and 2015). Prior to this she had a 19 years career with several management positions in the Orange/France Telecom group, the last of which was Executive Vice President of Mobile Services from 2009 to 2011. Anne Bouverot has a degree in Mathematics and a PhD in Artificial Intelligence from the École Normale Supérieure in Paris, and a degree in Engineering from Telecom Paris.

María Luisa Guijarro has worked most of her career in the Telefónica group, from 1996 until 2016, where she held positions including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. She is non-executive Chair of Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.

Kate Holgate has extensive professional experience in a range of sectors including technology, professional and financial services, and real estate. Working predominantly in financial, corporate and crisis communications, Kate has worked in the United Kingdom and the Asia-Pacific region. A specialist in mergers and acquisitions and IPOs, she joined the international communications and public affairs consultancy Brunswick Group in 2000 becoming a partner in 2006. From 2019 until December 2020, she was Head of the company's Hong Kong office, and between 2013 and 2019 was based in Singapore after holding other senior positions at Brunswick Group's head office in London. In 1994 Kate joined Kleinwort Benson's Corporate Advisory Department and prior to that, worked for the UK Diplomatic Service, having graduated with an Honours degree in Physics from Oxford University.

Ana García Fau has developed her professional career in companies such as McKinsey & Company, Goldman Sachs, Wolff Olins, Telefónica Group and Hibü (Yell Group). During her professional career in Telefónica Group, she held several executive responsibilities in TPI Páginas Amarillas, as CFO and Managing Director of Corporate Development. At the same time, she was a member of the Board of Directors of several of its subsidiaries. At Yell/Hibü she was also CEO for Spain, Latin America and the US Hispanic market and a member of its International Executive Committee. She is currently an Independent director of the listed companies, Gestamp Automoción, Merlin Properties Socimi and JDE Peet´s (the Netherlands). She is also non-executive Chair of Finerge, S.A., a Portuguese renewable energy company, Independent director of Globalvía, SAU and member of several advisory boards of companies operating in the financial, insurance and technology sectors, amongst others, such as Salesforce and DLA Piper. She is also member of the Board of Trustees of the Fundación Universidad Comillas ICAI. In recent years, she has been a member of the Board of Directors as an independent director of Eutelsat and Technicolor, in France, and of Euskaltel. Ms. Ana García Fau has a degree in Law and in Economics and Business from the Universidad Pontificia Comillas (ICADE, E-3) in Madrid and an MBA in Business Administration from Massachussets Institute of Technology (MIT) (Boston, United States). Other current professional activities and positions: Member of the Board of Trustees of Mutualidad de la Abogacía, Pictet Iberia y Fremman Capital

Proprietary Directors

Christian Coco is Investment Director at Edizione Srl. He is also a director of Atlantia Spa, companies of Edizione Group, Benetton Srl and CEO of ConnecT Due. He began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 to 2011 he worked in private equity firms, focusing especially on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control and M&A of the CIR Group of the De Benedetti family. Christian Coco has an engineering degree from Milan Polytechnic, and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School). Other current professional activities and positions: Non-executive Chairman of Benetton Group Srl.

Alexandra Reich has 20 years' experience in the telecommunications industry, after starting her career in investment banking. She is currently member of the Board of Directors of the Dutch company Delta Fiber, IKANO (IKEA) SEA, Salt SA, Switzerland, Speed-Connect Austria-Infinigate Germany (Infracapital) and Infinigate Holding Ad-Switzerland (Bridgepoint). She has been senior advisor at Telenor, as well as CEO of Telenor in Thailand – DTAC (from 2018 to 2020) and CEO of Telenor Hungary (from 2016 to 2018) as well as Chairperson of the Boards of Telenor Serbia and Telenor Bulgaria. She also held various management positions at Swisscom (between 2009 and 2016) and Sunrise (between 2007 and 2009) in Switzerland, and at Hutchison (between 2005 and 2007) and United Telecommunications (between 2004 and 2005) in her native Austria. Alexandra Reich has a degree in Business Administration and a Master degree from the Vienna University of Economics and Business Administration.

Executive Director

Tobias Martínez is the company's top-ranking executive (CEO) and sole director of the subsidiary Cellnex Finance Company, S.A.U. He joined Acesa Telecom (Abertis Group) in the year 2000, first as Board Member and Director General of Tradia, and subsequently of Retevisión. Before joining the Abertis Group, he headed his own business project in Information and Telecommunication Systems for more than 10 years. He studied Telecommunications Engineering and holds a Diploma in Top Management from the IESE Business School (PADE) and a Diploma in Marketing Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).

Non-Executive Secretary

Jaime Velázquez Vioque has a Law degree from the University of Extremadura and is a State Lawyer on leave from that post. He has extensive experience in Commercial Law, mainly in corporate merger and acquisition operations in regulated sectors and in matters related to corporate governance of companies. He is currently running an international law firm in Spain, which he joined in 2005. Previously, he served as secretary of the board of directors and director of legal advice of the Spanish Official Credit Institute (ICO), and general secretary of the council of the Telecommunications Market Commission (CMT). He has taken part in numerous talks and has also been an associate professor of Commercial Law at the Pompeu Fabra University in Barcelona.

Non-Directorial Vice-Secretary

Virginia Navarro Virgós is Global Corporate Governance – Legal M&A & Financing Director at Cellnex. Prior to that, she was Senior Manager of the Legal Department at Abertis Infraestructuras, where she spent ten years actively participating in the Group's M&A and financing projects, both national and cross-border. Previously, she worked at Linklaters in Spain as Associate in the Corporate Department, and in the legal department of Morgan Stanley. Virginia Navarro has a Law degree from Pompeu Fabra University (UPF) and a Master in International Legal Practice from Instituto de Empresa (IE).

BOARD OF DIRECTORS


Bertrand Boudewijn Kan
Chairman
Independent


Tobias Martinez
Chief Executive Officer
Executive


Pierre Blayau
Independent
●


Anne Bouverot
Independent
🟢


Marieta del Rivero
Independent
●


María Luisa Guijarro
Independent
●


Leonard Peter Shore
Independent
🟢


Christian Coco
Proprietary
●


Alexandra Reich
Proprietary
●


Kate Holgate
Independent
🟢


Ana García Fau
Independent
🟢


Jaime Velázquez
Secretary non-member of the Board


Virginia Navarro
Vice secretary non-member of the Board

🟢 Audit and Risk Management Committee (ARMC)
● Nominations, Remunerations and Sustainability Committee (NRSC)

Committees of the Board of Directors

The other governing bodies of Cellnex are the Nominations, Remunerations and Sustainability Committee (NRSC) and the Audit and Risk Management Committee (ARMC) as delegated bodies.

The **Nominations, Remunerations and Sustainability Committee (NRSC)** is composed of five members (three independent and two proprietary). In 2022, 19 meetings were held with 98.90% attendance of all members. The functions of the NRSC include setting a representation target for the under-represented gender on the Board of Directors and developing guidance on how to achieve this target. It also reports to the Board of Directors on the non-financial information that the Company must disclose from time to time. It is also responsible for assessing and periodically reviewing the corporate governance system and the Company's Environmental, Social and Governance Policy, in order to ensure that they fulfil their mission of promoting corporate interests.

The **Audit and Risk Management Committee (ARMC)** is composed of four members, all independent. On 15 December 2022, Mr. Bertrand Boudewijn Kan submitted his resignation as a member of the Audit and Risk Management Committee to focus on his duties as Chair of the Board of Directors. Likewise, Mr. Leonard Peter Shore submitted his resignation as Chair of the Audit and Risk Management Committee for personal reasons and the Board of Directors agreed to appoint the independent director Mrs. Ana García Fau to replace Mr. Leonard Peter Shore as the new Chair of the Audit and Risk Management Committee. In 2022, 11 meetings were held with 100% attendance of all members. The ARMC's duties include reporting to the General Shareholders' Meeting on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial and non-financial information and the role the Committee has played in that process. It also supervises and evaluates the process of preparation and presentation of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the Company.

The responsibilities and functioning of the ARMC and the NRSC are incorporated in the Board of Directors' Regulations.

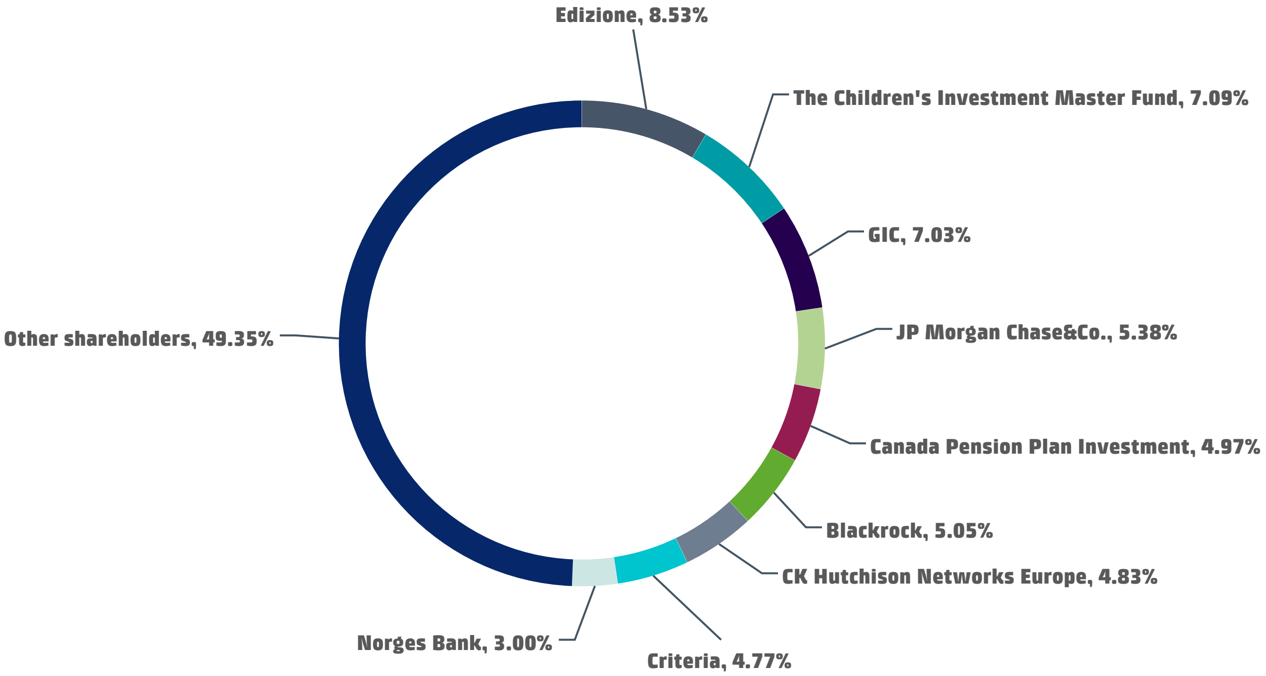
In accordance with article 529 *nonies* of the Spanish Companies Law, the Board of Directors carries out an annual assessment of the functioning of the Board and its committees. Based on the results of the assessment, an Action Plan is drawn up for the following year, which is approved by the Board of Directors.

In relation to the annual assessment of the Board and its Committees, the Good Governance Code of Listed Companies recommends that the assessment be carried out with an external advisor every three years. Although this assessment was due to be carried out internally this year, the Board of Directors has decided to carry out the assessment with an external advisor in order to comply with best Good Governance practice.

Shareholding structure

The current share capital of Cellnex Telecom S.A. is set at 176,618,843.75 euros, divided into 706,475,375 ordinary shares with nominal value of 0.25 euros each, belonging to a single class and series, fully subscribed and paid up. All the shares are ordinary and are represented by book entries, and the accounting record is kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear). Cellnex Telecom S.A. is listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia. It belongs to the General Procurement business segment.

The significant shareholders in Cellnex Telecom as of December 31, 2022 are:



Share capital

€176,618,843.75

Ordinary shares

706,475,375

Ethics and Compliance

The Committee of Ethics and Compliance has carried out an initiative to *update the criminal risk and controls matrix*

The Board of Directors and the Management of Cellnex are firmly committed to promoting a solid culture of compliance, ethics and integrity in the performance of all activities of the Cellnex Group, including professional members of the Group, representatives, suppliers and other third parties that provide services or in any way act in Cellnex's name or have any relationship with the Group.

In this context, the Committee of Ethics and Compliance ("CEC") is responsible for the proactive oversight in respect to ethics, and business integrity and for the effective functioning of the Cellnex compliance system, for which it has ample powers and independence in the execution of its functions. The Committee is governed by the Regulations of the Committee of Ethics and Compliance, the applicable law and other Cellnex Group corporate governance rules.

The Committee of Ethics and Compliance is an internal standing collegiate committee, linked to the Audit and Risk Management Committee of the Board of Directors of Cellnex Telecom, S.A., to which it reports. In accordance with the Regulations of the Committee of Ethics and Compliance, it has the following competencies:

- Ethical competencies as set out in the Cellnex **Code of Ethics** and in the **Policy of the Whistleblowing Channel.**
- Compliance competencies as set out in the **Corruption Prevention Procedure**, in the Role of Responsible criminal compliance Procedure and in the **Disciplinary System**.
- Internal Corporate Integrity Regulations competencies, as established in the document "Committee of Ethics and Compliance: Rule Zero".

The current composition of the **Ethics and Compliance Committee** is as follows:

- José Mª Miralles (Chairman). General Counsel - Global Legal and Regulatory Affairs
- Sergi Martínez (Secretary). Head of Global Internal Audit and Risk Control.
- Yolanda Menal. Global People Director.
- Daniela Sonno. Country Economic & Management Control Director of Cellnex Italy.
- Yvette Meijer. Deputy Country Managing Director at Cellnex Netherlands.

Crime Prevention and Detection Model

In 2020 Cellnex reviewed and updated its Crime Prevention Model (CPDM) to adapt it to the various legal provisions approved since the previous version of the Model, as well as to adapt to Cellnex's organisational changes.

Likewise, a report was issued based on the NIEA 3000 Standard "Assurance Engagements other than the audit or review of historical financial information", which establishes that Cellnex has an adequate and reasonable control environment to mitigate the commission of criminal offences that entail criminal liability of legal persons.

During 2022 Cellnex, in line with its ongoing commitment to review and update the identified criminal risks and foster the appropriate controls and measures to mitigate them, carried out an initiative to update the criminal risk and controls matrix, which had been defined with the collaboration of the Departments involved over the last few years, in order to subsequently integrate it into the tool that will support the review process: SAP GRC.

In this regard, in 2023 Cellnex will review, adapt and audit the Crime Prevention and Detection Model in order to bring it into compliance with the latest regulatory updates.

Corruption Prevention Procedure

The Corruption Prevention Procedure symbolises Cellnex's *commitment to combat corruption*

Cellnex has as one of its basic pillars the conduct of its business in an upright, honest, responsible, and transparent way, always following the principles of ethics in its business, and not tolerating any form of corruption.

In that connection, the current changing environment, the different geographical scopes where Cellnex carries out its activities and the constant relationship with third parties make it necessary for Cellnex to be fully committed to the fight against all forms of corruption, providing coverage of the main legal, reputational and economic risks to which it is exposed.

Consequently, Cellnex has developed a **Corruption Prevention Procedure (CPP)** designed to establish the principles that ought to be followed to combat corruption and provide a guide to be followed by all managers, employees, and governing bodies of Cellnex, as well as third parties, setting out appropriate standards of conduct regarding the prevention, detection, investigation, and redress of any corrupt practice within Cellnex.

The CPP therefore symbolises Cellnex's commitment to combat corruption, in line with the requirements laid down by the ISO 37001 standard. In this regard, no cases of corruption were identified in 2022, as was the case in 2021.

To reinforce the culture of compliance, ethics, and integrity, and to align with the requirements of UNE 19602, the Tax Compliance Committee, a specific body for Tax Compliance, was set up in 2021 within Cellnex Group. Furthermore, since 2020 Cellnex has adhered to the Code of Good Tax Practices.

In line with the desire for continuous improvement, with the help of an independent third-party expert, a Gap-Analysis Report was drafted on the content of the CPDM and the CPP and the proposals in relation to recommendations laid down by ISO 37001.

Moreover, during 2022 Cellnex continued working with a tool initially deployed as a pilot in 2021, that can automatically assess any compliance risk that Cellnex bears when contracting with third parties, such as customers or suppliers, with the aim of avoiding any kind of damage arising from relationships with such parties.

This tool helps monitor data such as the presence on an international sanctions list of entities related to Cellnex, to treat its administrators as politically exposed persons, or if a company appears in the media or social network for reasons related to corruption, money laundering or tax evasion.

Finally, during 2022 the CPP was updated in correlation with all the other actions carried out by the Committee of Ethics and Compliance, aligning its content with the undertakings and regulations set out in the other policies.

Code of Ethics

The Code of Ethics constitutes a set of mandatory rules which explains, in a systematic and explicit way, the standards, principles, basic responsibilities and principles that must govern/lead in Cellnex.

This **Code of Ethics** is based on Cellnex's own culture and aims to establish the guidelines to be followed when doing business and the conduct of persons subject to it, who must know and expand them, to always ensure ethics and transparency in business.

Specifically, the main objectives of the Code of Ethics are as follows:

- To establish general and minimum standards of conduct
- To define a mandatory ethics framework of reference. This framework must govern the work and professional behaviour of those who are subject to the Code of Ethics.
- To create a new Code of Ethics that functions as a reference for interest groups that are in some way related to the various parties connected to Cellnex (staff, suppliers, customers, shareholders, associates, etc.)

All persons subject to the code must be familiar with the Cellnex Code of Ethics; Cellnex Telecom must post the Cellnex's Code of Ethics, and the internal guidelines and implementing rules on its corporate website and Intranet network, Furthermore, every person who joins Cellnex and is considered to be subject to the Code of Ethics, will be handed a copy of it by the Human Resources Management team, in this case as internal implementing guidelines and rules. Likewise, when Cellnex contacts its interest groups, it must notify the existence of this Code of Ethics, its implementing rules, and the mandatory nature of its agreement in all aspects it may affect.

In view of the territorial expansion and evolution of Cellnex over the past two years, during 2022 the Committee of Ethics and Compliance worked on an updated version of the Cellnex Code of Ethics, with the aim of standardising the ethical policies for a coherent and cross-referenced internal body of law, applicable to the whole Group.

Along the same lines, two new policies have been created to improve the Cellnex ethics body of law and comply with ISO 37001: the Gifts and Hospitality Policy and the Conflict of Interest Policy.

Two new policies have been created to improve the Cellnex ethics body of law and *comply with the* ISO 37001, the Gifts and Hospitality Policy and the Conflict of Interest Policy.

Both aspects were previously regulated under the Cellnex Code of Ethics and, during 2022, were developed into their respective independent policies to reinforce the anti-corruption culture within Cellnex.

Cellnex strives to forge business relationships based on honesty and transparency, rejecting any conduct that might be aimed at gaining preferential treatment in the public as well as in the private sector.

For this reason, the purpose of the Gifts and Hospitality Policy, applicable to all subject persons under the Cellnex Code of Ethics, is to avoid and prevent the offering, provision, or acceptance of gifts, hospitality, or similar benefits, whenever they are or might be construed as an act of bribery or corruption.

A conflict of Interest does not of itself constitute fraud; but it is a strong indicator of a potentially fraudulent situation. Accordingly, and without prejudice to the applicable Legislation, having a Conflict of Interest Policy within the company, also applicable to all persons subject to the Cellnex Code of Ethics, is of the utmost importance for protecting Cellnex's governance principles of transparency and impartiality, and to raise awareness to prevent conflicts between professional duties and private interests.

The aforementioned policies, along with the update of the Code of Ethics, were approved by Cellnex's Board of Directors in January 2023.

Whistleblowing channel

The Whistleblowing Channel is *accessible through 4 main channels*

The Cellnex Group, as part of its mission to foster a robust culture of compliance, has updated its complaints channel, the "Whistleblowing Channel" to comply with the EU Whistleblower Directive and reinforce the confidentiality and anonymity features.

The Cellnex **Whistleblowing Channel** is a communication tool accessible to anyone subject to its Code of Ethics and any other third party making use of it which allows them to report, in good faith, without fear of reprisals, confidentially and anonymously, any kind of infringement of current legislation and/ or other internal regulations that they may notice within Cellnex.

Through the Whistleblowing Channel, all persons concerned and stakeholders may:

- Submit any query they may have regarding the interpretation of the Code of Ethics and other internal rules.
- Report conduct that might involve non-compliance with the Code of Ethics, internal rules or, in general, legislation in force applicable to the Group (notably, crimes and irregularities relating to financial and accounting, labour or human rights aspects).

Both staff of the Cellnex Group and third parties with whom the Group has any type of relationship must cooperate in the early detection and notification, via the Whistleblowing Channel, of any conduct that might entail a breach of the applicable regulations, especially where such conduct might give rise to criminal liability for Cellnex.

With this purpose in mind, and in order to guarantee and safeguard greater independence and confidentiality for potential Whistleblowers, the management of the Whistleblowing Channel is outsourced to an independent third-party expert, the Channel Manager.

The Whistleblowing Channel is easily accessible as follows:

- Through the Cellnex Group Intranet;
- Through the e-mail address es_cellnex.whistleBchannel@pwc.com, by filling out the form provided on the Intranet;
- By post for the attention of the Channel Management Offices: Torre PwC. Paseo de la Castellana, 259 B – 28046 Madrid (Spain), and by
- Phone to the following number: +34 915 685 340.

In this regard, a Group-wide awareness campaign was carried out consisting of four different communication campaigns using Intranet features (banners, "Did you know?", emails to staff).

The number of communications received through the Whistleblowing Channel in 2022 was nine (seven in 2021). Three of those communications were registered by the Channel Manager. None of the communications received were related to human rights violations, corruption nor tax.

2.2 Global Management Systems

Integrated Management System

Cellnex has developed a Global Integrated Management System to integrate: quality, environment and health and safety. In addition to these three pillars, further management systems will be added in future. Cellnex also has a Global Information Security Management System, which is expected to be integrated into the Global Integrated Management System over the next year.

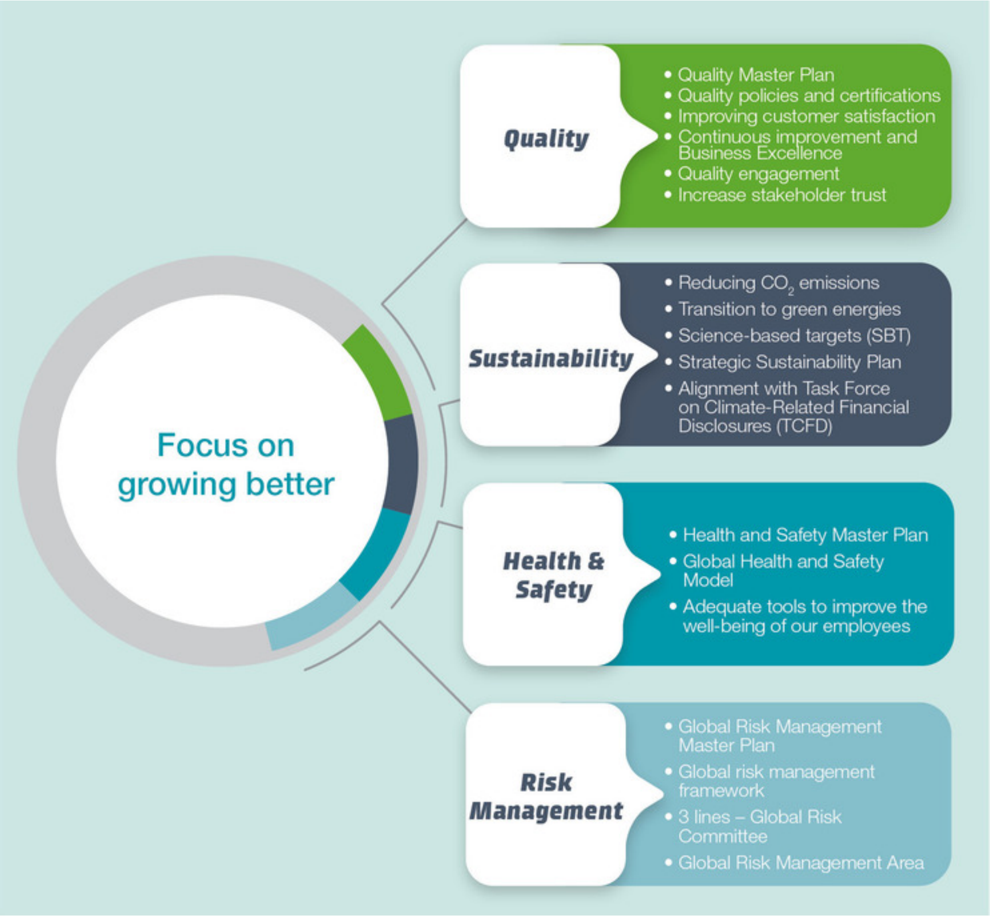
The Global Integrated Management System serves as a framework for adopting a systematic approach to the implementation of processes to ensure their effectiveness; establishing procedures to ensure the quality of the services provided; ensuring that business is conducted in accordance with the requirements set out in the reference standards on quality, environment, health and safety at work and information security, as well as the legislation in force; and, obtaining ISO standard certifications for Cellnex.

In this way, the Global Integrated Management System enables new business opportunities, facilitates the implementation of the Cellnex Industrial Model, enables continuous improvement and stakeholder engagement.

The Global Integrated Management System is currently implemented and certified in seven of Cellnex's business units plus Corporate. This means that the geographical scope of certification is currently France, Ireland, Portugal, Switzerland, the Netherlands, the United Kingdom and Poland, the latter two being the new business units included in the scope of global certification during 2022.

Moreover, Italy and Spain also have implemented and certified management systems which, owing to their maturity, they maintain locally. Integration into the Global Integrated Management System is planned for the coming years.

Considering the Information Security Management System, this system was the first to be certified globally at Cellnex in 2019 and since then we have been working to include all the business units of the Cellnex footprint in the scope of the system. In 2022, three new countries: Austria, Denmark and Sweden were included in the scope of certification. With these additions, there are now 11 certified countries plus the Corporation: Spain, Italy, Switzerland, Netherlands, France, United Kingdom, Ireland, Portugal, Austria, Denmark, Sweden and the Corporation.



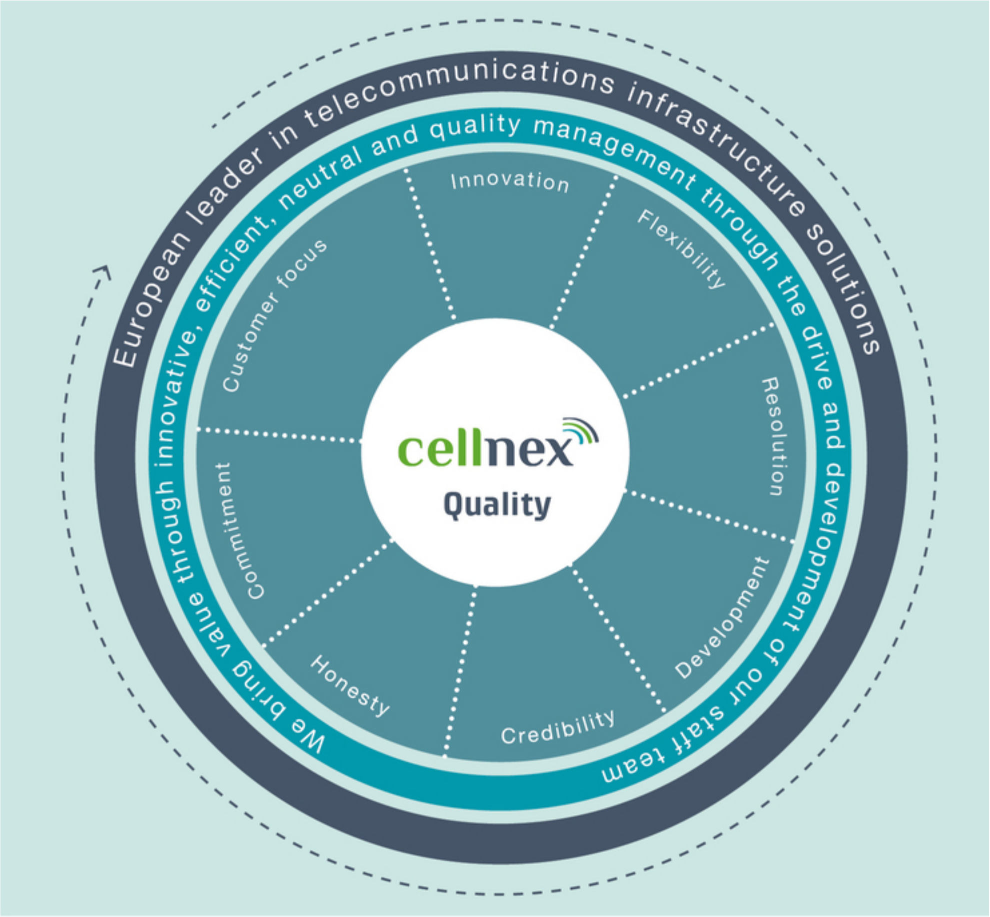
Quality and certifications

Quality

> ***"Being a company certified in internationally recognised standards helps Cellnex to provide high-quality services and to forge strategic alliances, gives confidence to our main stakeholders, and offers new opportunities that promote our business and growth in a sustainable way."***
>
> ***Anna Villa, EHS-Q EXPERT - Cellnex Corporate***

Cellnex Group has a **Global Quality Policy** which its basic principle is to provide high-availability and high-quality services as a neutral operator of wireless telecommunications infrastructures. In this sense, the Board of Directors established the Quality and Certifications strategy and its commitment to the application of best practices in the countries in which the Company operates and on the basis of international reference standards.

Quality enhances Cellnex's brand and reputation, protects it against risks, increases its efficiency, boosts its profits and positions it to continue growing in a strong and sustainable way, all focused on the customer experience and the confidence of Cellnex's stakeholders. Through Quality, Cellnex contributes to its sustainable development and is consistent with the Company's mission, vision, values, objectives and strategy.



Quality **enhances Cellnex's brand and reputation,** ***protects it against risks, increases efficiency,*** **boosts its profits and positions it to continue growing**

Cellnex's quality objectives are to promote a quality culture through Cellnex values, awareness and training at all levels, to achieve the highest levels of quality and commitment to the customer, to enhance the perception of stakeholders by innovating and improving products and services, to ensure quality throughout the value chain and supply chain, to promote a culture of continuous improvement by guaranteeing methodologies and procedures to ensure that improvement opportunities that arise are properly managed, and to lead exemplary practices to commit to all the Sustainable Development Goals. Against this background, Cellnex focuses on stakeholder needs and expectations, offers high-quality services, satisfies customers and continuously improves its services and management using a Plan-Do-Check-Act model.

In accordance with the Global Quality Policy, Cellnex devised a two-year Quality Master Plan (2021-2022) applicable to the whole company. This Quality Master Plan is defined on the basis of five strategic lines: Customer centric; Continuous improvement and business excellence; Leadership and commitment; Interest groups; Continuous evaluation. These strategic lines are split into seven initiatives.

Global Quality Policy – Global Quality Master Plan

Strategic lines

- Customer-centric
- Continuous improvement and business excellence
- Leadership and commitment
- Interest groups
- Continuous evaluation

Initiatives

- Cellnex Quality Model
- Customer Care Model
- Quality Engagement
- Training and awareness
- Supply chain performance
- Monitoring and evaluation
- Continuous improvement

Certifications

Implementing a Global Management System that encompasses all Cellnex's business units makes the maintenance and renewal of certifications more efficient because it involves a single certification process. In addition, it takes advantage of synergies and eliminates redundancies. Accordingly, based on the Global Integrated Management System, the Quality and Certifications Department has focused its work on implementing global certifications in non-certified countries. To do so, Cellnex has a Certification Catalogue that is used as a tool that indicates the exact certification status of all business units and their expiration year.

During 2022, the Quality & Certifications Department worked jointly with the business units on the maintenance of the certifications of the countries included within the scope of the Global Integrated Management System, which as already mentioned are: France, Ireland, Portugal, Switzerland, the Netherlands and Corporate. In addition, two new countries were included in the scope of global certification this year: Poland and the United Kingdom; the UK moved from a local Integrated Management System to the Global one.

In addition to global certifications, Cellnex is certified locally under other international standards such as energy efficiency (ISO 50001), service management (ISO 20000-1), National Security Scheme for the Smart Brain service in Spain, and SA 8000 Social Responsibility, Gender Equality and EASI Model in Italy.

Standard	Expiry date												
ISO 9001 Quality Management System	🌐 2025	🇪🇸 2025	🇮🇹 2024	🇫🇷 2025	🇳🇱 2025	🇨🇭 2025	🇬🇧 2025	🇵🇹 2025	🇮🇪 2025	🇵🇱 2025			
ISO 14001 Environmental Management System	🌐 2025	🇪🇸 2025	🇮🇹 2023	🇫🇷 2025	🇳🇱 2025	🇨🇭 2025	🇬🇧 2025	🇵🇹 2025	🇮🇪 2025	🇵🇱 2025			
ISO 45001 Occupational Health & Safety Management System	🌐 2025	🇪🇸 2025	🇮🇹 2025	🇫🇷 2025	🇳🇱 2025	🇨🇭 2025	🇬🇧 2025	🇵🇹 2025	🇮🇪 2025	🇵🇱 2025			
ISO 27001 Information Security Management System	🌐 2026	🇪🇸 2026	🇮🇹 2026	🇫🇷 2026	🇳🇱 2026	🇨🇭 2026	🇬🇧 2026	🇵🇹 2026	🇮🇪 2026		🇦🇹 2026	🇩🇰 2026	🇸🇪 2026
ISO 14064 Carbon Footprint	🌐 2024	🇪🇸 2024	🇮🇹 2024	🇫🇷 2024	🇳🇱 2024	🇨🇭 2024	🇬🇧 2024	🇵🇹 2024	🇮🇪 2024	🇵🇱 2024	🇦🇹 2024	🇩🇰 2024	🇸🇪 2024
ISO 14046 Water Footprint	🌐 2024	🇪🇸 2024	🇮🇹 2024	🇫🇷 2024	🇳🇱 2024	🇨🇭 2024	🇬🇧 2024	🇵🇹 2024	🇮🇪 2024	🇵🇱 2024	🇦🇹 2024	🇩🇰 2024	🇸🇪 2024
SA 8000 Social Responsibility			🇮🇹 2024										
UNI/PdR 125:2022 Gender equality			🇮🇹 2025										
Modello EASI			🇮🇹 2023										
ISO 50001 Energy		🇪🇸 2023											
ISO 20000-1 Service Management		🇪🇸 2023											
National Security Scheme - Smart Brain		🇪🇸 2024											

Cellnex operates in accordance with *international reference standards* and voluntary initiatives

Risk Management

On 27 April 2022 the Cellnex Board of Directors amended the **Global Risk Management Policy** for all Cellnex Group companies. The approval of this policy also established the strategy for Global Risk Management and its commitment to the application of best practices in the countries in which the Company operates, based in turn on international reference standards.

Cellnex operates in accordance with international reference standards and voluntary initiatives that include, among others:

- The Sustainable Development Goals (SDGs).
- The 10 principles of the United Nations Global Compact.
- The United Nations Guiding Principles on Business and Human Rights.
- The United Nations Principles for Social Investment.
- The OECD Guidelines for Multinational Enterprises.
- The Global Reporting Initiative (GRI) guidelines.
- The Tripartite Declaration of Principles on Multinational Enterprises and Social Policy of the International Labour Organization (ILO).

Likewise, the provisions of the Company's global Integrated Management System and the requirements of the ISO standards in which it is going to be certified in terms of risk management are also taken into account. In that connection, the Global Risk Management Policy highlights the Company's efforts to mitigate the inherent risks that may affect the business, thus guaranteeing the continuity of each of its projects and actions. It also promotes the creation of sustained value in the short, medium and long term for all the company's stakeholders, while demonstrating its commitment to reducing adverse impacts on economic activity.

The Cellnex Board of Directors has focused its work on defining the risk management strategy, supervising its application and monitoring it, as well as promoting best corporate governance practices. As a function entrusted by the Board of Directors, the Audit and Risk Management Committee (ARMC) supervises the effectiveness of the Global Risk Management Model and the information provided to third parties, and must ensure that the risk management framework identifies, prioritises, controls, monitors and reports them properly. Moreover, in 2022 a new Global Risk Committee was established, formed by all functional Corporate departments, advised by the internal audit unit; this Committee meets quarterly.

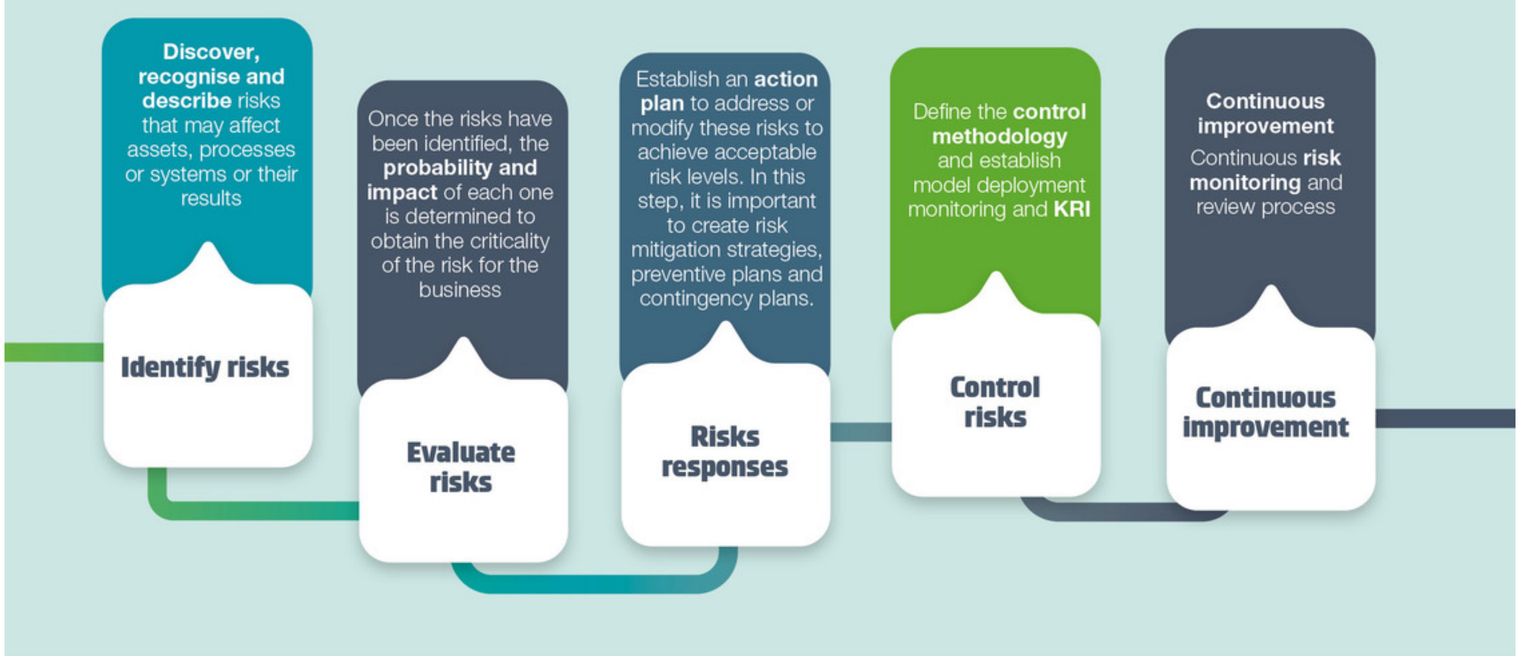
The Global Risk Management function is based on *anticipation, independence and commitment*

The Global Risk Management department is the main one responsible for the optimal deployment of the risk management methodology within the organisation, ensuring monitoring and compliance. The Global Risk Management function is based on anticipation, independence and commitment to the Group's business objectives, guaranteeing the robustness of the Global Risk Management Model through a risk assessment methodology aligned and adapted to the needs of the risk function and of the Company.

Risks are events that may have an impact on the achievement of the strategic objectives established by the Board of Directors, so these must always be considered for risk management in order to guarantee the resilience of the organisation.

1. **Identify the risks**: identification and preparation of the risk inventory. Risks are classified using the four categories of the COSO methodology:
    - **Strategic**: risks that affect the business strategy or strategic objectives of any company.
    - **Operational**: risks of potential losses resulting from the inadequacy of the operations processes, as well as the people, equipment and systems that support those processes.
    - **Financial and reporting**: risks that have a direct impact on the financial and reliability variables of the Cellnex Group.
    - **Legal and compliance**: risks related to legal or administrative sanctions, significant financial losses or loss of reputation owing to non-compliance with laws, regulations, internal rules or codes of conduct applicable to the business.
2. **Assess risks**: carry out an assessment of the risks identified both at corporate level and in the business units. Risks are assessed considering their impact, and the probability of their occurrence. The potential impact of a risk should be considered on the basis of the following variables:
    - **Economic (40%)**: Impact on the company's expected revenues.
    - **Operational (40%)**: Interruption of processes with a finite or indefinite impact over time, as well as possibly affecting relations with third parties.
    - **Reputational (20%)**: Impact on the media and/or shareholders, with consequent media coverage at local, national and/or international level, which leads in turn to a number of liability actions.
3. **Define risk responses**: definition of a response to address or mitigate these risks in order to achieve acceptable risk levels. The possible answers are framed in the options indicated as follows: avoid, transfer, accept and reduce. If the answer is reduce, define internal controls where possible.
4. **Monitor risks**: check that risk levels, once a risk response has been applied, match the risk appetite defined by the organisation.
5. **Continuous improvement**: continuous monitoring and review of the process to achieve improvements in the risk management life cycle.

RISK MANAGEMENT LIFECYCLE



Discover, recognise and describe risks that may affect assets, processes or systems or their results

Identify risks

Once the risks have been identified, the **probability and impact** of each one is determined to obtain the criticality of the risk for the business

Evaluate risks

Establish an **action plan** to address or modify these risks to achieve acceptable risk levels. In this step, it is important to create risk mitigation strategies, preventive plans and contingency plans.

Risks responses

Define the **control methodology** and establish model deployment monitoring and **KRI**

Control risks

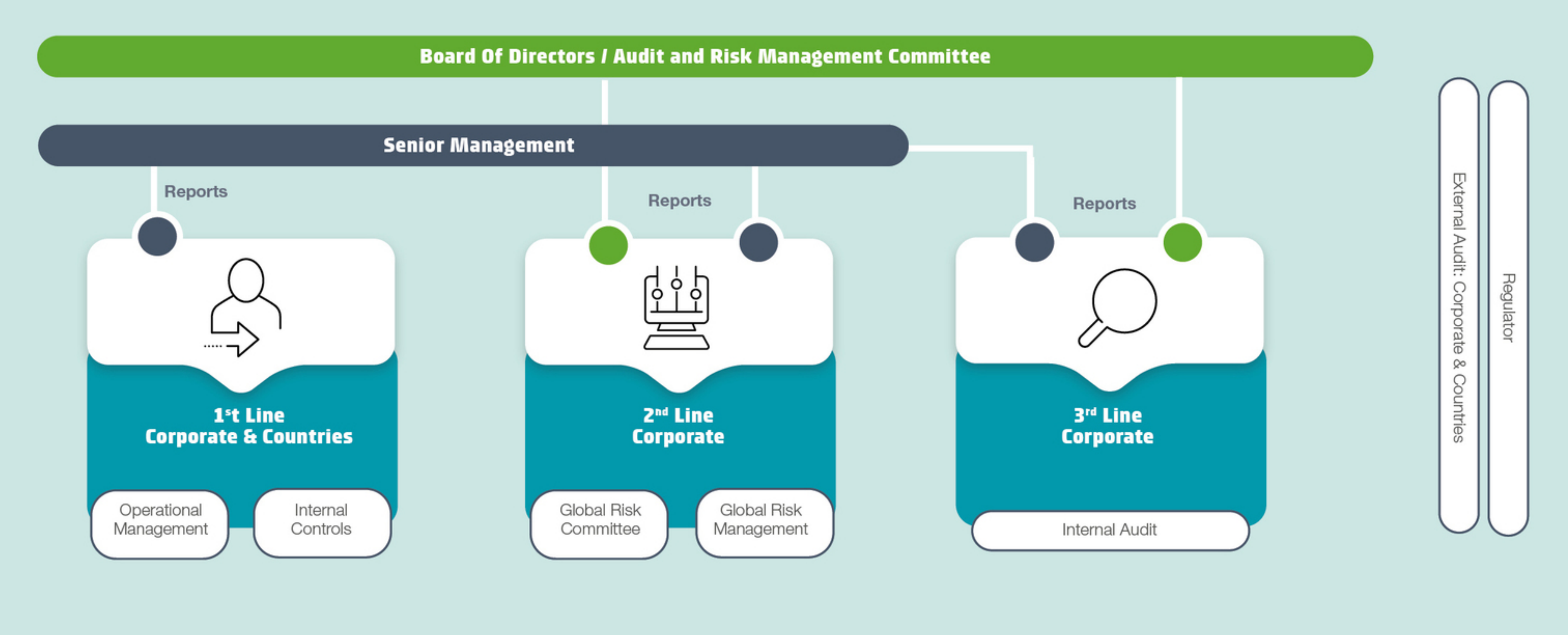
Continuous improvement
Continuous **risk monitoring** and review process

Continuous improvement

In order to carry out correct risk management, it is important to analyse both the possible external and internal factors that could lead to an event having an impact on the Cellnex Group's objectives.

The governance of the Global Risk Management Model is configured taking the best international practices as a reference. It is based on a combined assurance around the Three Lines Model, providing an integrated vision of how the different parts of the Cellnex Group organisation interact effectively and in a coordinated manner, making the Group's risk management and internal control processes more efficient.The Global Risk Management framework is based on the application of the Three Lines Model:

- **First Line**: all the functional departments of the Cellnex Group, both in the corporation and in the business units, are the owners and responsible for identifying, assessing, monitoring and mitigating risks, as well as maintaining effective internal controls.
- **Second Line**: The Risk Management function facilitates and supervises the implementation of effective risk management practices and supports the definition of target risk exposure and the communication of risk information throughout the Group. The Global Risk Committee ensures adequate risk coverage by promoting a risk culture in the Company. All functional departments are represented in the Global Risk Committee.
- **Third Line**: Internal Audit provides an independent guarantee to the Board of Directors, the Audit and Risk Management Committee (ARMC) and Senior Management on the effectiveness with which the Cellnex Group assesses and manages its risks, validating how the First and Second Lines operate.



For day-to-day operational risk management at Cellnex, the Risk Management Department implemented a Global Risk Management Master Plan 2021-2023. All initiatives identified for 2022 have been completed. One of these relates to the SAP GRC, where the activities carried out in 2022 were:

- The implementation of the Process Control module during the first half of 2022, with the launch of the Tax controls campaign.
- The implementation of the Risk Management module during the second half of 2022, which will include the Company's Risk Map.
- The implementation of the Audit Management module during the first half of 2023, relating to Internal Audit.

Regarding the Business Continuity Management System, in 2022, work was done to establish the Framework (Business Continuity policy, BIA of products and services, critical processes and activities, necessary resources, etc.), and during 2023 work will be done with some Business Units to deploy the business continuity management system after adapting it to their needs.

Regarding the Risk Management Communication Plan, training and awareness-raising actions on the new risk management methodology were carried out in 2022, with the Risk Partners, to support them as Second Line. In addition, training and awareness-raising actions on the new risk management methodology were also carried out in the corporate departments during the risk assessment process.

Cellnex has been recognised for its good practices in financial information

Cellnex has received the award for good practices in financial information from the Catalan Association of Accounting and Management (ACCID), an entity founded by the College of Economists of Catalonia and the College of Chartered Accountants of Catalonia. The Award, presented at the 19th edition of the ACCID Awards, recognises the quality and transparency of the Company's annual report. Specifically, it values information on the situation and risk management, intangible assets (including intellectual capital), the environment and the social dimension, among others.

There follows a list of the main risks that may affect Cellnex Group business and the achievement of its objectives.

Strategic risks	I)	Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.
	II)	Risks of increasing competition.
	III)	The Group's status as a "significant market power" (SMP) operator in the digital terrestrial television (DTT) market in Spain imposes certain detrimental obligations on it compared with its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in adjacent businesses to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum is a scarce resource and it is highly dependent on political decisions. Access may not be secured in the future, which would prevent the Group from providing a high portion of its services in accordance with its plans.
	VI)	Risk related to a substantial portion of Group revenue being derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution of the entire committed perimeter.
	IX)	The expansion or development of the Group's businesses, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations.
	X)	Risks inherent in the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to execution of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Parent Company's significant shareholders' interests differing from those of the Group.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not implementing the strategic sustainability plan.
	XVIII)	Risks related to maintaining the rights over land where the Group's infrastructures are located.
	XIX)	Failure to attract and retain high quality personnel could adversely affect the Group's ability to operate its business.
	XX)	The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services
Financial risks	XXI)	Financial information.
	XXII)	Expected contracted revenue (backlog).
	XXIII)	Foreign currency risks.
	XXIV)	Interest rate risk.
	XXV)	Credit risk.
	XXVI)	Liquidity risks.
	XXVII)	Inflation risk.
	XXVIII)	Risk related to the Group's indebtedness.
	XXIX)	The Parent Company cannot guarantee that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if it were able to, that it would do so).
Compliance risks	XXX)	Fraud and compliance risks.
	XXXI)	Risk associated with significant agreements signed by the Group that could be modified due to change-of-control clauses.

Further detailed information, please see **Annex 1. Risks.**

2.3 Financial information

Milestones and key figures for 2022

The year that ended on 31 December 2022 highlighted a unique combination of defensive and high-quality structural growth with limited exposure to COVID-19 and the Russian invasion of Ukraine, which was possible through consistent and sustainable organic growth, solid financial performance and a tireless focus on integration.

Alternative Performance Measures

An Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Cellnex believes that there are certain APMs, used by the Group's Management in making financial, operational and planning decisions, which provide useful financial information that should be considered in addition to the financial statements prepared in accordance with the applicable accounting regulations (IFRS-EU), in assessing its performance. These APMs are consistent with the main indicators used by the community of analysts and investors in the capital markets.

In accordance with the provisions of the Guide issued by the European Securities and Markets Authority (ESMA), in force since 3 July 2016, on the transparency of Alternative Performance Measures, Cellnex provides below information on the following APMs: Adjusted EBITDA; Adjusted EBITDA Margin; Gross and Net Financial Debt; Capital Expenditures; Net Payment of Interest; Available Liquidity, Recurring Leveraged Free Cash Flow and Free Cash Flow.

Adjusted EBITDA, Recurring Leveraged Free Cash Flow and Capital Expenditures indicators are Alternative Performance Measures ("APM") as defined in the guidelines issued by the European Securities and Markets Authority on 5 October 2015 on Alternative Performance Measures (the "ESMA Guidelines").

The definition and determination of the aforementioned APMs are disclosed in the accompanying Consolidated Management Report and are therefore validated by the Group auditor (Deloitte). The CNMV also conducted a review of the APMs as of December 2021.

The Company presents comparative financial information from the previous year as detailed in Note 2.e to the accompanying consolidated financial statements.

1. Adjusted EBITDA

This relates to the “Operating profit” before “Depreciation, amortisation and results from disposals of fixed assets” and after adding back certain non-recurring expenses (such as COVID donations, redundancy provision, extra compensation and benefit costs, and costs and taxes related to acquisitions, among others), certain non-cash expenses (such as LTIP remuneration payable in shares, among others) and advances to customers.

The Group uses Adjusted EBITDA as an indicator of the operating performance of its business units and it is widely used as an evaluation metric among analysts, investors, rating agencies and other stakeholders. At the same time, it is important to highlight that Adjusted EBITDA is not a measure adopted in accounting standards and, therefore, should not be considered an alternative to cash flow as an indicator of liquidity. Adjusted EBITDA does not have a standardised meaning and cannot therefore be compared with the Adjusted EBITDA of other companies.

One commonly used metric that is derived from Adjusted EBITDA is Adjusted EBITDA margin, as described below.

	Thousands of euros	
Adjusted EBITDA	**31 December 2022**	**31 December 2021 restated**
Broadcasting infrastructure	223,497	218,290
Telecom Infrastructure Services	3,159,629	2,211,789
Other Network Services	112,054	102,720
Operating income[6]	**3,495,180**	**2,532,799**
Staff costs[7]	(270,383)	(300,357)
Repairs and maintenance[8]	(91,969)	(79,708)
Utilities[8]	(283,085)	(159,080)
General and other services[8]	(298,733)	(249,153)
Depreciation, amortisation and results from disposals of fixed assets[9]	(2,320,694)	(1,676,323)
Operating profit	**230,316**	**68,178**
Depreciation, amortisation and results from disposals of fixed assets[9]	2,320,694	1,676,323
Non-recurring expenses [10]	75,983	172,941
Advances to customers[10]	3,442	3,269
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**2,630,435**	**1,920,711**

As at 31 December 2022 and 2021, respectively, the amounts were as follows:

Non-recurring and non-cash expenses, and advances to customers at 31 December 2022 and 2021 are set out below (see Note 20.d to the accompanying consolidated financial statements):

i. COVID donations, which relate to a financial contribution by Cellnex to various institutions in the context of the coronavirus pandemic (non-recurring item), amounted to EUR 1,832 thousand (EUR 3,880 thousand in 2021).

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[6] See note 20.a to the accompanying consolidated financial statements.

[7] See note 20.b to the accompanying consolidated financial statements.

[8] See note 20.c to the accompanying consolidated financial statements.

[9] See note 20.e to the accompanying consolidated financial statements.

[10] See note 20.d to the accompanying consolidated financial statements.

ii. Redundancy provision, which mainly includes the impact at 2022 and 2021 year-end derived from the 2021 reorganisation plan detailed in Note 19.b to the accompanying consolidated financial statements (non-recurring item), amounted to EUR 3,367 thousand (EUR 80,870 thousand at 2021 year-end).

iii. LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end related to the LTIP 2019-2021, which is payable in Cellnex shares (see Note 19.b to the accompanying consolidated financial statements, non-cash item), amounted to EUR 16,649 thousand (EUR 10,724 thousand at 2021 year-end), and extra compensation and benefits costs, which corresponds to an extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 418 thousand (EUR 1,731 thousand at 2021 year-end).

iv. Advances to customers, which Includes the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, amounted to EUR 3,442 thousand (EUR 3,269 thousand at 2021 year-end). These costs are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators ("MNOs")). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures (non-cash item).

v. Costs and taxes related to acquisitions, which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 53,717 thousand (EUR 75,735 thousand at 2021 year-end).

During 2022 Cellnex carried out business combinations. If the business combinations carried out during 2022 had been completed by 1 January 2022 and had been fully consolidated for the full year ended on 31 December 2022, the Adjusted EBITDA would have amounted to some EUR 2,852 million and the payments of lease instalments in the ordinary course of business would have been approximately EUR 837 million.

2. Adjusted EBITDA Margin

Adjusted EBITDA Margin corresponds to Adjusted EBITDA (as defined above), divided by operating income[11] excluding elements passed through[12] to customers from both expenses and revenues, mostly electricity costs (this item only includes Services and Advances to customers[13] and does not take into account of Other operating income). The Group uses Adjusted EBITDA Margin as an operating performance indicator and it is widely used as an evaluation metric among analysts, investors, rating agencies and other stakeholders.

Accordingly, the Adjusted EBITDA[14] Margin as at 31 December 2022 and 2021 was 81% and 79%, respectively.

3. Gross Financial Debt

The Gross Financial Debt corresponds to “Bond issues and other loans”[15], “Loans and credit facilities”[16] and “Lease liabilities”[17], but does not include any debt held by Group companies registered using the equity method of consolidation, “Derivative financial instruments”[18] or “Other financial liabilities”[15]. "Lease liabilities" is calculated as the present value of lease payments payable over the lease term, discounted at the rate implicit or at the incremental borrowing rate.

In line with the above, its value as at 31 December 2022 and 2021, respectively, is as follows:

Thousands of euros

Gross Financial Debt	31 December 2022	31 December 2021 restated
Bond issues and other loans	14,045,410	13,565,690
Loans and credit facilities	3,838,178	2,064,351
Lease liabilities	3,085,490	2,905,762
Gross Financial Debt	**20,969,078**	**18,535,803**

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[11] See note 20.a to the accompanying consolidated financial statements.

[12] See note 20.a to the accompanying consolidated financial statements.

[13] See note 20.a to the accompanying consolidated financial statements.

[14] Adjusted Ebitda Margin = Adjusted Ebitda / (Operating Income – Passthrough)

[15] See note 15 to the accompanying consolidated financial statements.

[16] See note 15 to the accompanying consolidated financial statements.

[17] See note 16 to the accompanying consolidated financial statements.

[18] See note 11 to the accompanying consolidated financial statements.

4. Net Financial Debt

The Net Financial Debt corresponds to "Gross financial debt" less "Cash and cash equivalents"[19] and "Other financial assets"[20]. Together with Gross Financial Debt, the Group uses Net Financial Debt as a measure of its solvency and liquidity as it indicates the current cash and equivalents in relation to its total debt liabilities. One commonly used metric that is derived from Net Financial Debt is "Net Financial Debt / Adjusted EBITDA" which is frequently used by analysts, investors and rating agencies as an indication of financial leverage.

"Net financial debt" at 31 December 2022 and 2021 is as follows:

		Thousands of euros
Net Financial Debt	**31 December 2022**	**31 December 2021 restated**
Gross financial debt	20,969,078	18,535,803
Cash and cash equivalents	(1,038,179)	(3,926,578)
Other financial assets	(93,242)	—
Net Financial Debt	**19,837,657**	**14,609,225**

At 31 December 2022, net financial debt amounted to EUR 19,838 million (EUR 14,609 million in 2021 restated), including a consolidated cash and cash equivalents position of EUR 1,038 million (EUR 3,927 million in 2021) and EUR 93 million of other financial assets.

• Net financial debt evolution

		Thousands of euros
Net Financial Debt evolution	**31 December 2022**	**31 December 2021 restated**
Beginning of Period	**14,609,225**	**6,493,463**
Recurring leveraged free cash flow	(1,367,925)	(980,543)
Expansion (or organic growth) capital expenditures	349,553	233,107
Expansion capital expenditures (Build to Suit programs) and Remedies	2,133,206	1,346,136
M&A Capital Expenditures (1)	3,542,589	12,529,294
Non-Recurrent Items (cash only) (2)	59,334	81,346
Other Net Cash Out Flows (3)	(137,129)	1,349
Issue of equity instruments, Treasury Shares and Payment of Dividends (4)	338,842	(6,765,675)
Change in Lease Liabilities (5)	179,728	1,149,717
Accrued Interest Not Paid and Others (6)	130,234	521,031
End of Period	**19,837,657**	**14,609,225**

(1) See footnote 9 in heading "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report.

(2) See footnote 10 in heading "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report.

(3) Corresponds to "Other Net Cash Out Flows" (see footnote 12 in heading "Recurring Leveraged Free Cash Flow" of the accompanying Consolidated Management Report), excluding other financial assets (€93Mn, see note 13.b to the accompanying Consolidated Financial Statements).

(4) Mainly corresponds to "Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid" in the accompanying Consolidated Statement of Cash Flows for the period ended 31 December 2022, minus the contribution of minority shareholders (€16Mn, see the relevant section in the Consolidated Statement of Changes in Net Equity).

(5) Changes in "Lease liabilities" long and short term to the accompanying Consolidated Balance Sheet as of 31 December 2022. See Note 16 to the accompanying consolidated financial statements

(6) "Accrued interest not paid and others" include, mainly, arrangement expenses accrued and change in interest accrued not paid, as well as the debt assumed on the T-Mobile Infra Acquisition as of 31 December 2021 (See Note 6 to the accompanying Consolidated Financial Statements).

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[19] See note 13.a to the accompanying consolidated financial statements.

[20] See note 13.b to the accompanying consolidated financial statements.

5. Net Payment of Interest

Net Payment of Interest corresponds to i) "interest payments on lease liabilities"[21] plus ii) "Net payment of interest (not including interest payments on lease liabilities)" and iii) non-recurring financing costs related to M&A projects[22].

The reconciliation of the heading "Net Payment of Interest" from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2022 and 2021, with the "Net financial loss" in the Consolidated Income Statement is as follows:

	Thousands of euros	
Net Payment of Interest	**31 December 2022**	**31 December 2021 restated**
Interest Income[23]	22,519	4,416
Interest Expense [24]	(751,478)	(609,679)
Bond & loan interest accrued not paid	164,621	134,998
Amortised costs – non-cash	93,913	121,725
Interest accrued in prior year paid in current year	(134,998)	(89,260)
Net Payment of Interest as per the Consolidated Statement of Cashflows (1)	**(605,423)**	**(437,800)**

(1) Net payment of interest as per the Consolidated Statement of Cash Flows, which corresponds to i) "interest payments on lease liabilities" for an amount of €327,405 thousand (see Note 16 to the accompanying consolidated financial statements) plus ii) "Net payment of interest" (not including interest payments on lease liabilities) for an amount of €257,652 thousand (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report) and plus iii) non-recurring financing costs related to M&A projects (€20,366 thousand, see heading "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report).

6. Available Liquidity

The Group considers as Available Liquidity the available cash and available credit lines at year-end closing, as well as other financial assets described in Note 13.b of the accompanying consolidated financial statements.

The breakdown of the available liquidity at 31 December 2022 and 2021 is as follows:

		Thousands of Euros
Liquidity availability	**31 December 2022**	**31 December 2021**
Available in credit facilities	3,344,826	4,734,696
Cash and cash equivalents[25]	1,038,179	3,926,578
Other financial assets[26]	93,242	—
Available Liquidity	**4,476,247**	**8,661,274**

7. Capital Expenditures

The Group considers Capital Expenditures as an important indicator of its operating performance in terms of investment in assets, including their maintenance, organic and build-to-suit expansion, and acquisition. This indicator is widely used in the industry in which the Group operates as an evaluation metric among analysts, investors, rating agencies and other stakeholders.

The Group classifies its Capital Expenditures in four main categories:

- **Maintenance capital expenditures**

  Includes investments in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping infrastructure, active and passive equipment, in good working order. Maintenance Capex also includes network maintenance, such us corrective maintenance (responses to network incidents and preventive inspections, e.g. replacement of air conditioning or electrical equipment), statutory maintenance

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[21] See note 16 to the accompanying consolidated financial statements.
[22] See note 20.d to the accompanying consolidated financial statements.
[23] See note 20.f to the accompanying consolidated financial statements.
[24] See note 20.f to the accompanying consolidated financial statements.
[25] See note 13.a to the accompanying consolidated financial statements.
[26] See note 13.b to the accompanying consolidated financial statements.

(mandatory inspections owing to regulatory obligations, e.g. infrastructure certifications, lightning certifications), network renewal and improvements (renewal of obsolete equipment and assets improvement, e.g. tower reinforcement, battery renewal, phase-out management), continuity plans (specific plans to mitigate risk of infrastructure collapse or failure with existing services or assets not compliant with regulations), re-roofing (solutions to allow landlords' roofing work and avoid service discontinuity or building repairs attributable to Cellnex) as well as other non-network maintenance activities, such us business maintenance (infrastructure adaptations for tenants, upgrades not managed via Engineering Services, or capex to renew customer contracts without revenue increases), IT systems or repairs and maintenance of offices, as well as Engineering Services.

- **Expansion (or organic growth) capital expenditures**

  Includes adapting sites for new tenants, ground leases (cash advances), and efficiency measures associated with energy and connectivity, and early site adaptation to increase site capacity, and also Engineering Services. Thus, it corresponds to investments related to business expansion that generates additional Recurring Leveraged Free Cash Flow (including among other things, decommissioning, adaptation of telecom sites for new tenants, Engineering Services and prepayments of land leases).

- **Expansion capital expenditures (Build-to-Suit Programmes) and Remedies**

  Corresponds to committed build-to-suit programmes (consisting of sites, backhaul, backbone, edge computing centres, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment related to it or further initiatives) and also Engineering Services that have been contracted with different customers, including any ad-hoc capex required. Cash-in from the disposal of assets (or shares) due to autorithy bodies' decisions are considered within this item.

- **M&A capital expenditures**

  Corresponds to investments in shareholdings of companies (excluding the amount of deferred payments in business combinations that are payable in subsequent periods) as well as significant investments in acquiring portfolios of sites or land (asset purchases).

Total Capital Expenditure for the years ended 31 December 2022 and 2021, including property, plant and equipment, intangible assets, advance payments on land leases and business combinations, is summarised as follows:

Thousands of euros

Capital expenditures	31 December 2022	31 December 2021 restated
Maintenance capital expenditures	107,726	76,799
Expansion (or organic growth) capital expenditures	349,553	233,107
Expansion capital expenditures (Build to Suit programs) and Remedies	2,133,206	1,346,136
Expansion capital expenditures (Build to Suit programs)	2,282,650	1,346,136
Remedies (2)	(149,444)	—
M&A capital expenditures	4,881,163	12,741,420
Total investment (1)	**7,471,648**	**14,397,463**

(1) "Total Investment", amounting to €7,472Mn (€14,397Mn in 2021), corresponds to "Total net cash flow from investment activities" in the accompanying Consolidated Statement of Cash Flows amounting to €5,950Mn (€13,904Mn in 2021), plus i) "Cash and cash equivalents" of the acquired companies in business combinations amounting to €101Mn (€211Mn in 2021, see Note 8 to the accompanying consolidated financial statements); plus ii) "Cash advances to landlords" amounting to €133Mn (€71Mn in 2021, see Note 16 to the accompanying Consolidated Financial Statements); plus iii) the payment for the Hutchison UK acquisition through Cellnex Telecom SA shares (€1,237Mn, see Note 6 to the accompanying consolidated financial statements); plus iv) "Others" amounting to €51Mn (€210Mn in 2021), which includes, mainly, timing effects related to assets purchases, the reimbursement of contributions of the initial investment in DIV (€52Mn, see note 10 to the accompanying Consolidated Financial Statements) and other financial assets (€-93Mn, see note 13.b to the accompanying Consolidated Financial Statements).

(2) Corresponds to the total price in relation to the Divestment Remedy with WIG in the United Kingdom.

8. Recurring Leveraged Free Cash Flow

The Group considers Recurring Leveraged Free Cash Flow to be one of the most important indicators of its ability to generate stable and growing cash flows which allows it to guarantee the creation of value, sustained over time, for its shareholders.

At 31 December 2022 and 2021 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

Thousands of euros

Recurring Leveraged Free Cash Flow	31 December 2022	31 December 2021 restated
Adjusted EBITDA (1)	2,630,435	1,920,711
Payments of lease installments in the ordinary course of business and interest payments (2)	(791,743)	(593,598)
Maintenance capital expenditures (3)	(107,726)	(76,799)
Changes in current assets/current liabilities (4)	(16,803)	(68)
Net payment of interest (5)	(257,652)	(182,533)
Income tax payment (6)	(88,586)	(87,170)
Recurring Leveraged Free Cash Flow (RLFCF)	**1,367,925**	**980,543**
Expansion (or organic growth) capital expenditures (7)	(349,553)	(233,107)
Expansion capital expenditures (Build to Suit programs) and Remedies (8)	(2,133,206)	(1,346,136)
M&A capital expenditures (9)	(3,542,589)	(12,529,294)
Non-Recurrent Items (cash only) (10)	(59,334)	(81,346)
Net Cash Flow from Financing Activities (11)	1,784,471	12,485,240
Other Net Cash Out Flows (12)	43,887	(1,349)
Net Increase of Cash (13)	**(2,888,399)**	**(725,449)**

[1] Adjusted EBITDA: Profit from operations before D&A (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as COVID donations (€2Mn), costs and taxes related to acquisitions (€54Mn) and redundancy provision (€3Mn)) and/or (ii) certain non-cash items (such as advances to customers (€3Mn) which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, and LTIP remuneration payable in shares (€17Mn)).

[2] Corresponds to i) payments of lease instalments (€464Mn) in the ordinary course of business and; ii) interest payments on lease liabilities (€327Mn). See Note 16 to the accompanying consolidated financial statements.

[3] Maintenance capital expenditures: see definition in section "Alternative Performance Measures".

[4] Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the year ended on 31 December 2022).

[5] Corresponds to the net of “Interest paid” and “interest received” in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2022 (€605Mn), excluding “Interest payments on lease liabilities” (€327Mn) (see Note 16 to the accompanying consolidated financial statements) and non-recurring financing costs related to M&A projects (see footnote 11).

[6] Corresponds to "Income Tax received/(paid)" in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2022.

[7] Investment related to business expansion that generates additional RLFCF, including among others, decommissioning, telecom site adaptation for new tenants, Engineering Services and prepayments of land leases. Corresponds to cash advances to landlords (€133Mn), efficiency measures associated with energy and connectivity (€51Mn), and others (€166Mn, including early site adaptation to increase the capacity of sites).

[8] Committed Build-to-Suit Programmes (consisting of sites, backhaul, backbone, edge computing centres, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment related to it or further initiatives) and also Engineering Services that have been contracted with different clients, including any ad-hoc capex required, as well as cash-in from the disposal of assets (or shares) due to antitrust bodies’ decisions. As of 31 December 2022 includes prepayments in France (see Note 8 to the accompanying Consolidated Financial Statements) in relation to committed Build-to-Suit Programmes, and further initiatives as well as the impact of Remedies (€149Mn, see caption “Capital Expenditures” in the accompanying Consolidated Directors’ Report for the year ended on 31 December 2022).

[9] Corresponds to investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites or land (asset purchases), after integrating into the consolidated balance sheet mainly the "Cash and cash equivalents" of the acquired business. Mainly correspond to the acquisition of Hutchison UK and Iliad minority stakes in France and Poland.

The amount resulting from (3)+(7)+(8)+(9), hereinafter the “Total Capex” (€6,133Mn), corresponds to “Total Investment” (€7,472Mn, see heading “Capital Expenditures” in the accompanying Consolidated Directors’ Report for the year ended on 31 December 2022) minus the payment for the Hutchison UK acquisition through Cellnex Telecom SA shares (€1,237Mn, see Note 6 to the accompanying consolidated financial statements) and the “Cash and cash equivalents” of the acquired companies (€101Mn, see Note 6 to the accompanying consolidated financial statements).

Total Capex (€6,133Mn) also corresponds to “Total net cash flow from investing activities” (€5,950Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2022) + Cash advances to landlords (€133Mn, see Note 16 to the accompanying Consolidated Financial Statements) + Others (€51Mn, which includes, mainly, timing effects related to assets purchases, the reimbursement of contributions of the initial investment in DIV (€+52Mn, see note 10 to the accompanying Consolidated Financial Statements), and other financial assets (€-93Mn, see note 13.b to the accompanying Consolidated Financial Statements)).

[10] Consists of "non-recurring expenses and advances to customers" that have involved cash movements, mainly corresponding to "Costs and taxes related to acquisitions"(€54Mn), "redundancy provision" (€3Mn) and "COVID donations" (€2Mn).

[11] Corresponds to “Total net cash flow from financing activities” (€1,224Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2022), plus: i) payments of lease instalments (€464Mn) in the ordinary course of business (see footnote 2) and ii) Cash advances to landlords (€133Mn) (see footnote 7), minus: i) the contribution of minority shareholders (€16Mn, see the relevant section in the Consolidated Statement of Changes in Net Equity), and ii) on-recurring financing costs related to M&A projects (€20Mn, see heading "Net Payment of Interest").

[12] Mainly corresponds to timing effects related to assets purchases, the reimbursement of contributions of the initial investment in DIV (see footnote 9) and "Foreign exchange differences" (see the relevant section in the Consolidated Statement of Cash Flows for the year ended on 31 December 2022), partly offset by the Reorganisation Plan (see Note 19.b to the accompanying Consolidated Financial Statements), other financial assets (see footnote 9) and other impacts.

[13] “Net (decrease)/increase in cash and cash equivalents from continuing operations” (see the relevant section in the accompanying Consolidated Statement of Cash Flow for the year ended on 31 December 2022).

9. Free cash flow

Free Cash Flow is defined as RLFCF after deducting BTS Capex (that includes cash-in from Remedies) and Expansion Capex (and Engineering Services Capex should the latter be reported under a dedicated Capex line).

		Thousands of euros
Free Cash Flow	**31 December 2022**	**31 December 2021 restated**
Recurring leveraged free cash flow (RLFCF)	**1,367,925**	**980,543**
Expansion capital expenditures (build-to-suit programmes) and Remedies	(2,133,206)	(1,346,136)
Expansion (or organic growth) capital expenditures	(349,553)	(233,107)
Free Cash Flow	**(1,114,834)**	**(598,700)**

Revenues and results

Revenues and results correspond to the Operating Income[27] from the consolidated profit and loss account without considering advances paid to customers.

Operating Income for the year ended in December 2022, by country and type of service, can be broken down as follows: Spain amounted to EUR 566 million (of which i) Telecom Infrastructure Services ("TIS") accounted for EUR 234 million – EUR 179 million colocations and DAS, EUR 6 million Engineering Services, EUR 47 million pass-through and EUR 2 million data centres –, ii) Broadcasting Infrastructure EUR 223 million and iii) Other Network Services EUR 109 million, while fibre revenues reported both at Telecom Infrastructure Services and Other Network Services amounted to EUR 35 million), Italy amounted to EUR 735 million (entirely from Telecom Infrastructure Services – EUR 567 million colocations and DAS, EUR 22 million Engineering Services and EUR 146 million pass-through), France amounted to EUR 749 million (entirely from Telecom Infrastructure Services – EUR 607 million colocations and DAS, EUR 97 million Engineering Services, EUR 12 million pass-through, EUR 18 million data centres and EUR 15 million fibre –) and Rest of Europe amounted to EUR 1,446 million (of which, Telecom Infrastructure Services accounted for EUR 1,444 million – EUR 1,185 million colocations and DAS, EUR 143 million Engineering Services the largest contributors being the i) UK with EUR 92 million, ii) Switzerland with EUR 19 million, iii) Poland with EUR 15 million and iv) Portugal with EUR 12 million, EUR 111 million pass-through, EUR 5 million data centres and EUR 0.4 million fibre and Other Network Services for EUR 2 million). The Operating Income breakdown in 2021 was: Spain EUR 530 million (of which, Telecom Infrastructure Services accounted for EUR 211 million, EUR 155 million colocations and DAS, EUR 0 million Engineering Services, EUR 55 million pass-through and EUR 1 million data centres–, Broadcasting Infrastructure for EUR 218 million and Other Network Services for EUR 101 million, while fibre revenues reported both at Telecom Infrastructure Services and Other Network Services amounted to EUR 33 million), Italy amounted to EUR 512 million (entirely from Telecom Infrastructure Services – EUR 415 million colocations and DAS, EUR 19 million Engineering Services and EUR 78 million pass-through), France amounted to EUR 413 million (entirely from Telecom Infrastructure Services – EUR 334 million colocations and DAS, EUR 57 million Engineering Services, EUR 5 million pass-through, EUR 9 million data centres and EUR 8 million fibre –) and Rest of Europe amounted to EUR 1,078 million (of which, Telecom Infrastructure Services accounted for EUR 1,076 million – EUR 923 million colocations and DAS, EUR 89 million Engineering Services, the largest contributors being the UK with EUR 42 million, Switzerland with EUR 21 million, Poland with EUR 18 million and Portugal with EUR 8 million, EUR 61 million pass-through, EUR 3 million data centres and EUR 0.5 million fibre and Other Network Services for EUR 2 million).

Operating Income for the year ended on 31 December 2022 was EUR 3,495 million, which represents a 38% increase over 2021 year-end. This increase was due mainly to the consolidation of the business combinations carried out i) in 2021 in Sweden (the CK Hutchison Holdings transactions), Italy (the Hutchison Italy Acquisition), Poland (the Iliad Poland and Polkomtel Acquisitions), Portugal (the Infratower Acquisition), the Netherlands (T-Mobile Infra Acquisition) and France (the Hivory acquisition), as well as the acquisitions completed ii) during 2022 in Portugal (the Hivory Portugal Acquisition) and UK (the Hutchison United Kingdom Acquisition). See Note 6 to the accompanying consolidated financial statements.

Operating Income from Telecom Infrastructure Services income increased by 43% to EUR 3,160 million due to both the organic growth achieved and the acquisitions performed during 2022 and 2021, as detailed above. The Group provides its customers in Telecom Infrastructure Services with coverage-related services and access to the Group's telecom or broadcasting infrastructures for MNOs to co-locate their equipment on the Group's infrastructures, offering additional services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructure (decommissioning) and building new infrastructure (build-to-suit) on strategic sites that can offer service to one or more MNOs. These services have the aim of completing the deployment of 4G and 5G in the future, reducing areas with no signal coverage and extending network densification. The Group acts as a neutral operator for MNOs (for example, by not having one or more MNOs as a significant shareholder represented on the Board of Directors or other governance bodies) and other telecom operators who generally require complete access to network infrastructure in order to provide services to end users. The Group acts as a multi-infrastructure operator. Its customers are responsible for the individual communication equipment hosted in the Group's telecom and broadcasting infrastructure.

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[27] See note 20.a to the accompanying consolidated financial statements.

Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and Associated revenues (which include new third-party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fibre backhauling, site configuration changes as a result of 5G rollout and Engineering Services as well as housing services to broadcasters outside of Spain). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and executing BTS programmes. In addition to its current portfolio, the Group's management remains open to selective acquisitions or even to potential divestments, in alignment with its demanding capital allocation policy. The foreseeable new technological requirements linked to 5G along with other ordinary maintenance services such as investment in infrastructure, equipment and information technology systems, generally at the request of its customers, will translate into asset investment commitments in the coming years. In this context, the Group carries out Engineering Services, consisting of works and studies such as adaptation, engineering and design services as well as Instalation Services at the request of its customers, which represent a separate income stream and performance obligation. Engineering Services carried out in Cellnex infrastructure are invoiced and accrued when the customer's request is finalised and collected in accordance with each customer agreement with certain margin[28]. Also, Engineering Services can be deployed under the heading of Capex Recovery which are carried out, invoiced, accrued and collected over several years with a certain margin[28]. The costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognised when the capital expense is incurred. The margin[28] is significantly lower than the Adjusted EBITDA margin of the Group, tending to be a mid-single-digit percentage. In terms of Engineering Services, when a new PoP is installed, the following concepts are usually involved: As-Built drawings, strength calculation, reports (electro, static, EMF...), joint site survey, site adequacy, energy meter installation, access cards and keys or tower/mast modifications. On the other hand, Installation Services are a type of Engineering Services carried out mainly in Cellnex' infrastructure, accrued as projects progress, invoiced and collected in accordance with certain milestones. If the project is finalised and rejected by the customer, the cost is reclassified as an expense. Installation Services include the installation of customers' equipment on site, such as installation of antennae, microwave equipment or remote radio units. The total amount of revenues associated with these Engineering Services during 2022 was EUR 267Mn (EUR 164Mn during 2021). The total amount of Capital Expenditures incurred related to Engineering Services during 2022 is disclosed in Note 8 to the accompanying consolidated financial statements. Until 2022, Engineering Services were considered within the BTS programmes disclosed to the market: various acquisition business plans have contractualised Engineering Services. From 2023 onwards, if more Engineering Services are required, the Capital Expenditures associated with the projects will be reported within Expansion Capex or Maintenance Capex, depending on its nature and magnitude, and, if required, as a new capex line. Some of this capex devoted to Engineering Services, especially in the UK, can be advances of capex to be recovered through future Engineering Services revenues as well as the corresponding margin[28](Capex Recovery).

The Group generally receives monthly payments from customers, payable under long-term contracts (which in the case of anchor customers have long or undefined maturities with automatic extensions, unless cancelled). The annual payments vary considerably depending upon numerous factors, including, but not limited to, the infrastructure location, the number and type of customer's equipment on the infrastructure, ground space required by the customer, customer ratio, equipment at the infrastructure and remaining infrastructure capacity. The main costs typically include related services (which are primarily fixed, with annual cost escalations) such as energy and ground costs, property taxes and repairs and maintenance. The majority of the land and rooftops where the Group's infrastructures are located, are operated and managed via lease contracts, sub-lease contracts or other types of contracts with third parties. In general, MNOs handle the maintenance of their own equipment under their responsibility, although in some cases they may subcontract to the Group the maintenance of their equipment as a separate and additional service.

In the context of 5G and its forecasted growth, Cellnex will continue expanding its presence in greenfield projects or "tower-adjacent assets" that are playing a key role in the 5G world such as; optical fibre, edge computing centres, RAN sharing or private networks, among others. Cellnex is committed to preserving its business model but also might expand into adjacent assets along its value chain and under the same tower economics (i.e., a B2B business model with limited churn risk, deep industrial rationale within the telecommunications ecosystem, with anchor tenants securing the majority of the expected future cash flows of projects, long term contracts with fixed fees that are CPI-linked or have a fixed escalator and ability to market infrastructure to third parties).

As disclosed in the January-September 2022 results presentation, the Group is currently evaluating a number of opportunities related to: i) supporting MNOs to improve their networks and increase coverage requiring RAN Sharing, FTTT, data centres , ii) enhancing public sector coverage in rural areas, providing mobile broadband connectivity through metropolitan transport systems, inter-city communications and motorway and railway environments, and improving public safety connectivity, iii) building private networks for enterprises in order to maximise industry uses. Cellnex estimates an aggregate pipeline of approximately EUR 11 billion, always subordinated to the achievement of Investment Grade and in accordance with its strict financial criteria.

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[28] Margin = (Revenues - Capex) / Revenues

Cellnex is also working on refinancing its short-term debt maturities, namely the EUR 750 million bond maturing in January 2024.Various refinancing alternatives, such as the issuance of a new straight bond or a new convertible bond, are being analysed.

Furthermore, those future agreements might allow Cellnex to offer additional services to existing partners with a gradual deployment, that is always commensurate with the next chapter of the Cellnex equity story and the strict M&A criteria.

The Group has extensive experience in DAS network solutions. The Group has deployed approximately 7,500 DAS nodes, with a customer ratio of three MNOs per infrastructure, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. DAS is a network of spatially distributed anntenae connected to a common source, thus providing wireless service within a specific geographical area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G, 4G and 5G in the future. The Group works as a true neutral host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. The Group manages the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance. The Group also operates the active network equipment for the DAS nodes that the Group manages.

The Group is also developing capabilities in fibre to the tower and edge computing centres infrastructure, in order to offer its customers the data-processing capacity distributed in the network, without which the potential of 5G could not be realised. For instance, in 2017 the Group acquired Alticom, a Dutch company that owns a portfolio of sites which has data centres, in 2018 and 2019 Cellnex signed an agreement to build 88 and acquire 62 edge computing centres for Bouygues Telecom and in 2020 it extended the scope to build another 90 sites with those characteristics with Bouygues Telecom in the context of the fibre co-investment deal to roll-out a transport network (backhaul and backbone) connecting all key elements of the telecom network of Bouygues Telecom over optical fibre. Also in Cellnex Netherlands, colocation to Broadcasters and also Broadcasting Services can be provided to customers. Please note that every revenue from Cellnex Netherlands is classified as TIS.

In general, the Group’s service contracts for colocation services with anchor customers have an initial non-cancellable term of 10 to 20 years, with multiple renewal terms (which in the case of anchor customers have long or undefined maturities with automatic extensions, unless cancelled, with "all or nothing" clauses), and payments that are typically revised based on an inflationary index like the consumer price index (CPI) or on fixed escalators. The Group’s customer contracts have historically had a high renewal rate. In this regard, the Telefónica contract, the first anchor customer that reached its initial term, has been successfully renewed. Contracts in place with Telefónica and Wind Tre may be subject to change in terms of the fees being applied at the time of a renewal, within a predefined range taking into account the last annual fee (which reflects the cumulative inflation of the full initial term), that in the case of Telefónica ranges from -5% to +5% (applicable after the initial period and the first two extension periods have elapsed) and from -15% to +5% for Wind Tre.

Operating Income from the Broadcasting Infrastructure business amounted to EUR 223 million, which represents a 2% increase compared with 2021 year-end. This business segment consists of the distribution and transmission of TV and radio signals as well as the O&M of broadcasting networks, the provision of connectivity for media content, OTT broadcasting services and other services, all of them in Spain. The provision of these services requires unique high-mast infrastructure that, in most cases, only the Group owns, substantial spectrum management know-how, and the ability to comply with very stringent service levels. In Spain, the Group covers more than 99% of the population with DTT and radio of the broadcast infrastructure, which is a portfolio larger than all of its competitors combined. The Group’s Broadcasting Infrastructure segment is characterised by predictable, recurrent and stable cash flows as well as in-depth technical know-how that allows the Group to provide consulting services. The Group classifies the services that it provides to its customers as a broadcast network operator in three groups: (i) Digital TV, (ii) Radio and (iii) Other broadcasting services. The Group’s customers within the Broadcasting Infrastructure segment include all national and most regional and local TV broadcasters as well as leading radio station operators in Spain. Some of the key customers for DTT services include

Atresmedia, CTTI, Mediaset España, Net Televisión, Veo Televisión and RTVE. The DTT broadcasting contracts have no volume risk, but do feature stable and visible pricing of MUXs, compliance with applicable regulations and attractive indexation terms. The main features of the Group’s DTT broadcasting contracts are: medium-term contracts with high renewal rates, no volume risk, stable and visible pricing, and generally a high degree of indexation to the CPI that allows the Group to cover increases in operational costs where the CPI is positive (except for the RTVE contract that was renewed in 2023 with the same fees but with no annual escalator, while other nationwide broadcasters have indexing to the CPI capped at 3% when inflation stands at or below 5% and at 4% when inflation stands above 5%), as the decrease cannot be less than 0%. Note that Cellnex completed a general cycle of renewing contracts with customers in the broadcasting field, although in recent years the relative weight of this segment has decreased significantly. The strategy in this business segment is to maintain its strong market position while capturing potential organic growth. Cellnex plans to maintain its leading position in the Spanish national digital TV sector (in which it is the sole operator of national TV MUXs) by leveraging its technical knowledge of infrastructure and network infrastructure, its market understanding and the technical expertise of its staff. A significant portion of the contracts of the Group with these customers are inflation-linked, taking into consideration that the decrease cannot be less than 0%. In the past, the Group has experienced a high rate of renewal for the contracts in this business segment, although there can be price pressure from customers when renegotiating contracts. The Group plans to continue working closely with regulatory authorities in relation to technological developments in both the TV and radio broadcasting markets and to leverage its existing infrastructure and customer relationships to obtain business in adjacent areas where it benefits from competitive advantages.

Operating Income from the Other Network Services segment increased its income by 9%, to EUR 112 million. The Group classifies the type of services that it provides in this segment in five groups: connectivity services, mission-critical and private network ("MC&PN") services, O&M, urban telecom infrastructure and optical fibre. "Connectivity services" include connectivity between different nodes of the telecommunication networks (backhaul) of the Group’s customers and/or connectivity with its customers’ premises (enterprise leased lines), using radio-links, fibre or satellite. The Group also provides specialised leased lines to telecom operators such as MNOs or FNOs, public administrations, and small and medium-sized enterprises as well as companies in rural areas of Spain offering high-speed connectivity. Under "MC&PN services", the Group operates seven regional and two municipal TETRA networks in Spain which are critical for the communication needs of regional governments and municipalities where the networks are located and a highly reliable Global Maritime Distress and Safety System (GMDSS) for the Maritime Rescue Service for the Safety of Life at Sea, which provides communication services to ships in distress and hazardous situations in the coastal areas around Spain. Under "O&M" the Group manages and operates infrastructure (as opposed to outsourcing it to third parties) and provides maintenance services for customer equipment and infrastructure to the Group’s customers (other than its broadcasting customers that are serviced by the Broadcasting Infrastructure segment). Through urban telecom infrastructure, the Group provides communications networks for smart cities and specific solutions for efficient resource and service management in cities. Under "optical fibre" the Group uses optical fibre to connect its, or its customers’, infrastructure (macro cells, DAS and Small Cells) and edge-computing facilities. When the main customer of such business is the public administration, rather than an MNO, this business is reported under the Other Network Services business segment. The Group’s main customers for its connectivity services are BT, Orange Spain, COLT, and Vodafone. Connectivity contracts usually have an initial term of three years and the fees charged are linked to the number of circuits deployed and the capacity used. Please note that, like Broadcasting Infrastructure, Other Network Services are only provided in Spain.

The transactions performed during 2021 and 2022, especially in the Telecom Infrastructure Services business segment, helped boost Operating Income and Operating Profit, the latter also being impacted by the measures to improve efficiency and optimise operating costs. Regarding land, which is the most important cost item, the Group carries out Cash Advances, which are prepayments to landlords related to specific long-term contracts that allow Cellnex to reduce its annual recurring payments and extend the duration of the contracts, basically in order to obtaining efficiencies. Cash Advances made to landlords during the year ended on 31 December 2022 amount to EUR 132,708 thousand (EUR 70,640 thousand in 2021), and approximately 6% of these cash advances cover a lease period of 10 years or less (some 8% in 2021).

In line with the increase in revenue, Adjusted EBITDA was 37% higher than at the 2021 year-end, reflecting the Group’s capacity to generate cash flows on a continuous basis.

In this context of intense growth, the “Depreciation, amortisation and results from disposals of fixed assets” expense has increased substantially, by 38% compared to the 2021 year-end, as a result of the higher fixed assets (property, plant and equipment, and intangible assets) in the accompanying consolidated balance sheet, following the business combinations undertaken during the second half of 2021 and during 2022.

Moreover, the net financial loss increased by 20%, derived largely from the new bond issuances carried out during the first half of 2022 and the 2021 year end. On the other hand, the income tax for 2021 included the effect of the Reverse Big Merger (see Note 18 to the accompanying Consolidated Financial Statements), which resulted in a positive impact of EUR 60 million in the consolidated income statement for the year. On 1 April 2022, the merger of CK Hutchison Networks Italia S.p.A. and Towerlink Italia S.r.l. into Cellnex Italia SpA was completed, with Cellnex Italia S.p.A. being the surviving entity. Furthermore, on 1 July 2022, the merger of Towerco S.p.A. and Iaso Gruppo Immobiliare S.r.l. into Cellnex Italia SpA was completed with Cellnex Italia S.p.A. being the surviving entity (collectively the "Big Merger II Transaction"). The merger difference was determined at the effective accounting date (backdated to 1 January 2022) as the excess of i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia SpA's individual financial statements, which are prepared under Italian generally accepted accounting standards (GAAP). With regards to the goodwill generated by the Big Merger II Transaction, Cellnex Italia SpA will opt to step-up the tax basis of the goodwill, for which payment of the substitute tax ("imposta sostitutiva") is required in order to generate the corresponding tax deduction of the amortisation, with payments for three years in 2024, 2025 and 2026 amounting to EUR 91 million, EUR 125 million and EUR 96 million, respectively.

Therefore, the net loss attributable to the parent company on 31 December 2022 amounted to EUR 297 million due to the substantial effect of higher amortisations and financial costs associated with the intense acquisition process and the consequent geographical footprint expansion, as mentioned above. This scenario remains consistent with the current strong growth that the Group continues to experience and, as mentioned in the 2021 Annual Results Presentation, the Group expects to continue experiencing a net loss attributable to the parent company in the coming quarters.

Consolidated Balance Sheet

Total assets at 31 December 2022 stood at EUR 44,258 million, a 6% increase compared with the 2021 year-end, due mainly to i) the acquisitions in Portugal (the Hivory Portugal Acquisition) and in the UK (the Hutchison United Kingom Acquisition) (see Note 6 to the accompanying consolidated financial statements), partly compensated by ii) the payment for the transaction with non-controlling interests of On Tower France and On Tower Poland. Around 84% of total assets concern property, plant and equipment and other intangible assets, in line with the nature of the Group's business related to the management of terrestrial telecommunications infrastructure.

Thus, total investments made in 2022 amounted to EUR 7,472 million, partly for investments in shareholdings of companies due to the acquisition in Portugal and in the United Kingdom, as well as the acquisition of minority stakes in On Tower France and On Tower Poland (see Note 2.h to the accompanying consolidated financial statements). Investments have also been carried out relating to business expansion that generate additional Recurring Leveraged Free Cash Flow (including decommissioning, telecom site adaptation for new tenants and prepayments of land leases), as well as expansion Capital Expenditures related to committed Build-to-Suit programmes and Engineering Services with various clients (see Note 8 to the accompanying consolidated financial statements). Moreover, over this period the Group has also invested in maintaining its infrastructure and equipment keeping sites in good working order, which is key to maintaining a high level of service. Finally, during 2022, the Group completed the Divestment Remedy with UK telecommunications infrastructure operator Wireless Infrastructure Group ("WIG"), required for the completion of the Hutchison United Kingdom Acquisition. The sites have been transferred for an amount of approximately GBP 135 million (see Note 7 of the accompanying consolidated financial statements). As of 31 December 2022, EUR 42 million are pending to be collected and will be collected during the coming quarters.

Consolidated net equity at 31 December 2022 stood at EUR 15,188 million, a -4% decrease compared with the 2021 year-end, owing largely to the acquisition of an additional stake in On Tower France and in On Tower Poland. Since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position, the transaction led to the recognition of a negative impact under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see Note 14 to the accompanying consolidated financial statements), partially offset by the issue of shares payment for the Hutchison United Kingdom Acquisition, among others. See Note 6 to the accompanying consolidated financial statements.

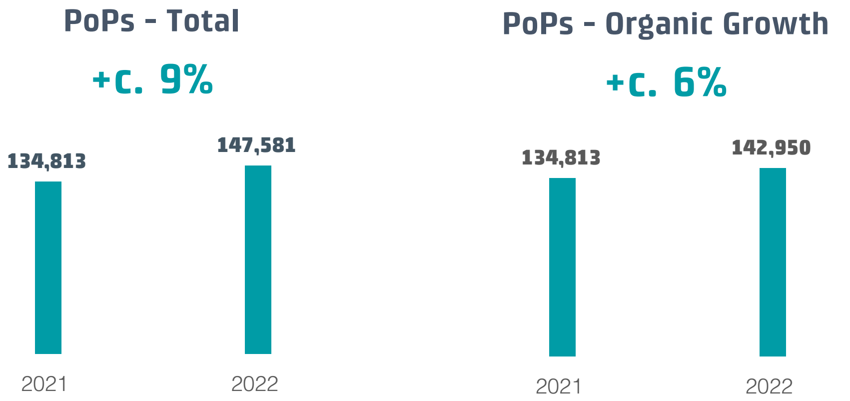
The Group's net financial debt as at 31 December 2022 stood at EUR 19,838 million compared with EUR 14,609 million at the end of 2021 (restated). Likewise, on 31 December 2022, Cellnex had access to immediate liquidity (cash & undrawn debt) to the tune of approximately EUR 4.5 billion (EUR 8.7 billion at the end of 2021).

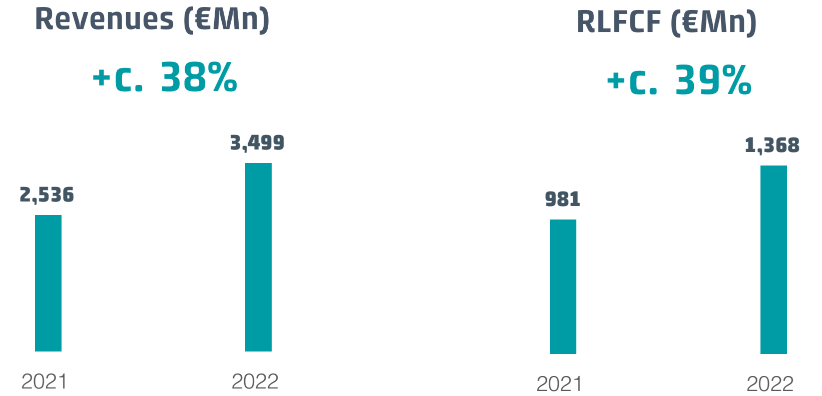
Corporate Rating

Regarding the Corporate Rating, on 31 December 2022, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 17 January 2023 and a long-term "BB+" with positive outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 11 November 2022.

Business indicators

+6% *new PoPs* **vs. FY 2021 and *strong progress on BTS programs***





Organic growth impact on
***Recurrent Levered Free Cash Flow* c.21%**

Organic growth generation

Recurring Leveraged Free Cash Flow (please see section **Milestones and Key Figures for 2022** of this Annual Integrated Report) organic growth generation in the year ended December 31, 2022 amounted to 204 million euros (please see full year 2022 results presentation), driven by a number of contributors: i) BTS program execution (approximately 84 million euros), ii) escalators or inflation (approximately 57 million euros), iii) Operating expenses, ground lease efficiencies and synergies (approximately 20 million euros) and, iv) New colocations and associated revenues (approximately 44 million euros). These are the assumptions that the management has taken into account:

- The contribution from BTS programs corresponds to approximately 3,700 average annual BTS PoPs, adjusting for its respective incremental contribution in 2022 compared to the year ended December 31, 2021, along with an approximately EUR 20 thousand average fee (taking into account the resulting volume executed through each program). Furthermore, this average fee may change in future periods as the overall composition of the BTS programs delivered may result in a different weighted average figure. Additionally, Nexloop and other contracted projects contributed for around ten million euros.

- Escalators or inflation as the annual update of the base fee. As per management estimates, around 65% of the total Operating Income is linked to domestic CPI with different caps and floors (depending on each contract - please see paragraph "Telecom Infrastructure Services" of this section), while the remaining c.35% is linked to fixed escalators (1% of 2% - please see paragraph "Telecom Infrastructure Services" of this section). For the year ended 31 December 2022 management estimates assume approximately 3% average escalator. Please note this average may change in future periods.

- Operating expenses, ground lease efficiencies and synergies correspond to the efficiencies that are achieved mostly as a result of the investment in cash advances and other initiatives on ground lease efficiencies. It also includes Operating expense savings related to energy consumption and connectivity costs that are offset by the impact of the CPI (allowing for like-for-like OPEX growing significantly below inflation including the contribution from efficiencies to payment of leases (not accounted for as Opex under IFRS 16) and excluding energy price increases that are passed-through to customers). In 2022 there were no synergies contribution. Under management estimates that the corresponding investments deliver an approximate 10 year pay-back.

- New colocations and Associated revenue corresponds to new third party colocations (around 3,400 average annual third party PoPs, adjusting for its respective incremental contribution in 2022 compared to the year ended 31 December 2021, along with an average fee that is less than half of the fee of BTS PoPs) as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout and other Engineering Services (certain works and studies carried out on request of our customers such as adaptation, engineering and design services, which represent a separate income stream and performance obligation). Please see Engineering Services disclosed in Note 8 of the accompanying Consolidated Financial Statements and section Milestones and key figures for 2022

Information on average supplier payment period

Please see Note 17 to the accompanying Consolidated Financial Statements.

Use of financial instruments

Please see Note 4 to the accompanying Consolidated Financial Statements.

Long-term value creation

Cellnex´s Financial Structure (1)

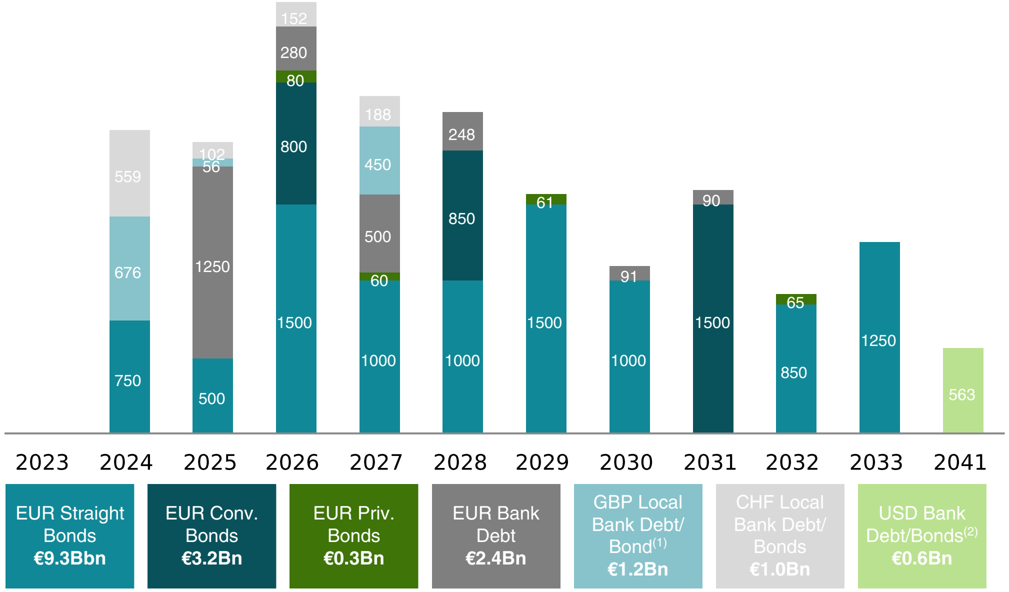
Cellnex's borrowing is represented by a combination of loans, credit facilities and bond issues. At 31 December 2022, the total limit of loans and credit facilities available was EUR 7,178,743 thousand (EUR 6,814,615 thousand as at 31 December 2021), of which EUR 3,885,212 thousand in credit facilities and EUR 3,293,530 thousand in loans (EUR 2,740,058 thousand in credit facilities and EUR 4,074,556 thousand in loans as at 31 December 2021).

						Thousands of euros
	Notional as of 31 December 2022 (*)			Notional as of 31 December 2021 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,215,194	14,215,194	—	13,766,317	13,766,317	—
Loans and credit facilities	7,178,743	3,833,917	3,344,826	6,814,615	2,079,919	4,734,696
Total	**21,393,937**	**18,049,111**	**3,344,826**	**20,580,932**	**15,846,236**	**4,734,696**

[1] Without including the "Lease liabilities" heading of the accompanying consolidated financial statements.

(*) These items include the notional value of each heading, and are not the gross or net value of the heading. See "Borrowings by maturity" of the Note 15 to the accompanying consolidated financial statements.

The following graph sets out Cellnex's notional contractual obligations in relation to borrowings as at 31 December 2022 (EUR million):



Key highlights

- **Liquidity** of c.€4.5 Bn: c.€1.1 bn cash and c.€3.3 Bn undrawn credit lines.
- **Fixed rate debt** c.77%
- **Gross Debt** c.€18 Bn (bonds and other instruments)
- **Net Debt** c.€16.9 Bn [3]
- **Flexibility preserved**: Cellnex Finance debt without financial covenants, pledges or guarantees

[1] Includes EUR bonds swapped to GBP.; [2] Includes USD bonds swapped to EUR. [3] Corresponds to Notional Debt.

In accordance with the financial policy approved by the Board of Directors, the Group prioritises securing sources of financing at Parent Company level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy.

Responsible tax policy and values of Cellnex

Tax Policy

In July 2021, the Board of Directors of Cellnex Group, SA approved a new **Tax Policy** that reinforced and updated the Group's guiding principles in tax matters. The Policy is applicable to all Group entities and, consequently, is intended for all employees. The Cellnex Group's new Tax Policy establishes the fundamental guidelines governing the decisions and actions of the Cellnex Group in tax matters, in line with the basic principle of regulatory compliance, i.e. due compliance with the tax obligations which the Group is required to meet in each of the countries and territories where it does business, fostering cooperative relationships with tax administrations based on the duties of transparency, good faith and loyalty, and mutual trust.

This Tax Policy replaces the first Group Tax Strategy approved in 2016.

It should be noted that Cellnex's tax policy establishes, among other things, its commitment to pay any applicable taxes in all countries in which it operates and the alignment of its taxation with the effective performance of economic activities and value generation. As a consequence of this principle, the Cellnex Group is present in the territories where it operates purely for business reasons. Additionally, the Cellnex's tax policy prohibits operating in territories considered as tax havens under Spanish law or included in the "European Union's black list of non-cooperative tax jurisdictions" in order to evade tax obligations which would otherwise be applicable. In this regard, the Cellnex Group companies are entities incorporated in European countries that are not listed as countries or territories classified as such.

Tax Control Framework

Moreover, the same Board of Directors meeting in July 2021 approved the new Tax Risk Control and Management Standard, setting out the principles and structure of the tax risk control and management framework, in accordance with the new Tax Policy. In particular, this document brings together and lays down the principles and standards of action, internal processes and internal bodies aimed at mitigating and/or eliminating the different types of tax risks that can occur at Group level.

In addition, the deployment of the Tax Risk Control and Management System started at international level in 2021 and continued in 2022 with the roll-out of tax processes and controls to guarantee implementation of the Tax Control Framework following best practices in the field, gaining public interest and generating value for its shareholders by respecting and complying with tax regulations when making business decisions to avoid tax risks and inefficiencies.

Over the coming years, Cellnex will endeavour to improve the processes defined in 2021 by analysing of the various circumstances of the countries in which the Group has a presence. This review will lead to a better and more accurate Tax Control Framework, in line with best practices in relation to the management of tax risks.

Tax Compliance Committee

In this context, and to guarantee the proper functioning, supervision and effectiveness of the Tax Control Framework, in July 2021 the Board of Directors also approved the incorporation of the Tax Compliance Committee. This new body reports to the Audit and Risk Management Committee and is structured as a collegiate body made up of a Chairperson, three Members and a Technical Secretary (with no voting rights). While the three Members belong to the Cellnex Group, the Chairperson is an independent tax expert with extensive and recognised standing in the tax field.

The Tax Compliance Committee is required to promote and assess the correct implementation and efficacy of the Cellnex Tax Risks Control and Management System, and to enable the prevention, detection, management and mitigation of tax risks.

To do so, the Tax Compliance Committee supervises the planning and implementation of the processes and procedures necessary to meet the established requirements of the Tax Risks Control and Management System, which must be reviewed and controlled periodically, and ensures that tax compliance objectives are being met.

Cooperative relationship and tax transparency

Cellnex is fully committed to transparency in tax matters and to fostering a relationship with tax authorities based on the principles of mutual trust, good faith, transparency, collaboration and loyalty, and has been recognised as one of the top IBEX-35 companies in terms of tax transparency by Fundación Haz in its annual report "**Contribución y Transparencia 2021**", being awarded the top three-star rating.

RESPONSABILIDAD
FISCAL **2021**

In particular, and with regard to Spain, in September 2020, the Board of Directors of Cellnex Telecom, SA approved its adoption of the Code of Good Tax Practice of the Spanish Tax Authorities. In line with the principles of cooperative relationship with the Tax Authorities and transparency provided for in the Group's Tax Policy, in 2022 the Cellnex Group submitted the Tax Transparency Report for the year 2021 (in 2021, the 2020 Tax Transparency Report was also submitted, (see the list of entities that have submitted the **Tax Transparency Report**). Although submission is not compulsory for entities or Groups adopting the Code, the Cellnex Group considered that the submission of this report was essential to forge a strong two-way relationship with the Spanish Tax Authorities.

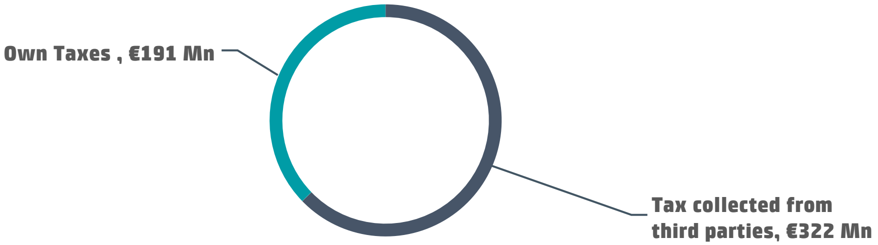
Furthermore, looking at other territories where the Cellnex Group has a presence, in September 2021 it was appointed the Senior Accounting Officer for certain UK entities of the Group, its main duties being the adoption of reasonable steps to ensure that the Group establishes and maintains appropriate tax accounting arrangements. Additionally, the Senior Accounting Officer must monitor the arrangements and identify any aspects in which these fall short of the requirement.

Cellnex tax contribution

Cellnex is also sensitive to and aware of its responsibility for the economic development of the territories in which it operates, helping to create economic value by paying taxes, both on its own account and those collected from third parties. Accordingly, it makes a substantial effort and pays close attention to fulfilling its tax obligations, in accordance with the applicable rules in each territory.

Tax contribution in 2022

€513 Mn



Following the OECD's cash basis methodology, Cellnex's total tax contribution in 2022 was EUR 513 million (EUR 510 million in 2021). Own taxes are those borne by the Group and those of third parties are those that are collected and paid to the various tax authorities on behalf of such third parties, and therefore do not represent a cost for the Group.

CELLNEX TAX CONTRIBUTION (millions of euros)

	31 December 2022			31 December 2021		
	Own taxes[1]	Tax collected from third parties[2]	Total	Own taxes[1]	Tax collected from third parties [2]	Total
Spain	37	75	112	26	77	103
Italy	25	73	98	102	52	153
France	30	42	72	51	4	55
Netherlands	11	20	31	4	15	20
United Kingdom	40	35	75	30	6	36
Switzerland	9	7	16	4	7	11
Ireland	4	9	13	10	9	19
Portugal	2	18	20	12	17	29
Austria	—	3	3	—	5	5
Sweden	5	7	12	2	6	8
Denmark	—	2	2	—	4	4
Poland	28	31	59	51	16	67
Total	**191**	**322**	**513**	**292**	**218**	**510**

(1) Includes taxes that represent an effective cost for the Group (basically includes payments of income tax, local taxes, various rates and employers' social security contributions).

(2) Includes taxes that do not affect the result, but are collected by Cellnex on behalf of the tax authorities or are paid on behalf of third parties (they basically include the net value-added tax, with deductions from employees and third parties and employees'social security contributions).

Income tax payment

The reconciliation of the heading "Income Tax Payment" from the Consolidated Statement of Cash Flows for the year ended on 31 December 2022 and 2021, with "Income tax" in the Consolidated Income Statement is as follows:

		Thousands of euros
Income tax payment	**31 December 2022**	**31 December 2021**
Current tax expense [29]	**(24,358)**	**(120,725)**
Payment of income tax prior year	(22,164)	(29,542)
Receivable of income tax prior year	9,143	9,009
Income tax (receivable)/payable	2,790	47,858
Non-recurring Income tax paid [30]	(7,342)	(78,400)
Others	(53,997)	6,230
Payment of income tax as per the Consolidated Statement of Cashflows	**(95,928)**	**(165,570)**

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[29] See note 18.b to the accompanying consolidated financial statements.

[30] See note 18.b, section "The reverse merger transaction" to the accompanying consolidated financial statements.

The breakdown of the income tax payment by country for the 2022 financial year is as follows:

BREAKDOWN OF THE INCOME TAX PAYMENT BY COUNTRY (millions of euros)

	31 December 2022					31 December 2021				
	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains/losses	Corporate income tax paid	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains/losses	Corporate income tax paid
Spain	569	96	887	14	9	530	34	851	53	(1)
Italy	736	1	1,605	13	9	512	1	1,281	92	16
France	749	5	4,571	48	21	414	—	3,153	80	39
Switzerland	158	5	228	(6)	9	146	—	209	4	3
Netherlands	130	5	148	(32)	10	97	—	153	6	3
Ireland	57	2	193	(2)	3	56	—	168	1	3
United Kingdom	386	9	858	133	15	312	1	325	(93)	7
Portugal	129	4	516	2	1	103	—	247	3	11
Austria	79	2	226	8	—	73	—	208	5	—
Sweden	56	1	142	6	5	49	—	142	—	2
Denmark	36	2	87	3	—	29	—	70	—	—
Poland	413	—	1,234	3	7	213	—	826	3	4
Total	**3,498**	**132**	**10,695**	**190**	**89**	**2,533**	**36**	**7,632**	**154**	**87**

Sustainable finance

> ***"It is truly gratifying to be part of a committed company and to be able to help and encourage Cellnex to achieve its environmental and social goals, which are crucial to creating a better world, through financing.***
>
> ***Susana Sánchez, Treasury Analyst - Cellnex Corporate***

As part of the commitment to sustainability, Cellnex has designed a Sustainability-Linked Financing Framework to reinforce the role of sustainability as an integral part of the Group's funding process.

The Framework is aligned with best practices as described by the International Capital Market Association's ("ICMA") Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Market Association's ("LMA") Sustainability-Linked Loan Principles 2021 ("SLLP") and will also provide investors with further insights into Cellnex's sustainability strategy and commitments.

Cellnex's **Sustainability-Linked Financing Framework** aims cover any upcoming Sustainability-Linked financings, whether through Sustainability-Linked Bonds, Sustainability-Linked Convertible Bonds, Sustainability-Linked Loans or other debt instruments such as credit facilities and derivatives, whose financial characteristics are linked with sustainability performance targets. All Sustainability-Linked financing instruments will be referred to collectively as sustainability-linked financings.

The Framework has been reviewed by Sustainalytics, providers of **Second Party Opinions (SPO)** which considers it to be aligned with the International Capital Markets Association's Sustainable Bond Principles 2020 and the Loan Market Association's Sustainable Lending Principles 2021.

Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

- **KPI #1** - Environmental: Percentage reduction of Cellnex's GHG emissions:
    - **KPI #1a**: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020 and 70% in 2030 vs 2020.
    - **KPI 1#b**: 21% reduction of absolute Scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.
- **KPI #2** - Environmental: Increase annual sourcing of renewable electricity to 100% by 2025
- **KPI #3 -** Social: Increase the percentage of women in director and senior management/manager roles in the Cellnex Group to 30% by 2025.

During the year ended at 31 December 2022, the Group structured EUR 3.4 Bn Facilities linked to the Sustainability Framework for 5 years with two of the indicators included in the Framework. (see note 15).

The most up-to-date information on ESG financing programs is available in the "**Debt programs**" section of the corporate website. Additionally, **Annex 8. Sustainable finance** includes detailed information on the KPIs performance.

Indicator	Description	Status 2022	Target 2025	Target 2030
KPI 1a	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	(79%)	(45%)	(70%)
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	(9%)	(21%)	_
KPI 2	Annual sourcing of renewable electricity	77%	100%	_
KPI 3	Percentage of women in directors and senior management/manager roles	27%	30%	_

Post balance sheet events

i) Resignation tendered by Mr. Tobias Martinez Gimeno, as director of Cellnex and, therefore, as its Chief Executive Officer (CEO)

The Group communicated the resignation tendered by Mr. Tobias Martinez Gimeno, by letter dated 10 January 2023, as director of Cellnex and, therefore, as its Chief Executive Officer (CEO), with effect from 3 June 2023.

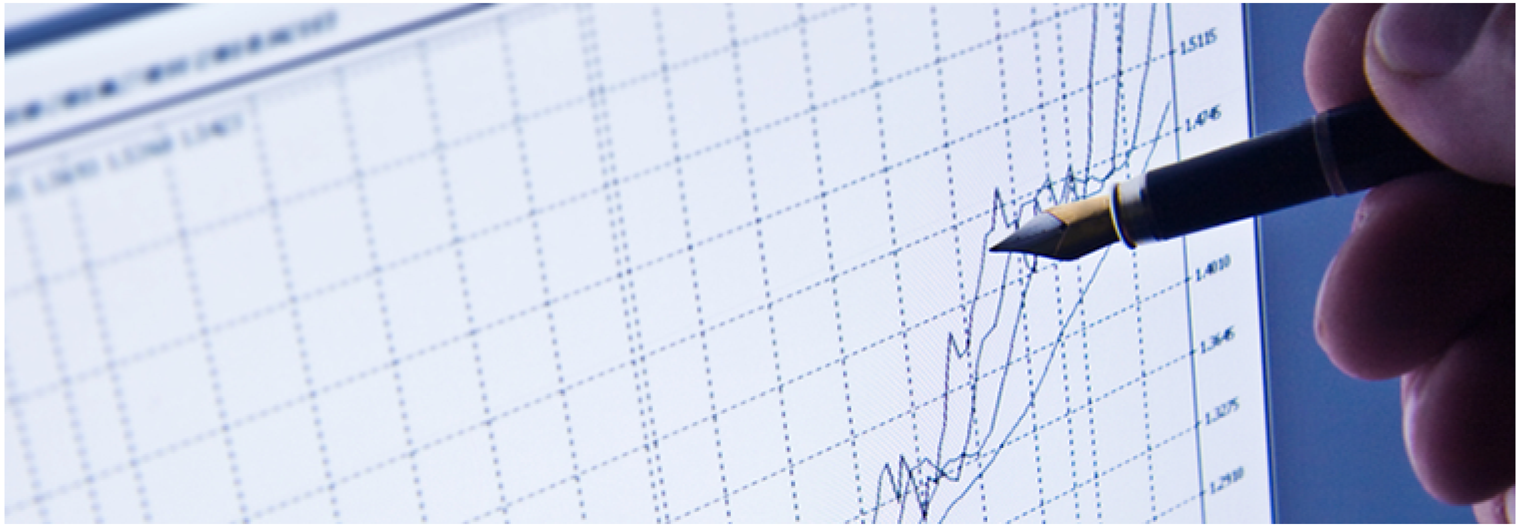
The Board has acknowledged the CEO's resignation and has put the necessary mechanisms in place for his succession. The choice of the final effective date will allow him to attend the Ordinary General Shareholders Meeting to examine the accounts for the 2022 financial year, initially scheduled for 1 June 2023.

ii) Cellnex entered into a EUR 700 million term loan facility agreement to refinance its debt

On 27 February 2023, Cellnex Finance, as borrower, and Cellnex, as guarantor, entered into a EUR 700,000 thousand term loan facility agreement to refinance by means of a subsequent intra-Group financing between Cellnex Finance, as lender, and Cellnex UK, as borrower, the existing GBP 600,000 thousand term loan facility agreement entered into by Cellnex UK, as borrower, and Cellnex, as guarantor, on 5 November 2019 (as amended and restated on 9 December 2020 and on 23 December 2021). The new financing maintains an attractive interest expense while extending the average life of the Group's debt.

iii) The Group cancelled a Cross Currency Swap ("CCS") amounting to EUR 450 million

In February 2023, the Group cancelled a Cross Currency Swap ("CCS") for EUR 450 million and an equivalent sterling value of GBP 382 million which were designated together with the bond issue of EUR 450 million executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group's subsidiaries.



2.4 Business perspective

New outlook set for 2023 while 2025 *outlook has been reiterated*

In terms of business prospects, during 2023 the Group will continue to focus on implementing organic growth (leveraging its status as a neutral operator), in accordance with its ambition of achieving Investment Grade status by two credit rating agencies by the end of 2024, and by improving efficiency and profitability. In this way, the Group expects to increase various key indicators by double digits for the year ending 31 December 2023.

The Group estimates its revenues for the year ending 31 December 2023 to increase between EUR 4,100 million and EUR 4,300 million and its Adjusted EBITDA to increase to between EUR 2,950 million and EUR 3,050 million, as a result of: (i) organic growth (price escalators, new colocations and associated revenues with a targeted more than 5% new PoPs year-on-year and efficiencies), (ii) the contribution of the transactions completed during 2022; mainly the CK Hutchison Holdings Pending Transaction with regard to the United Kingdom concluded in the last quarter of 2022 and, (iii) required disposals (either completed, such as the UK divestment of some 1,100 sites, or to be carried out in 2022, such as part of the French disposals).

The Group expects its Recurring Leveraged Free Cash Flow (RLFCF) for the year ending 31 December 2023 to be in the range of EUR 1,525 million to EUR 1,625 million (with Net payment of lease liabilities expected to be around 850 million, Maintenance Capital Expenditures expected to be around 3% of Operating Income and Changes in current assets/current liabilities expected to be trending to neutral). Expansion Capital Expenditures is expected to represent approximately 10% of Operating Income and Free Cash Flow for the year ended 31 December 2023 is targeted to trend to neutral.

Business outlook 2025 unchanged

Additionally, the Group has previously issued long-term targets up to 2025 that are considered valid by the Group as of the date of this Integrated Annual Report (the “2025 Targets”), after factoring higher inflation positively impacting Operating Income to grow at around 3% due to the average escalator, Operating Expenses and Net payment of lease liabilities expected to grow more slowly than Operating Income as a result of efficiencies, and the net impact from disposals and new investments committed (please see slides 14 and 21 in the 2021 full year results presentation). The 2025 Targets are underpinned by highly visible financials and could trend to the upper end of the range if current high inflation levels are sustained.

	Guidance 2025 (€Mn)
Operating Income	4,100 – 4,300
Adjusted EBITDA	3,300 – 3,500
RLFCF	2,000 – 2,200

The 2023 Profit Forecasts and the 2025 Targets are based on several assumptions. All of the assumptions relate to factors which are outside the full control of the Board of Directors. The 2023 Profit Forecasts have been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Group’s accounting policies.

2.5 Investor Relations

Cellnex in the stock market

On 20 June 2016, the IBEX 35 Technical Advisory Committee approved the inclusion of Cellnex Telecom (CLNX: SM) in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone brought with it a broadening of the shareholder base, giving Cellnex higher liquidity and making it more attractive to investors. At present Cellnex has a solid shareholder base and the majority consensus of analysts who follow our company c.+85% is a recommendation to buy.

As at 31 December 2022, the share capital of Cellnex Group increased by EUR 6,787 thousand to EUR 176,619 thousand (EUR 169,832 thousand at the end of 2021), represented by 706,475,375 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid (see Note 14.a to the accompanying consolidated financial statements).

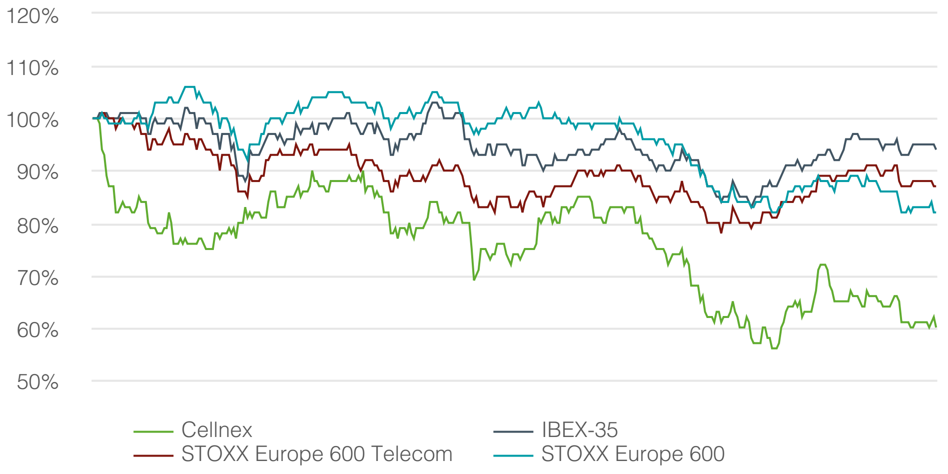
Cellnex's share price decreased -39% during 2022, closing at EUR 30.92 per share. The average volume traded has been approximately 1,722 thousand shares a day. The IBEX 35, STOXX Europe 600 and the STOXX Europe 600 Telecom were down by -6%, -13% and -17% over the same period.

Cellnex's market capitalisation stood at EUR 21,844 at the year ended on 31 December 2022, 673% higher than at start of trading on 7 May 2015, compared with a 26% drop in the IBEX 35 over the same period.

The evolution of Cellnex shares during 2022, compared to the evolution of IBEX 35, STOXX Europe 600 and STOXX Europe 600 Telecom, is as follows:

BREAKDOWN OF THE MAIN CELLNEX STOCK RATIOS AT DECEMBER 31, 2022 AND 2021:	31 December 2022	31 December 2021
Number of shares	706,475,375	679,327,724
Stock market capitalisation at period/year end (millions of euros)	21,844	34,768
Share price at close (EUR/share)	30.92	51.18
Maximum share price for the period (EUR/share)	51.70	61.05
Date	03/01/2022	24/08/2021
Minimum share price for the period (EUR/share)	28.02	37.16
Date	13/10/2022	08/03/2021
Average share price for the period (EUR/share)	38.75	49.97
Average daily volume (shares)	1,721,999	1,622,122

Performance of Cellnex shares



TREASURY SHARES

1,119,007

0.16% of its share capital

Treasury shares

On 31 May 2018 the ordinary general shareholder's meeting of Cellnex decided to delegate in favour of the Parent Company's Board of Directors the power to purchase treasury shares up to a limit of 10% of the share capital of the Parent Company.

In accordance with the authorisation approved by the Board of Directors, at 31 December 2022 the Group held 1,119,007 treasury shares (0.16% of its share capital). The use to be made of the treasury shares has yet to be decided and will depend on any decisions adopted by the Group's governing bodies.

In the context of the acquisition of the tower businesses and assets in the United Kingdom of CK Hutchison Networks Europe Investments S.à r.l. ("Hutchison") Cellnex transferred 6,964,144 treasury shares and issued 27,147,651 new shares. Thus, a total of 34,111,795 Cellnex shares were delivered to Hutchison.

In addition, as at 31 December 2022 and 2021, 291,258 and 123,969 treasury shares respectively had been transferred to employees as remuneration payable in shares.

Shareholder remuneration

The approved shareholders' remuneration policy aims to maintain an appropriate balance between shareholder remuneration, the parent company's profit generation and the parent company's growth strategy, while pursuing an adequate capital structure. When implementing the Shareholders' Remuneration Policy, the Group is focused on distributing an annual dividend of 10% above the dividend distributed for the prior year. As a result, each year the parent company distributes dividends against either net profit or distributable reserves attributable to the Group for the respective financial year.

On 21 July 2020, the General Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve with a maximum of €109 million, to be paid upfront or in instalments over the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if appropriate, the amount and the exact date of each payment during that period, while always remaining within the maximum overall amount stipulated.

In accordance with the **Shareholders' Remuneration Policy**, shareholder remuneration for fiscal year 2021 will be equivalent to that for 2020 (EUR 29.3 million) plus 10% (EUR 32.2 million); the shareholder remuneration corresponding to fiscal year 2022 will be equivalent to that of 2021, plus 10% (EUR 35.4 million).

During 2022, and in compliance with the Group´s Shareholders' Remuneration Policy, the Board of Directors, pursuant to the authority granted by the decision of the General Shareholders' Meeting of 21 July 2020, approved the distribution of a dividend charged to the share premium reserve in the amount of EUR 11,820 thousand, which represents EUR 0.01761 for each existing and outstanding share giving entitlement to receive such a cash pay-out. In addition, the Board of Directors, pursuant to the authority granted by the resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a dividend charged to the share premium reserve in the amount of EUR 24,814 thousand, which represents EUR 0.03518 for each existing and outstanding share giving entitlement to receive such a cash pay-out.

Dividends will be paid on the specific dates to be determined in each case and will be duly announced.

On 15 December 2022, the Board of Directors approved the following Shareholders' Remuneration Policy corresponding to the fiscal years 2023 and 2024: (i) the shareholder remuneration corresponding to fiscal year 2023 will be equivalent to that of 2022 (EUR 36.6 million) increased by 10% (EUR 40.3 million); (ii) the shareholder remuneration corresponding to fiscal year 2024 will be equivalent to that of 2023 increased by 10% (EUR 44.3 million).

Notwithstanding the above, the Group's ability to distribute dividends depends on several circumstances and factors including, but not limited to, the net profit attributable to the Group, any limitations included in financing agreements and the Group's growth strategy. As a result of such (or other) circumstances and factors, the Group may amend the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Group will duly announce any future amendment to the Shareholders' Remuneration Policy.

Shareholders

Cellnex works continuously to maintain a good two-way relationship with its shareholders. To that end, there is a policy for communication and contact, which states that the Board of Directors will be responsible for providing suitable channels for shareholders to find any information the management of the Group, and for establishing mechanisms for the regular exchange of information with institutional investors that hold shares in the Group.

The Group has several communication channels to ensure effective compliance with the principles of the above-mentioned Policy, some of which are general channels, designed to disseminate information to the public, while others are private and primarily intended for shareholders, institutional investors and proxy advisors.

The general channels are the website of the **Spanish Stock Exchange Commission** (CNMV) and other bodies, and the **Cellnex Corporate website**. The private channels for use by shareholders and investors are the various social networks on which Cellnex has an account (such as **LinkedIn**, **Twitter** and **YouTube**), as well as the "Shareholders and Investors" section on the Group website and the Investor Relations Area. Concerns may also be expressed at the General Shareholders' Meeting.

Further information on stakeholder engagement can be found in section **1.3 Our commitment - Stakeholders.**

Cellnex provides various *communication channels* to its shareholders

Cellnex in the sustainability ratings

In 2022 Cellnex consistently *improved its overall score* in the sustainability ratings, *reaching all-time highs*

In recent years, there has been an increase in European legislation regarding a number of ESG topics, many of which are already being applied (Green Deal, EU Taxonomy) and others that will come into force over the coming years (Corporate Sustainability Reporting Directive, Human Rights Due Diligence Directive). This has translated into a considerable increase in interest among stakeholders in knowing, demanding and evaluating the level of companies' commitment in relation to various ESG issues, as the implementation of actions aligned with ESG criteria carries a lot of weight with investors when choosing one investment or another.

In this regard, more and more companies are integrating ESG as a fundamental pillar of their business model, thereby increasing competition between them in relation to ESG performance. Information is therefore needed to measure and compare companies' contributions and responsibility in relation to ESG topics. To do this, analysts, agencies and information providers in the field of sustainability evaluate the exposure of companies to ESG risk as well as their risk mitigation and management capacity, obtaining a rating for companies in terms of sustainability performance.

Cellnex is evaluated in the main international sustainability ratings, including CDP, Sustainalytics, MSCI, CSA from S&P Global, FTSE4Good, and Standard Ethics, among others. Through its ESG performance Cellnex demonstrates its commitment to meeting investors' expectations based on transparency and accountability in terms of sustainability.

Compared with the previous year, in 2022 Cellnex consistently improved its overall score in the sustainability ratings, thus reaching all-time highs. The 2022 score ratings are summarised below.

SUSTAINABILITY RATINGS IN 2022

S&P Dow Jones Indices
A Division of S&P Global

81
Max: 100
Min: 0

Corporate Sustainability Assessment (CSA)- S&P Global

Cellnex has improved in the Governance (+8p) and Social (+15p) dimensions, upgrading its overall score to 81p in CSA 2022 (+8p vs CSA 2021, +c.11%). Included in the 2023 Yearbook for the first time.

MSCI

A
Max: AAA
Min: CCC

MSCI ESG Rating

Cellnex stands out for its leadership in Corporate Governance within telecom services; in 2022 it maintained its score of A, upgraded from BBB in 2021.

CDP
DISCLOSURE INSIGHT ACTION

A
Max: A
Min: D-

CDP Climate Change

Cellnex remains in the A list for the fourth consecutive year, maintaining its leadership position with an score of A that is even higher than the sector average (B).

Bloomberg
Gender-Equality Index
2022

78
Max: 100
Min: 0

Bloomberg Gender Equality Index

Cellnex was included in the Bloomberg Gender Equality index for the first time in 2022 and has consolidated its position in 2023, increasing its overall score c.+4p

SUSTAINALYTICS

14
Max: 0
Min: +40

Sustainalytics ESG Risk Rating

Consolidated as a low-risk ESG company, placing it in the top five companies in the global Telecom Services industry, Cellnex was ESG top-rated in 2022 and 2023..

FTSE4Good
FTSE Russell

4,3
Max: 5
Min: 0

FTSE4Good

Annual performance decrease of 0.1p. Outstripping 1.4 points the average rating of the telecom industry and top performer in the Governance dimension.

standard ethics

EE
Max: EEE
Min: F

Standard Ethics Rating

In early 2023, Cellnex was upgraded in the Corporate Standard Ethics Rating (SER) to “EE”, from “EE-“ previously, with a positive outlook. Member of the SE Spanish Index since 2017.

GRESB
Public Disclosure 2021

A
Max: A
Min: E

GRESB Public Disclosure

In 2022, Cellnex maintained its leadership position with an overall score of 85p (A) among its sector peers (which increased from 6 to 25 companies)

Sustainalytics

In 2022 Cellnex reduced its ESG Risk by 1.5 points, thereby *improving its ESG Risk Rating* to

14 points

S&P Global Corporate Sustainability Assessment (CSA) 2022 score

81 points out of 100

+8 improvement vs 2021

Included in the 2023 Sustainability Yearbook as an *Industry Mover*

Sustainalytics

Sustainalytics measures a company's ESG risk and is usually used for investors worldwide, as it is an environmental, social and corporate governance (ESG) research and rating company. The rating ranges from 0 to 100, where the higher the score, the higher the risk, understood as the degree to which a company's economic value is at risk due to ESG factors. Score values from 0 to 10 indicate negligible risk.

Cellnex is part of the STOXX Global ESG index, which offers a representation of the world's leading companies in terms of ESG criteria, based on the indicators provided by Sustainalytics.

In 2022, Cellnex has continued working on their risk management, improving their **ESG Risk Rating** to 14 points (-1.5 vs 2021 score), placing the Group as the fifth, out of the total amount of companies in the Global Telecommunications Ranking.

Cellnex improved its ESG Risk Rating in the majority of categories by 0.2-0.4 points. Furthermore, the rik is classed as negligible in 4 out of the 7 categories, indicating practically no risk. The risks which did not improved in relation to the previous year are Data Privacy and Security (which stayed the same) and Carbon-Own Operations (with an increase of 0.1 points of risk). The increase in risk of Carbon-Own Operations is due to a lower score of its management.

Within its “Market Cap” ($22.5- $28.6 Bn), Cellnex obtained the best ESG Risk Rating, placing the Group fifth in the Global Telecommunications Ranking (3 positions up on the previous year). Additionally in 2022 and 2023 Cellnex was awarded the ESG Top-Rated Badge from Sustainalytics making it one of the top 50 ranked companies in the ESG Risk Ratings universe.

S&P Global Corporate Sustainability Assessment (CSA) and Dow Jones Sustainability Index

The S&P Global **Corporate Sustainability Assessment (CSA)** ranges from 0 to 100, where 100 is the best score that can be obtained. CSA score determines the companies included in Dow Jones Sustainability Indices (DJSI), which are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. Cellnex participates each year in the CSA as an invited company.

In recent years Cellnex Group has progressively improved its score, attaining an overall score of 81 points in 2022 (+8 points up on 2021, up 15 on 2020 and up 21 on 2019). This result has enabled Cellnex to remain 48 points above the Telecommunication Services sector average and among the top 10% companies in Telecommunication Services (percentile 91, up +2 points on 2021).

Regarding the evolution of the score by dimension, in 2022 Cellnex improved in the Governance & Economic dimension, with a score of 84 (+8 points), and in the Social dimension, with a score of 78 (+15 points), while in the Environmental dimension it remained stable on 81 points (-2 points).

2023 Sustainability Yearbook

S&P Global has recognised Cellnex's efforts in terms of sustainability by including it in the **2023 Sustainability Yearbook** as *Industry Mover.* The company, which scored in the top 15%, achieved the strongest improvement in the Telecommunication Services industry in CSA 2022.

Cellnex Telecom, S.A.
Telecommunication Services

Industry Mover
S&P Global ESG Score 2022

81 /100

As of February 7, 2023.
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at spglobal.com/esg/yearbook

S&P Global Sustainable1

CDP Climate Change

Cellnex is member of the

***A List* for the fourth consecutive year**

Carbon Disclosure Project (CDP)

The CDP is a global standard that uses an independent methodology to assess companies' transparency when disclosing environmental and sustainability matters. CDP awards a score from A to D- based on completeness of reporting, awareness and management of environmental risks, as well as demonstration of good practices associated with green leadership, such as setting serious and ambitious targets. The maximum score that can be achieved is an A, and companies that do not disclose or provide insufficient information are given an F rating.

In 2022, Cellnex obtained an A for the fourth consecutive year, which means that it continues to be a Leadership Company in terms of Climate Change. The score obtained continues to be above the sector average and it is among the 23% of companies that achieved the Leadership level in the Activity Group.

Cellnex's commitment to sustainability and tackling climate change made it one of the most outstanding high-performing organisations in this index. Of the 18,700 companies that CDP evaluated this year, the telecom company remained on the **Climate Change 'A List'**. Through its commitment to the climate, Cellnex is also at the forefront of its sector in terms of transparency and commitment to combating climate change.

In the 2022 assessment Cellnex improved its score in the categories "Opportunity Disclosure" and "Business Strategy & Financial Planning" (from A- to A). Additionally, Cellnex is positioned higher than in the previous year compared with the industry and global companies, as those scores fell whilst the Cellnex score remained stable.

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2022
CLIMATE

In 2022, Cellnex has been recognised by CDP as '**Supplier Engagement Leader 2021**' for its action combating climate change and its efforts to measure and reduce environmental impact in its supply chain. The Group has continued providing these information as part of the CDP Supply Chain questionnaire 2022.

FTSE4Good

The FTSE4Good index series are used by investors wishing to incorporate environmental, social and corporate governance factors into their investment selection processes, as the index identifies companies that best manage the risks associated with these factors. They are also used for tracking index funds, for structured financial products and as a benchmark, as well as being used as a framework for assessing corporate commitment and rating corporate governance.

In terms of overall ESG rating, Cellnex obtained a score of 4.3 in 2022, remaining in the percentile rank 100 for the Telecommunications sector. Note that Cellnex's score is above the sub-sector average (mobile telecommunications) and industry average (telecommunications) by +1.3 points and +1.4 points respectively.

While Cellnex maintained its score for governance (5 out of 5 pts.), the scores for the environmental and social categories fell, slightly reducing the total score by 0.1 points. This was due mainly to the inclusion of new questions and scoring criteria.

MSCI

Each year, MSCI identifies 35 key issues for each industry in order to measure the intersection between a company's core business and the Group's resilience to long-term ESG risks. These key issues are weighted according to MSCI's mapping framework on a scale of 0-10, and the Group's final score is adjusted on the basis of overall industry performance and assigned a letter grade based on an AAA-CCC scale. The AAA rating is the best that can be obtained.

In 2021 Cellnex significantly improved its **MSCI ESG Rating**, increasing its score by 0.9 points and achieving A status for the first time and maintaining it during 2022.

In the 2022 rating assessment Cellnex obtained higher scores in the areas of environment and governance in comparison to the industry averages (+0.6 points in environment and +2.0 points in governance).

Bloomberg GEI

Included for the second year **in a row in the Bloomberg Gender Equality Index. Improvement of**

+4 points year-on-year

Standard Ethics

Cellnex's Corporate Standard Ethics Rating (SER) improved to *"EE"* from the previous rating of "EE-" with a

Positive Outlook

Bloomberg Gender-Equality Index

The Bloomberg Gender-Equality Index (GEI) is the global reference index that measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

Cellnex was included in this index for the first time in 2022 and has consolidated its position in 2023. The Group has been selected as one of 485 companies across 45 countries and regions to join the **2023 Bloomberg Gender-Equality Index**, a modified market capitalisation-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting.

Bloomberg Gender-Equality Index 2023

Bloomberg Gender-Equality Index recognises Cellnex's commitment to advancing gender equality in the labour market by rolling out policies and initiatives to promote women's professional careers and greater female representation in the organisation.

In terms of performance, Cellnex improved its score by 4.3 points, obtaining an overall score of 77.73 points (73.40 points in 2022).

GRESB

The GRESB Public Disclosure Level assesses the alignment of listed real-estate companies with GRESB infrastructure asset assessment. The public disclosure level provides information on the ESG disclosure activities of GRESB participants and non-participants and provides investors with information that is not currently captured in the GRESB Infrastructure Asset Assessment. The rating is based on an A-E scale, where A is the best achievable score.

For the second consecutive year, Cellnex is proving its ongoing commitment to transparency in sustainability issues and now ranks as the best valued company in the telecommunications infrastructure sector in the **GRESB Infrastructure Public Disclosure 2022.**

In 2021, Cellnex achieved first place, becoming the best positioned company in the telecommunications infrastructure ranking, rising from "B" to "A", the highest level. Well above the sector average, which is "C". For another year, Cellnex maintained its quantitative total score of 85 points out of 100.

Standard Ethics

Standard Ethics is a self-regulated sustainability rating agency that issues non-financial sustainability ratings. The rating scale goes from EEE (max) to F (min), where a classification of "EE-" or above indicates compliance.

Cellnex has been a member of the **SE Spanish Index** since 2017. In early 2023 Standard Ethics upgraded Cellnex's Corporate Standard Ethics Rating (SER) to "EE" from the previous rating of "EE-"with a Positive Outlook.

Vigeo Eiris

The Vigeo indexes are composed of listed companies and are ranked according to an assessment of their ESG performance. The score ranges from 0 to 100, with 100 being the best score.

In 2022 there was no update of the assessment for any company, as Moody's ESG Solutions is seeking feedback from its customers on proposed enhancements to the ESG Assessment methodology. Despite that, in 2021 Cellnex Group increased its overall ESG score for the third consecutive year, achieving a score of 60 (c.+33%).

Clarity AI

During 2022, Cellnex partnered with Clarity AI, the leading sustainability technology platform, in the Industry Sustainability Pioneer Partnership Programme. Taking part in this two-way programme has enabled Cellnex to identify strengths and areas for improvement while enhancing its knowledge of Clarity AI to support their product development.

CLARITY AI

3

PEOPLE
Boosting our talent, being diverse and inclusive

2022 main actions and KPIs

Purpose and values redefined conducting a bottom-up exercise

Cellnex has increased its visibility to be known as great employers: Employer Branding Strategy created

Progress on social targets, being recognized externally: Included in the Bloomberg Gender Equality Index 2023 and in the 2023 Sustainability Yearbook of S&P Global as Industry Mover (y-o-y improvement of +15p in the social dimension).

Fostering skills and development, ensuring equal opportunities through the Talent Academy:

- Inclusive leadership programme
- Women acceleration development program

- 66% Engagement and 73% of participation in the Pulse survey
- 18 workshops & 1227 people took part in the Inclusion Leadership programme
- +65.000 hours of training impacting 99.5% of Employees
- 43 EDI champions across the Group
- +8.600 training hours and +650 participants in EDI workshops & specific campaigns

Invested a significant number of EDI training hours in workshops and awareness campaigns

Development of Mobility Plans to improve and promote sustainability mobility

Employee Engagement survey assessed periodically in all Cellnex Group

Engagement activities carried out in all countries to foster Cellnex culture

Global well-being booster plan deployed

Next steps for the upcoming years

Continuing Rolling out employer branding strategy

Foster global internal mobility

Leadership Will continuity to be a priority

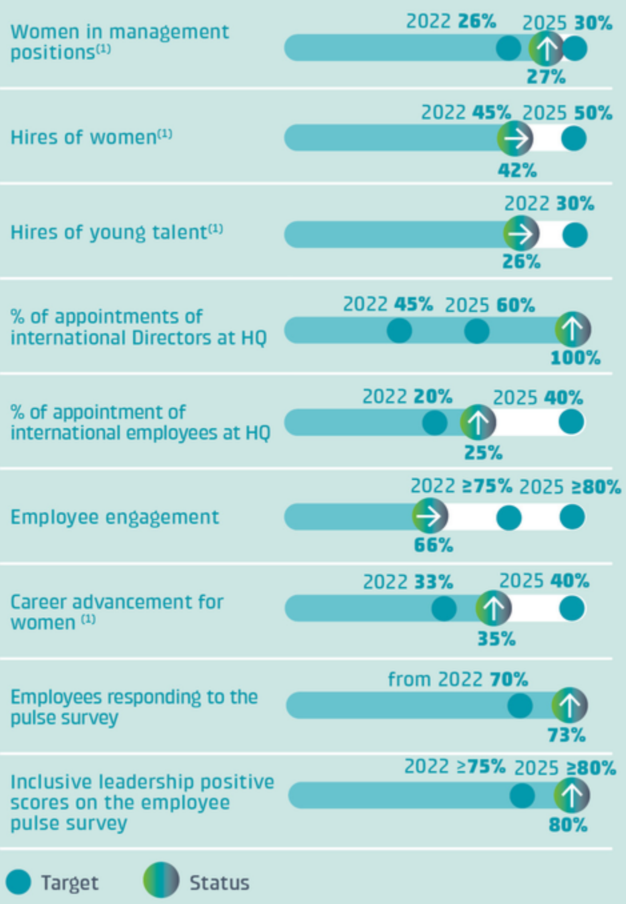
Define actions plans based on the results of the 2022 Employee Engagement survey

Keep prompting the sense of belonging and One Cellnex Culture across the company

Implementation of the Well-being programme and safety workplaces

Holistic Performance Management model implementation for all employees

Follow-up of the ESG Master Plan targets



(1) According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.

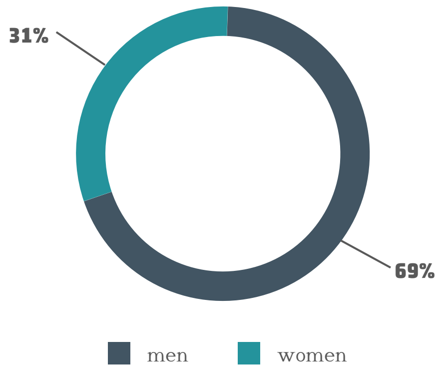
3.1 People strategy

> ***"We grow the business by growing together"***
>
> **At Cellnex, people are the main asset and the best competitive advantage**

Over recent years, Cellnex has grown its business exponentially, resulting in significant expansion of its European footprint and increased complexity in both management and new products, services and solutions. Continuing along this path, Cellnex is adding new teams from several countries and also a wide range of diversity to the company.

Cellnex is global and the company's People mission strategy is designed to serve every country. Integration and cooperation are key success factors as they allow Cellnex to leverage the capabilities of its diverse teams and integrate the company's wealth of cultural diversity, creating more innovation and better decision-making and ultimately enabling them all to give the best of themselves to benefit customers. Cellnex listens, Cellnex adds value and Cellnex leverages best practices among teams. The company is One Cellnex and, at the same time, it respects the realities and culture of each country.

Cellnex lives in a fast-paced environment; rapid change and uncertainty are the new normal. Being agile, fast and responsive is of paramount importance. Empowerment, trust and transparency are essential to be fit for the current challenges. In this context of new technological developments, offering cutting-edge services to customers makes attracting and retaining talent a strategic priority for Cellnex, that's why the company is deploying multiple actions to make Cellnex an international benchmark in employer branding. Cellnex is a company where pride in belonging, professional motivation and a sense of purpose form a solid and fundamental basis to keep Growing Together.



98%

permanent contracts

58

nationalities[31]

3,018

employees in 12 European countries

🇪🇸	1,274	(2022)
	1,289	(2021)
🇮🇹	254	(2022)
	252	(2021)
🇫🇷	283	(2022)
	259	(2021)
🇨🇭	55	(2022)
	50	(2021)
🇳🇱	104	(2022)
	107	(2021)
🇬🇧	352	(2022)
	307	(2021)
🇮🇪	43	(2022)
	37	(2021)
🇵🇹	65	(2022)
	61	(2021)
🇦🇹	28	(2022)
	23	(2021)
🇩🇰	28	(2022)
	25	(2021)
🇸🇪	28	(2022)
	17	(2021)
🇵🇱	504	(2022)
	450	(2021)

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[31] 58 nationalities at least, as not all employees have specified their nationality in the UK.

Endless opportunities to *bring the world closer through telecom connectivity*

#EndlessOpportunities

Cellnex purpose

Cellnex, together with its customers, is committed to offering endless opportunities to bring the world closer through connectivity.

Cellnex's neutrality as a partner is a priority when it comes to providing reliable quality infrastructure to its customers, connecting businesses with people.Awareness of this responsibility as a team and as individuals in the organisation drives Cellnex to think big, seek innovative solutions and foster entrepreneurial spirit across the company.

This commitment earns Cellnex the trust of its stakeholders; the company is a solid, reliable partner, seeking mutual benefit underpinned by strong values and a long-term commitment based on the interests and development of society as a whole.

In 2022 Cellnex redefined its corporate purpose and values, conducting a bottom-up exercise - a journey to build a new culture driven by purpose and values. It has been obtaining feedback from its stakeholders.

- Over 250 employees and board members are actively engaged in this journey.
- The 2 largest stakeholders have been represented by Board Members. Kick-off with 150 top management executives.
- Over 25 one-to-one interviews with key people including Board and Foundation members.
- A global survey was sent to all 3,000 employees with more than 500 responses, and over 250 asked to become active ambassadors.
- Four workshops with ambassadors, senior managers and managing directors and a board meeting.
- One-to-one interviews with customers from various segments in Spain, Switzerland, the UK, Netherlands and Portugal

3.2 Culture - Empowering our people

Growing together **as people, as a team, as partners, and also as a society**

Employee Value Proposition - Pillars

- **Growth**
- **Innovation**
- **Smart working**
- **Commitment**
- **Professional Excellence**

Cellnex Culture

- Cellnex's promotes a constructive culture, with a human approach, fostering results-oriented teams in a collaborative and cohesive working environment.
- The company builds diverse teams and ensures equal opportunities for everyone. Cellnex trusts all its employees and makes their voices heard. An inclusive culture is key to achieving this.
- The company fosters an organisation and ways of working that promote collaboration and empowerment
- The company promotes performance culture; the way Cellnex works, the goals set and achieved and how teams and individual contributions are managed and rewarded.

Cellnex achieves all these aspects through a broad, ambitious People Strategy, with specific programmes to boost professional development. Cellnex creates a work environment where everyone can contribute the best of themselves.

Sense of purpose and belonging

When employees have a clear idea of how their work relates to company goals, motivation doubles. When each person's work is linked to the company's purpose, employees understand why their work is important.

For this reason, Cellnex spearheads and implements engagement plans across Cellnex aligned with the Corporate Culture built on the values that best define the company and its employees. The company fosters and supports the Cellnex team to drive constant change by generating a sense of belonging, pride and shared purpose, impacting the business through people's commitment.

Growing together

Cellnex shares a common purpose: endless opportunities to bring the world closer through telecom connectivity.

This vision is made real through its 'Growing Together' culture. To showcase this concept, Cellnex presented the Growing together campaign, bringing together and vitalising its culture, purpose and values, and it also deploys the attributes of its Employee Value Proposition (EVP), developed to communicate both internally and externally the attributes that make Cellnex a great place for everybody to work and grow. These attributes were defined thanks to the participation of over 400 employees.

The "Growing together" motto represents Cellnex's commitment to deliver on its promises, contributing to sustainable solutions for its customers and society, acting with integrity and fostering a team where diversity is a strength, with its entrepreneurial spirit driving innovative services for its customers.

Magical Christmas

On 13 December 2022 all Cellnex employees took part in Magical Christmas, an online event where they enjoyed a special occasion virtually as a group. This event brought all 12 countries together for an end-of-year celebration and the CEO gave a speech. Major emphasis was placed on Cellnex values as the glue that makes Cellnex stronger and unique.

Cellnex Austria

The Cellnex Austria team made the most of the good weather and celebrated their joint successes after work.

Cellnex Denmark

In June 2022, Cellnex Denmark celebrated an "Away Day". There were professional reports in the form of news about the business and the various teams and round tables, but it was also an opportunity for a lot of team building with activities like a mini golf tournament, dressed in identical Cellnex shirts printed with the mantra #growingtogether.

Cellnex Spain

The Inventory and Back-Office Operations team held an E-Sports session and took on the role of gamers for a day, testing their strategy, ingenuity, global vision and their ability to change mindset. In addition, the session was used to share objectives and talk about cross-cutting issues.

The People & Organisation Spain team held an extended meeting to review goals, and give visibility to projects led by team members. Moreover, on this occasion, in addition to work issues, there was a team building session allowing everyone to test their racing skills.

A meeting of the Steering Committee is held annually for alignment, sharing and recognition and to continue building trust and cohesion in the management team. In 2022, it was held in Montserrat, where, in addition to the usual items on the agenda, an external speaker, Marcos Urarte, spoke about geostrategy, geoeconomics and geopolitics and their impact on organisations. There was also a group visit to the Cellnex-Montserrat Centre.

Cellnex France

Cellnex France employees organise a friendly sports break every week to strengthen team spirit and bonds between employees.

Cellnex France employees hold a summer camp together. This was organised to allow teams to meet, have fun and bond in a non-professional environment. There was also an opportunity during a plenary session to discuss a variety of topics related to the activity and goals of Cellnex France, as well as corporate social responsibility and employee commitment.

Cellnex Ireland

On 22 November the Cellnex Ireland team visited Cellnex Headquarters in Barcelona for three days, primarily to talk about strategy, business and culture, as well as to share thoughts as a team and value the importance of growing as one.

Cellnex Italy

Cellnex Italy employees ran alongside Susan G Komen as they participated in the Race For The Cure, together with 50,000 supporters in the heart of Rome, to raise awareness of breast cancer prevention and counteract the delays caused by the pandemic

Cellnex Netherlands

At Cellnex Netherlands, three teams competed in an outdoor “Money Heist” escape room in the heart of Utrecht.

At Cellnex Netherlands employee engagement is of key importance. A battery of activities are organised under the “Growing Together” plan. A cultural lunch was organised at the office with over 12 nationalities represented. Everyone had the chance to discover delicious home-made traditional national dishes brought by their colleagues.

Cellnex United Kingdom

Cellnex UK has four offices across the UK and five in-person Roadshows were held across the offices to enable people to connect – a combination of information and fun team building. The year ended on a high, with the entire company descending on Manchester for a wonderful Christmas celebration, with everyone resplendent in their evening finery.

Cellnex Portugal

Cellnex Portugal organized an offsite of two days in Peniche with various activities for collaborators, such as Team Building, Presentations and Dinner.

Cellnex Poland

Four teams from Cellnex Poland took part in the 17th #PlayWithFriends Regatta in Rewa. The event was attended by 116 participants with one of Cellnex Poland’s teams taking 4th place in the general classification.

Twenty-three Cellnex Poland representatives participated in the RUNMAGEDDON race, where a wall of tyres, barbed wire and a path through a peat bog were just some of the obstacles that the Cellnex Poland team had to overcome on the 12-kilometre track.

Cellnex Switzerland

In September 2022, Cellnex Switzerland celebrated its 5th anniversary with a Cellnex Boat BBQ trip on Lake Zurich, where they held an after-work dinner and a "summer event", among others.

Cellnex Sweden

Cellnex Sweden team members established a new regular initiative at the Stockholm office: a monthly meeting and pub evening. These events are partially a team building activity in both a formal and an informal way. During the monthly meeting, the team shared information and focused on various people and functions in the organisation, bringing the team closer together. For the monthly pub evening, everyone was welcome to share ideas and themes; so far they have had Oktoberfest, a sports pub and a Halloween theme with different activities.

Everyone is a leader

Cellnex knows that each and every person creates value and makes a difference whatever their role is, regardless of their job title or level.

For this reason, Cellnex has built a Leadership Model by four main pillars:

- Leader as a coach
- Transformational leader
- Inspirational Leader
- Operational Leader

This model drives all people decisions such as: Assesment, Development and reward.

The company belives that spread leadership is ke to succeed, so promotes the mindset of " everyone is a leader". It also promotes sustainable leaders who are aware of the importance of keeping the right balance between organisational and people perspectives in the short and long term. As such, care is taken to ensure a dynamic balance between these various leadership dimensions.

Cellnex provides performance support for their development while fostering appreciation and engagement.

Cellnex strongly believes that its Key Success Factor is to continuously grow the company, its teams and colleagues and, consequently, its business.

To reaffirm this, Cellnex has implemented a Holistic Performance Management Model, embedded and aligned with the Group's Leadership Model and Values, to connect people's development to performance:

Holistic Performance Management:

Goal Setting

- Common, challenging and smart goals

Impact

- Combining What & HOW
- What: the results achieved
- How: Cellnex' leadership model in action

Development

- IDP for everyone to unleash everyone's potential

Pay for performance

- Reward each individual considering overall results (what and how), securing fairness and keeping market competitiveness.

(More details at 3.4 chapter)

Entrepreneurial spirit

Thanks to Cellnex’s entrepreneurial spirit, the company enables new connectivity solutions and accelerates new technologies, creating disruptive models in all business areas to offer a state-of-the-art service to its customers.

Cellnex places emphasis on innovation and entrepreneurial spirit in its team, as Cellnex DNA. Cellnex is creating a culture where people can feel secure and supported to try and propose new ideas, think outside the box and stay one step ahead.

Cellnex Spain shares its Agile best practices

Agility is the organisational capability to understand, adapt and respond to a dynamic environment. In a fast-changing world and in the context of a Brittle-Anxious-Non-Linear-Incomprehensible chaotic environment, Cellnex is promoting the Agile way of working, as the Agile mindset fully complements the Smart Working Culture fostered by Cellnex.
In July 2022 Cellnex Spain presented its Agile best practices at the Global People Meeting. Some of the identified benefits of the Agile methodology are: it fosters proactivity; it aids efficient time management in meetings; the team works in a constructive mindset; and it enables continuous value delivery. In addition, working in short iterations allows for flexibility to adapt to changes when necessary.

Cellnex measures KPIs in four dimensions of its People Strategy: *Engagement, Strategic Focus, Diversity & inclusion and Well-being*

Active listening culture

Cellnex has implemented an Active listening culture in all the countries where it operates to measure KPIs and identify improvements with its regular Employee Engagement survey, linking the results and validation with the short and long-term remuneration of each department head.

Cellnex measures KPIs in four dimensions of its People Strategy: Engagement, Strategic Focus, Diversity & Inclusion and Well-being.

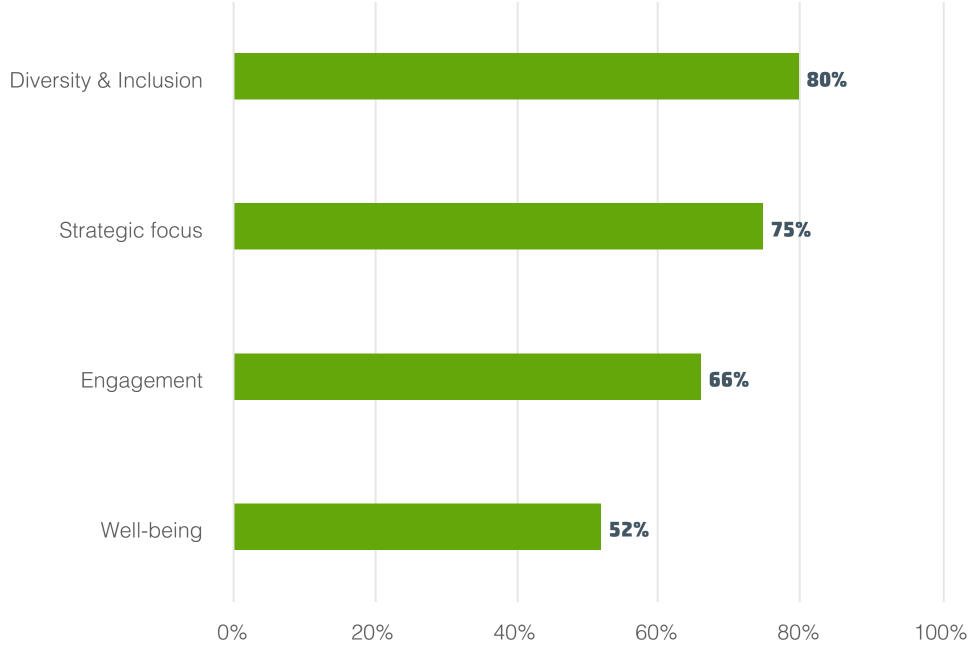
Cellnex promotes a feedback culture, enabling fluid, dynamic communication between the team, optimising the employee’s voice as a permanent channel of improvement, ensuring that everyone can contribute their vision to improve processes and results.

Cellnex fosters a feedback culture through training programmes in a way that allows its employees to develop and engage, boosting its high performance culture.

In 2022 all Cellnex countries took part in the Employee Engagement survey, while in 2021 it was only open to employees from seven countries (Denmark, France, Ireland, the Netherlands, Poland, Spain and the United Kingdom) and Corporation employees, as the remaining countries were in integration phase. In this regard, more than 2,000 colleagues (73% of all employees) participated in 2022.

Listening to everyone's voice helps Cellnex to gather a variety of situations in Cellnex. On the other, it is worth emphasising the very solid results in strategic focus and diversity and inclusion, which are strengths throughout the company. These results will be the basis used to define further action plans in 2023.

2022 Pulse survey - Overall results (%)



3.3 Our values

"We are proud to confirm through this bottom up exercise how indeed our values and purpose are already guiding our path and we live them every day. In fact this redefinition has helped us to be much more aware and value the positive impact we have with all our stakeholders."

Arantxa Cid, Global Head of Engagement - Cellnex Corporate

Five shared Values

These five shared values are the foundation that determines how Cellnex works, defines Cellnex's culture in action, establishes Cellnex's character as a company and guides the company's decision-making to offer the best to its people, its customers and society.

Commitment

Cellnex feels empowered and accountable. The company focuses on solutions and prioritises outcomes over activity. Cellnex takes responsibility.

Cellnex aligns interests to develop innovative solutions that benefit all its stakeholders: its employees, customers, partners, suppliers, communities and investors.

Cellnex strives for innovation and customer satisfaction. The company has a strong customer focus and always concentrates on adding value.

Cellnex is trustworthy and always delivers on its promises. Cellnex is inspiring, clear and specific in its communication.

Cellnex achieves its objectives through a combination of enthusiasm, pragmatism and integrity.

Entrepreneurship

Cellnex is not comfortable staying in the comfort zone. The company takes calculated risks, tries new, innovative solutions and always goes the extra mile.

Cellnex actively engages with its people, customers and stakeholders to uncover, understand and meet their existing and future needs.

Cellnex was born from a disruptive idea, so creativity is in the company's DNA. Cellnex stays true to its entrepreneurial legacy by constantly learning and improving, and by valuing new ideas.

Cellnex takes ownership and initiative. Cellnex solves every challenge by trusting the company's ability and expertise.

Cellnex empowers its people and fosters collaboration to ensure every day is a new opportunity to grow together.

Inclusion

Cellnex understands people across cultures and builds productive, long-term, equitable relationships.

Cellnex values, trusts and supports people. The company champions people's potential and creates a culture where everyone can contribute.

Cellnex seeks different perspectives and values everyone's point of view. Cellnex creates environments where everyone feels safe to speak up and be heard. The company fosters unity, teamwork and collaboration as One Cellnex Team.

Cellnex challenges its assumptions and makes a habit of asking questions. Cellnex believes in diversity as a key driver for innovation.

Cellnex leads by example. The company is open-minded and adaptable and acts with empathy.

Integrity

Cellnex sees the good in others and doesn't judge. Cellnex builds relationships based on trust, autonomy and respect.

The company knows the difference between confidence and arrogance. Cellnex believes that humility should be the foundation of all its interactions.

Cellnex applies the highest ethical standards in all its dealings with stakeholders, in keeping with its values.

Cellnex shares information openly and proactively. Cellnex communicates with honesty and acts dependably. Cellnex stays true to its word.

Cellnex recognises the power of kindness and credits others for their accomplishments.

Sustainability

Cellnex fosters a strong, collective sense of purpose and a clear vision for the company and the company's stakeholders.

Cellnex is committed to acting responsibly towards people and the planet to promote the well-being of present and future generations.

Cellnex acts for the common good and prioritises its shared purpose and values above its own interests. Humbleness is at the core of what Cellnex does.

As a neutral operator, sharing is Cellnex's identity. Cellnex promotes alliances for positive impact and ensures that everything Cellnex does supports the company's purpose.

Cellnex advocates sustainability. Cellnex uses its reputation to raise awareness and inspire others to do good.

3.4 Driving efficiency and performance

> ***"At Cellnex, we not only care about what we do, but how we do it. And the way we achieve our objectives makes us unique and competitive. It helps us to improve, empowering our talents, and conduct business in a way that ensures long-term, positive relationships with our Customers. I am honoured to be part of this culture"***
>
> **Malgorzata Rozwalka, People Director - Cellnex Poland**

Cellnex believes that lifelong learning and improvement is a determining factor in continuously adapting to the challenges of the market. Developing the team's skills and fostering programmes to attract new specialist talent ensure a sustainable path of growth for the company.

Cellnex promotes development for all with a focus on business needs, improving its talent density by unlocking everyone's growth potential.

- Cellnex builds winning teams with Growing Spirit.
- Cellnex attracts diverse talent, offering equal opportunities and growth.
- Cellnex rewards people competitively and drives retention with a long-term value approach and a strong career proposition.
- Cellnex has a lifelong learning mindset. Cellnex encourages everyone to be at their best. Cellnex collaborates, shares and innovates.

Cellnex's Talent Mission is to develop the Corporate Talent Strategy, process and methodology to ensure that it attracts, develops and retains the right talent in the right place and the highest levels of engagement elsewhere.

Cellnex develops its talent with a focus on current business needs while also unlocking their growth potential. It builds its own future leaders with deep assessment, relevant Individual Development Plans and solid succession plans. Cellnex encourages all employees to drive their development, together with their manager and with the support of the People Department, There are 2,140 people with an active individual development plan.

Holistic Performance management

As mentioned before Cellnex has implemented a Talent system to review existing talent and identify people with potential to continue growing. In 2022 Cellnex reviewed more than 730 people.

This is the way Cellnex integrates its performance culture with the Strategic Plan and its new purpose and values.

Because Cellnex can only achieve its full potential if the company adopts a model allowing it to embrace individual goals, which must interact and strengthen each other to reach company goals and objectives. This is Cellnex's Holistic Performance Management (HPM) model.

The principles of the Holistic Performance Management model are:

- Driving results and individual contributions.
- Accountability, Empowerment and Trust.
- Continuous Feedback.
- Internal Equity and Market competitiveness.
- Differentiating according to contributions.
- Paying for performance.

The main goal of the Remuneration Policy is to *attract, retain and motivate talent* so that the Company can meet its strategic objectives

HPM involves continuous development of Cellnex's people, aligning the leadership style to its purpose, values and DNA and combining it with achieving results. This new Model holistically measures employees' performance by valuing their individual contribution, assessing not only results but also how they have been obtained - the leadership model in action.

Leadership model: It considers how Cellnex embodies the four pillars of leadership: Operational, Coaching, Transformational and Inspirational.

It aligns with the company's strategy, values and culture.

The main goal is to ensure that Cellnex achieves its business goals with every employee aligned and focused on the activities that bring the most value to the company.

Cellnex fosters performance, rewarding employees according to their contribution to the business and linking results with compensation, thereby actively promoting a performance culture.

Reward and remuneration

The main goal of the Remuneration Policy is to attract, retain and motivate talent so that the Company can meet its strategic objectives within the increasingly competitive and internationalised framework in which it conducts its activity, establishing the most appropriate measures and practices for this purpose.The general principles that underpin the Remuneration Policy are as follows:

Alignment with Company strategy and stakeholders' interests

Lining up the interests of employees with those of shareholders, linking a significant part of the total remuneration to Company results and the creation of long-term value for shareholders.

Variable remuneration combines financial and business targets with the achievement of environmental, social and governance (ESG) goals in line with the Cellnex ESG Master plan. As such, in 2023 all employees will integrate a component of ESG-linked metrics into group and/or country targets, which complement individual ones.

Competitiveness

Employees' compensation must be competitive to boost engagement, which is achieved by establishing a remuneration package in line with market standards, taking comparable sectors and companies into consideration. That is why compensation and benefits benchmarks are conducted regularly by a specialist consulting firm (Willis Towers Watson).

In 2022 Cellnex did a Perks & Benefits Benchmark & Audit to have review the benefits currently offered, including statutory and mandatory requirements, along with the market practice in each country. Mercer it gives recommendations to define and harmonise benefits across organisations in line with local markets and trends.

Remuneration must be sufficient to attract and retain the talent desired by the Company. All compensation elements are maximised to support employees' journey and secure business results.

Structural

- Annual salary review – paying for performance according to merit and the market
- Short-Term Incentive Plan – rewarding achievement of annual business objectives
- Benefits – retaining employees

Discretional

- Long-Term Incentive Plan – retaining potential and key talent
- Lump Sum – recognising special contributions on ad hoc basis

Equity and Fairness

Cellnex has a job levelling system that defines job levels across the company, taking account of the responsibilities, scope, qualifications, experience and profile required for each job, which brings consistency and is key to defining compensation levels.

Individual remuneration must be consistent and fair, taking employees' level of responsibility, qualifications and results into consideration.

One of the key pillars of Cellnex's compensation strategy is equal pay, which is also aligned with Cellnex values: equal pay ensures fairness in remuneration based on the level of responsibility, leadership and performance within the organisation, helping to retain key professionals and attract the best talent.

Associated with Cellnex's Equity, Diversity and Inclusion commitments, Cellnex conducts regular gender pay analyses to guarantee equal opportunities and rewards across the company. Every year it performs a global analysis to ensure equity and fairness using the Willis Towers Watson methodology.

Pay for performance

Pay for performance means linking pay to the achievement of financial, business and value creation, aligned with Cellnex's corporate interests. The Holistic Performance Management model that was defined in 2022 links people's performance to their remuneration, by making “what” they achieve as important as “how” they achieve it.

In short, this Remuneration policy, along with the Holistic performance management model, supports the strategic principles defined above by ensuring:

- An integrated and consistent Reward Model.
- Internal Equity and Competitiveness.
- Differentiation according to contribution.
- Payment for performance.

Talent Academy

Through the Talent Academy, Cellnex fosters people's growth and engagement, offering a holistic and comprehensive development package in line with its business strategy, needs and culture.

Cellnex aims to provide constant development for all employees in each of their areas of interest to grow and improve as professionals every day.

The Talent Academy connects the three pillars of Cellnex in every development programme to promote corporate culture, leadership, and equity, diversity and inclusion in the workplace.

Academies

3 academies have been set up with all the programmes available to grow and develop.

It offers specific learning tools in three main areas: Inclusive Leadership, Smart Working and the Women Acceleration Development Programme (32 women were impacted this year, along with their managers, and an internal mentor was assigned).

Cellnex has conducted 18 workshops on Inclusive Leadership. More than 1227 people have participated and 76% of managers (223 out of 295) took part in a pulse survey that provided a picture of where the company is in terms of Inclusive Leadership. The score was 3,9 (3,84 Global benchmark top quartile).

There is also a programme that launches monthly "smart challenges", meaning that training in Empowerment, Efficiency and Collaboration is offered every month.

Moreover, the Leadership Academy provides mentoring programmes and tools to promote the habits, effectiveness and trust outlined in the leadership models that define Cellnex’s culture.

The Expertise Academy harnesses Cellnex's most important value, the great specialist knowledge of each member. It promotes the transfer of expertise within the team to renew and adapt to the challenges of the company’s business. In this regard, Cellnex has a Young Talent Intercompany Programme, providing young participants with mentorship and shadowing.

Mentoring programmes

There are 60 mentors assigned in various programmes and investment was also made in Coaching (90 participants, 299 hours).

Linkeding learning

Cellnex provides a LinkedIn training platform for employees, so that each employee can train themselves. It also offers Leadership and Management training to all employees.

Cellnex aims to provide constant development for all employees in each of their areas of interest so they can *grow and improve as professionals*

> ***"Our initiative "knowledge transfer", where we trained employees without technical background about actual topics (FRMCS, Evolution 2G–5G ...) was very successful and more than 50% of the company participated. The feedback was positive and the idea will be used for other countries. Very proud to be part of this team!."***
>
> **Daniel Dominguez, Customer & Network Projects - Cellnex Switzerland**

Women Acceleration Development Programme

A seven-month programme that impacts the entire ecosystem, providing participating 32 women with mentoring and coaching, along with development workshops. Training is also provided for their managers and their assigned mentors, fostering development and gender equality.

Cellnex MBA Programme

The Cellnex MBA enables participants to address the complex global realities of the environment in which Cellnex operates, incorporate tools to manage and implement strategies in a variety of business areas and develop a project that reflects the knowledge acquired. In 2022, 20 employees from nine countries (15 men and five women) took part.

Inclusive Leadership Programme

1227 people took part in the Inclusive Leadership Programme. 18 workshops and masterclasses were held. An Inclusive Leadership score of 3.90 (3.84 is the Global Top Quartile Benchmark) was obtained through the leadership pulse survey.

Training Management & Leadership

291 people have benefited through 3,956 hours of training, from the corporate Leadership Paths, which have been created to foster leadership, aligned with Cellnex' culture. There are different itineraries for all organizational levels, to better accompany each one at every moment of their professional life.

Expertise Academy - Training hours

Total hours dedicated to training	
Sustainability	1,414
Safety in the workplace	10,985
Human Rights	3,845
Cibersecurity	1,315
Anti-corruption	586
Quality and IMS	292

In 2022 the total number of training hours were 66,730 (44,389 in 2021), impacting 3,003 people - 99.5% of Cellnex employees. The average of training time per employee was 22.1 hours in 2022 (15.4 hours in 2021).

Ignición project

In 2017 Cellnex Spain launched the *Ignición* project, an initiative with the primary goal of developing young talent through continuous mentoring and a number of complementary activities during their university work placements at the company.

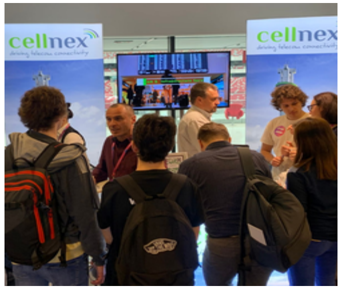
In 2022, Cellnex went one step further by setting out its commitment to Dual Vocational Training in the education and business spheres as a lever for growth, focusing on higher level vocational training courses (CFGS) in Telecommunications Facilities. And in 2023, Cellnex will reaffirm its commitment to Dual Vocational Training, as part of the *Ignición* Project, expanding its collaboration with other establishments in the peninsula where Telecommunications Facilities CFGS or Electronics CFGS are taught, with four scholarships in Spain.

Technology session

In 2022 and during 2023, four workshops will be held under the umbrella of the "technology sessions" project at Cellnex Switzerland to delve into topics such as DAS, Evolution 2G-5G, introduction into FRMCS, and Basic Telecom equipment.

Cellnex takes part in the largest job and internship events for students and graduates

Cellnex's strength is its people, who are experts in their fields. Thanks to them, Cellnex can develop and its employees can learn from each other, which is why the company is striving to make Cellnex a great place to work. And this message must also be made clear to future generations of Cellnex employees, which is why the company takes part in various job fairs for students and graduates, such as the Absolvent Talent Days event in Poland. The initiative allows young talents to connect with employers.



Cellnex: a place to grow

A **great place to work** is a place with high levels of trust between managers and employees, with open communication and excellent working conditions and development opportunities. A place where people count and their voice is heard, they feel safe and respected and, consequently, they're proud to be part of the company. Developing a Cellnex team that is proud to belong and promoting external recognition of this culture create the ideal conditions to attract and retain talent. Cellnex is creating a place that everyone can call home.

Cellnex implements this strategy in these main areas: Culture & purpose; Well-being; Smart working; Career progression; and Competitive compensation.

Smart working

The company fosters a culture of self-leadership, effectiveness and collaboration. Cellnex drives efficiency to obtain more impact with less effort, providing the IT tools and time management habits to do so. Cellnex works in a collaborative environment, meaning that your point of view is enriched by that of your colleagues. Teamwork makes the company stronger to face new challenges.

Cellnex has smart workplaces that foster these ways of working and promote flexibility: your workplace is wherever you are, your work adapts to your pace and Cellnex integrates remote working in a natural way.

Smart working

A mindset based on 3 pillars:		
Empowerment	**Effectiveness**	**Collaboration**
Work smarter, not harder	**More impact, less effort**	**Cellnex keeps growing together**
Fostering a culture of trust through leadership, accountability, autonomy, flexibility and engagement.	Agility, IT Tools, Processes, Time Management, Golden rules, Digital disconnection	Creating a collaborative, project-based culture with a human approach, facilitated by a smart workplace

Cellnex Spain recognised for its commitment to the Smart Working project

Within the framework of the Smart Working project, Cellnex Spain has designed a strategy of monthly challenges to provide its employees with information on the methodology and benefits of Smart Working. The project team have provided videos, shared recommended readings and sent out newsletters with useful information on the subject. Thanks to the effort made by Cellnex Spain, these have been recognised by the Corporation as Best Practices in implementing the Smart Working project.

Office Manager

Cellnex has a tool, **Office Manager**, that contributes to have more flexible and dynamic workplaces and facilitates users daily experience. Is a digital solution and web application to manage in a more efficient and intelligent way the spaces, facilities and services of its offices. Office Manager main functionalities are: desk booking, parking slot booking, incidence management, visits management, etc

New offices Poland

The opening of the new HQ offices in Warsaw in October is a significant milestone in Cellnex Poland process of consolidation and growth of the company and to closer integrate their teams that had been working in different cities, offices and coworking spaces for several months. The 4.400sqm office aims to become a space for collaboration with colleagues and customers. The most appreciated by the 350 employees working there is the effort put on designing comfortable and "home a like" spaces, the greenery outside the building and the great communication via all means of transport.

Social dialogue

Cellnex encourages dialogue with its employees and their legal representatives, such as works councils, employee representatives and H&S Committees, duly informing, consulting and negotiating with them. There is also an email and an application on the corporate intranet to allow all Cellnex people to report any situation in which worker safety may be compromised.

Thanks to the fruitful and intense dialogue that is constantly maintained between the management of the company and the workers' representatives, in 2022 there were no legal claims by employees or any disputes involving workers' legal representatives at any of the Business Units in the Cellnex Group. The percentage of workers under collective bargaining agreement is 60%. The countries where there is collective bargaining exists are shown in the following table. Consolidated data refers to all employees in these countries:

Collective agreements

🇪🇸	99 %
🇮🇹	100 %
🇫🇷	100 %
cellnex	60 %

Cellnex Austria
Cellnex Denmark

There are no workers' committees because the number of employees is below the minimum established by law, meaning that there is no obligation to have a committee. However, workers can set up a committee if they choose to. Moreover, there are regular team meetings and one-to-one meetings between the managing director and employees. The minimum period notice prior to the implementation of significant operational changes is of 3 months.

Cellnex Spain

As regards employees' representatives, in the case of Retevisión I S.A., there are currently five union branches: CCOO, STC, SI, USO and CSIF. In addition, there is a company level works council representing all employees and union branches. The members of the company level works council are, in turn, staff delegates.

Social dialogue is carried out through the Retevisión company level works council, which is made up of 12 members. There is also ongoing dialogue with the three works councils at Retevisión, namely:

- Madrid Works Council, with nine members.
- Barcelona Works Council, with nine members.
- Valencia Works Council, with five members.

At Tradia Telecom SA, there are currently three union branches: CCOO, USO and SI. Social dialogue is conducted through the Tradia company level works council, made up of nine members. There is also close dialogue with the Barcelona Works Council.

At both Retevisión I S.A. and Tradia Telecom S.A., there is ongoing dialogue with the various staff delegates at workplaces where no works councils exist. There are also several committees comprising workers' legal representatives and company management. For example, the Employment Committee, Social Action Committee, Company-Level Health and Safety Committee, etc.

At OnTower, in Torre Llevant Center (Barcelona), there is one trade union representative.

The companies Cellnex Telecom, SA, Cellnex Telecom España, SA, Cellnex Finance Company, XOC, Bitnap, ZENON and Adesal do not currently have workers' representatives.

At Cellnex Spain, Management and Employee Representatives at Retevisión, Tradia and On Tower agreed on a voluntary redundancy plan in December 2021 to adapt the organisation to the evolving business model. The agreement will be in force for the period 2022-2025.

The minimum period notice prior to the implementation of significant operational changes is as established in each of the collective agreements.

Cellnex France

In France there are two committees, made up of 24 people who meet bimonthly and address issues such as working time, health and safety, salaries, benefits and health care. The minimum period notice prior to the implementation of significant operational changes is varies depending on the situation.

Cellnex Netherlands

A works council with five employee representatives was established in September 2022. Meetings between the Works Council and management take place bimonthly. The minimum period notice prior to the implementation of significant operational changes is typically one month.

Cellnex Ireland

In Ireland there are three representatives on the Committee, which meets once a quarter. Some of the topics discussed by the Committee relate to incidents that have occurred, risk assessments, training, etc. The minimum period notice prior to the implementation of significant operational changes is typically one month.

Cellnex Italy

In 2022 Cellnex Italy agreed with the National Trade Unions that the previous Workers' Representatives from CKHNI would also be involved in dialogue and meetings after the merger. All the main unions now have branches (CGIL, CISL, UIL and USB) with eight colleagues. Cellnex Italy has a ongoing relationship with the workers' safety representative (RLS) to discuss and solve issues of all kinds and strive for continuous improvement focusing on excellence in health and safety at the company. The minimum period notice prior to the implementation of significant operational changes is four weeks.

Cellnex Poland

In Poland the Committee has eight members and meetings are held at least once a quarter, during working hours. The topics covered revolve around health and safety training, including training for employees who work at heights, medical examinations, work accidents, and health and safety services. The minimum period notice prior to the implementation of significant operational changes is four weeks.

Cellnex Portugal

There are no workers' committees. However, workers can set up a committee if they choose to. The minimum period notice prior to the implemen-tation of significant operational changes varies depending on the situation. There is one Health and Safety committee with three employees that met once in 2022.

Cellnex United Kingdom

Cellnex UK has a Colleague Board (CCB), which aims to represent the opinions and ideas of company colleagues regarding any changes and major decisions involving personnel. The CCB adopts a "two-way approach", meaning that sometimes it consults colleagues on proposals and on other occasions it puts forward comments or/and new ideas. There are two health and safety committees that meet quarterly. The minimum period notice prior to the implementation of significant operational changes is four weeks

Cellnex Sweden

In 2022, there are no workers' committees as the number of employees is lower than the minimum established by law, meaning that there is no obligation to have a committee. Nevertheless, a local workers' council will be established in 2023. There is one Health and Safety committee with three employees that met once a month in 2022 to address topics such as risk assessment and training. The minimum period notice prior to the implementation of significant operational changes is varies depending on the situation

Cellnex Switzerland

There are no workers' committees but nevertheless, the employer provides information, consultation and co-decison to the employee at all times in accordance with the Participation Act, Art. 3. Right to representation. Cellnex Switzerland was member of a natiional Health and Saftey commitee with 14 representatives that met three times in 2022 to update the SUVA telecom guideline The minimum period notice prior to the implementation of significant operational changes is varies depending on the situation.

3.5 Diversity and inclusion

Being diverse and inclusive is one of the strategic pillars of Cellnex's Environment, Social and Governance Master Plan, whose vision is "Driving telecom connectivity between territories, with a common and inclusive culture, aiming to be part of the solution for society."

Cellnex's Equity, Diversity and Inclusion Policy establishes guidelines and lines of action in the areas of Equity, Diversity and Inclusion to allow the concept of Diversity to be put into practice and consolidated within Cellnex, communicated to stakeholders and implemented in all the companies.

Cellnex's Equity, Diversity and Inclusion plan (EDI) is embedded in the company's people strategy as a key part of it. EDI brings long-term, sustainable competitive advantage. Integrating Cellnex's rich diversity and multiple sensibilities and points of view makes the company stronger, because Cellnex firmly believes that diverse teams bring more creativity, innovation and better decision-making, provided they are underpinned by an inclusive environment.

Over recent years, Cellnex has been leveraging EDI as a distinctive added value for Cellnex's purpose, vision and values to drive durable long-term results, demonstrating the company's strong commitment to promoting equity, diversity and inclusion through inclusive leadership as a lever of change and business sustainability.

People and their diversity are the most important factors impacting Cellnex's success and performance. Difference and plurality, equal opportunities, non-discrimination and inclusion in the workplace are first-tier strategic factors in the organisation.

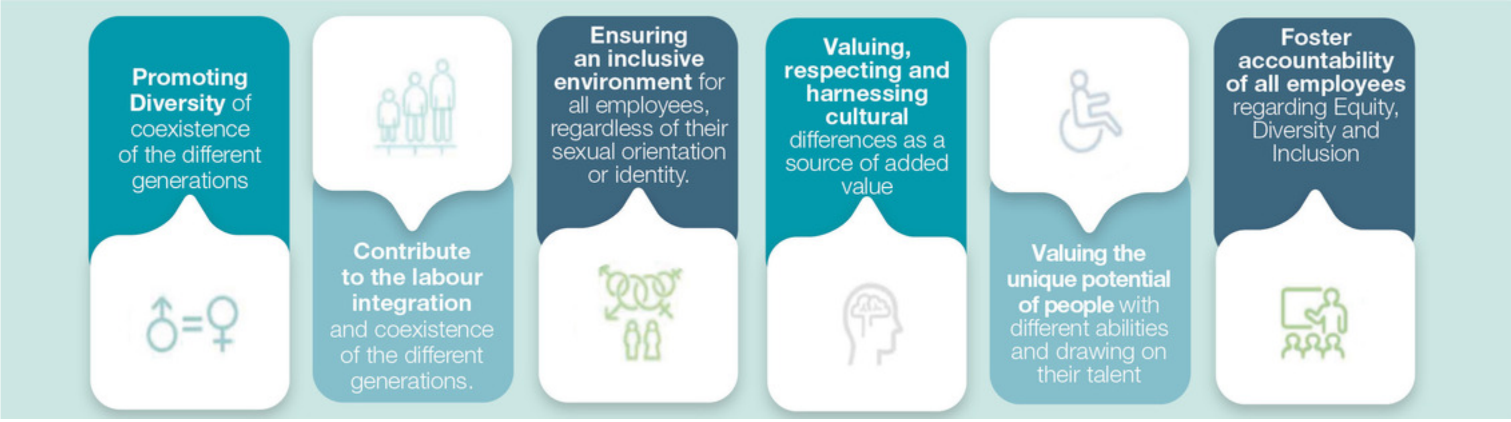
It is a priority for Cellnex to create a climate that favours diversity in every respect, with a particular focus on the following areas: gender, age, emotional/sexual, cultural and functional; while also rejecting any kind of discrimination based on these factors that may hinder company growth or impact the selection, retention, development and well-being of the company's employees.

Objectives:

- Creating a common corporate culture among the Group.
- Defining and implementing Cellnex's equity, diversity and inclusion programme.
- Promoting and fostering talent attraction and retention.
- Respecting the health and safety of employees at their workplace.

Cellnex has defined a series of drivers to help to promote specific, measurable initiatives that will bring Cellnex closer to its EDI ambitions.

The first driver is Outside In, which has prompted Cellnex to work on two important pillars, Employer Branding and Talent Attraction Strategy. To strengthen Cellnex's commitment to diversity, it has undergone a series of certifications in EDI with positive results. These notably include the UN Target Gender Equality programme in Spain and Poland, in which Cellnex obtained a positive score of 73%.



In 2022 Cellnex *joined the Diversity Charter programme* for the first time in *Denmark, Poland and Portugal*

In addition, in 2022 Cellnex joined the Diversity Charter programme for the first time in Denmark, Poland and Portugal. In Spain, Cellnex joined the Charter initiative three years ago and renewed its commitment in 2022 and Cellnex Italy joined the Sodalitas Diversity Charter in 2020.

Another Driver is awareness, whereby Cellnex underscores its people's commitment to making diversity a driver for the business. A significant number of training hours (8,600) were invested in awareness workshops and campaigns, with more than 650 people taking part. This means that people are deeply interested in learning and growing. In this regard, five countries conducted specific intercultural workshops (over 3,900 training hours) with the aim of better understanding the various ways of working and fostering collaboration.

The next driver is growth, in which Cellnex is making a major investment in promoting talent and developing skills. The last, but not the least, of the drivers is leadership. Cellnex´s senior leaders have renewed their commitment to and support for the EDI Strategy and updated the EDI Leadership Statement. Senior Managers have also introduced regular EDI discussions in their business agenda. In addition, Cellnex has expanded the EDI Champion community, boosting the number of members to 43, across territories and roles.

EDI DRIVERS: AWARENESS

Everyone's invited

To our Workshops & campaigns

+650

Participants in periodical diversity workshops & specific campaigns

EDI WEEK
Bimonthly workshops
Cultural month
LGTBIQ+ month

+8,600

trainig hours

5

Countries

participating at intercultural workshops

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+3,900

trainig hours

> ***"It's a pleasure to work in a Company that takes it's contributions to promote Equality very seriously. This year we chose to put extra focus on the pride month with internal activities, speeches, and workshops to make sure the important messages about equality for all are repeated, not least when it comes to minorities."***
>
> **Morten Ekebjaerg, Country Managing Director - Cellnex Denmark**

EDI Champions

The EDI Champions are a group of employees from a variety of countries with different positions, genders and ages who collaborate in implementing and promoting the Equity, Diversity and Inclusion plan in the countries where Cellnex operates. Currently there are 43 champions across the Cellnex Group. The team was expanded in 2022 with 12 new champions. The EDI Champions include two recruitment champions who have established the primary goal of evaluating the various aspects of diversity in the Cellnex recruitment process.

Pride month campaign

In June, coinciding with Pride Month, Cellnex carried out actions to celebrate and raise awareness of diversity in sexual orientation and gender identity. This initiative emerged from the well-established Proud to be Proud Connecting Circle. The Company created a list of materials such as books, series and films that focus primarily and/or touch on topics related to the LGTBIQ+ movement and made them available to all its employees. An inclusive language guide was also provided. Another initiative was to set aside six days when employees had to dress in a specific colour of the LGTBIQ+ flag.

Connecting Circles

EDI Connecting Circles, a safe space for connection between employees where they can share, learn and raise awareness, focusing on a specific topic related to diversity, inclusion and personal development. The Circles meet periodically to develop an activity around a specific issue or topic. In 2022 Cellnex launched its second Connecting Circle: Women Empowerment, with the participation of 28 employees. It is also a resource for the Company to launch more awareness-raising actions, such as the Pride Month campaign, designed and led by the Proud to be Proud Circle. Cellnex plans to launch more Connecting Circles in 2023.

Blind CV

To ensure that there is no bias or discrimination, blind CVs are used when recruitment is handled by an external company.

EDI DRIVERS: OUTSIDE IN

Highlights

Outside In

Employer Branding & Certification

Diversity Attraction strategy

Recruitment.

Collaboration with initiatives and external entities.

Sponsorships.

Talent attraction.

Talent Attraction

- **Employer Branding Strategy**

- **EVP Attributes**

- **Channel Strategy**

Employees, Website & Social Media

EDI Certifications

- **Target Gender Equality UN – 73% (Advanced) Score**

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- **Bloomberg GEI member**

Bloomberg Gender Reporting Framework 2022

- **S&P ESG 81 (+8 Y-o-Y) (Social 78, +15 Y-o-Y)**

- **Diversity Charter**

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Carta Diversidad 2022 2024

Carta per le pari opportunità e l'uguaglianza sul lavoro

Carta Portuguesa para a Diversidade

Underskriver af Det Danske Charter for Mangfoldighed 2022

Karta Różnorodności

- **Cultural Index**

External programs

- **Technovation Girls**

90 girls participating in this initiative.

- **Employability Portugal**

13 Mentors from Cellnex to promote entrepreneurship.

- **Ignición Spain**

45 participants.

- **Youth Challenge**

796 participants.

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EDI DRIVERS: GROWTH

Highlights

Growth

Development & Equal opportunities

Mentoring

Mentoring o Accelerations Development Programs.

Work-life balance initiatives.

Labor insertion and integration.

2 editions

WOMEN ACCELERATION DEVELOPMENT PROGRAM

32 Mentees
32 Mentors
32 Women's Managers

WOMEN PROGRESA & PROMOCIONA

Since 2020, female key talent participate every year

WOMEN INTERCOMPANY MENTORING

10 Mentees & **10** mentors from other companies

YOUNG TALENT

INTERCOMPANY PROGRAM

5 Participants
5 Mentors
5 Directors (Shadowing

GRADUATE PROGRAM

Launched in 21

EDI CONNECTING CIRCLES

Initiated in 2021
Expanded in 2022
28 participants

MENTORING

93 Mentors identified
60 Mentors assigned in different programs

COACHING

90 participants
299 hours of coaching

INCLUSIVE LEADERSHIP PROGRAM 2022 FOR:

All employees

Leadership

EDI Governance

EDI Champions

Governance actions

EDI workshops every quarter within the GSC business meetings

highlighting the importance of this topic for the business.

EDI TARGETS reflected in MBO and LTIP

EDI Statement

EDI Statement published and signed by All EXCOM & MD

43

EDI Champions

participating in EDI Champions Committees

Champions in every country

6 of them are leaders of one diversity area +2 for hiring

Cellnex featured on Bloomberg's Gender-Equality Index for the second consecutive year

The index recognises the company's commitment to advancing gender equality in the labour market by rolling out policies and initiatives to promote women's careers and greater female representation in the organisation

EDI in action

Cellnex Denmark

In 2022 Cellnex Denmark signed the Danish Diversity Charter, a formal document that business stakeholders and workplaces can sign. By signing, Cellnex Denmark officially supports the vision of increasing and engaging diversity in the Danish business community and at Cellnex Denmark. The overall purpose of the Charter is to support businesses and workplaces across the country to work for greater diversity and inclusion in the labour market. There must be space for everyone in the labour market, and the Charter and the decision to sign it must help claim it.

UNDERSKRIVER AF
DET DANSKE CHARTER
FOR MANGFOLDIGHED
2022

Cellnex Spain

Cellnex has an Equality Plan for its employees in Spain, intended to steadily increase the presence of women in the company, in all positions and responsibilities, guaranteeing equal treatment and opportunities between women and men and preventing sexual harassment and discrimination based on gender, both indirectly and directly. The Equality Plan measures, implemented four years ago, focus on the following areas:

- Training: Equality training has been provided for all staff.
- Selection: Indicators have been established in the selection processes to work on equating gender diversity.
- Flexibility and Work-Life Balance: Action has been taken to improve flexibility and work-life balance by reducing working hours and compacting reduced working hours and through unpaid leave for child care, voluntary leave, leave of absence for child and family care, maternity and other parent leave and marriage leave. The digital disconnection protocol and the Remote Work Agreement were also established.
- Awareness and understanding: The goal is to raise awareness and understanding of inclusion, diversity, equity, equality and conciliation in the organisation with workshops, seminars, diversity week, renewal of the Diversity Charter, etc.

Cellnex has a protocol against harassment and discrimination based on sexual orientation or gender identity to prevent and eliminate situations of harassment related to gender, sexual orientation and gender identity.

Cellnex Italy

Cellnex Italy was the very first company in Italy to certify for Gender Equality under the PDR 125 certification, demonstrating leadership in Sustainability. The PDR 125 certification encourages and supports companies to create a work environment that is genuinely more inclusive and non-discriminatory.

cellnex
La nuova PDR 125
prevede la certificazione della
parità di genere
in tutte le aziende italiane

Cellnex Poland

Cellnex Poland joined almost 300 Polish companies and signed the Karta Różnorodności (Polish Diversity Charter), coordinated by Forum Odpowiedzialnego Biznesu under the aegis of the European Commission.

The Charter is a commitment signed by organisations that decide to ban discrimination in the workplace and act to create and promote diversity. It expresses the company's readiness to involve all its employees and business and social partners in these activities. Organisations that decide to implement this tool work towards social cohesion and equality.

DIVERSITY CHARTER
IN POLAND
COORDINATED BY
RESPONSIBLE BUSINESS FORUM

CERTIFICATE
Cellnex Poland
DIVERSITY CHARTER SIGNATORY
commits to promote diversity and equal opportunities,
as well as active prevention of discrimination in the workplace

Cellnex Portugal

Cellnex Portugal has signed the Portuguese Diversity Charter, reaffirming its commitment in the areas of Equity, Diversity and Inclusion. The Charter is a letter of commitment to 10 principles, signed on a voluntary basis without cost by companies and institutions from the same country, whatever their size and sector. By doing so they take on a commitment to promote the key principles of equality, diversity and inclusion.

CARTA DIVERSIDAD
2022
2024

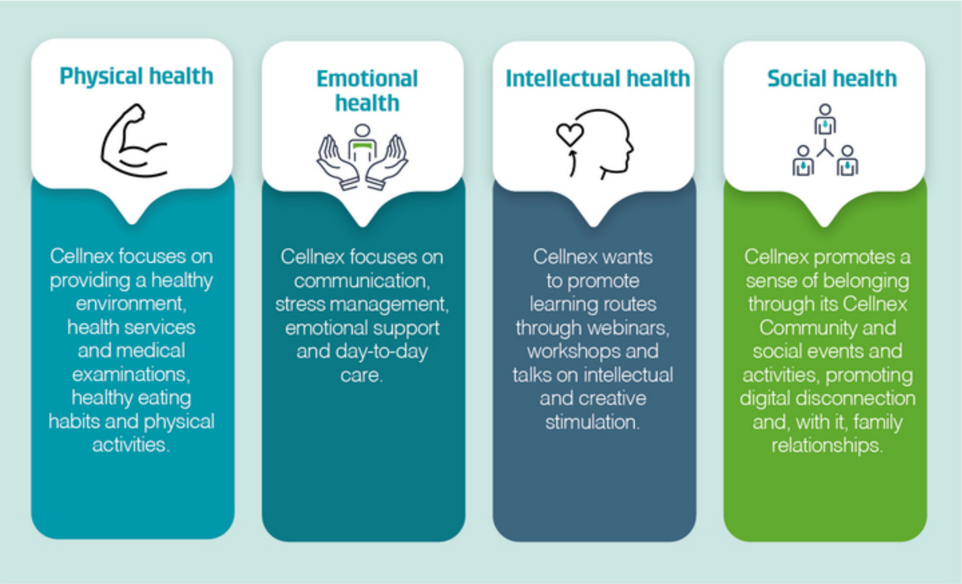
3.6 Safety and well-being at our core

> ***"The well-being site is a powerful tool with very interesting and useful content. It provides excellent support to increase the well-being of the company's employees and a learning and improvement opportunity for the management of employee well-being. It is undoubtedly a programme that will help people and teams at Cellnex Telecom"***
>
> **Ana Serrano, Health & Safety project manager - Cellnex Corporate**

Well-being at Cellnex

Cellnex cares about and safeguards the health and well-being of all its employees, by guaranteeing great workplaces and the best working conditions. The company designs human-centric workplaces where employees feel that the company provides several dimensions of care through a single model for everybody, based on culture, behaviour and leadership with the support of a well-being platform.

Cellnex strives to provide excellent working conditions and development opportunities, promoting the general health and well-being of its people. The Well-Being Model takes four dimensions of health into account: physical, emotional, intellectual and social



Physical health

Cellnex focuses on providing a healthy environment, health services and medical examinations, healthy eating habits and physical activities.

Emotional health

Cellnex focuses on communication, stress management, emotional support and day-to-day care.

Intellectual health

Cellnex wants to promote learning routes through webinars, workshops and talks on intellectual and creative stimulation.

Social health

Cellnex promotes a sense of belonging through its Cellnex Community and social events and activities, promoting digital disconnection and, with it, family relationships.

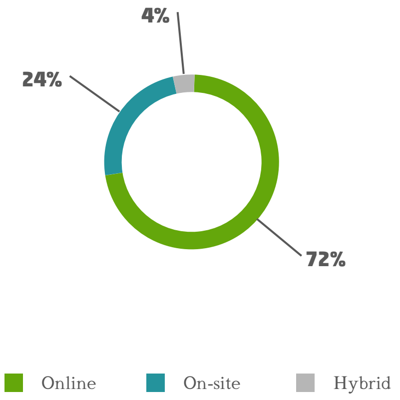
Well-being related benefits

Some of the most relevant policies and initiatives are shown below:

- Hybrid working policy.
- Digital disconnection policy.
- Annual paid leave.
- Days off from work for illness or personal reasons.
- Flexible working hours.
- Parental leave policies and supporting resources, including guidance on the positive health impacts of parental leave.
- Baby Friendly Company seal: supporting members of the team who are going to be mothers or fathers. When they receive the good news, they are given a complete guide to pregnancy, childbirth and post-partum life, and a complete baby box when the child is born.

Following the results of the employee survey, a global annual programme was developed and implemented in 2022 within the corporate well-being platform available in all the countries. This global programme has launched over 30 actions and initiatives in a variety of formats such as videos, posts, infographics, webinars and workshops with a special focus on the dimensions of emotional and physical well-being.

Well-being contents



	Total attendees
Emotional Well-being	343
Physical Well-being	217

In addition, Cellnex has continued expanding the Employee Assistance Programme, which is available to 100% of employees in all countries and is designed to provide support and advice on various issues (emotional, family, social, etc.), in a setting that is always private and confidential.

Country well-being initiatives

Cellnex Spain

Corporate wellness service: offering access to over 2,000 sports centres, multiple outdoor activities and more online training channels, available to all employees in Spain. In 2022, the number of employees who are active in this service doubled compared to 2021, with almost 11% of the target workforce currently benefiting from physical activity.

Cellnex Poland

MultiSport Card: offering access to over 2,500 sports centres, outdoor activities and online offers, such as consultation with nutrition experts, dietary advice, yoga training, access to health articles and diet food. It is subsidised by the employer from the social fund.

Cellnex Sweden

Cellnex Sweden has an agreement with Feelgood Health Provider Company as a Health and Safety Partner.

Cellnex Netherlands

At Cellnex Netherlands employees benefit from an individual allowance to promote participation in sport and foster well-being (e.g. gym subscriptions sports clubs sporting gear etc.).

Breast cancer prevention talk at Cellnex headquarters

As part of the company's well-being programme, employees at Cellnex headquarters had the opportunity to learn much more about breast cancer issues thanks to a conference with Dr Isaac Cebrecos, a specialist in Gynaecology at the Hospital Clínic in Barcelona.

Cellnex United Kingdom

Cellnex UK has Mental Health First Aiders across all office locations to provide guidance to help in mental health situations.

Moreover, Cellnex UK works with 'Everymind at Work', running a range of initiatives such as webinars and links to podcasts related to mental health in the workplace, and all employees have access to the Calm app, which guides meditations and offers wisdom-filled masterclasses led by experts, and much more.

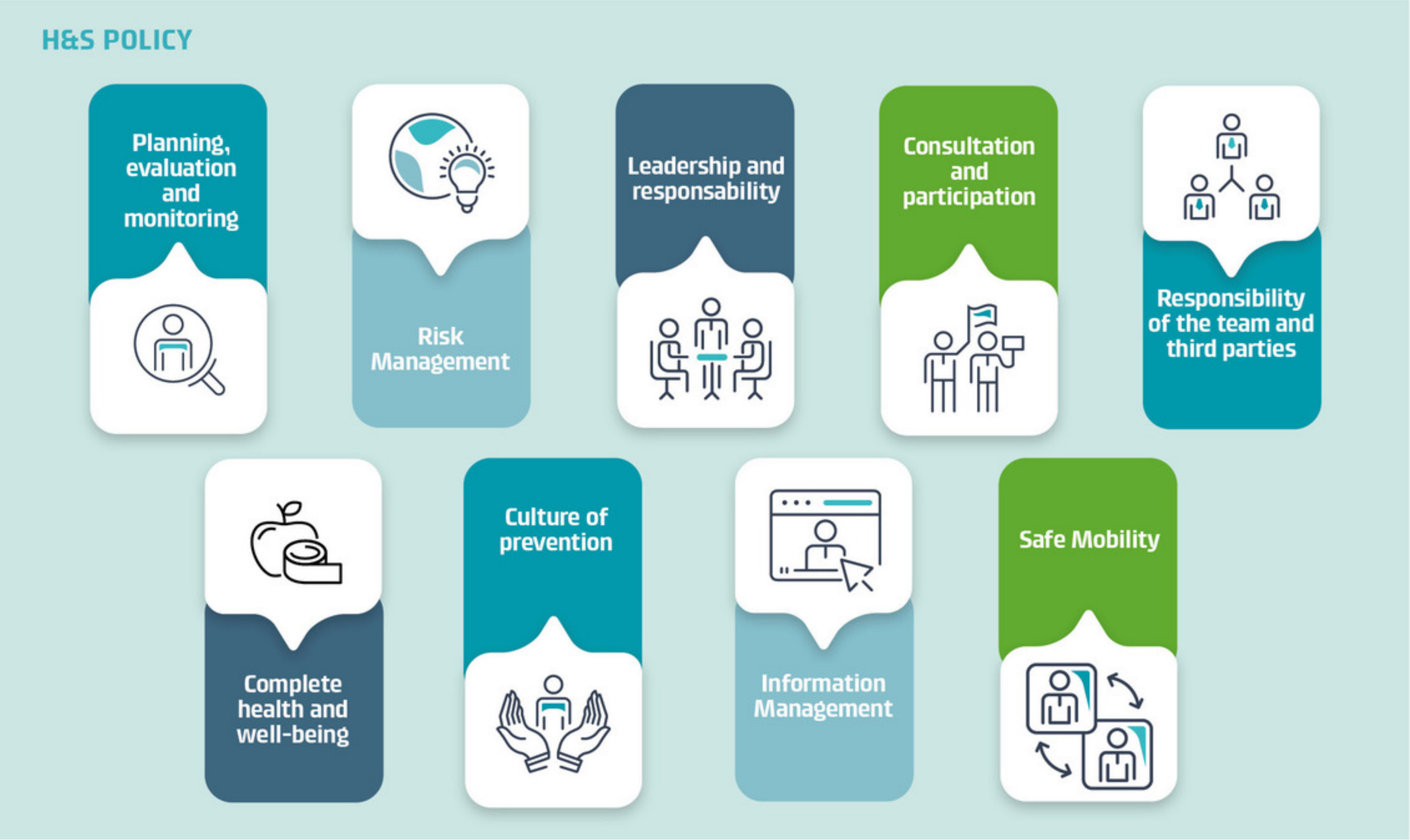
All the offices have a wellness room, complete with a medication fridge, women's wellness packs, prayer mats and yoga mats (for physio or stretching).

Health and Safety at Cellnex

By ensuring Health and Safety at work, Cellnex contributes to sustainable development, respecting the health and safety of its employees in the workplace in a way that is consistent with the Company's purpose, values, goals and strategy.

Occupational Health and Safety (OHS) is one of the strategic priorities included in Cellnex's ESG commitments.

Cellnex's Health and Safety Policy sets out specific commitments grouped into nine work streams. Through them, Cellnex endeavours to ensure health and safety at its workplaces, through its dedication to building and maintaining a culture of awareness, prevention and constant improvement.

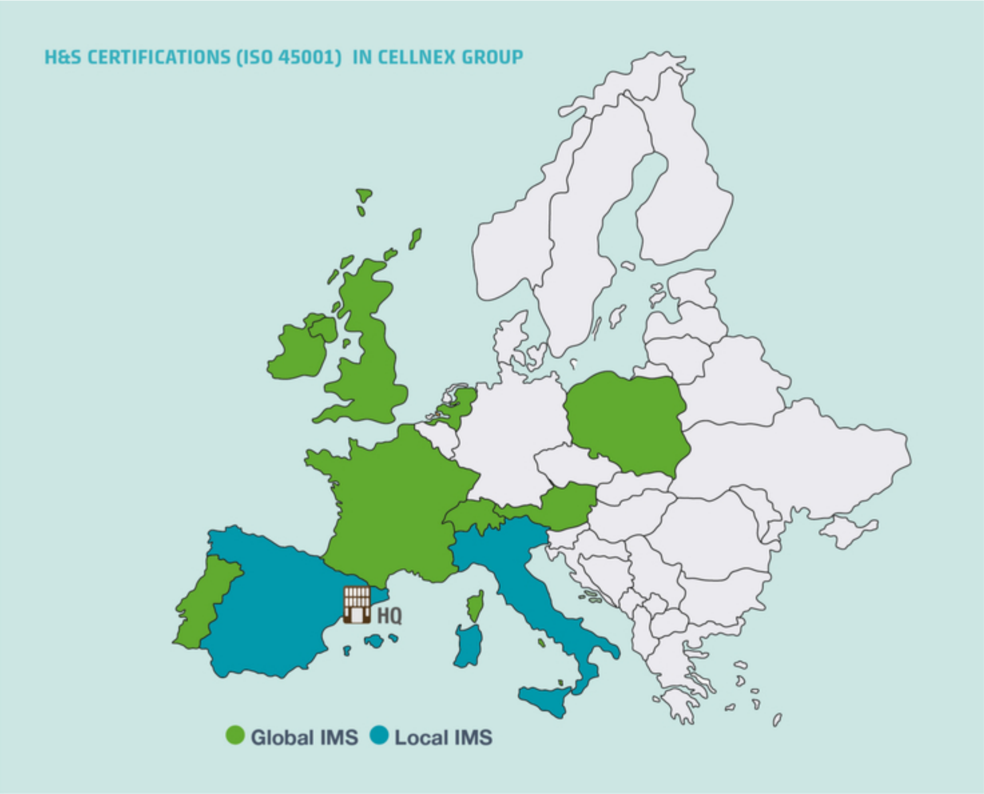


Health and Safety certifications

Since 2021, Cellnex has designed, developed, and rolled out a complete OHS ISO 45001-based documentation scheme, in accordance with the IMS Certification Roadmap, including over 40 global procedures, guides and templates necessary to manage the main OHS processes across the countries.

In 2022 the new business units included in the scope of the Group ISO 45001 were Poland and the United Kingdom. The inclusion of these new countries in the global certification, along with local certifications, makes a total of nine countries certified in this standard, to which new countries will be added until the entire geography where Cellnex operates is covered.

In those countries that have ISO 45.0001, 100% of employees are covered by the management system. Additionally, at Cellnex Spain, 100% of subcontracted companies are also covered by the ORP management system. In the case of Cellnex France, there are 115 subcontracted people who are also under the ORP management system. In the case of Cellnex Italy there are 14 subcontracted people, in Cellnex Switzerland 10, 15 in Cellnex Netherlands and Cellnex Austria, and in Cellnex Poland there are 118 external people. In case of Denmark and Sweden there are 5 people and in Cellnex Portugal and Cellnex United Kingdom, 100% of subcontracted people who work at Cellnex sites are covered by the ORP management system.



Well and Leed

To demonstrate its firm commitment to designing great workplaces with the best working conditions, Cellnex has obtained the LEED Gold Certification and is working to obtain the WELL Certification in 2022 for its corporate headquarters in Barcelona (Spain). Cellnex also expects to roll out the same certification scheme for more workplaces where the Group operates over 2023.


LEED

CELLNEX TORRE LLEVANT

Barcelona, Spain

GOLD

August 2022

Country H&S initiatives

Some of the most relevant health and safety measures are as follows

Cellnex Austria

An email address has been created, and circulated to employees, for any issues relating to health and safety and to workplace safety (complaints, questions or proposals), which are handled by the legal department and an H&S representative.

Cellnex Denmark and Cellnex Sweden

Cellnex Denmark and Sweden employees can use a whistleblowing function on the intranet to report work-related hazards and hazardous issues.

Cellnex Ireland

Safety law in Ireland prevents penalisation of workers who report unsafe conditions or make representations about safety matters. In this regard, Cellnex Ireland employees have been trained in risk assessments under the Cellnex Ireland safety management system. They are aware that they must work within the procedures set out in the system and are authorised to make site-based decisions to decline work that they believe to be unsafe.

Cellnex Italy

At Cellnex Italy workers use a specific application to compile checklists reporting any non-conformities (NC) found at technical sites, and they take action directly with the suppliers for resolution. The NCs and the closing of them are transmitted and monitored by the Prevention and Protection Service (SPP) which, in the event of serious situations, indicates the prevention and protection measures to be prepared.

Cellnex United Kingdom

A comprehensive incident reporting tool is in place for all employees and suppliers, and a Risk Control Assessment process is in place to identify all the causes, along with a process to implement further controls to prevent reoccurrence.

Health and Safety Master Plan 2021-2022

The Cellnex 2021-2022 Health and Safety Master Plan, applicable to all Cellnex companies, seeks to foster and protect the health and well-being of all Cellnex personnel, provide a safe and healthy working environment and ensure the safety of the employees and people present in its facilities.

As part of this two-year master plan, 14 actions were launched in 2021 and were closed with a compliance level of over 80% in the course of the first year. In addition, 13 new actions were launched with an average level of achievement of over 95%. These 14 actions were grouped into five initiatives that contribute to the roll-out of the nine strategic lines of global H&S policy.

These initiatives are:

- Take Care, focusing on H&S awareness and training.
- Operational Control, focusing on planning, assessment and risk control.
- H&S Engagement, focused on developing a common preventive culture.
- Well-being Project, to achieve higher levels of occupational well-being and sustainability.
- Global Mobility, to raise awareness about the prevention of traffic accidents and improve workers' mobility.

In 2023, the scope and content of the current Master Plan will be reviewed in line with the company's ESG strategy.

	2021 Planned Action performance	2022 Planned Action performance
Take Care	100%	100%
Operational Control	64%	94%
H&S Engagement	100%	96%
Well-being Project	69%	100%
Global Mobility	100%	97%
Total	**80%**	**96%**

Global Mobility

Cellnex has a firm commitment to sustainability and employees' modes of travel and work-related mobility can have a major impact on this. Therefore, in 2022 the company initiated the development of Mobility Plans for various workplaces to improve mobility and encourage people to use other means of transport as an alternative to private vehicles. This will also allow Cellnex to focus on principles such as safety, efficiency and social equity.

Over the course of 2022, the roadmap for implementation was defined and all the countries received specific guidance and methodology to enable them to develop and implement their own Mobility Plans, adapted to their specific circumstances, with the aim of ensuring safe and sustainable mobility for all Cellnex employees and visitors.

Accident Rates and Absenteeism

Cellnex has defined a set of Occupational Health and Safety Key Performance Indicators (KPI) and currently operates them through a corporate platform. As such, a campaign is launched every quarter to collect all the metrics established in this model.

The main internal accident rates for 2022, including Injury Accident Frequency Rate, Lost Time Injury Frequency Rate and Injury Rate are three to four times lower than the industry benchmarks. In addition, there were no occupational illnesses, as occurred in previous years.

Road accidents are also identified as one of the main types of accidents. To reduce their impact, Cellnex has carried out awareness campaigns to promote efficient, responsible and safe driving for staff.

The total number of absenteeism hours for the entire Group was 140,009 in 2022 (103,795 hours in 2021).

Communication and Training

Cellnex is committed to boosting its talent by respecting the health and safety of its employees at their workplace, using communication to promote and adopt good practices. the aim of promoting a culture of prevention and ensuring that all Cellnex employees have the necessary tools and information on Health and Safety, Cellnex offers health and safety training in the workplace.

In 2022, the total number of hours of training in occupational risk prevention and occupational safety was 10,985 (9,072 in 2021)

Cellnex creates work environments that comply with its excellence levels by making everyone aware of their roles, responsibilities and obligations by:

- Designing, planning and supporting the implementation of awareness campaigns and incentive programmes on cultural engagement with OHS.
- Providing suitable communication channels for anyone to report situations where the safety of personnel may be at risk.

Before starting the work, inspect, ensure good conditions and sign working areas.

Specific tasks and equipment use, only for trained and authorized workers.

Prepare, adjust and use the PPE and tools properly.

Perform and follow all work plans and permits.

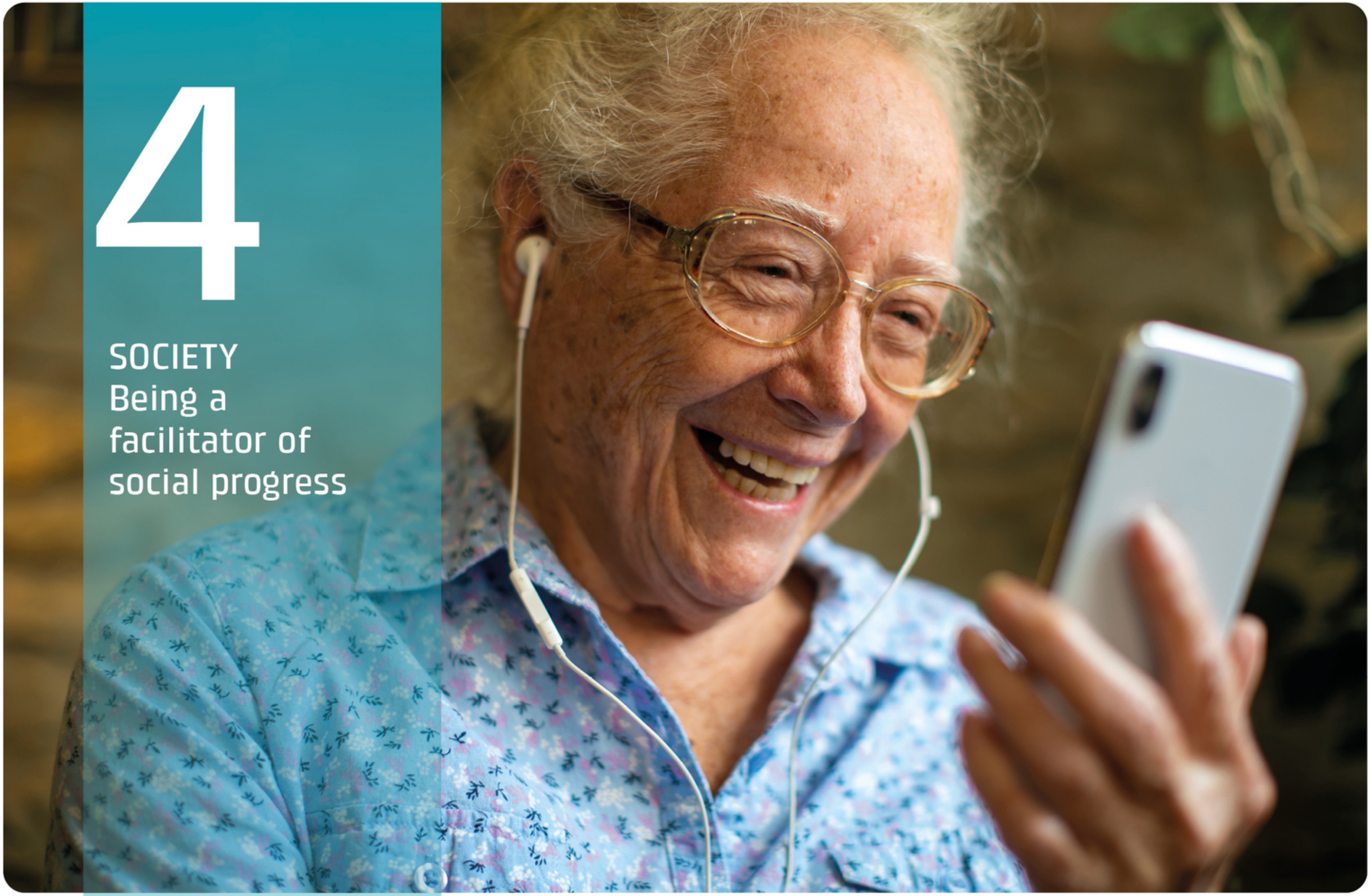
When travelling, plan ahead, check the vehicle, use safety devices and take extreme care and caution.

After finishing the work, remove the signage and collect the waste, materials and tools.

Do not manipulate or bypass the safety devices.

Do not undertake any task if you are not in optimal health condition or if you are taking medication or under the influence of drugs or alcohol.

In case of emergency, activate and apply the established protocols. Protect yourself, warn others and help.



4

SOCIETY
Being a facilitator of social progress

2022 main actions and KPIs

Carried out the last actions regarding the Cellnex COVID-19 Relief Initiative 2020-2022

Cellnex Foundation launched the second edition of the Cellnex Bridge program

Human Rights Policy updated and publication of the first report on Human Rights Due Diligence Assessment in 2022

Cellnex collaborated with small entities through the contribution of economic, technical or human resources

Cellnex Italy participated in the Y-med Program organized by the International Organization for Migration (IOM)

Socio-economic impact calculation extended to all the Business Units

The Cellnex Foundation has launched its first own projects

- €100,000 donated to Polish associations for supporting Ukraine
- From the 51 startups applications for the II edition Cellnex Bridge 6 were selected for the programme
- 150 volunteers and 1,122 students participated in the Youth Challange 2021-2022
- Cellnex had a socio-economic contribution in the countries analysed of €7,266Mn in terms of GDP
- The total employment generated by Cellnex in the countries analysed in 2022 was of 70,260 jobs (direct, indirect and induced)

Next steps for the upcoming years

Develop the second technology camp to boost the economy and develop digital skills in rural areas.

Continue collaborating with social entities to develop joint programmes to reduce the social, territorial and rural divide

Launch the third edition of the Cellnex Bridge programme

Roll out volunteer programmes in more countries where Cellnex is present

4.1 Social contribution

Cellnex *analyses, measures and manages the impacts* the Company creates in the environment where it operates

Commitment to Society

Cellnex is committed to contributing to society by providing its knowledge and technology, working with charities, financing projects and volunteering. In this regard, Cellnex analyses, measures and manages the impacts the Company creates in the environment where it operates.

A line of action was established in Cellnex's ESG Master Plan, focusing on "Being a facilitator of social progress", to increase Cellnex's contribution to society by financing or co-financing activities and programmes and developing a variety of educational, social and cultural projects.

Cellnex COVID-19 Relief Initiative 2020-2022

In 2020, in response to the global COVID-19 crisis and as part of its social commitment, Cellnex developed the "Cellnex COVID-19 Relief Initiative 2020-2022", a €10 million fund to support national and international organisations and projects that help minimise the health, economic and social impact of the crisis.

One of the keys to tackling COVID-19 is to fully understand the immune status of the population against the SARS-CoV-2 virus and the specific role of this immunity, that is, the type of immunity and its duration. That is why half of the €10 million fund has been allocated to finance research carried out by a

Portugal

AMI
rede de emergência alimentar
Rapazes
Terra dos Sonhos

Netherlands

Armoedefonds
nationaal ouderenfonds
oranje fonds

Italy

Banco Alimentare
Protezione Civile Nazionale
Croce Rossa Italiana
Santegidio

Ireland

Believe in children Barnardo's
cancer fund for children

Switzerland

Médecins Sans Frontières

France

Emmaüs Connect

UK

Sea Cadets
UK Community Foundations

Spain

Save the Children
Formació i Treball
Fundación NPH
unicef
Cruz Roja
Cáritas
FESBAL
oncolliga

European consortium of hospitals led by the Clínic-IDIBAPS and the Banc de Sang i Teixits de Barcelona, with the participation of IISGM-Gregorio Marañón University Hospital in Madrid, IRST-IRCCS in Meldola, INSERM-U1183 in Montpellier and IRCCS-Hospital San Raffaele in Milan. The goal of the project is to measure the cellular response capacity of the immune system against SARS-CoV-2 by detecting and obtaining T lymphocytes that can act to combat COVID-19 in its various stages.

The other half of the fund has been allocated to social action projects with non-governmental organisations to help people and groups in vulnerable situations, help finance the purchase of personal protection equipment and provide resources for the most vulnerable groups.

Cellnex also cooperated in the design and deployment of ventilators for ICUs, to alleviate to the fullest extent possible the shortage of this key equipment to combat the pandemic. Cellnex's contribution was to provide real-time communication with the ventilators and data presentation on its SmartBrain platform. This solution allows patients to be monitored continuously, without healthcare workers having to go near hospitalised patients, helping to reduce the risk of infection.

Cellnex Spain

Save the Children works to give millions of children the opportunity to be what they want to be today and to dream of what they will be tomorrow. Cellnex took part in the "Impulse" project, consisting of educational intervention programmes through remote learning support by providing technological tools (internet connection, distribution of tablets, etc.), focusing in particular on young people in vulnerable situations.

The Nuestros Pequeños Hermanos Foundation is committed to improving the living conditions and education of vulnerable children in Latin America. Cellnex made a financial contribution to cover the refurbishment of two housing facilities for children in Haiti.

UNICEF works for all children around the world to be able to enjoy their childhood without concern. They defend the rights of children above all else in 190 countries, with passion, dedication and diligence. Cellnex has worked with UNICEF Spain to help provide equitable access to the COVID-19 vaccine in low and middle-income countries through the COVAX mechanism, led jointly by the World Health Organization (WHO), the Global Alliance for Vaccination (GAVI) and the Coalition for Epidemic Preparedness Innovations (CEPI) with UNICEF as a key deployment partner.

The Spanish Red Cross is a humanitarian, voluntary and public interest institution, part of the impartial worldwide humanitarian organisation, the International Red Cross and Red Crescent Movement. Cellnex works with the 'Cruz Roja Reacciona' plan; a direct, immediate, focused response to crisis to meet the growing needs of the vulnerable population.

Caritas Spain is the official confederation of social and charitable action organisations of the Catholic Church in Spain. The Caritas network in Spain is made up of 70 diocesan offices and more than 6000 parish Caritas centres. Since the beginning of the pandemic, the network of diocesan Caritas organisations has been committed to supporting the most disadvantaged communities in the face of the social and health crisis caused by COVID-19. Cellnex contributes towards this goal by providing financial resources for the campaigns run by Càritas Catalunya and Cáritas Diocesana de Madrid to alleviate the effects of the crisis.

The Spanish Federation of Food Banks (FESBAL) is a non-political and non-denominational organisation, founded in 1995, which promotes the work, image and profile of associated Food Banks in their actions against hunger, poverty and food waste. Cellnex has made a financial contribution to FESBAL and sponsors "Calle Cellnex" (Cellnex Street) at the central warehouse of the Madrid Food Bank.

Kids Corona is a platform promoted by the Sant Joan de Deu Hospital Foundation in Barcelona to understand whether children have any natural protection against COVID-19, and how the disease affects pregnant women. Cellnex made a financial contribution to Kids Corona to provide an open access platform for researchers from around the world, health professionals and the general public.

Cellnex France

Emmaüs Connect is an organization that focuses on the digital inclusion of the most vulnerable groups.

Cellnex France and Emmaüs Connect have formed a two-year partnership project (sept. 2020 to sept. 2022) to work towards the digital inclusion of the most vulnerable groups. It has resulted in the organisation of 100 workshops on computer literacy, set up 100 services to help people get connected, accompany 100 beneficiaries through an educational programme and contributed to the opening of a new reception point.

Cellnex Ireland

Williams Syndrome Ireland: Williams Syndrome (WS) is a genetic condition present at birth that can affect anyone. The charity provides much-needed support and information to the families and individuals affected by WS as they navigate their way through life.

Down Syndrome Ireland provides support and services to children and adults with Down Syndrome, helping them reach their potential in live.

BUMBLEance was set up in 2013 to help children with serious and life limiting conditions travel to and from their hospital appointments and respite centres. It has all the amenities of a regular ambulance but it includes the all-important extras to make a sick child's journey as safe, comfortable and entertaining as possible

Penny Dinners Cork provides daily hot meals to those in need in Cork city.

DSCPA rescue, rehabilitate and rehome sick, injured and cruelly treated animals.

Cancer Fund for Children, a team of specialists providing a wide range of practical, financial and emotional support services to families affected by cancer, at home, in hospital and in their social environment.

Cellnex Italy

Banco Alimentare supports the least privileged members of society from a social, economic, environmental and educational perspective. Banco Alimentare supplies food to charitable organisations, which in turn distribute it to people in need. It also promotes and carries out activities focused on educating people on the importance of valuing food and avoiding waste, as well as raising awareness on issues of poverty, food poverty, healthy diet and volunteering.

A financial contribution was also made to other institutions such as Associazione Peter Pan, LAD Cure & Care and LAD Onlus, which both provide accommodation and psychological and medical support for children suffering from cancer, to Lega Italiana Contro l'Epilessia, to the Lega del Filo d'Oro, which supports deaf-blind children and teenagers, and to the Race for the Cure (Susan G. Komen for the Cure Italy).

Cellnex Netherlands

Armoede Fonds is a poverty fund set up in 2013 that provides financial support to local aid organisations so that they can continue their vital work for people living in poverty. The fund has more than 16,000 donors, providing a stable funding base for these local organisations to organise activities such as summer camps for children, sports activities and help for families in need to buy fruit and vegetables.

National Ouderen Fonds (National Fund for the Elderly) is devoted to all elderly people in the Netherlands. It offers all kinds of activities for people to get to know each other so that everyone has the opportunity to age actively. Its pillars are: active ageing, inspiring an age-friendly environment and combating loneliness.

Oranje Fonds (The Orange Fund) is the largest Dutch fund in the social field. Created in 2002, after merging with the Koningin Juliana Fonds, which was created in 1948, it focuses on projects that ensure that everyone can participate in society. Support is given in the form of money, knowledge and attention.

Cellnex United Kingdom

Sea Cadets is an organisation that works with 15,000 young people aged 10-18 in the UK. It has 400 local units with over 9,000 volunteers who enable the "cadets" to join in activities that allow them to explore the world, take a break from screens and have role models. The platform they offer is built on the customs, traditions and values of the Royal Navy: courage, commitment, discipline, respect, integrity and honesty. Cellnex provides financial support for youth training programmes in areas such as maritime engineering, meteorology and navigation developed by the Sea Cadets across 69 local units in the southern area of England.

UK Community Foundations is a charity leading a movement of community foundations committed to positive social change in the UK through the development of "community philanthropy". Cellnex made a donation that has been distributed to six community foundations tackling digital exclusion in their communities.

Cellnex Poland

Federacja Polskich Banków Żywności (Federation of Polish Food Banks) is a public benefit organisation whose mission is to prevent food from going to waste and provide food to support those most in need. The Federation is a network of 32 Food Banks that operates year-round under the Food Aid Operational Programme and collects donations from food producers and retailers and from farmers. Food is donated to partner organisations across the country.

Cellnex Switzerland

Médecins Sans Frontières was founded in Paris in 1971 by a group of journalists and doctors. Today they are a worldwide movement of approximately 65,000 people. Médecins Sans Frontières provides medical assistance to victims of conflicts, epidemics, natural disasters or exclusion from health care. Its teams are made up of tens of thousands of health professionals, logisticians and administrative staff, united by its charter. Their actions are guided by medical ethics and the principles of impartiality, independence and neutrality. It is a non-profit, autonomous organisation, beholden to its members.

Cellnex Portugal

Assistência Médica Internacional (AMI) was founded in 1984 with people as the driving force behind its activities. Since 1987, it has worked in 82 countries around the world and has sent hundreds of volunteers and tonnes of aid. AMI is aware of the realities of life in Portugal and has expanded its scope of action since 1994 to do everything possible to reduce the effects caused by the phenomenon of poverty and social exclusion in the country. At the beginning of the pandemic, AMI created an aid campaign called "Os amigos são para as ocasiões" to increase support for the elderly and other at-risk groups, such as cancer patients, people affected by HIV, diabetics, single-parent families and other cases of social isolation. Cellnex contributes to the cost of parcels of essential products that will be distributed to the target audience of this initiative.

Rede de Emergência Alimentar is an organisation that aims is to deliver food to those in need, supporting people who have limited financial resources and are unable to afford food, which is usually distributed through social action.

Casa dos Rapazes is an institution that takes in children and young people in precarious family situations. Casa dos Rapazes used to have a car for use by the team (visiting young people's families, going to court, etc.) and to transport the young people (school visits and extracurricular activities). This car broke down during the pandemic due to intensive use, so it needed replacing. Cellnex contributed to the purchase of a new car, along with support for its activity.

Terra dos Sonhos is an institution that helps chronically ill children, young adults in institutional care and adults with cancer issues. During the pandemic, its activity was essential, especially its programmes promoting the mental and emotional well-being of particularly vulnerable groups such as children and young people with serious illnesses, cancer patients and health professionals.

Hunger does not go on holidays campaign, consists of collecting non-perishable food for later delivery to the Food Banks of Lisbon and Porto. This campaign ran from the 20th of July to the 5th of August 2022 and employees participated by giving their contribution in the boxes that were in the office for this purpose.

Cellnex is donating *€100,000* to Polish Humanitarian Action (PAH) and Fundacja Polskie Centrum Pomocy Międzynarodowej (PCPM).

Help for Ukraine

As a member of the United Nations Global Compact, Cellnex has financially supported both emergency aid for refugees, such as evacuations of people and humanitarian convoys, and long-term assistance: help finding long-term accommodation, activities to provide free medical care for those in need, support in accessing education and the Polish labour market, and psychological and legal assistance.

As such, the donation made to Hotel Ossa gave support to provide for 1,600 Ukrainian orphans from Odessa and Kharkiv and operate accommodation points in the city of Lublin for Ukrainian refugees.

Moreover, Cellnex's employees decided to use part of their salaries to help Ukraine and Cellnex matched the total amount raised in every country. In total, Cellnex is donating €100,000 to Polish Humanitarian Action (PAH) and Fundacja Polskie Centrum Pomocy Międzynarodowej (PCPM).

Cellnex working with foundations

Working with the ESADE Foundation: Cellnex has signed a partnership agreement with the ESADE Foundation, associated with one of the most prestigious business schools in Europe, to contribute to its Scholarship Fund to cover scholarships for two ESADE students during the academic years 2020-21 to 2023-2024. Cellnex's involvement in this programme is driven by the company's commitment to contributing towards the progress of society by training young people. With the "Cellnex scholarship", the company joins ESADE's endeavour to promote equal opportunities and inclusion, removing all economic barriers to training for young people.

Partnership with the BEST Foundation: Cellnex has renewed its commitment to the Barcelona Engineering and Economic Studies project. This inter-university degree offered by the Polytechnic University of Catalonia (UPC), Pompeu Fabra University (UPF), Barcelona Global and FemCat aims to train highly skilled engineers to address the challenges of a continuously changing society and equip professionals who are interested in business leadership.

IESE Foundation: Cellnex has been a sponsor company since 2017 and is involved in various projects run by the Public Sector-Private Sector Centre at the IEEE Business School.

Other social initiatives

In 2022 Cellnex developed several social initiatives, including:

- Magic Line Sant Joan de Déu: the Magic Line is a charity walk organised by Sant Joan de Déu Children's Hospital to support vulnerable families. The slogan for the 2022 Magic Line was "Som el que compartim" (We are what we share) and all the proceeds were directed to social projects. Cellnex Volunteers encouraged Cellnex employees to take part in a family solidarity activity on 20 March 2022.
- Hunger doesn't take a holiday: While thousands of people are packing their suitcases for a summer getaway after more than a year of restrictions due to the pandemic, another part of the population is still severely affected by the economic crisis, so neighbourhood associations, foundations and charities are asking for more donations to fill their pantries because "hunger doesn't take a holiday". In 2022, Cellnex continued with this online solidarity initiative for the third year in response to the challenges that the pandemic continues to create and the unprecedented current situation. As part of the initiatives of the Cellnex Foundation Volunteer Programme, a number of online donation campaigns were proposed to support several organisations that help those who need it most.
- La Gran Recogida: Once again this year, Cellnex employees participated in the food collection campaign organised by the Spanish Federation of Food Banks (FESBAL).

Cellnex Poland sponsors the Office Developer of the Year Award

Cellnex Poland sponsored Eurobuild CEE magazine's Office Developer of the Year Award. The Eurobuild Awards are particularly important for Cellnex Poland, because they recognise the importance in today's world of ensuring the right level of comfort, safety and connectivity in the office.

Cellnex UK contributes to Connecting Communities

Through a donation to EECF's digital inclusion partnership programme, Connecting Communities, Cellnex has provided 20 families with a device, online training and broadband connection. In doing so, Cellnex is addressing the growing challenge of digital exclusion experienced by low-income families in Tower Hamlets.

Cellnex Portugal sponsors the APDC Cities & Territories Award

Cellnex Portugal sponsored the APDC Cities & Territories Award in the Economic Development category. This initiative aims to recognise innovative urban projects developed by public or private companies, and by ST&I (Science, Technology & Innovation) organisations, to transform cities into more sustainable and inclusive spaces. The Managing Director of Cellnex Portugal, Nuno Carvalhosa, sat on the award jury for this category, reaffirming Cellnex's commitment to urban renewal and building the cities of the future.

DESENVOLVIMENTO ECONÓMICO

Municípios simplificados (bottleneck free) e ágeis

Dados abertos para promoção da economia

hubs de inovação (incubação, up-scaling, ligação de agentes de inovação)

Categoria patrocinada por:

cellnex
driving telecom connectivity

Cellnex Netherlands raises money to combat cancer

With the opening of the Cellnex Telecommunications and Data Tower in Hoogersmilde, Alpe d'HuZes 'Team 3 Little Birds' has managed to raise €10,000 to combat cancer by selling 1000 tickets and merchandising.

Cellnex Italy sponsors Buonissimi 2022

Cellnex Italy sponsored Buonissimi 2022, the charity event devised and promoted by the Paediatric Oncology and Neuroblastoma Association OPENOdv to support paediatric cancer research.

> ***“Cellnex’s Get Connected aims to improve mobile coverage in rural areas across Ireland by empowering local communities to step forward and request a review of their existing coverage. Working together with the community, we deploy new infrastructure where it's required, helping to transform the lives of those living in the areas”***
>
> **Sinead Kavanagh, Commercial Developer - Cellnex Ireland**

Access to communications

Cellnex carries out numerous digitalisation and modernisation activities for society, by providing infrastructure, participating in events or working with various foundations.

Get connected in Ireland

The COVID-19 pandemic has has shown us all the importance of connectivity. The ability to work, study or simply communicate with family or friends is taken for granted in major towns and cities across Ireland. However, for many small communities located across rural Ireland mobile coverage remains a serious issue which needs to be addressed.

Over the past five years, Cellnex Ireland has supported its customers, the mobile network operators, in delivering improvements in mobile connectivity in villages and townlands across Ireland which have enhanced the lives of those communities living in the surrounding areas. Cellnex Ireland believes that mobile connectivity should be available no matter where anyone lives.

That’s why Cellnex Ireland launched "**Get Connected**" on a pilot basis in 2021 as a way of identifying communities who need better coverage and who can come together to support the deployment of services in their area.

Get Connected was established to bring together the power of the local community combined with the expertise of the leading telecoms infrastructure provider in Europe, Cellnex, to ensure the delivery of cost-effective solutions in areas that require improved coverage and connectivity.

Having successfully launched in over nine counties over the past twelve months, today Cellnex Ireland is working with over 30 communities to assess the requirements in their area and to identify and plan the most appropriate solution.

Moreover, Cellnex Ireland has recently deployed the first two solutions in Castletown & Ballyfin, in Co Laois. Locals in these areas can now benefit from enhanced mobile coverage which offers them the connectivity they require in their day to day lives.

Get Connected Wants You!

Struggling with calls, texts and mobile data?
Get Connected wants to hear from communities who suffer with poor mobile connectivity.

- Gather local support and a review will be carried out to assess if a solution can be deployed
- The initiative is community led, and supported by Europe's largest telecoms infrastructure provider, Cellnex

STEP 1
Talk to your neighbours and other community groups to gain consensus on the problem in your area.

STEP 2
Nominate a single point of contact who will take responsibility for making the submission for your community.

STEP 3
The single point of contact should complete the form providing the details requested.

get connected www.getconnected.ie

Get Connected in Laois County

Laois County Council, acting on issues raised by communities around the county, highlighted to Cellnex Ireland additional areas facing a lack of mobile coverage and connectivity. One of the areas identified was Vicarstown, a small village in County Laois. A detailed site survey was undertaken by Cellnex to identify the optimal location that would provide the necessary improvement in mobile coverage. Following a successful planning application, the site was developed by Cellnex in late 2021 and a slim line street work solution was deployed. It now boasts two Mobile Operators (Three Ireland & Vodafone Ireland) providing significantly improved mobile connectivity to the residents and businesses of Vicarstown and surrounding areas. The new services will be a significant boost to local residents, sports clubs and businesses.

Cellnex Ireland is helping to connect community and voluntary groups

In partnership with Cellnex Ireland, Ballyhoura Development has developed a testbed of numerous sensors and IoT applications and integrated them with the Cellnex SmartBrain Platform to better understand how this technology can be used by community and voluntary groups, charities and sports clubs that are active in rural and urban areas.

Women in Tech in Poland

Every responsible employer should provide women with opportunities to develop and improve their own skills. That is why Cellnex has implemented long-term inclusiveness programmes at the company, such as #ADPWomen, enabling women to realise their potential to perform managerial roles.

In this regard, Poland is becoming the focus of discussions about the technological future of the world and the role women are to play in it. The Women in Tech event in Warsaw was an example of how to make effective use of the enormous potential for leadership skills that lies hidden in women. The Cellnex Poland team attended the event, where Adesola Ajibola gave an excellent speech on the main stage. She presented her inspirational story of breaking barriers and tearing down glass ceilings.

UK Community Relations

The Strategic Priority "Being a Facilitator of Social progress", in the Cellnex ESG Master Plan, identifies an action to create materials to explain to the public that 5G networks are designed to minimise power and they use a new, advanced and highly efficient radio architecture resulting in optimised levels of exposure to electromagnetic fields.

In April 2020, a survey launched by the UK regulator Ofcom found that 50% of respondents had seen false or misleading statements about 5G. In this regard, the Cellnex UK team want to raise awareness of the benefits of 5G, provide opportunities for the public to self-educate on this topic, address public concerns and demystify and communicate its business responsibility to minimise risk and disruption to its business infrastructure, customer delivery and growth. This is done through a clear Communication and Action Plan based around education, information, process, best practice, partnerships and duty of care.

Y-med Programme in Italy

In 2022 Cellnex Italy participated in the Y-med Programme, a programme that provides internship paths, organised by the International Organization for Migration (IOM), for recent graduates and undergraduates from Tunisia, Libya and Egypt. The project is co-financed by the Italian Ministry of Foreign Affairs with the aim of promoting circular migration pathways and fostering the circulation of skills in the Mediterranean region.

IOM begins supporting the selected young people in the months before their departure for Italy with an intensive Italian language course and training on topics such as interculturalism and adapting to a new cultural context. Cellnex also took part in orientation sessions on managing cultural diversity in business.

When the internship ends, participants are assisted by IOM in their home countries to obtain job placements with local companies.

4.2 The Cellnex Foundation

The Cellnex Foundation is driven by Cellnex Telecom's strong will to go one step further in contributing to a better connected and socially inclusive environment, as part of a comprehensive initiative that embodies the company's commitment to ESG (Environmental, Social and Governance).

The Cellnex Foundation was envisioned as a dynamic tool to boost Cellnex's social commitment and offer differential value through actions focused on people and based on technological connectivity solutions, aligned with the company's business model.

The Foundation aims to serve society with the mission of contributing to the transformation of realities:

- Harnessing the knowledge generated and the resources available in the Corporation to foster changes in people's lives and the environment in a meaningful way, especially with and for people in particularly vulnerable social situations.
- Effectively using connectivity as a key component for intervention, working to improve the inclusion of people in an increasingly connected environment, while actively working to build sustainable actions that have a positive impact on the lives of people and the environment.

cellnex foundation

Mission

The Cellnex Foundation works to ensure that people and territories are connected in a meaningful way and that this connectivity helps to transform their reality. The Cellnex Foundation conducts its activity as a committed, social, inclusive and innovative entity.

Vision

Using technology to connect people with the idea of promoting effective, meaningful and universal connectivity to help bridge the digital, social and territorial gaps.

Values

Responsibility, Commitment, Sustainability, Innovation, Humility, Diversity.

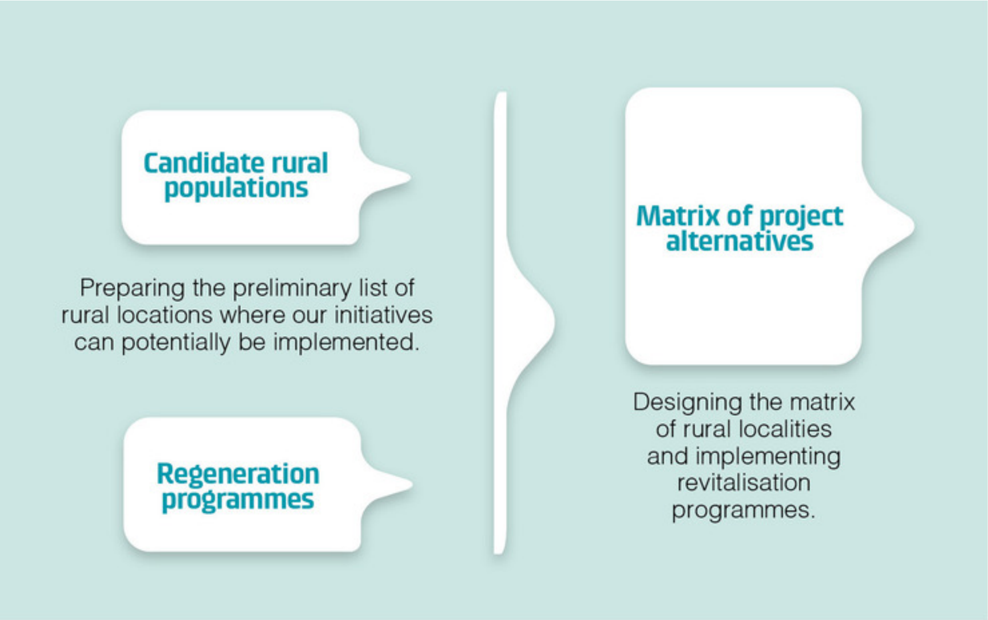
The challenge that the Foundation meets is connecting people and territories digitally and effectively, contributing to the achievement of the following Sustainable Development Goals (SDGs):

The actions undertaken by the Cellnex Foundation focus on responding to the challenges and issues detected in the Cellnex environment:

- Digital gap: the Cellnex Foundation acts against the imbalance and social inequality generated by the digital gap in society.
- Territorial gap: the Cellnex Foundation helps to reduce isolation and inequality in rural settings and complex areas (such as certain neighbourhoods in urban environments) through connectivity.
- Social gap: the Cellnex Foundation acts against inequalities (especially gender, functional diversity and origin) by promoting connectivity solutions that improve people's quality of life.

The Foundation's social contribution model is based on four pillars of action that maximise its social impact on the territory:

- The Foundation's own programmes.
- Joint programmes.
- Corporate volunteering.
- Collaboration with small organisations.



Preparing the preliminary list of rural locations where our initiatives can potentially be implemented.

Designing the matrix of rural localities and implementing revitalisation programmes.

The Foundation's own programmes

The Master Plan proposes six revitalisation programmes covering issues of education, activation of the economy, digitalisation of SMEs and support for the community and vulnerable groups:

Revitalisation Programmes Master Plan

Reviving empty spaces

- Educational and social use: Adaptation of the space for social and cultural activities, training courses and workshops.
- Business use: Adaptation of the space for a technology and teleworking hub.

Training and education

- Focus on employment: Programmes for active job search profiles and retraining.
- Digital talent: Educating young students in digital specialties and technologies.
- Basic digital skills: Preparing people with no knowledge of office automation for basic procedures.

Social home automation

- Private homes: Integrating technologies in homes of vulnerable groups to save consumption.
- Social centres: Integrating technologies in social centres for vulnerable groups to save energy.

Basic needs

- Telemedicine: Providing of health services, saving online.
- Support for vulnerable groups: Ensuring access to basic social assistance services.

Connected business

- Digitalisation of SMEs: Support for the digital transformation of SMEs.
- e-commerce km0: Sales platform for local businesses and services.

Transfor-mation of the primary sector

- Connected primary sector: Providing digital solutions to the primary sector.
- Digital innovation hub: Creation of a hub to promote digital innovation in the area.

Cellnex's own programmes focus on improving connectivity in rural areas, where major social, territorial and digital transformations are needed. The aim is to bring technology closer to rural areas and seek solutions to challenges arising from the current gaps to help improve social and territorial cohesion in different areas by improving people's quality of life.

The strategy for implementing the Foundation's own programmes is based on the Foundation's Connectivity Master Plan, which sets out the lines of regeneration for each rural area to achieve the established impact on the territory. The strategy set out in the current Plan has a three-year horizon and presently focuses on Spain.

Textile colonies

As the Foundation's first project of its own, work is being done to revitalise the textile colonies in the Puig-Reig area (Berguedà, Barcelona). The project aims to boost economic activity and innovation in the municipality of Puig-Reig and regenerate the industrial colonies located there. Two phases were to develop the pilot project:

- Phase 1. Connectivity (within the Foundation's Own Programmes): Connectivity project.
- Phase 2. Technological solutions: coding summer camp.

The summer camp was held in July 2022 and was attended by 90 children and teenagers (15 children and teenagers from Red Cross vulnerable groups, 54 children and teenagers registered through Fundesplai and 21 children of Cellnex employees). According to the coding camp satisfaction survey, around 90% of the participants would go again and recommend the camp.

Smart Montserrat

The purpose of the project is the digital transformation of Montserrat Abbey to monitor air quality, parking management and capacity management. To this end, a platform was set up to improve the management of various use cases, a modular, scalable and layered architecture was established and a simple and easy-to-use viewer or dashboard was provided.

Extremadura Project

Implementation of the "Extremadura Project" is in the pipeline for 2023. There are 388 municipalities in Extremadura, 29 of which are eligible for a revitalisation project, according to the parameters of the strategic plan. The idea is to design a programme jointly with the Government of Extremadura to boost the economy in some of the areas and develop digital capacities. As such, the project aims to upgrade the technological skills of a vulnerable group with the expected impact of lower youth unemployment and equality of opportunity with urban areas.

> ***"Cellnex bridge is a space for learning, knowledge exchange and innovation where social impact projects that improve the well-being of people, communities and the impact on the planet are promoted and supported"***
>
> **Angels Ucero, Ditector of Cellnex Foundation**

> ***The objectives of the Cellnex Bridge programme are to promote universal digital capacity, reduce social inequality, promote talent and innovation, and improve quality of life***

Joint programmes

Cellnex leads these programmes in partnership with other public or private organisations to respond to specific needs that are aligned with Cellnex's business activity.

Transforming the future

This programme is an alliance led by the Spanish Red Cross to combat loneliness. Social isolation and loneliness, caused by a lack of social fabric, ongoing support or access to community services, is a multifaceted social problem. It creates situations of vulnerability and risk in some groups and can have negative effects on people's physical and mental health, sometimes leading to a higher risk of mortality.

This alliance aims to collaborate in the design and implementation of a number of strategies, actions and solutions to address the issue of loneliness and social isolation, using community-focused technology to strengthen the model for intervention and social protection in collaboration with private actors.

Cellnex Bridge - Second Edition

In 2021 the Cellnex Foundation launched its first acceleration programme for social impact startups: Cellnex Bridge.

The Cellnex Bridge programme aims to promote universal digital capacity, reduce social inequality, foster talent and innovation, and improve quality of life and sustainability. Cellnex Bridge focuses on projects that address the following social and environmental sustainability issues: the elderly, personal care, employability and equal opportunities, rural depopulation, education, low connectivity areas (rural or urban), protection of vulnerable groups and environmental sustainability. This programme is undertaken by the Cellnex Foundation in collaboration with Innuba and AticoLab.

In 2022 the Cellnex Foundation launched the second edition of the programme with the aim of giving ongoing support to startups with a high social impact through technology and connectivity to work. Cellnex Bridge offers a five-month systematic impact acceleration programme and the second edition includes:

- An exclusive Board of mentors tailored to each selected startup.
- Regular individual sessions with Board mentors.
- Weekly theoretical and practical workshops on business and impact issues
- Round tables for dialogue and learning focused on social and environmental issues; workshops to develop soft skills and group coaching sessions for personal, individual and group development.
- Post-training follow-up sessions.
- Knowledge and resources to develop Proofs of Concept based on technology and connectivity.
- Contribution of €15,000 to develop a Proof of Concept during the programme.
- Access to Cellnex technology and expertise.

51 startups were presented for the second edition of Cellnex Bridge, 13 of which short-listed, and six were finally selected. They are:

- Innogando: a startup that develops technology in the “Smart Farming” sector. It aims to digitalise the livestock sector to improve farmers' quality of life, farm profitability and animal welfare.
- AldoraTech: a parcel delivery solution in rural and hard-to-reach areas using drones that facilitate an efficient, sustainable and safe transition towards greener automated logistics.
- Circulr Sound: a software solution focused on safety for the elderly, which applies artificial intelligence techniques to audio.

> ***"It has been inspirational to see students from disadvantaged backgrounds become encouraged and motivated, by visiting corporate premises and having relaxed conversations with Cellnex Employees, resulting in the children wanting to pursue similar careers in the future".***
>
> **Marcha van de Ven, Country Head of P&O - Cellnex Netherlands**

- Oroi Well-being: a virtual reality platform with therapeutic content designed to foster emotional well-being and provide cognitive stimulation for the elderly.
- BlindStairs: a candidate tracking system designed to avoid gender, ethnicity, nationality, age and sexual orientation bias throughout the entire staff selection process.
- Salus Coop: a non-profit community cooperative that manages data for health research, making an ever-increasing range of data available to health researchers.

In 2023 the Cellnex Foundation wants to increase the number of participating startups and broaden the reach of Cellnex Bridge to other countries.

Corporate volunteering

Corporate volunteering, now under the umbrella of the Cellnex Foundation, seeks to organise and engage Cellnex employees and former employees who wish to contribute to generating social value through activities that respond to the needs of people, the community and the environment.

Cellnex Foundation contributes to sustainable development and the 2030 agenda through a variety of volunteering programmes linked to three main areas of action: Education, Training and Mentoring; Employability; and Access to Technology.

Volunteer day

On 10 November, the second edition of Cellnex volunteer day was organised to showcase the role of volunteers and raise the profile of the Foundation.

The activities included a Cellnex Foundation presentation, with volunteers from various countries, and an inspirational conference by Àlex Roca, athlete, speaker and a model of motivation and resilience.

There were also round tables on volunteering in Europe, the value it provides, its development, the importance and social, personal and corporate benefits of volunteering and barriers to volunteering and how to overcome them.

In addition, SDG workshops were held to raise awareness of the SDGs, reflect on individual responsibility in preserving the environment, learn how to produce home-made cosmetic or household cleaning items with simple and natural ingredients, and discover alternatives and tips to reduce waste at home.

Youth Challenge

The Youth Challenge is Cellnex's corporate volunteering project with a positive impact on vulnerable environments in local communities. Specifically, it is an education programme for young people in vulnerable situations to facilitate their entry into the labour market, which includes support sessions with mentors, conferences and workshops led by Cellnex volunteers.

The Youth Challenge aims to combat early school leaving by young people at risk of social exclusion through a coaching programme and improve the employability of students through conferences hosted by volunteers and training.

Cellnex Spain, Cellnex Italy, Cellnex France, Cellnex Portugal and Cellnex UK participated in the edition for the 2021-2022 academic year. A total of 15 lower and higher secondary schools took part in the programme, which included 87 activities with over 150 volunteers. This resulted in more than 1,400 volunteer hours dedicated to 1,122 students.

For the 2022-2023 edition, participation was expanded from the four countries involved in the previous edition to include Cellnex Netherlands, and work is underway at Cellnex Poland. This means that half of the countries where Cellnex is present are currently participating in the Youth Challenge programme. In addition to the Youth Challenge programme, the Employability project was developed specifically to promote access to employment for young people from families with limited resources and a low level of education through mentoring sessions. The plan includes between six and nine one-to-one mentoring sessions with the mentor and the young person. This programme was launched in Portugal during the 2021-2022 school year and will continue in 2022-2023.

Cellnex volunteers receive an olive tree as thanks for their contribution

Cellnex volunteers in France, Spain, Italy, Portugal and the United Kingdom were delighted to receive an olive tree for them to plant, a symbol of strength and success, among other things, in recognition of the actions carried out as part of the Youth Challenge during the outgoing academic year.

Technovation Girls

The project aims to boost the presence of women in the fields of innovation, technology and entrepreneurship and help teams of girls to learn and apply the skills required to solve real problems by creating a mobile app.

The project includes coaching activities to give the teams feedback on the projects, visits to Cellnex's offices and an evaluation of the projects that are presented. In 2022 the programme took place over four months, with two coaching sessions held on 28 and 30 March, a visit to Cellnex's offices on 6 April and evaluation of the projects from 1 April to 30 June.

Solidarity Gift

The "Solidarity Gift" project is an initiative that is open to all Cellnex employees, consisting of a micro-donation of €1 per month (or the equivalent in local currency) which is taken directly from the salary of employees who join in the initiative. In addition, the Cellnex Foundation matches the gift and the money raised is used for a project that the group of Solidarity Gift donors present and choose in a vote.

The campaign is launched every two years and the amount collected over the last two years is added up. In 2022 the donation campaign was run in Spain, Switzerland and Italy and in 2023 it will be launched in Portugal, the Netherlands and Ireland.

Collaboration with small organisations

These are projects carried out by other organisations with collaboration from Cellnex in the form of economic, technical or human resources.

Digitalise your village

Project developed by the Higher School of Telecommunications Engineering at the Polytechnic University of Madrid, based on a competition involving students from Spanish higher secondary schools in rural settings with the aim of making rural areas a smart environment for entrepreneurship, fostering a sense of belonging among rural youth and inspiring them to study STEM. Students have to develop an idea in teams to solve or make a positive contribution to a specific problem affecting their local rural area using technology.

In the 2022 edition, 14 secondary schools in seven provinces took part in the project, with over 70 students involved. The winning project was "Smart Incubators" from La Sierra school in Prádena (Segovia), a plan to preserve the Castellana Negra breed of chickens by monitoring various parameters.

Environmental awareness

One of the values we promote is the inclusion of all people and the integration of diversity. For this reason, we collaborate with various social organisations so that people with disabilities can enjoy nature outings that also build awareness and respect for the environment.

In 2022, the places visited were the Enchanted City in Cuenca, Doñana National Park (Seville), mountains of Montserrat (Barcelona), the Cercedilla mountains (Madrid) and Albufera Natural Park (Valencia), places of special natural and cultural interest, with people at risk of social exclusion as the main participants. The company has collaborated with organisations including Comisión Española de Ayuda al Refugiado (CEAR), Asociación Santa Oliva de Olesa de Montserrat, Fundación Estimia (Barcelona), Asociación Descalzos al Bosque (Seville), Asociación Neurodes (Valencia), Asociación Aprompis (Cuenca), Asociación Aspadec (Cuenca), Fundación Prodis (Madrid), Itarinatura (Navarre) and Patronat de la Muntanya de Montserrat (Barcelona).

Clearing land

This collaboration with the Fundació Formació i Treball focuses on facilitating the social integration of people at risk of exclusion. As part of this project, they help to clear scrub from the land where the Cellnex premises are located.

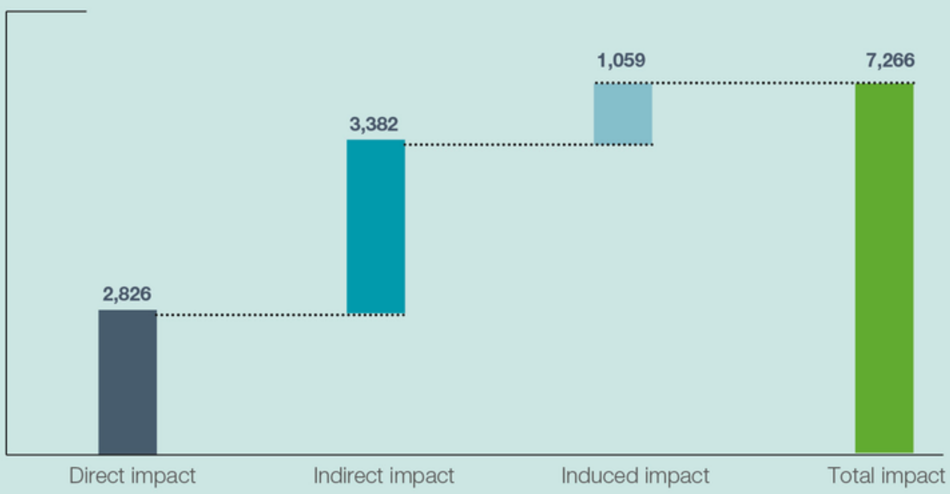
4.3 Socio-economic impact

In 2022 Cellnex has once again carried out a study with PwC on the Socio-Economic Impact of Cellnex. The 2022 study, assesses the impact generated by Cellnex in the 12 countries in which it operates, covering 81 companies that belong to the Group in the analysed countries. It should be taken into consideration that the impacts by country are subject to the investment cycle of Cellnex in the country, and how these investments are included in the annual accounts.

The impact includes the **contribution to GDP and employment generated directly, indirectly and induced**, estimated using the Input-Output methodology. Direct impact refers to the economic activity generated directly by the company. Indirect impact refers to the increase in economic activity generated by the expenses and investments made by the company. Finally, induced impact represents the increase in economic activity derived from the increase in labour income from employment created directly and indirectly. The contribution to Gross Domestic Product (GDP) is measured in terms of Gross Value Added (GVA), and the contribution to employment is measured in terms of total employment.

Cellnex also participated in a study prepared by the European Wireless Infrastructure Association (EWIA) on **the economic contribution of the European tower sector**, published in February 2022. The report contains Cellnex case studies, along with economic data and other companies experiences.

Total GDP impact generated by Cellnex in the countries analysed in 2022 (€Mn)



Total employment generated by Cellnex in the countries analysed, 2022 (employees)

Impact on GDP

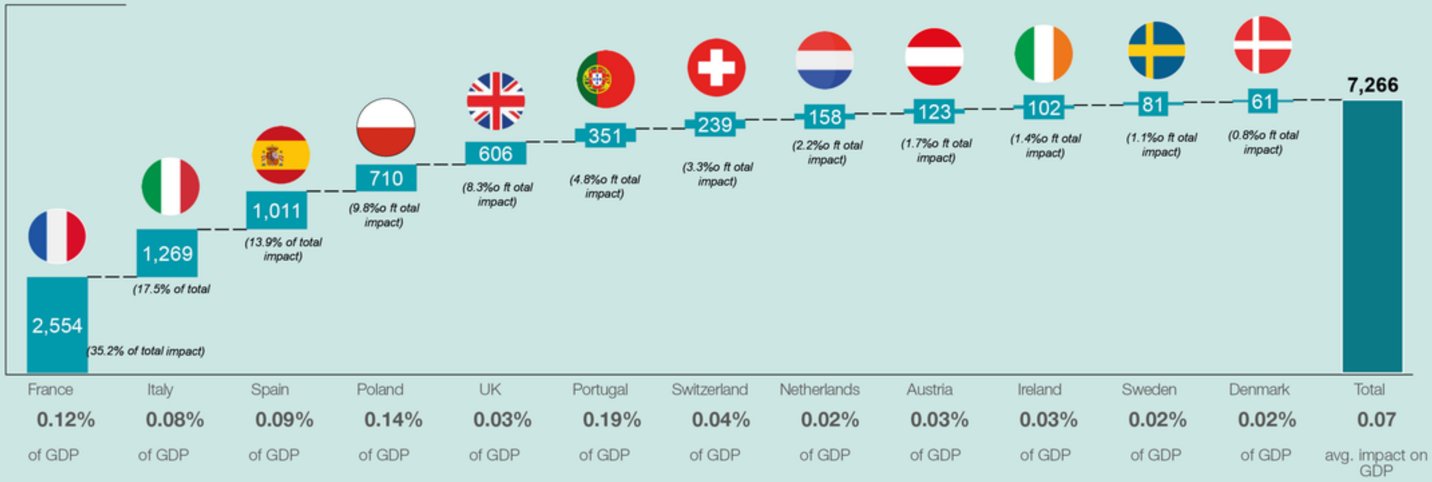
Revenue is a valid indicator of the relative size of a company, but it does not really reflect the real economic value generated by the firm. In order to accurately measure the economic value generated by a company GVA should be used, which represents the difference between the value of the goods and services sold by a company (Revenue) and those used as intermediate consumption in its production process.

In 2022, considering the direct, indirect and induced impact, Cellnex had a socio-economic contribution in the countries analysed of €7,266Mn in terms of GDP. From the total, €2,826Mn (38.9%) corresponds to Cellnex Direct Impact, meaning Cellnex's direct contribution to the GDP of the countries analysed. The impact generated by Cellnex's supply chain expenses and investments in the countries analysed (Indirect Impact) accounts a total of €3,382Mn (46.5%), and the remaining €1,059Mn (14.6%) are the Induced Impact generated by Cellnex, generated by the increase in consumption resulting from the increase in labour income associated with direct and indirect employment.

***Cellnex had a socio-economic contribution** in the countries analysed of*

***€7,266Mn** in terms of GDP in 2022*

Total GDP impact generated by country (€Mn)

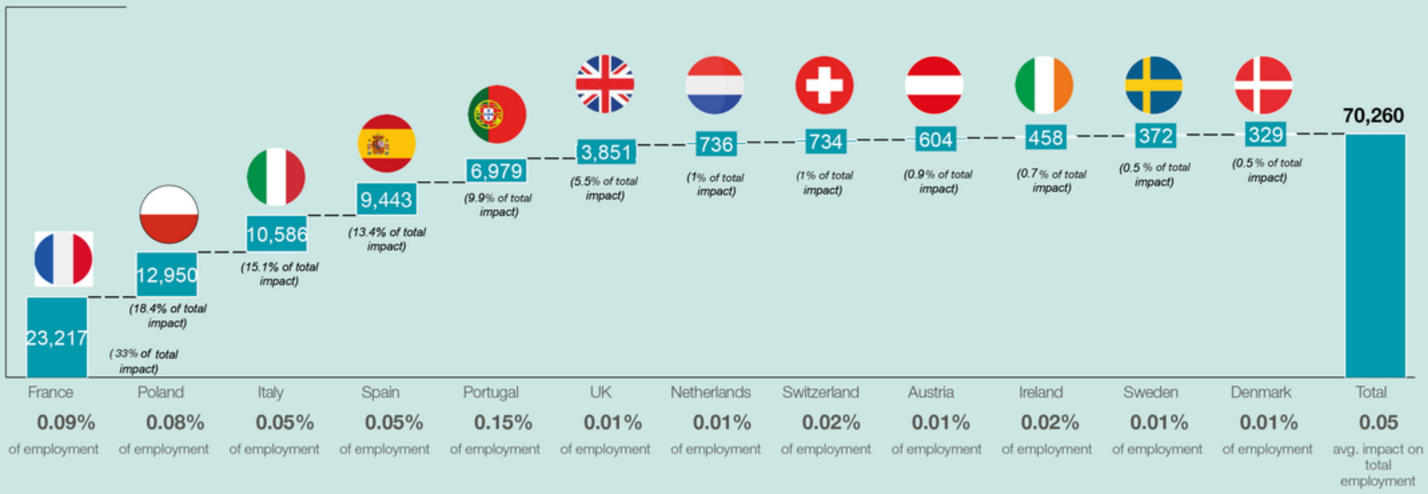


Impact on employment

The total employment generated by Cellnex in the countries analysed in 2022 was of 70,260 jobs. From the total employment generated, 3,018 (4.3%) were employees directly hired by Cellnex (Direct Impact), and 51,559 jobs (73.4%) were supported by Cellnex's supply chain expenses and investments (Indirect Impact). The impact supported by the increase in consumption resulting from the increase in labour income associated with direct and indirect employment (Induced Impact) was of 15,683 jobs (22.3%).

The ***total employment generated by Cellnex*** *in the countries analysed in 2022 was of* ***70,260*** *jobs*

Total employment impact generated by country, 2022 (jobs)



4.4 Commitment to Human Rights

Cellnex is committed to sharing its progress in the observation and implementation of the *Human Rights Principles* on a regular basis

Cellnex is committed to respecting and promoting Human Rights in its business activities and value chain, including partners, employees and other stakeholders, using the core international standards as a benchmark. This was evidenced in March 2022 when Cellnex updated its Human Rights Policy, reaffirming its commitment to protect and respect universally recognised Human Rights within its sphere of influence and to mitigate and repair any damage that may be caused.

The benchmarks for the Policy are the core international standards that it has committed to fulfil, which it adopts as the regulatory framework to define the limits within which the company's activities must be conducted:

- UN International Bill of Human Rights
- The eight fundamental ILO conventions
- Guiding Principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- United Nations Children's Rights and Business Principles

Moreover, the Cellnex **Human Rights Policy** is aligned and complemented with other Cellnex internal policies and regulations, such as the Environmental, Social and Governance (ESG) Policy, the Equity, Diversity and Inclusion Policy, the Supplier Code of Conduct, the Code of Ethics, the whistleblower channel and the Corruption Prevention procedure.

To obtain a more holistic understanding of its adverse impacts, Cellnex has assessed its Human Rights risks based on its business relationships along its value chain and how it relates to its stakeholders. This assessment aims to identify the most critical and highest priority actual and potential adverse impacts of Cellnex's context, based on the regulatory framework of the UN Guiding Principles on Business and Human Rights, which establish due diligence as an operating principle. As a result, Cellnex has a broader view to prevent and mitigate any negative impact of its activities on Human Rights, defining and implementing cross-cutting and specific actions. The due diligence is updated every year to deepen the protection of Human Rights.The Summary of the **Human Rights Due Diligence** and Assessment Process is available in the corporate website.

Although the European Union's Human Rights Due Diligence Directive has not yet been published, Cellnex has carried out an frontloading exercise, in which it also undertakes to share its progress in the observation and application of the Human Rights Principles on a regular basis with both internal and external stakeholders, thus upholding the principle of transparency. In this regard, the Risk Management department, in coordination with the Environment, Social and Governance department, is responsible for supervising the Human Rights due diligence process, with the participation of the various Company departments, and is also responsible for promoting, measuring and reporting on the development and application of the Human Rights Policy at local and global level.

In addition, in 2022 Cellnex published the **Statement on Slavery and Human Trafficking**, which declares that Cellnex condemns all exploitative labour practices, including the use of child labour, and that the company is fully committed to preventing them, both in the Group's spheres of influence and in all issues affecting its supply chain. Moreover, to prevent modern slavery, Cellnex has a Code of Ethics and a Whistleblowing Channel, and in early 2022 it adopted a Code of Conduct for Suppliers which acts as a framework of trust and cooperation for the Organisation and its value chain.

Specific training in Human Rights is also carried out, with a total of 3,845 hours devoted to training on human rights policies and procedures in the Group as a whole.

In 2022, as in 2021, there have been no reported incidents of discrimination.

5

ENVIRONMENT Growing with a long-term sustainable environmental approach

2022 main actions and KPIs

Committed to achieve carbon neutrality by 2035 and net-zero by 2050

Included in the CDP Climate Change 'A List'

Publication of the second Environment and Climate Change Report

Green energy targets achieved in 2022 within the Energy Transition Plan

The ESG strategy is reinforced in 2022 with the update of the 2023-2025 Environment and Climate Change strategy, which has been redefined to reduce, offset and neutralize environmental and climate impacts in Cellnex's value chain

Update the Life Assessment Cycle Project through the Eco-design project

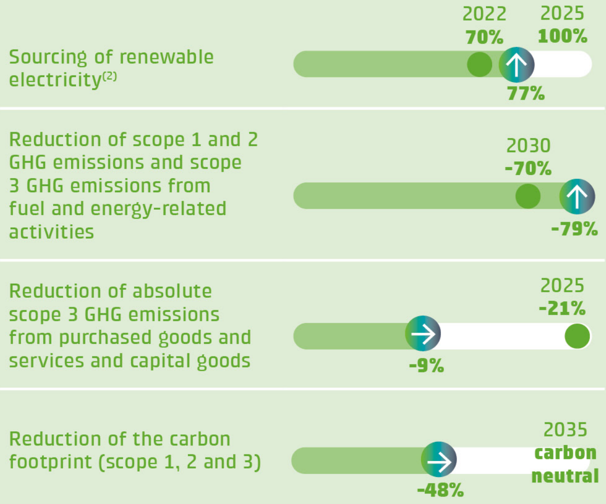
Climate Change Adaptation Plan developed

Natural Capital analysis to assess the impacts, dependencies, risks and opportunities carried out

Implementation of the environmental and emission reduction requirements under the company's new procurement risk management model

- 558,011 tCO_2e total GHG emissions in 2022
- 3,212 tCO_2e offset by acquiring CER (certified emission reductions) credits
- 77% of renewable energy across all the Business Units
- Carbon intensity reduction to 5.27 tCO_2e/site and 158.26 tCO_2e/€Mn
- 97% achievement rate of the actions outlined in the Strategic Sustainability Plan for 2022
- 84,428 sites analysed in terms of biodiversity
- Operating income: 8.27% elegible and 6.89% aligned with the EU Taxonomy
- Capex: 1.15% elegible and 0.10% aligned with the EU Taxonomy

Follow-up of the ESG Master Plan targets [1]



(1) KPIs reported on an annual basis (Q4). Compared to the base year FY20 verified by an external certified entity

(2) The electricity target (Scope 2) refers to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter. Intake due to M&A will be included not longer than 3 years after the integration's year according to FY20 perimeter.

● Target ◐ Status

Next steps for the upcoming years

Reduce the carbon footprint within the net-zero and Science-based Targets commitments

Work on the new EU Taxonomy objectives to be reported in 2024

Implement the actions defined in the Environment & Climate Change strategy for 2023-2025

Promote circular economy though Eco-design initiatives across the business

TNFD framework development to implement the recommendations on Natural Capital

Continue working with its supply chain in the calculation of the carbon footprint to increase data transparency and quality

5.1 Strategy and environmental positioning

Sustainability planning and management

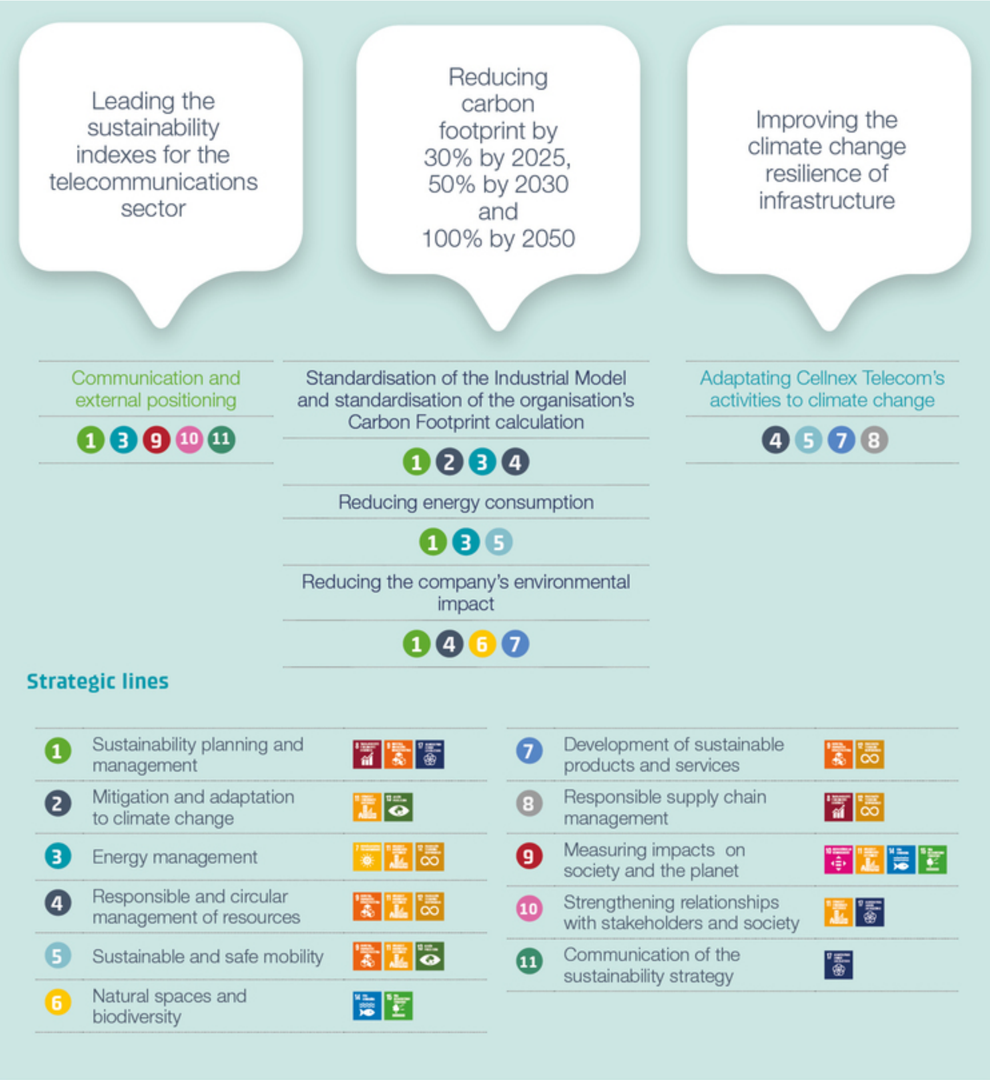
One of the main goals of the Cellnex ESG Master Plan is to continue growing with a long-term sustainable environmental approach and as part of Cellnex's commitment to the environment and combating climate change, the Company has adapted its business model to incorporate the measurement, reduction and mitigation of impacts caused by its activity that may have repercussions on the environment and the biodiversity of the areas where Cellnex operates.

In this regard, in 2021 Cellnex's Board of Directors adopted the **Environment and Climate Change Policy** which integrates all the principles that promote sustainable development. Moreover, to raise the company's level of responsibility, the Policy includes binding principles and commitments in each of the projects, business operations and activities undertaken by all business units. In turn, these principles and commitments are grouped in five strategic lines, aligned with the Sustainable Development Goals (SDGs).

The 2019-2023 Strategic Sustainability Plan defines the actions Cellnex will take to achieve the objectives set out in the Environment and Climate Change Policy. The Plan raises Cellnex's level of responsibility towards the environment and combating climate change and comprises 11 strategic lines designed to achieve three global objectives. In addition, the Plan is closely linked to Cellnex's global ESG strategy and the 2021-2025 ESG Master Plan.

To evaluate the performance of the Strategic Sustainability Plan and determine the actions required to achieve the targets set for 2023, Cellnex monitors the annual degree of achievement of each of the lines of action. For 2022, Cellnex established a series of targets grouped into actions to continue making progress in the Strategic Sustainability Plan. In this regard, the achievement rate for the actions outlined in 2022 was 97%. Cumulative achievement of the Strategic Sustainability Plan stood at 82% in 2022.

Further information about each of the sections of the environmental chapter can be found in the **2022 Environment and Climate Change Report**, available on the corporate website.



Leading the sustainability indexes for the telecommunications sector

Reducing carbon footprint by 30% by 2025, 50% by 2030 and 100% by 2050

Improving the climate change resilience of infrastructure

Communication and external positioning
①③⑨⑩⑪

Standardisation of the Industrial Model and standardisation of the organisation's Carbon Footprint calculation
①②③④

Reducing energy consumption
①③⑤

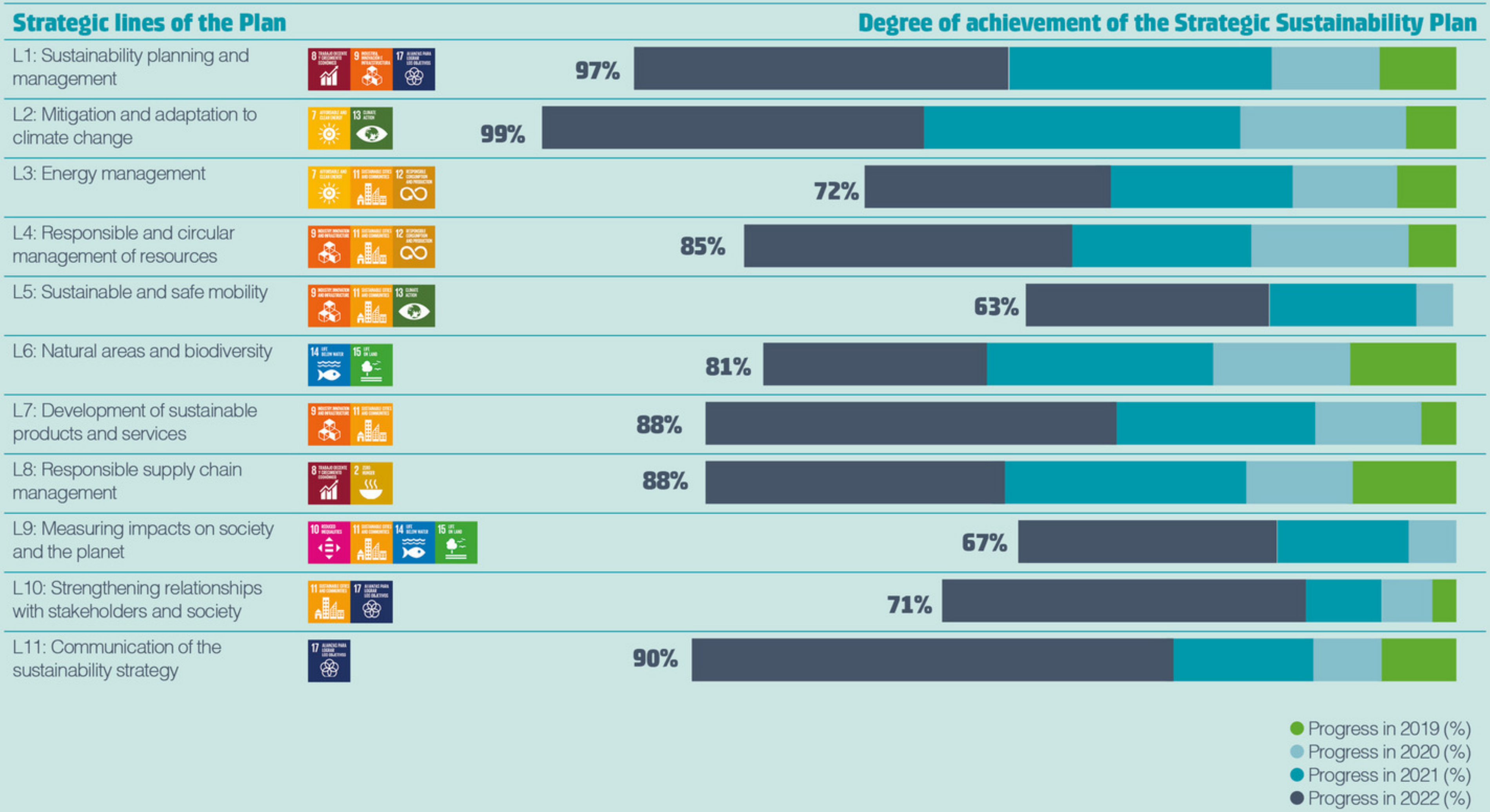
Reducing the company's environmental impact
①④⑥⑦

Adapting Cellnex Telecom's activities to climate change
④⑤⑦⑧

Strategic lines

① Sustainability planning and management
② Mitigation and adaptation to climate change
③ Energy management
④ Responsible and circular management of resources
⑤ Sustainable and safe mobility
⑥ Natural spaces and biodiversity
⑦ Development of sustainable products and services
⑧ Responsible supply chain management
⑨ Measuring impacts on society and the planet
⑩ Strengthening relationships with stakeholders and society
⑪ Communication of the sustainability strategy

DEGREE OF ACHIEVEMENT OF THE 2019-2022 STRATEGIC SUSTAINABILITY PLAN



Strategic lines of the Plan	Degree of achievement of the Strategic Sustainability Plan
L1: Sustainability planning and management	97%
L2: Mitigation and adaptation to climate change	99%
L3: Energy management	72%
L4: Responsible and circular management of resources	85%
L5: Sustainable and safe mobility	63%
L6: Natural areas and biodiversity	81%
L7: Development of sustainable products and services	88%
L8: Responsible supply chain management	88%
L9: Measuring impacts on society and the planet	67%
L10: Strengthening relationships with stakeholders and society	71%
L11: Communication of the sustainability strategy	90%

To strengthen Cellnex's ESG strategy in 2022 the *new Environment & Climate Change strategy for 2023-2025* has been redefined to reduce, offset and neutralise climate impacts throughout the value chain

Completion of the 2019-2023 Strategic Sustainability Plan has been brought forward to 2022 as part of a process to update the Strategy and rename it the **2023-2025 Environment and Climate Change Strategy**. For the update, current and future regulations on environmental sustainability issues were taken into account (such as the Corporate Sustainability Reporting Directive, European sustainability reporting standards and the EU Taxonomy), along with Cellnex's internal commitments (such as the Science-based Targets, Net-zero Strategy, Cellnex Energy Policy and Energy Transition Plan).

As a result of this work, the new plan has 40 actions grouped into eight lines of action. The linkages between the Strategic Sustainability Plan and the Environment and Climate Change Strategy are as follows:

Commitment in 2019	Commitment in 2023
Leading the sustainability indexes for the telecommunications sector	Achieving excellence and being an industry benchmark in integrated environmental management within the telecommunications sector, establishing a solid commitment throughout our value chain
Reducing our carbon footprint 30% by 2025, 50% by 2030 and 100% by 2050	Being a leading group in the fight against climate change by achieving carbon neutrality, improving the resilience of our infrastructure and promoting a circular economy in line with our activity
Improving the climate change resilience of infrastructure	Improving our environmental impact, integrating our infrastructure into the surrounding environment and establishing collaborative partnerships with stakeholders

Strategic Lines in 2019	Strategic Lines in 2023
Sustainability planning and management	1. Integrated environmental management
Mitigation and adaptation to climate change	2. Climate change
Energy management	3. Energy management
Responsible and circular management of resources	4. Circular economy 5. Water management
Sustainability and safe mobility	(*)
Natural spaces and biodiversity	6. Biodiversity and land use
Development of sustainable products and services	(*)
Responsible supply chain management	(*)
Measuring the impacts on society and the planet	7. Environmental impacts of infrastructures
Strengthening relationships with stakeholders and society	8. Training, awareness and collaboration with the Community
Communication of the sustainability strategy	(*)

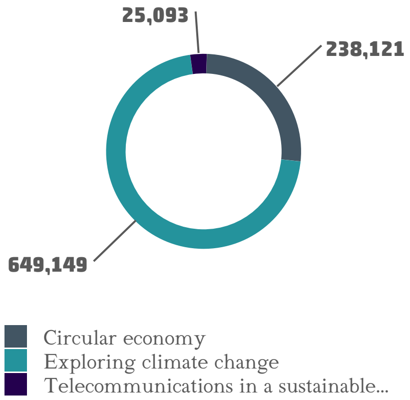
(*) Strategic Lines 5, 7, 8 and 11 in the 2019 Plan have been integrated into other more general Strategic Lines in the 2023 Plan.

In addition tp the strategic plans, Cellnex has an Environmental Management System (EMS) in place to achieve responsible management to ensure that policies and procedures advocating sustainability are designed and implemented. Seven business units are already integrated into the Global EMS (France, Portugal, Ireland, Switzerland, the Netherlands, Poland and the United Kingdom), and Spain and Italy now have the ISO 14001 certification and are due to be integrated into the Global Integrated Management System in 2023.

To increase transparency in environmental performance, in 2022 Cellnex published the second annual Environment and Climate Change report which contains information and follow-up on initiatives and projects undertaken during 2021. In 2022 a video was also published on internal and external channels to increase awareness and dissemination of **Cellnex's environmental strategy and climate objectives**.

With regard to environmental and climate change education and awareness, in 2022 Cellnex continued with its collaboration project with the education provider **Ambientech** to introduce sustainability and telecommunications training content in lower and higher secondary schools. The educational pathway is publicly available free of charge and covers three subjects: telecommunications in a sustainable world, exploring climate change and the circular economy. In addition, there was an inter-school competition focusing on solutions for environmental problems and a series of debates on human and environmental health. The three modules have received a total of 912,363 views.

Ambientech learning pathways. Number of visits during 2021-2022



In addition, in 2022 the initiative developed by Cellnex at Ambientech was selected to form part of Forética's Roadmap towards a **Future of Work focused on green jobs and a just transition** (Jobs 2030). This initiative is designed to support and raise the profile of business activity focusing on a more sustainable and ethical Future of Work, examining the most significant factors to achieve a fairer transition in adaptation and development in digitalisation.

During the 2021-2022 academic year, Cellnex also participated in the second edition of a collaborative project called "**The Smart Green Planet**", which aims to make the planet more sustainable. In this collaborative project, various secondary schools in Spain and Latin America submit projects with solutions for multiple environmental issues such as food, awareness, consumption, biodiversity, social inclusion and waste. A total of 473 students took part and, under the umbrella of the Smart Green Planet collaborative project, they consulted the aforementioned circular economy and climate emergency pathways, among others, as well as some projects on waste management and climate change.

A third project involving Cellnex during the 2021-2022 academic year was a school event called "Series of discussions: One World One Health", organised by Ambientech to raise young people's awareness of the interconnectedness between human health, animal health and environmental health. The event was held online from 23 to 26 May 2022 with multiple videoconferences on the Zoom and Menti platforms and an app to accompany the discussion with questionnaires and quizzes to add spark to the proceedings. The event centred on two discussions, one on how infectious diseases caused by antibiotic-resistant bacteria affect public health and another on how the environmental impact on the planet influences the overall health of people, animals and plants. Over 400 students from nine schools in Spain and Latin America took part in the project.

5.2 Monitoring and management of the main environmental risks, opportunities and impacts

Cellnex takes into account the *risks and opportunities presented by climate change*, incorporating them into the organisation's vision and objectives for the coming years

In a context of significant changes in the regulatory, economic and industrial sectors, caused by the transition towards a decarbonised economic model, there is growing pressure from investors, public bodies and society for organisations to report transparently on how they manage risks and opportunities arising from climate change in the short, medium and long term.

Within this transitional framework, in December 2015, the Financial Stability Board (FSB) established the **Task Force on Climate-related Financial Disclosures (TCFD)** to develop climate-related disclosures that "could promote more informed decisions on investment, credit and insurance underwriting" and, in turn, "would allow stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the exposures of the financial system to climate-related risks". The TCFD frames climate-related information in the business context under four pillars (governance, strategy, risk management, and metrics and objectives) and recommends disclosure in each pillar.

With its firm commitment to climate change and to making GHG emissions one of the focal points in decision-making, Cellnex takes into account the risks and opportunities presented by climate change, incorporating them into the organisation's vision and objectives for the coming years. As such, using four core elements, as recommended by the TCFD, Cellnex shows how it takes account of climate-related risks and opportunities, as well as strategies to mitigate risks and mainstream opportunities.

Cellnex has been a **TCFD supporter** since 2021, reaffirming its commitment to Climate Change transparency and disclosure.

Climate Change Contribution, Mitigation and Adaptation

Cellnex undertakes actions focused on *mitigating climate change*, such as through *emission reduction initiatives*

Climate change mitigation is based on preventing or reducing the emission of greenhouse gases, either through the use of new technologies and renewable energies, such as replacing older equipment with more efficient models. Cellnex undertakes actions focused on mitigating climate change, such as through emission reduction initiatives (Science-based targets, energy efficiency, sustainable mobility, carbon management along the value chain, etc.). Moreover, Cellnex has shown its commitment to a carbon-neutral business model by setting out the Cellnex **Net-zero Strategy.**

In addition, it is essential to adapt to climate change to ensure the long-term resilience and conservation of Cellnex assets. As such, in 2022 Cellnex developed a Climate Change Adaptation Plan. The main objective of the Cellnex Climate Change Adaptation Plan (CCAP) is to prevent or reduce present and future damage from climate change.

With sites across Europe, Cellnex must address climate variability on a regionalised basis, so there is a particular need for a Plan that takes an integrated approach to the potential consequences of climate variability, both globally and regionally, and the vulnerability of asset types to climate conditions based on their geolocation. For this reason, the CCAP makes it possible to:

- Understand the current and projected effects of climate change on the various telecommunications assets;
- Identify the potential impacts of climate change on a regional basis:
- Identify and take advantage of positive effects and opportunities arising from climate change;
- Establish priorities and concerted efforts in adaptation measures and actions, adapted to the types of assets and regional climate conditions.
- Optimise the allocation of available resources in a context of climate change and adaptation.

The project has two separate parts:

- **Physical climate risk analysis**: this analysis includes identifying risks and assessing vulnerability, exposure and impact to obtain a physical climate risk classification.
- **Proposal and prioritisation of adaptation measures**: the adaptation proposals attempt to propose activities to help reduce the vulnerability, exposure or impact of the different climate variables on the various assets of the company.

Two periods were analysed under a RCP 8.5 scenario: 2011-2040 and 2041-2070. In the period 2011-2040 only 2.19% of assets are subject to critical or high physical climate risk. The distribution of risks follows a normalised distribution that places the largest set of assets at low risk (49.23%). In the period 2041-2070 the percentage of assets at high or critical risk increases to 10.56%.

The variables analysed were: temperature, precipitation, wind, storm surge, sea level rise, flooding, fires and landslides. The climatic variable that primarily affects all assets at both horizons is temperature.

Cellnex recognised by CDP for its transparency and commitment in tackling climate change

For the fourth year in a row, Cellnex has been recognised for its transparency and commitment in tackling climate change on the prestigious **'A List'** compiled by CDP, the non-profit administrator of a global disclosure system allowing investors, companies, cities, states and regions to manage their impact on the environment. In 2022 Cellnex excelled in "exhaustive disclosure, awareness and management of environmental risks and demonstrated best practices in environmental leadership, such as by setting ambitious and meaningful targets."

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2022
CLIMATE

Analysis of Climate Risks and Opportunities: TCFD

Cellnex's *Global Risk Management Policy* establishes a framework that *implements, evaluates and improves risk management*

Governance

Climate risk and opportunity analysis at Cellnex Telecom forms part of the risk management process, following a bottom-up methodology, from every user in every business unit to senior management. To this end, it has a **Global Risk Management Policy**, establishing a framework that implements, evaluates and improves risk management throughout Cellnex Telecom's processes and activities.

Cellnex's governance of climate-related risks and opportunities and the risk management lifecycle ensures the overall and appropriate management of risks in the organisation; through the various levels of monitoring and validation, providing meaningful reporting to the Board of Directors.

Strategy

The climate risk analysis takes into account the time horizon analysis (short/medium/long term), the financial magnitude and management costs and the analysis of climate scenarios:

Physical scenarios: An RCP scenario is analysed, cumulatively measuring human emissions from all GHG sources to 2100. It is more relevant to take the worst case scenario into consideration, so the RCP 8.5 scenario was selected to analyse the climate projections. RCP 8.5 shows a Business-as-Usual (BaU) scenario, in which GHG emissions would continue to increase at the current rate. This is a worst-case scenario of higher GHG emissions in the atmosphere and further global warming.

Transition scenarios: two scenarios were selected: Stated Policies Scenario (SPS), with the objective of looking at the existing trajectory and seeing what future risks and opportunities would result from not implementing measures, and Sustainable Development Scenario (SDS), a scenario that goes beyond the policies currently in place. It is considered a more ambitious scenario of reductions than the Paris Agreement, i.e. one in which global warming is kept below 2°C.

As regards the resilience of the strategy, the results obtained from the analysis allow us to anticipate potential impacts and to inform and influence our strategy and business objectives. Thanks to the risk management that has been in place for years and this latest update in terms of policy, management and governance, Cellnex Telecom has further increased its resilience and will have the necessary tools to deal with potential future climate risks.

Climate Risk and opportunity management

As such, in 2022 Cellnex worked on updating the management and evaluation of risks and opportunities arising from climate change. For this evaluation, the risks and opportunities are prioritised as high, medium and low, taking into account two aspects: impact and probability. As a result of this process, in 2022 Cellnex identified and evaluated seven climate risks and seven climate opportunities. Those with the highest priority are outlined below:

Risk	Type	Time framework	Magnitude
GHG emissions price increase	Transitional, Legal and policy	Medium term	Medium-High
Regulatory obligations arising from F-Gas reduction	Transitional. Legal and policy	Medium term	Medium
Increased average temperature	Physical Chronic	Long term	Medium

Opportunity	Type	Time framework	Magnitude
Use of more efficient production and distribution processes	Resource efficiency	Short term	Medium-High
Development of low-carbon goods and services	Products and services	Short term	High
Change in investor preferences	Products and services	Medium term	Medium

Governance
The organisation's governance of climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk management
The processes used by the organisation to identify, assess and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

The most appropriate risk management is determined on the basis of an assessment of inherent risk and residual risk, taking into account the strategy, policies, procedures and rules established to cover the risks, identification of the persons responsible, the organisational structure for role definition and the information available to monitor the development of the activity within the parameters (performance, information and communication, etc.).

With this information on the table, a risk response or action plan is created, management undertakes to establish actions to attempt to reduce the level of risk until the risk is controlled and the second line of defence takes action to validate the effectiveness of the action plan.

Metrics & targets

The targets set by Cellnex Telecom show its stakeholders that it is committed to reducing environmental impact while reducing carbon price exposure. The commitment through the Science-based Targets and the longer term net-zero target involve a combination of approaches including reducing Greenhouse Gas (GHG) emissions, migrating energy procurement in favour of renewable and clean energy and engaging with the supply chain.

Cellnex will continue to measure and disclose its performance in relation to these objectives. Below is an overview of the most relevant climate-related metrics and targets:

- **GHG emissions scopes 1, 2 and 3**
- **GHG intensity**
- **Science-based Target follow-up**
- **Net-zero**
- **Scope 1 Compensation**
- **Energy consumption**
- **Share of renewable electricity**
- **Suppliers**

Further information is available in the **2022 Environment and Climate Change Report**.

5.3 EU taxonomy

The EU taxonomy is a classification system establishing a list of environmentally sustainable economic activities that will help to meet the EU's climate and energy targets for 2030 and achieve the European green deal objectives. As such, the EU taxonomy establishes appropriate definitions of which economic activities can be considered environmentally sustainable.

For an economic activity to be identified as environmentally sustainable, it must contribute to the achievement of certain environmental objectives. The Taxonomy Regulation establishes six environmental objectives:

1. Mitigation of climate change.
2. Adaptation to climate change.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Pollution prevention and control.
6. Protection and restoration of biodiversity and ecosystems.

To assess the environmental sustainability of Cellnex's economic activity, a study was conducted on the following services, in which more specific economic activities were identified:

- Telecommunications Infrastructure Service (TIS).
- Audiovisual broadcasting networks and infrastructures.
- Network and other services.
- Investment in R&D&i.

Once the business activities were identified, to determine which were potentially **eligible**, a revision was undertaken of those included in the list of Taxonomy activities, specifically those listed in the Climate Delegated Act (Mitigation and adaptation). The following indicators were established on this basis:

- Operating income from eligible economic activities based on those proposed in the Climate Delegated Act.
- Capital Expenditures (Capex), Investments made by Cellnex relating to activities eligible under the Taxonomy.

Cellnex has not calculated the eligible Operating Expenditures (Opex) indicator based on the Taxonomy as it is not considered material for the business.

On January 1, 2023, all the disclosure of the Taxonomy for the objectives of Mitigation and Adaptation entered into force, forcing reporting based on Annexes I and II of the Delegated Act of Article 8 (2021/4987/UE) . Therefore, it is obliged to report the **alignment** as well as the eligibility of the economic activities at the level of financial data, and the quantitative and qualitative verifications for technical selection criteria, DNSH and minimum guarantees.

To assess the level of alignment by activity, the following criteria were took into account:

- Comply with the Technical Screening Criteria (TSC) established for each activity.
- Do Not Significant Harm (DNSH) to any of the other environmental objectives.
- Be carried out in accordance with the minimum guarantees established.

These points must be met simultaneously for an activity to be considered environmentally sustainable. To analyse the degree of alignment of each activity, an eligibility screening was first carried out and then a verification of compliance with the criteria for Do Not Significant Harm (DNSH), minimum guarantees and Technical Screening Criteria (TSC).

To ensure a correct alignment analysis, Cellnex has exhaustively examined these criteria and points, working in parallel to meet each of the points that the alignment process marks. Based on that, an extraction of financial indicators according to the methodology of the Delegated Act of Disclosure was performed.

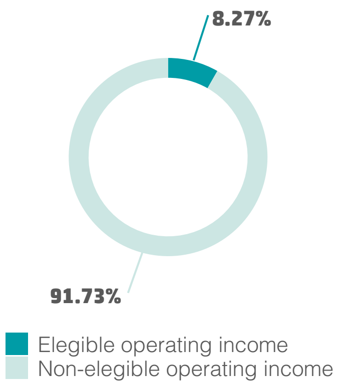
Cellnex has adopted a conservative approach when reporting eligibility and alignment based on the Taxonomy. Cellnex has avoided forcing definitions of activities that are not clearly defined as sustainable. Consequently, the degree of eligibility is low, similar to last year's. Of the total operating income, 8.27% is established as eligible based on the taxonomy. 13.60% of this 8.27% is considered aligned, being a 1.13% of the total operating income.

On the other hand, 1.15% of the Capex is considered eligible. 9.09% of this 1.15% is considered aligned, being a 0.10% of the total Capex.

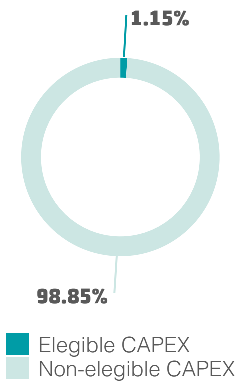
Cellnex assumes as its purpose to improve the degree of alignment of the company to the technical selection criteria and DNSH principles of its eligible activities. As well as to maintain those classified as aligned during 2022 and to improve the methodologies and procedures for the development of applicability and usability of the EU Taxonomy.

Annex 7 provides further details of the EU Taxonomy analysis performed by Cellnex.

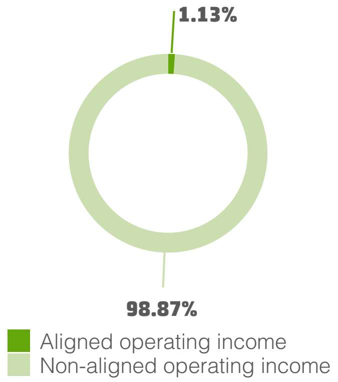
Operating income eligibility



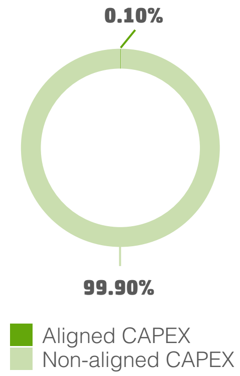
CAPEX eligibility



Operating income alignment

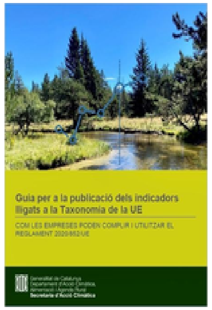


CAPEX alignment



Cellnex recognised as a benchmark company for its Taxonomy disclosure

In 2022 Cellnex was recognised as a benchmark company for its Taxonomy disclosure in the 2021 Integrated Annual Report. As a result, Cellnex was included in the Catalan Government's **Guide to publishing EU Taxonomy indicators**. This guide aims to provide companies that are required or choose to report their alignment to the EU Taxonomy with an explanation of the methodology to be used, explain the importance of reporting on the Taxonomy and share reporting Best Practices. Cellnex was distinguished for three aspects, (i) transparency in the justification and presentation of results, (ii) accuracy in the use of the taxonomy regulation and its delegated acts, and (iii) efforts undertaken to obtain detailed data on all the activities and the countries that make up the perimeter of a company.


Guia per a la publicació dels indicadors lligats a la Taxonomia de la UE

COM LES EMPRESES PODEN COMPLIR I UTILITZAR EL REGLAMENT 2020/852/UE

5.4 Conservation of resources

Energy Transition Plan guidelines were issued in 2021 and further developed in 2022 in line with the current needs of the company

Energy management

Cellnex is aware of the importance of its energy performance and the sustainable origin of the energy necessary for its operations. In this sense, indirect emissions from electricity consumption are an significant contributor to Cellnex's carbon footprint.

To boost this awareness, specific Energy Guidelines were issued in 2021 and further developed in 2022. The guidelines establish that Cellnex promotes the efficient use of energy through the implementation of energy saving and efficiency measures in work processes and conduct, and by controlling and monitoring consumption in the most significant uses. All of this is based on compliance with applicable legal and regulatory standards at international, European, state, regional and local level, as well as the willingness to adapt to future standards and the requirements of customers and society.

To demonstrate its commitment to responsible consumption and proper energy management, in 2021 Cellnex adopted an Environment and Climate Change Policy, specifying its commitments relating to efficient energy management:

- Promoting energy efficiency in processes and procedures.
- Supporting the development of initiatives that reduce energy consumption at the Company's facilities.
- Ensuring control of energy consumption (electricity, natural gas, and fuels).
- Increasing the use of renewable energy sources.
- Raising awareness and training personnel in good practices to save energy.

To comply with these commitments, in 2021 Cellnex released the first version of its Energy Transition Plan as part of its ESG Master Plan and the Strategic Sustainability Plan.

Energy 4.0	**Green energy sourcing**	**Energy efficiency**	**Self generation**

The **Energy Transition Plan** has four pillars:

- **Energy 4.0**: this pillar aims to foster an intelligent asset ecosystem that triggers optimisation, big data analytics and comprehensive energy performance monitoring. To develop this pillar, an intelligent platform was implemented for accurate real-life energy performance monitoring and a measurement strategy was defined and implemented to accurately monitor Cellnex's energy performance, as well as that of its customers, with capability to feed the Global Energy Platform.

In 2022 Cellnex met its *renewable electricity consumption* target with 77% of consumption from renewable sources

- **Green Energy Sourcing**: the objective is to ensure that the electricity consumed at Cellnex sites is from a 100% renewable source, making it possible to mitigate 100% of Scope 2 carbon emissions. To achieve this, a strategy is in place to increase and ensure the renewable origin of the electricity supplied directly from the grid to Cellnex sites.
- **Energy Efficiency**: this pillar seeks to ensure continuous improvement in energy performance to alleviate and optimise the impact of Cellnex's operations. It will be developed by implementing ISO 50001 standard to ensure continuous improvement of energy performance and the creation of energy efficiency initiatives together with Cellnex customers.
- **Self generation:** the aim is to implement self generation of electricity at Cellnex sites, as far as is reasonable and feasible, to support a journey of carbon neutral operations. This could be achieved initially by implementing economically efficient on-site generation solutions (with the possibility of higher-capacity off-site generation plants if economically viable) and in the future might also include reducing the consumption of fossil fuels for fixed backup diesel generators.

During 2021 Cellnex released the first version of its Energy Transition Plan, focused on defining the scope and overall strategy, but only with regard to delivering commitments under the Green Energy Sourcing pillar. However, in 2022 Cellnex continued developing the overall strategy of intensifying the key activities and outlined corporate commitments to pave the path to carbon neutral operations. In addition, a budget plan was allocated to investment and development for the four pillars of the Energy Transition Plan.

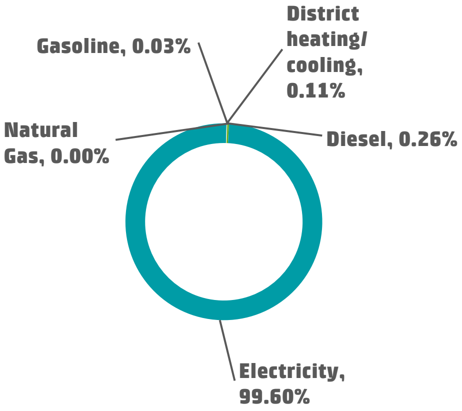
The Group's total energy consumption for 2022 was 1,301 GWh (1,227 GWh in 2021), the largest part of which was electricity consumption. Cellnex's electricity consumption derives mainly from site electricity consumption and, to a lesser extent, office electricity consumption. In 2022 the total electricity consumed was 1,295 GWh (1,223 GWh in 2021), 77% of which came from renewable sources.

Detailed information on energy consumption is available in **Annex 6. KPI Tables**

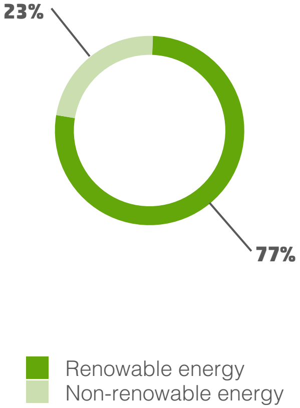
Energy Transition Plan Targets

Deploying **Global Energy Platform** for **70%** of Cellnex's consumption by **2025**	**100%** green energy **consumption** by **2025**.	**70%** of Cellnex consumption to be ISO 50001 **certified** by **2025**.

Total energy consumption by source



Share of renewable electricity



Share of renewable electricity by country (%)

As a result of the green energy sourcing strategy, the share of renewable electricity has increased in recent years from 10% in 2020 to 77% in 2022.

77%

renewable electricity

🇪🇸	100 %	(2022)
	47 %	(2021)
🇮🇹	59 %	(2022)
	37 %	(2021)
🇫🇷	100 %	(2022)
	0 %	(2021)
🇨🇭	100 %	(2022)
	100 %	(2021)
🇳🇱	100 %	(2022)
	68 %	(2021)
🇬🇧	100 %	(2022)
	100 %	(2021)
🇮🇪	0 %	(2022)
	0 %	(2021)
🇵🇹	—	(2022)
	—	(2021)
🇦🇹	—	(2022)
	—	(2021)
🇩🇰	100 %	(2022)
	0 %	(2021)
🇸🇪	100 %	(2022)
	100 %	(2021)
🇵🇱	94 %	(2022)
	0 %	(2021)

Energy efficiency

Cellnex is promoting energy efficiency and self generation measures, together with its customers.

As a result of investments made in energy saving and efficiency measures, in 2022 it was possible to reduce energy consumption, as shown below.

	Energy saved (GWh)	Investment (thousands of EUR)
Cooling	1.9	714
Fuel	0.8	60
Electricity	5.8	3,445
Total	**8.5**	**4,219**

Cellnex Spain

In 2022 the energy efficiency initiatives carried out by Cellnex Spain were a pilot with photovoltaic panel at sites, a pilot with hydrogen batteries, upgrading a broad range of active equipment, upgrading refrigeration equipment, and monitoring and controlling consumption.

Cellnex Netherlands

Cellnex Netherlands is working on different projects as improving energy-measurement on inventory (active equipment) to detect unknown energy consumption items; replacement of current lighting in media gateway data-center by for LED; replacement of old cooling equipment in the media gateway data-center; or energy savings at sites by usage of alternative energy sources (wind solar smart batteries).

These initiatives shall be implemented gradually over the coming years.

Cellnex Ireland

Cellnex Ireland has identified four sites which are now at the design stage. Each site will be fitted with two 4kW photovoltaic systems to supply energy to the base stations on site. This small project is a pilot for a much larger one that may commence in the coming months.

Cellnex Italy

Cellnex Italy carried out three energy efficiency initiatives: Isolation transformer,

Outplacement of indoor equipment and Silenced Free-Cooling.

Cellnex Poland

In 2022 Cellnex Poland continued with the modernisation of BBUs (DC power systems) by replacing rectifiers with more effective models and installing reactive power compensators. In addition, 300 air-conditioning devices were replaced at its sites in 2022.

As part of its determination to remain at the cutting edge of technological advances and support the Energy Transition plan, Cellnex conducted a pilot in Spain to evaluate Fuel Cells and a pilot to test aluminium based energy storage.

Cellnex Spain uses aluminium-air batteries as backup power at its sites

In 2022 Cellnex Spain completed a pilot programme to test and validate the use of aluminium-air batteries as backup power at its sites. Cellnex collaborated with the company Phinergy to replace a diesel generating set with these innovative aluminium-air batteries which deliver 4 kW, enough to power a medium-sized telecommunications infrastructure with approximately 20 hours capacity.
In view of the results, at the end of the pilot project, the aluminium battery system was kept on site for use as the standard backup power system and to assess the potential for adding it to the technological solutions used by Cellnex at its sites. This is one way in which the Company continues to make progress in fulfilling its ESG commitments to use renewable energy sources at its facilities. Moreover, given the ease of transport and installation, it is possible to use these batteries with zero environmental impact in rural locations, hard-to-reach areas, offshore sites and wherever a conventional power line is technically or economically unfeasible. Even electric vehicles will be able to benefit from this technology with packs allowing them to extend their range when chargers are not readily available.

Responsible and circular resource management

Water consumption

Water consumption throughout the Cellnex Group is used primarily for sanitation. Water for the whole Group is provided mainly through the public water supply network, with a total consumption of 2,195 m^3 in 2022 (11,038 m^3 in 2021), 80% lower than 2021.

Moreover, in 2022 the Group's water footprint was calculated and audited in line with the methodology defined in ISO 14046. Although Cellnex's consumption is a non-material issue for the Company due to the nature of its activity, Cellnex aims to calculate its water footprint annually to monitor and control the impact of Cellnex's activity on this resource.

Cellnex Spain prepares a Good Environmental Practices guide

Cellnex Spain has prepared a Good Environmental Practices guide with useful recommendations which is available to all its workers. These tips can be found on the Company's intranet and can be applied both at work and in daily life.

Waste management

Waste generated at Cellnex sites during construction, operation, maintenance and decommissioning operations is managed by waste management providers. To check that this management is carried out properly, Cellnex ensures that any waste produced by its suppliers in the course of outsourced activities is treated properly. In addition, Cellnex promotes proper waste management throughout the Company and its value chain, taking the waste hierarchy into account, thereby fostering the prevention of waste, and prepares it for reuse and recycling.

Cellnex Spain donates telecom equipment to the University of Alcalá

Cellnex Spain has signed a collaboration agreement with the University of Alcalá to donate telecommunications equipment that is dismantled at Cellnex sites so that the University can use it for education purposes. In this way, Cellnex gives its equipment a second life.

Circular economy partnership with l'Associació Cívica La Nau

As a circular economy initiative, Cellnex has donated 102 obsolete mobile phones to l'Associació Cívica La Nau to be reused. This initiative has prevented the generation of 15 kg of electronic waste and 806 kg of CO_2.

Eco-design

Cellnex's vision is to transform the existing paradigm to reduce the environmental impact generated by Cellnex TIS centres in Europe, with a particular focus on requirements affecting suppliers and the applicable eco-design strategies. In 2020 Cellnex initiated a Life Cycle Assessment (LCA) project for the TIS centres to identify inputs (consumption of raw materials and energy) and outputs (emissions to water, air and soil, waste and by-products) throughout every stage of their life cycle.

In 2022 Cellnex updated the LCA project begun in 2020 through the development of the Eco-design project, which established two eco-design models (short-term scenario and long-term scenario) for the two types of TIS centres (rural and rooftop), taking into account the technical and legal barriers for each of them and the proposed eco-design strategies.

To this end, an eco-design checklist was drawn up to enable:

- Reduced dependence on resources of origin.
- Reduced material management costs.
- Reduced risk from volatility in the price of materials.
- Reduced emissions (e.g. CO_2 eq., NOx emissions, etc.).

The eco-design checklist was drawn up by applying ISO 14006. This standard provides the necessary guidelines to help the organisation establish a systematic and structured approach in the mainstreaming and implementation of an eco-design process. The most notable aspects of the design and development process for a TIS centre contained in the eco-design checklist are:

- Identifying significant environmental aspects.
- Defining areas for improvement and specific eco-design measures.
- Classifying measures according to priority (Must-have vs. Nice-to-have).
- Calculating potential environmental benefit (reduction of CO_2 equivalent).

To this end, Cellnex has established a green procurement protocol, defining a list of sustainability and circularity criteria to facilitate decision-making related to the evaluation and selection of providers that operate the IT centres. In this regard, aspects such as eco-design, consumption of raw materials, energy consumption, emissions, waste generation, impact on biodiversity and social and economic impact are taken into account.

5.5 Carbon footprint and climate change

Cellnex's Greenhouse Gas Emissions

The Greenhouse Gas (GHG) emissions inventory is a key instrument for understanding the global dimension of the impact of the Company's activity on climate change, as well as the development of GHG emissions over time and Cellnex's value chain. As such, this year Cellnex has once again calculated and certified, through an independent external body, Scope 1, 2 and 3 of the Carbon Footprint following the ISO 14064-1:2018 standard, as well as the criteria of the GHG Protocol, for all countries and at corporate level. Additionally, internal audits related to the carbon footprint have been conducted since 2021. In 2022 audits were performed in eight countries (France, Poland, the Netherlands, Denmark, Sweden, Finland, Switzerland and Corporate).

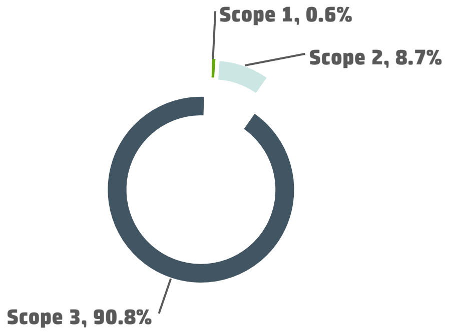
Since 2021, in addition to the ISO 14064-1:2018 standard, emissions are reported and verified according to the classification established by the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development. In the case of Scope 3 emissions, the classification established in the GHG Protocol publication “Corporate Value Chain Accounting and Reporting Standard (Scope 3)” is used.

According to the verification, the verified emissions inventory for 2022 is 558,011 tCO_2e using the market-based approach (recalculated at 931,409 and 1,065,310 tCO_2e in 2021 and 2020, respectively).

The decrease in emissions is due mainly to implementation of the actions defined in the **Energy Transition Plan** regarding the purchase of renewable electricity.

In line with the GHG protocol with the market-based approach, 90.8% of the emissions correspond to Scope 3, followed by Scope 2 with 8.7% and Scope 1 with under 0.6% of GHG emissions.

GHG emissions by scope in 2022



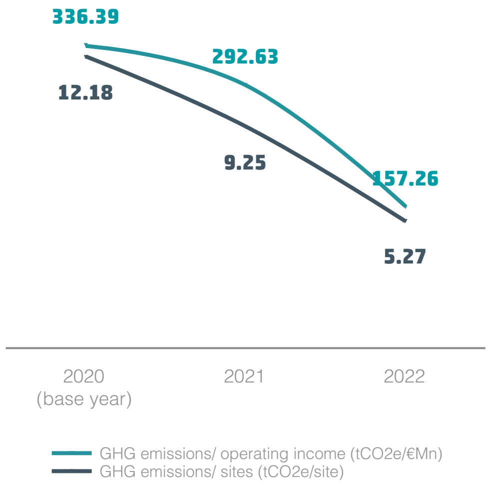
Carbon emissions according to GHG Protocol (t CO_2e) (market-based)

Category	2022	2021	2020 (base year)
Scope 1: direct emissions	3,212	3,623	3,940
Scope 2: indirect emissions	48,329	326,857	432,160
Scope 3: other indirect emissions	506,470	600,929	629,210
3.1. Goods and services purchased	32,724	31,963	37,138
3.2. Capital goods	40,807	43,755	43,819
3.3 Fuel and energy-related activities	57,079	102,419	88,937
3.4. Transport and distribution upstream	132	14,256	16,140
3.5. Waste generated in operations	33	4,750	4,798
3.6. Business trips	1,147	45,318	56,785
3.7. Displacement of employees	2,553	2,159	1,553
3. 8. Leased assets upstream	107,265	109,271	114,808
3.13. Leased assets downstream	264,729	310,719	342,177
Total	**558,011**	**931,409**	**1,065,310**

In 2022, Cellnex has ***reduced its total emissions*** compared to 2020 base year by

48 %

Evolution of the emission intensity (Scope 1+2+3)



Emission intensities have reduced over recent years mainly due to the efforts made in green electricity consumption (scope 2). With regard to this strategy, it is worth highlighting the difference between scope 2 local-based emissions (48,329 tCO_2e) and market-based emissions (340,262 tCO_2e) as a indication of Cellnex's commitment to reduce its carbon impact.

The GHG emissions disclosed for 2021 and 2020 (as base year) have been recalculated and restated, due to changes in the perimeter. Further information can be found in Chapter **7.3. Carbon footprint: Scope and calculation methodology.**

Carbon offsetting

Since 2015, as part of its efforts to mitigate GHG emissions, Cellnex has offset emissions to achieve neutrality in scope 1 for all the countries. In 2022 Cellnex offset 3,212 tCO_2e by acquiring 3,212 CER (certified emission reductions) credits in two different projects:

The projects are:

- Manantiales Behr Wind Farm in Argentina (VCS)
- Madhya Pradesh Wind Project in India (Gold Standard)

Total GHG emissions

558,011

tCO_2e in 2022

-48% reduction

vs base year 2020

🇪🇸	38,407	(2022)
	87,196	(2021)
🇮🇹	101,033	(2022)
	181,413	(2021)
🇫🇷	32,968	(2022)
	40,531	(2021)
🇨🇭	5,723	(2022)
	14,284	(2021)
🇳🇱	24,566	(2022)
	36,282	(2021)
🇬🇧	42,762	(2022)
	58,316	(2021)
🇮🇪	8,726	(2022)
	6,805	(2021)
🇵🇹	31,228	(2022)
	36,885	(2021)
🇦🇹	25,168	(2022)
	26,333	(2021)
🇩🇰	2,849	(2022)
	4,381	(2021)
🇸🇪	1,051	(2022)
	1,313	(2021)
🇵🇱	243,532	(2022)
	437,671	(2021)

Achieving the Science Based Targets

Energy Transition Plan
guidelines were issued in 2021 and developed further in 2022 in line with the current needs of the company

In line with the recommendations in the TCFD "Metrics and Objectives" pillar, Cellnex recognises the importance of measuring the total emissions that its activity generates as this enables the Company to draw a roadmap for setting emission reduction targets, which will allow the company to achieve climate neutrality.

In this regard, in 2019 Cellnex committed to developing a science-based emissions reduction target, in line with the **Science-Based Targets Initiative (SBTi)**, which aims to increase companies' commitment to sustainable management and seek more ambitious solutions to climate change. This initiative, aligned with the Paris Agreement, aims to help establish science-based climate change strategies to reduce greenhouse gas emissions. As such it aims to limit global warming to well below 2°C above pre-industrial levels and to continue efforts to limit warming to 1.5°C.

In 2021 Cellnex established three specific objectives for the reduction of emissions which have been validated by the Science-Based Targets initiative (SBTi) and are aligned with the Global Pact "Business Ambition for 1.5°C". These reduction targets are the first essential step in defining Cellnex's Net-zero Strategy.

In 2022 Cellnex has been working on the roadmap to achieve these objectives, such as defining the 2023-2025 Climate Change Strategy. Specific actions were also undertaken with suppliers, in addition to energy management actions.

SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Cellnex's achievements in 2022

77% sourcing of renewable electricity

79% reduction in scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities

9% reduction in absolute scope 3 GHG emissions from purchased goods and services and capital goods

Cellnex's Science-Based Targets commitments (SBTs)

Increasing the annual **supply of renewable electricity** from 0% in 2020 to

100% **by 2025**

Reducing absolute Scope 1, 2 GHG emissions and Scope 3 GHG emissions (fuels and energy)

70% **by 2030,**
compared to base year 2020.

Reducing absolute Scope 3 emissions (goods and services and capital goods) by

21% **by 2025,**
compared to base year 2020.

> ***"Combating global warming is one of our greatest challenges and the solution is to reach net-zero by 2050. It is a long and complex process that will require research, technological advances and investment. I am proud that Cellnex has made this global commitment, which demonstrates a strong will to move towards a more sustainable business model".***
>
> **Yolanda Romero, EHS-Q project manager - Cellnex Corporate**

Committed to achieve *carbon neutrality by* 2035 *& net zero by* 2050

Net-zero Strategy

The most significant challenge in today's world is the climate crisis. As the latest IPPC (Intergovernmental Panel on Climate Change) report states “global warming, reaching 1.5°C in the near-term, would cause unavoidable increases in multiple climate hazards and present multiple risks to ecosystems and humans. Near-term actions that limit global warming to close to 1.5°C would substantially reduce projected losses and damages related to climate change in human systems and ecosystems, compared to higher warming levels, but cannot eliminate them all”. Recognising this serious situation, Cellnex is actively working to limit the effects of climate change and contribute to the decarbonisation of the economy.

According to the Science-based Targets initiative (SBTi), net-zero carbon emissions are achieved when anthropogenic greenhouse gas (GHG) emissions to the atmosphere are balanced by anthropogenic removals over a period of time. For cities and businesses, this means balancing the emissions produced by the organisation's operations and supply chain with the emissions removed from the atmosphere.

Cellnex's 2019-2023 Strategic Sustainability Plan has been updated in the 2023-2025 Environment and Climate Change Strategy. Cellnex wants to go one step further, giving substance to its commitment to the decarbonisation of the economy by defining a strategy to reduce and neutralise its emissions with specific objectives in the medium and long term: the Cellnex Net-zero Strategy. This strategy is a key component of the 2023-2025 Environment and Climate Change Strategy, as well as the Company's ESG Master Plan, and will allow Cellnex to be a net-zero company by 2050, with the intermediate goal of being Carbon Neutral by 2035.

Under the Net-zero Strategy, the Company will develop a roadmap with specific medium and long term goals to accelerate the transition towards a net-zero business model. The first lines of action that were established set out three types of measures:

- Reduction of direct and indirect CO_2 emissions.
- Neutralisation of unavoidable emissions, when emissions have been reduced to a level close to zero, through absorption projects to remove carbon from the atmosphere.
- As a prior step to neutralisation, Cellnex will offset its residual emissions by financing projects to avoid the generation of new emissions outside the scope of Cellnex's own activity.

To this end, Cellnex has established a strategy to reduce GHG emissions as far as possible and neutralise residual emissions that cannot be reduced. The strategy is structured around the following seven pillars:

1. Science-based reduction targets
2. Energy transition
3. Value chain
4. Circular economy
5. Sustainable mobility
6. Neutralisation of residual emissions
7. Transparency and governance

With the implementation of the planned GHG emission reduction measures, there are a number of residual emissions that are not within Cellnex's control and cannot be reduced. Recognising this, Cellnex wants to act to achieve its net-zero objective. As such, Cellnex will allocate climate finance to carbon offsetting and absorption projects on the voluntary carbon market. The company will also develop offsetting opportunities in its value chain. In addition, the projects financed by Cellnex will be regulated by international standards (MDL, VCS, Gold Standard) to ensure that they contribute towards sustainable development in the countries and the fight against climate change.

To make Cellnex a net-zero company, it is important to mainstream sustainability and climate change into the day-to-day management of the company for it to operate responsibly in each of its activities and business areas.

Carbon management along the value chain

Cellnex's commitment to the environment is transferred to the value chain through the dedication and commitment of the actors in the Environment and Climate Change Policy chain. In addition, acceptance of Cellnex's commitment through evidence of business activities is also included in the environmental requirements for suppliers and through the monitoring of outsourced processes, in addition to the environmental requirements outlined in construction and infrastructure projects, among others.

Carbon management along the value chain

In 2020-2021, a preliminary internal carbon tax was established with the dual purpose of promoting efforts to reduce the company's emissions and fostering a shift in behaviour towards a less emission-intensive activity.

During 2022, a pilot project was conducted in the Procurement areas, allowing the following main conclusions to be drawn regarding the feasibility of the project and the next steps to be taken:

- It would be more feasible for Cellnex to implement a Shadow Price, rather than an Internal Carbon Tax.
- Transition time is required to meet the reporting requirements (2025-2030 horizon).

In this regard, implementation from 2025 onwards is proposed because prior work is required to understand suppliers' emissions. In relation to this, Cellnex's Supplier Support project in the CDP Supply Chain Programme (currently underway) aims to make progress in this direction.

Internal tax pilots will be also explored in the coming years in other areas of emissions such as Business Travel.

Mobility Plan

The Health and Safety department at Cellnex, in collaboration with the Environment and Climate Change department, has developed a "Mobility Plan" project to reduce the number of traffic accidents and to ensure that travel by and for Cellnex is as sustainable as possible.

In 2022 a global mobility survey was conducted and work was undertaken to establish mobility plans for the offices in Spain (Barcelona and Madrid) and Italy (Rome).

Carbon footprint supplier engagement

Another notable project related to carbon management and linked to the Cellnex supply chain was support and assistance for suppliers in their carbon footprint calculations, to increase the transparency and quality of emissions calculations throughout Cellnex's supply chain by obtaining better quality supplier-specific data for the calculation of procurement-related emissions.

Supplier Risk Management Model

In 2022 Cellnex implemented the environmental and emission reduction requirements under the company's new procurement risk management model (Supplier Risk Management Model).

Cellnex Spain includes environmental criteria in procurement tenders

The Cellnex Spain environment team has collaborated with the procurement team so that the tender for a one-time purchase includes new air conditioning equipment with a type of refrigerant gas with a lower global warming potential (R32), to be installed at Cellnex Spain centres. This will allow Cellnex to reduce its carbon footprint and contribute towards becoming a net-zero Company.

5.6 Nature and biodiversity

Halting the decline in biodiversity is one of the main objectives that companies must address. The protection and conservation of biodiversity in the places where the Company's activities are conducted is a priority for the company.

With the aim of preserving the natural spaces where Cellnex's activity takes place and minimising environmental impacts, such as visual or noise impacts, Cellnex has created a specific pillar in its sustainability strategy for "Natural Spaces and Biodiversity". In this regard, in 2022 Cellnex Netherlands received nine noise and visual impact complaints and Cellnex UK received one.

In recent years Cellnex has been working on various actions focused on biodiversity management and evaluating Cellnex's impact on natural spaces and all these actions have resulted in the development of the Natural Capital project.

Visual impact management

One of the actions carried out is management of the visual impact of Cellnex sites. The policies and practices related to the location of masts and transmission sites, site sharing and initiatives to reduce visual impacts in each country where Cellnex operates are outlined below.

Cellnex Austria

The locations where Cellnex Austria builds sites are determined primarily by customers' needs, as is the case with site sharing. With regard to visual impact, Cellnex Austria meets the local requirements established by the government.

Cellnex Denmark

Denmark is highly regulated in terms of building requirements, planning regulations and the placement of new towers in rural areas and the impact on open land. In this regard, Cellnex Denmark follows best practices and guidelines from municipal and governmental agencies to comply with regulations.

Cellnex Spain

Cellnex Spain complies with municipal regulations on the location of masts and all that this entails, in addition to taking into account criteria such as visual impact (in this regard, camouflage measures are taken). Each action is subject to local regulations and is undertaken in accordance with the regulations applicable in each case. The procedure consists of a prior study and compliance with the regulations applicable to each of the sites.

Cellnex France

At Cellnex France, site location is mostly determined by customers' needs. A task force works to promote shared sites and optimise locations where possible. In this regard, in 2022 a project was initiated with the aim of relocating sites owned by Cellnex. This project will be further developed in 2023 and will take sites not owned by Cellnex into consideration.

As regards visual impacts, Cellnex France uses a specific strategy of "integration paysagère". This technique consists of reducing visual impact by concealing telecommunications equipment using fake objects (fake trees, fake chimneys, etc.).

Cellnex Netherlands

In The Netherlands telecom operators are obliged by law, to share mast sites. For all regular towers an environmental building permit is needed. For every new site a compliance to Natura2000 is mandatory. In certain cases along railroads NGCE (non exploded conventional explosives) investigations need to be executed. High towers require a valid and up to date environmental permit.

Cellnex Ireland

Cellnex Ireland has a process for planning applications for new developments, as well as a Visual Impact Assessment for its site in Portrane. When building a new site, Cellnex Ireland focuses on requirements, existing services and co-location.

Cellnex Italy

Cellnex Italy takes great care to reduce environmental impact for its customers. To this end, multi-operator infrastructures are built.

Cellnex Italy follows Italian law and specific actions are taken to further reduce visual impacts at the request of the Public Authorities.

Cellnex Poland

During the site design process, architectural style, local conditions and communities are taken into account. Cellnex Poland responds to the needs of the landowners and legal authorities (e.g. monument conservators) and makes sure that the structures do not disturb the surrounding architecture and fit into the surroundings as much as possible. In addition, the focus of the local community is of great importance in the process of selecting a structure.

Cellnex Portugal

Cellnex Portugal locations are determined at the request of its customers, as envisaged in the BTS programmes. New sites are built ready for shared use. Existing sites are adapted for co-location at the request of Cellnex Portugal customers. As regards reducing visual impact, all of Cellnex Portugal processes are scrutinised by municipalities and entities with decision-making powers on infrastructure concessions, meaning that the definitive solutions are aligned with the decisions of these entities.

When such entities require concealment, or when this is agreed with the landowner, Cellnex provides solutions for rooftops (chimneys) and green spaces (trees) to reduce visual impact.

Cellnex United Kingdom

Cellnex UK looks to manage and deploy shareable communications infrastructure, which aligns to long-standing town planning policy to share existing sites and minimise the proliferation of new communication sites. Cellnex UK town planning and community relations processes are aligned with the industry Code of Practice for Wireless Network Development in England, a similar Code in Wales and similar practice in Scotland and Northern Ireland. The Code of Practice sets out guidance and principles in deploying mobile communication infrastructure, largely based around minimising environmental impact through sharing good design, where possible, respecting site context and sensitivity.

This is embedded into Cellnex UK project delivery, ensuring that good design and environmental considerations are considered at the earliest stages of feasibility, through to the eventual planning submission to the relevant determining body, such as the local planning authority.

Even where certain infrastructure needed by Cellnex UK or its customers does not require planning permission and can be regarded as ‘permitted development’, there is governance and control within the planning legislation to ensure that any chosen design looks to minimise visual impact.

Cellnex UK is also currently engaged in initiatives to bring forward better rooftop and mast design, through an aesthetic design initiative with an architectural consultancy firm. Cellnex UK town planning activities are supported by a Town Planning and Community Relations Guide and a comprehensive suite of model town planning documentation which embed the Code of Practice and also ensure that Cellnex UK proposals meet local and national town planning policy.

Cellnex Sweden

Cellnex Sweden follows the regulations of the country, region and municipality and the guidelines and recommendations of the owners in relation to requirements to reduce visual impact.

Cellnex Switzerland

Sites at Cellnex Switzerland are built in line with the local regulations and administrative procedure.

Natural Capital

The natural capital perspective involves a new approach that presents nature as the provider of a wide range of benefits. As such, this new perception of nature makes it easier for decision-makers to take into account the interactions of companies with natural systems and the flows between them.

During 2022, a materiality analysis on natural capital was performed for Cellnex, assessing the impacts, dependencies, risks and opportunities.

The Natural Capital project set out to analyse Cellnex Telecom's relationship with natural capital in terms of dependencies and impacts. Specifically, the company's dependence on ecosystem services and natural assets and its contribution to the main drivers of biodiversity loss, taking the value chain into consideration. The project was divided in two phases: 1) Analysis of impacts and dependencies on biodiversity; 2) Identification of risks and opportunities following the recommendations of the Task Force for Nature-Related Financial Disclosures (TNFD).

Methodology

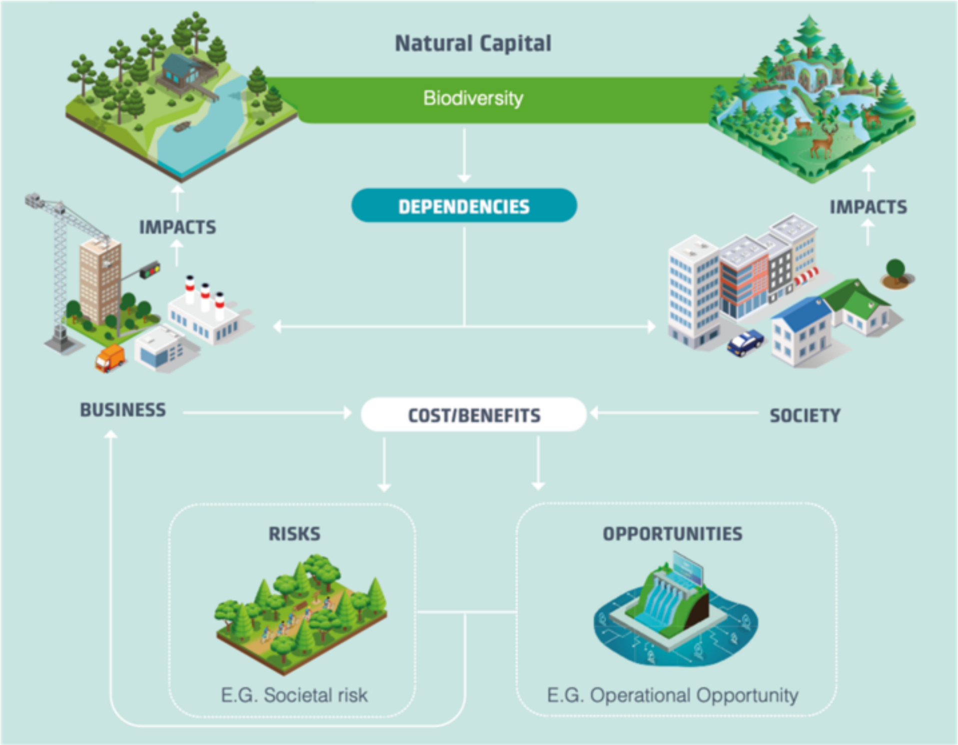
The starting point to identify the impacts and dependencies on natural capital in a qualitative way was the identifcation of all the economic activities (based on the International Standard Industrial Classification (ISIC)) that are directly or indirectly related to Cellnex along the value chain.

Cellnex followed the international tools ENCORE, developed by UNEP, and SBTN's Sectoral Materiality Tool for the identification of impacts and dependencies, respectively. For each economic activity, the analysis identified where negative impacts are generated along the value chain, as well as the drivers of biodiversity loss and the specific pressures that generate them.

This is key information to identify the points where the company should concentrate its efforts. At the same time, the degree of dependence on each ecosystem service and the related environmental aspects were identified for each economic activity. For both impact and dependencies, an exercise was undertaken to align the results to reflect the specific nature of Cellnex's business.

This analysis allows for a global assessment of the impacts and dependencies on natural capital, thus facilitating a better understanding of these issues and providing a holistic view of the interaction between Cellnex Telecom and the natural environment.

In addition, this pre-planning exercise was essential to assess the nature-related risks that the company is exposed to, as well as the opportunities that can be addressed. An initial analysis was performed based on the recommendations by the Task Force for Nature Related Financial Disclosure (TNFD). This exercise, following the corporate risk management system, resulted in an initial identification of risks and opportunities associated with nature, the potential impact that they would generate and the possible management of them.



Source: Natural capital & business relational models

Next steps

This is an initial analysis to establish a roadmap towards measuring, managing and establishing nature-positive goals in a strategic way, helping to improve the resilience of the organisation for ecosystem restoration and mainstreaming the opportunities it offers.

The *DaNA tool* makes it possible to apply climatic scenarios to *evaluate how climate change may affect these sites* and apply preventive and corrective measures.

Biodiversity

Biodiversity loss and the transformation of ecosystems are real challenges that threaten to cause serious harm to human beings and worsen the impact of climate change. Cellnex recognises the importance of identifying which of its sites are in nature protection areas in the countries where the company operates.

To this end, Cellnex identifies and assesses biodiversity legislation applicable to the Company using the SALEM tool. The tool is updated monthly with European, national and local legislation related to environment management, biodiversity, energy, etc.

During 2021, training and awareness-raising sessions were carried out at the various Cellnex Business Units to provide an introduction to the operation of the SALEM tool. These training and awareness-raising sessions were extended and completed in 2022. In addition, following completion of the training, country-specific follow-ups were undertaken in 2022.

Protected areas assessment

Another tool that Cellnex uses is the DaNA tool (DaMa in the case of Cellnex Spain). This tool is used to geolocate Cellnex sites in all the territories where the Company operates. It can identify the sites that are located in spaces within the Natura 2000 Network or in protected areas in line with the UICN categories. The tool also makes it possible to apply climatic scenarios to evaluate how climate change may affect these sites and consequently apply preventive and corrective measures.

84,428

sites analysed

7%

of sites in protected areas

🇪🇸	10 %	(2022)
	11 %	(2021)
🇮🇹	5 %	(2022)
	5 %	(2021)
🇫🇷	6 %	(2022)
	6 %	(2021)
🇨🇭	1 %	(2022)
	1 %	(2021)
🇳🇱	4 %	(2022)
	11 %	(2021)
🇬🇧	10 %	(2022)
	10 %	(2021)
🇮🇪	2 %	(2022)
	3 %	(2021)
🇵🇹	9 %	(2022)
	9 %	(2021)
🇦🇹	10 %	(2022)
	10 %	(2021)
🇩🇰	1 %	(2022)
	2 %	(2021)
🇸🇪	1 %	(2022)
	1 %	(2021)
🇵🇱	14 %	(2022)
	12 %	(2021)

Birdlife protection

Cellnex also evaluates the impact that its sites have on the environment (such as visual impact), carrying out studies to enable sites to blend into the rural or urban setting where they are located, or developing projects to integrate the sites into the environment. One of the main impacts managed by Cellnex relates to birdlife, especially in Cellnex Spain, as the sites are located in stopover areas for migratory birds. In this regard, storks are protected by laws and regulations in Spain, where it is prohibited to disturb them or damage their eggs or nests during the nesting period.

Because of climate change, the length of stopovers for birds in Spain has increased to as long as 10 months, making it difficult to carry out maintenance processes on Cellnex sites. This results in costs due to non-compliance with the SLA and customer dissatisfaction.

Each nest weighs about 100 kg, and this causes a problem because it reduces carrying capacity, in addition to increasing the risk of falling from the nest and danger for people who work there. To prevent this risk and be able to carry out maintenance procedures at the sites, Cellnex Spain has designed and built structures for stork nests on its towers: **Nest Baskets**. Moreover, this structure allows Cellnex to place the weight of the nest on the most appropriate part of the tower, simultaneously preventing the nests from impacting its customers' antenna systems and improving the carrying capacity.

Cellnex has installed over 50 nest baskets at sites where it was technically feasible. Thus far, they have proved to be effective, as the storks have returned and made their nests in the baskets that were installed.

Cellnex Spain also collaborates with the Catalan Government in the Exocat project, which focuses on identifying exotic species with invasive behaviour, as they have a considerable impact on natural ecosystems, other species or even human and economic activities, leading to loss of native biodiversity. Every two years, the Catalan Government prepares an annual report on **"Les espècies exòtiques invasores a Catalunya"**, which includes the number of invasive species detected. Cellnex is mentioned as a collaborating company in the last report published, corresponding to 2019-2020.

Cellnex Spain shares the knowledge acquired with stork nests with the other territories

In May 2022, the Cellnex Spain Environment team shared the "Stork Nest Basket" project with the other Cellnex territories. Although the location of some territories means there is no impact on migratory birds, the project is a model of good environmental practices, strengthening Cellnex's commitment to protecting and preserving biodiversity.

Cellnex Netherlands installs nesting boxes with the Peregrine Falcon Society

Cellnex Netherlands actively takes the nesting season into account in its operations by planning work and technical visits to towers in such a way that nesting peregrine falcons are not affected, or are impacted as little as possible. In this regard, Cellnex Netherlands has installed nesting boxes on 16 of its 24 media towers, in consultation with the Peregrine Falcon Society. This results in a healthier working environment for workers, less damage to the building and facilities and well maintained ledges and roofs. In 2022 it resulted in 35 siblings.

Compensatory measures

Cellnex Telecom, Cellnex Spain and the Cellnex Foundation have presented a joint application to the **Life Nature Funds** to develop actions for the conservation of agro-steppe habitats and species in the Natura 2000 Network. The purpose of Cellnex's participation in this project is to compensate the loss of biodiversity due to the presence of birds at its facilities as a consequence of Cellnex's activity. The actions focus on restoring 300 hectares of degraded natural pastures, their biodiversity and quality; signing agreements with landowners to promote sustainable practices; promoting crops with greater added value on at least 100 hectares; fixing power lines that are dangerous for agro-steppe birds; and strengthening alliances between farmers to improve habitats. The project will last five years and €20,000 will be invested per year. The actions will be undertaken in a border area between Spain and Portugal.

In addition, another measure to compensate the removal of nests is Cellnex Spain's collaboration with TRENCA, an organisation that relocates and builds stork nests in suitable nesting areas.

6

VALUE CHAIN

Extending our commitment to the value chain

2022 main actions and KPIs

Actions have been carried out to facilitate the commercial team with up-to-date information on the solutions, services and products that Cellnex can offer

Supplier Code of Conduct published

New Global Security Master Plan for Cybersecurity and Physical Security 2022-2025 deployed

Supplier Risk Management model defined to integrate risks and ESG in the homologation, selection and evaluation of suppliers

Cellnex Procurement Policy updated

“What We Do” contents updated and improved

Information security awareness-raising and training campaigns for all employees

- 5 sessions of Cellnex Connectivity Days
- Customer Engagement Survey: 7.6 customer satisfaction and 40% response rate
- 14 awareness campaigns using "Phishing" simulations
- 91% of local suppliers
- 71% of main suppliers assessed

Follow-up of the ESG Master Plan targets

● Target ◐ Status

Next steps for the upcoming years

Homologation and evaluation of critical suppliers through EcoVadis and CDP

Fully implementation of the Ariba tool

Development of action plans for suppliers with the highest risk of non-compliance

Complaints Management process for the entire Company, to be implemented in 2023

6.1 Customers

> ***"Cellnex Telecom and our partner M.G.A. Technologies organised the "Cellnex Connectivity Day" event on the first private 5G network entirely dedicated to the manufacturing and bio pharmacy industry. This was an opportunity to present use cases on private 5G and our vision of the industry of the future 4.0 to industrial partners"***
>
> **Philippe Thouroude, Private Networks Business Development - Cellnex France**

Our customer-centric approach

Customers are the core of Cellnex's value creation model, which is why Cellnex has defined a relationship model with its customers based on proximity, transparency and the search for constant improvement.

Cellnex aims to guarantee a personal and stable relationship with its customers and does so with a continuous interaction with them throughout the entire service provision process, from commercial management to response to incidents, reporting and possible queries and complaints during provision, operation and maintenance. These are the reasons why Cellnex is orienting its sales force by market segment, strengthening the role of the manager, whose mission is a specialised end-to-end relationship with customers, offering then a comprehensive and personalised value-added solutions and services, helping them to solve their needs and focusing on their overall satisfaction.

Moreover, customers are part of Cellnex's ESG strategy, as they are a fundamental pillar for the Company. In this regard, Cellnex also offers customers a wide range of communication channels over which Cellnex receives complaints by its customers and analyses them. In this regard, the Quality Master Plan defines the establishment of a common Complaints Management process for the entire Company, to be implemented in 2023. This process aims to define the methodology for managing customer complaints in order to minimise impact and ensure customer engagement.

In 2022, there were 16 complaints (124 in 2021), of which 99% (98% in 2021) were processed and resolved in accordance with the company's procedures before the end of the year, the rest are still being processed in 2023. Most complaints relate to a specific decline in service.

Cellnex Connectivity Days

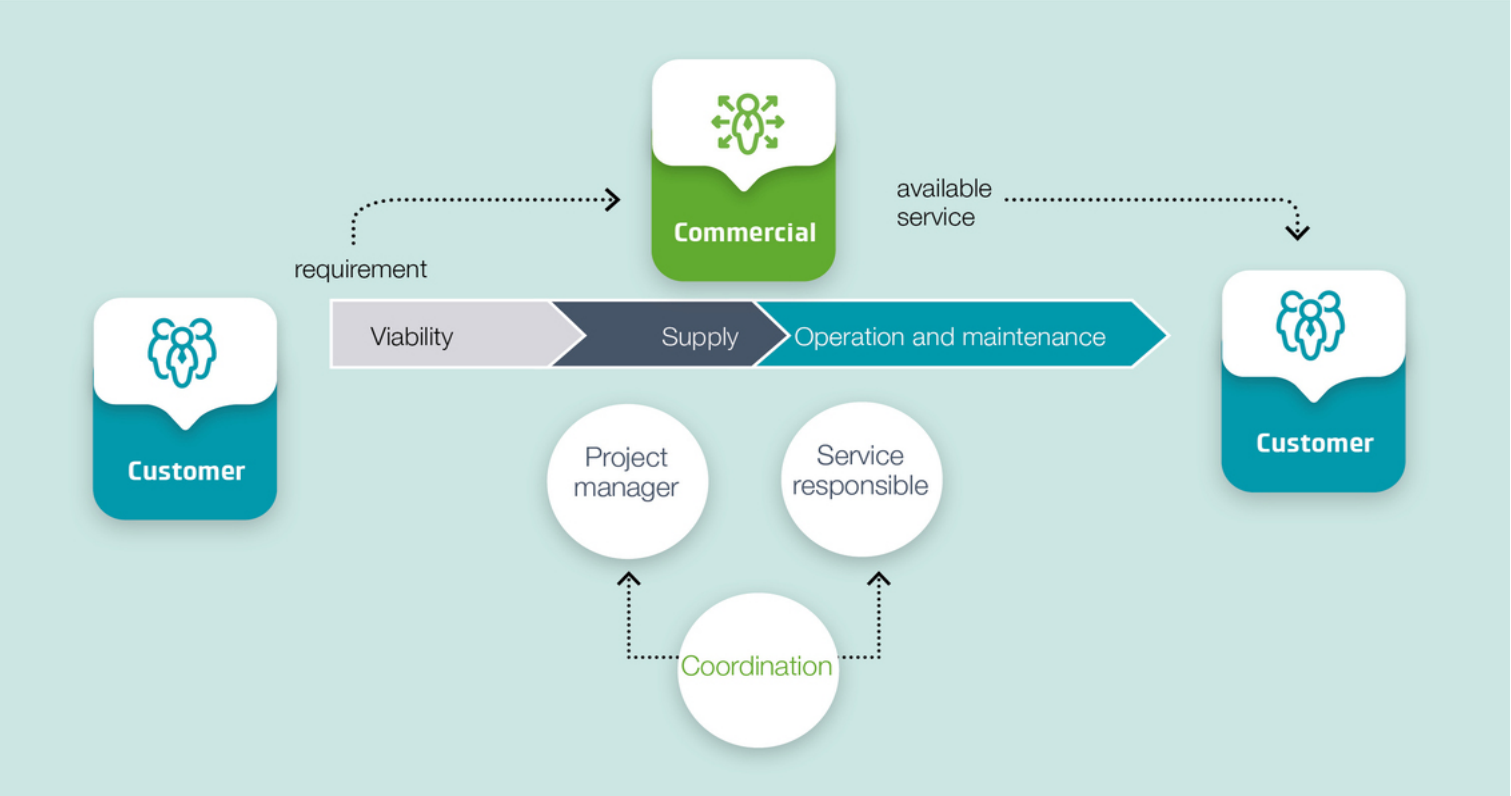
Cellnex Connectivity Day Live in Barcelona	29 March	Nokia & Cellnex Kick Off Meeting
Cellnex Connectivity Live in Ireland - Dublin	25 May	Building Smart Communities
Cellnex Connectivity Live in France - Lyon	13 October	La connectivité pour stimuler la nouvelle ère de la productivité industrielle
Cellnex Connectivity Live in Sweden - Stockholm	26 October	How Private Networks enable Industry 4.0 - Connectivity is the critical foundation for success
Cellnex Connectivity Live in Finland - Helsinki	17 November	5G Private Networks: a key enabler of Industry 4.0

Global customer service model

A part of Cellnex's Industrial Model, the Global Commercial Vision, aims to implement a common business perspective and commercial strategy, offering a broader vision of the market and a clear customer focus.

The corporate Global Marketing and Sales department is responsible for identifying international opportunities, developing commercial activity in each country by providing support materials, introducing new solutions, services and products, and extending good practice to all sales representatives. To this end, the Salesforce tool has been implemented in all countries to homogenise and standardise the sales process and to better coordinate and understand the commercial process.

Moreover, to guarantee a personal and stable relationship with customers, Cellnex has designed a global customer service model.



This model enables Cellnex to provide its customers with three contact points throughout the service:

- Commercial/Account Manager: Each customer is assigned an account manager/commercial sales representative, whose responsibility is to keep abreast of all the relationships that Cellnex maintains with its customers to meet their needs and concerns from a global perspective.
- Project Manager: Together with Account Managers, they play an important role in customer satisfaction, as they are the ones who can influence customer satisfaction through optimal performance in designing the service to be provided.
- Supervisor: These are the main contact with the customer, together with the account manager, in the service delivery stage. They are responsible for ensuring the availability of service levels, and monitoring and optimising the service provided.

In 2022, the contents of *What We Do* have continued to be updated and improved, so that the entire sales team has up-to-date and more complete information on the solutions, services and products that Cellnex can offer customers, as well as references and new projects in other territories, allowing the transfer of skills and knowledge between the entire sales team. In addition, the commercial repository was reorganised and redefined to facilitate access to information and offer a more agile presentation for the entire sales team.

Furthermore, the Marketing Team Coordination Taskforce helps improve communication with customers, generate new materials, better understand the reality of the market in each country, and coordinate brand awareness activities to generate new potential Cellnex customers.

Ensuring the availability and reliability of Cellnex services

Cellnex focuses on stakeholder needs and expectations, offers high quality services, satisfies customers and is continuously improving.

Cellnex Austria

Cellnex Austria is currently following the Cellnex's Industrial Model for maintenance and service, in order to provide availability and reliability of its products and services. In 2022 the average frequency of interruption was 3.5 days (no data in 2021), and the average duration of interruption was 0.006 hours (no data in 2021).

Cellnex Denmark

All structures which Cellnex Denmark delivers as a service to its customers are managed though preventive and corrective maintenance plans to ensure continuous operation for its customers. In addition, all sites are monitored and corrective maintained by a third party operations and maintenance supplier. Based on severity or potential impact to telecommunications services, tickets are divided into different categories, giving operations and maintenance suppliers the ability to react to cases before the network goes down. There is no data available of the average frequency of interruption, and the average duration of interruption.

Cellnex Spain

Cellnex Spain has a Business Continuity Plan, the objective of which is to establish the technical and logistical processes necessary to guarantee the continuity of the Company's critical activities that may be affected by any type of alteration that puts their continuity at risk. The Business Continuity Plan responds to incidents that may affect the main components of the Service; includes Continuity Plans for specific services and infrastructures that guarantee the continuity of certain critical services. At Cellnex Spain in 2022 the average frequency of interruption was 128 days (119 days in 2021), and the average duration of interruption was 5.4 hours (2.2 hours in 2021).

Cellnex France

To guaranty the availability and reliability of the services, the fist step is the preventive maintenance, as it allows Cellnex France to ensure quality equipment. Then, Cellnex France uses a ticketing tool to have all the issues detected on site. The final level is the Network Operating Center (NOC), open 24/7, that can be used for urgent needs. In 2022 There is no data available of the average frequency of interruption, and the average duration of interruption.

Cellnex Ireland

Cellnex Ireland is not involved in management of networks. The MNOs manage the factors which would ensure quality of service in relation to reliability and interruptions.

Cellnex Italy

In 2022 Cellnex Italy completed the rollout for Preventive Maintenance plan and Evolutive Maintenance plan. Their goal is to improve the availability and reliability of its infrastructure. It is very important to Cellnex Italy to offer a very good service to its customers, and they try to improve the reliability of the telecommunication equipment and services offered. The annual maintenance plan is very efficient, and interventions are very fast in case of breakdown. In 2022 the average frequency of interruption was 164 interruptions per month (90 interruptions per month in 2021), and the average duration of interruption was 2 hours (3-4 hours in 2021). It should be noted hath in for the calculation of the 2022 data, the perimeter of Cellnex Italy doubled.

Cellnex Netherlands

At Cellnex Netherlands there is an annual maintenance plan that addresses preventive and corrective maintenance, and a continuous incident reporting, registration and evaluation, as well as a Service Operating Centre available 24/7/365, for monitoring and maintenance. In 2022 there were 5 interruptions.

Cellnex United Kingdom

Cellnex UK town planning and community relations processes are aligned to the industry Code of Practice for Wireless Network Development in England, with a similar Code in Wales and similar practice in Scotland and Northern Ireland. The Code of Practice sets out guidance and principles in deploying mobile communication infrastructure, largely based around minimising environmental impact, through sharing where possible, good design, respecting site context and sensitivity. The MNOs manage the factors which would ensure quality of service in relation to reliability and interruptions.

Cellnex Poland

As a result of performance monitoring, a large set of parameters is monitored and constantly checked to find sources of decreased quality at Cellnex Poland. For example, cell availability (and unavailability) KPI is monitored, which shows the percentage of base station cell availability time to total time. Cell availability of 99,7% or better is usually achieved for mature technologies and around 98% for 5G which is under heavy development. Also, call (or data bearer) drop ratios are monitored separately for each technology, which shows the percentage of un completed calls or data bearer selections to a total number of such attempts. Moreover, a quality assurance measure towards its biggest customer (Polkomtel) KPI system is deployed. This system counts, for all agreed quality KPIs, what percentage of services comply with agreed KPI target values. In 2022 the average frequency of interruption was 18,7 days (no data in 2021), and the average duration of interruption was 8,6 hours (no data in 2021).

Cellnex Switzerland

At Cellnex Switzerland maintenance, both preventive and corrective, is covered by ad-hoc contracts, as they don't handle active equipment which is under the MNO's responsibility. The MNOs manage the factors which would ensure quality of service in relation to reliability and interruptions.

Cellnex Sweden

At Cellnex Sweden all sites are monitored by a Network Operating Center (NOC) 24/7 for alarms related to its infrastructure (i.e. fire, aviation lights, power interruption alarms etc). Cellnex Sweden has a 24/7 national field service organization that reacts upon those alarms when triggered by the NOC. The MNOs manage the factors which would ensure quality of service in relation to reliability and interruptions.

Cellnex Portugal

Cellnex Portugal only own and manage passive infrastructure, as such they don't provide connectivity. However, they conduct preventive maintenances according to a yearly plan and corrective interventions whenever needed and comply with the SLA's defined in contracts with the clients. The MNOs manage the factors which would ensure quality of service in relation to reliability and interruptions.

Cellnex certified for sixth consecutive year as "Zero Outage Supplier"

Deutsche Telekom certifies the company in Spain for its quality standards for managing the data transmission connectivity service. Cellnex renews the certification granted by Deutsche Telekom as a Zero Outage Supplier for the sixth year running. This certification is part of the German company's worldwide programme for selecting and certifying their key connectivity service providers in each country, to act jointly as partners in improving service to their end customer. This programme sets the German group's quality standards for their customers based on the operational excellence, security and stability of the systems, monitoring critical components and reducing/resolving incidents with 24/7 availability by their key suppliers.

Customer Engagement

Cellnex wants to guarantee a personal and stable relationship with its customers, and one way of doing this is by regularly carrying out customer engagement surveys. This way, Cellnex can find out the perception of its customers about the company and assess the quality and suitability of the service provided. With the results, action plans are drawn up.

Cellnex has a unified and global customer engagement survey for all Business Units, which makes it possible to standardize customer engagement and identify the specific global and local action plans. The main objectives of the survey are:

- To obtain a global and easy framework, deployable across Cellnex, to compare customer engagement in all Business Units with common KPIs.
- To analyse the customer engagement both overall and country-specific by launching a common customer survey in Cellnex countries

The survey is linked to the Cellnex Process Map and is broken down into five categories: General, Offer and Sell, Deliver Services, Assurance and Customer Care, in which specific questions related to these topics are defined. In addition, the Business Units can add specific questions, with prior validation at corporate level.

Moreover, to guarantee objectivity and independence, fieldwork and analysis of global and local results is managed centrally by an external provider from Corporate. The results of the main key indicators (Customer satisfaction-CSAT, Net promoter score-NPS, Customer effort score-CES, Response rate-RR) were segmented by customer ABC category (A: MNO and other critical customers, B: important customers, C:Long Tail customers) and by customer segment (Broadcast, Operators, Public Administrations and Enterprises).

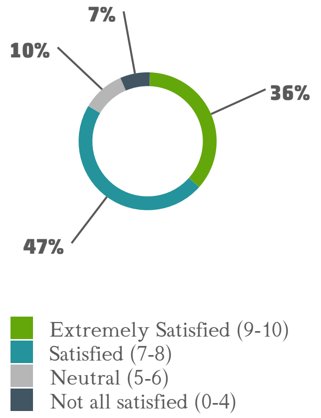
From the analysis of the results obtained, great overall scores are achieved, with high satisfaction (7.6) and a significative NPS: 25%, that are similar to the obtained in CES 2021 (Customer Engagement Survey).

Response Rate is 40%, so the high participation is remarkable, as in similar surveys (B2B) the maximum participation is less than 20%. Although in comparison with CES 2021 participation has decreased, this is due to the significant increase in the universe (+97% from 453 contacts to 892 contacts).

Additionally, it has been observed that, in general, Cellnex customers rate positively their main needs, which are focused on attributes related to the quality of the service offered and personal treatment, which have a direct impact on overall satisfaction

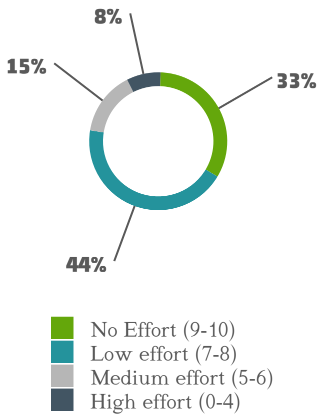
Customer satisfaction

Score: 7.6



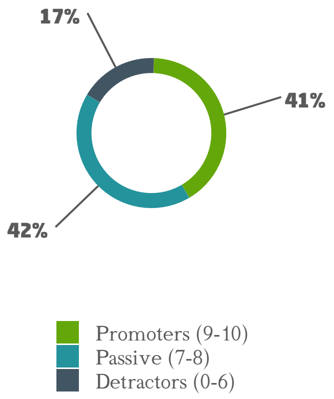
Customer Effort Score

Score: 7.5



Net Promoter Score

Score: +25%



Security of the information

In 2022 Cellnex has developed a *new Global Security Master Plan* for Cybersecurity and Physical Security which has identified the main security risks

In 2019 Cellnex reviewed and approved a new global Information Security Policy, which aims to establish the guidelines and lines of action in Information Security that govern the way in which Cellnex Group manages and protects its information and services, as well as its communication to stakeholders and implementation in all companies and functional areas of the Group.

The basic principle of the policy is that information is a very important asset for Cellnex, and it is necessary to guarantee the confidentiality, integrity and availability of information in accordance with recognised standards of Information Security management in the provision of services as a Telecommunications infrastructure operator to Operators, Broadcasters, Public Administrations and Corporations. Therefore, steps are taken to identify and protect Information assets from unauthorised access, modification, communication or destruction, whether intentional or incidental, ensuring that they are used only for purposes approved by Management.

Moreover, continuous improvement is developed within the framework of a Management System, which Management undertakes to lead in accordance with the ISO 27001 standard, and which applies to all the Group's Business Units. All of this is based on people management, process management and continuous improvement; guaranteeing its effectiveness and efficiency. In 2022, the global ISO 27001 certification has been maintained in Corporation, Spain, Italy, Portugal, France, Switzerland, Netherlands, Ireland, UK and by 2022 all the companies in Austria, Denmark and Sweden have been included into the scope of the certification.

In addition, in 2022 Cellnex has developed a new Global Security Master Plan for Cybersecurity and Physical Security which has identified the main security risks in Cellnex and defines the actions to be developed between 2022 and 2025 to manage these risks. This new 2022-2025 Global Security Master Plan takes into account the complex context in which we find ourselves:

- With a very advanced level of digital transformation within Cellnex, which means that the level of digital exposure is high and therefore so are the cybersecurity risks,
- With a great growth both in the types of services and in the number of countries where we offer services.
- With heterogeneous security regulations in different countries aiming to curb cybercrime and regulate digital sovereignty, which in practice puts pressure on cybersecurity.

The main initiatives developed during 2022 within the framework of the Global Security Master Plan:

- Implementation of two-factor authentication for access by all users (internal and external) to core applications that manage the operation and maintenance of Cellnex assets.
- Deployment of a real-time vulnerability monitoring solution to proactively detect security risks.
- Automation of incident response processes in case of detection of security incidents.

In addition, because of the new security threats caused by the conflict in Ukraine, cybersecurity risks have been reviewed and the monitoring of events arising from the conflict has been reinforced, and specific audits and drills have been carried out to check the level of protection and response to the materialization of these new threats.

Moreover, during 2022 the Security Office has been expanded with new functions to strengthen its functional and geographical scope, incorporating all new business units (Sweden, Denmark, Austria, and Poland). The new services offered by the Security Office in 2022 include:

- Development and maintenance of the security risk management model.
- Carrying out continuous attack tests to prove the effectiveness of security measures and processes implemented at Cellnex.
- Support for the monitoring of new regulations with an impact on security for each Business Unit.

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During 2022, no data breaches or incident involving theft or loss of information or affecting the business has been detected in any of Cellnex's business units

Automation of security processes

Cellnex is committed to the automation of security processes, for example through the development of tools that allow the automatic execution of actions when certain events are detected to block sophisticated attacks received. This has made it possible to gain detection, prevention, and protection capacity, thereby increasing response capacity and therefore the level of security and mitigating the associated risks. The security incidents detected and blocked have increased in complexity due to the evolution of increasingly targeted attacks.

Awareness

During 2022, several awareness-raising and training campaigns were carried out for employees in relation to information security. In this regard, for example, the following have been carried out:

- 14 awareness campaigns using "Phishing" simulations (where an attacker sends a fraudulent message designed to trick an employee into revealing confidential information or to implement malicious software in the victim's infrastructure).
- Campaigns where all Cellnex users must explicitly agree to the security policies.
- One cybersecurity training session for members of the Board of Directors and Senior Management on cybersecurity best-practice and how they are implemented at Cellnex.

In addition, information security advice has been provided and alerts have been given on virus and phishing campaigns aimed at Cellnex staff.

All this has contributed to the fact that the rate of fall in phishing campaigns has dropped by 6% from 2021 to 2022, despite the increase in the sophistication of the attacks.

6.2 Suppliers

Establishing ***strong and lasting relationships with its suppliers*** is key to achieving Cellnex's goals

Collaboration and commitment with our value chain

In an ever-changing world, to be able to respond to the needs of the market, the collaboration of its suppliers is of vital importance for Cellnex.

Cellnex strives to be a business partner to its suppliers, where long-term relationships are built on mutual benefits and trust. In this sense, Cellnex regularly update its suppliers about new projects and invite them to cooperate. Moreover, for Cellnex, it is essential that suppliers are aware of corporate policies and values and ensure compliance with each of them.

The procurement process is key for the Company due to its high economic, environmental and social impact. For this reason, Cellnex has established and promotes a guide for action in the procurement process that goes beyond price, product and/or service quality, by also considering social, ethical, environmental and privacy aspects in the performance of Cellnex's suppliers.

The supplier relationship model is based on a collaborative approach between the requesting areas and the procurement team that work together to deliver the optimal procurement practice. Relationship with suppliers is in many cases built on years of cooperation between Cellnex staff and the supplier.

Cellnex has a supplier management model based on collaboration and continuous improvement, seeking the most efficient procurement procedures and finding technological solutions that result in improvements. In early 2023, Sustainability Linked Confirming was also launched, a payment solution for suppliers with sustainable criteria, since it is linked to the supplier's CDP score.

Procurement Policy

During 2022, the **Procurement Policy** has been renewed with the aim of including the ESG and risk integration model in the supply chain, as well as the incorporation of the supplier code of conduct, which includes the basic rules that all Cellnex suppliers must know and comply with. The policy has been approved by the Board of Directors in January 2023. The basic principles on which the Procurement Policy is based are the following:

Procurement Policy

- **Overall integration** with Cellnex Policies
- **Sustainable efficiency** and financial integrity
- **Contractual** commitments meet the Group's minimum standards
- The defense of **free competition**
- **Respect** for the environment
- **Compliance with the protection** of and respect for universally recognized basic Human Rights
- **Information** containing personal and/or confidential data
- **Compliance with the applicable legal** and regulatory requirements
- Our **Human Team**

> ***"The definition of the Risk integration and ESG model in supply chain project has been a success due to the close collaboration between all areas involved".***
>
> **Sergi Núñez, Global Head of Procurement - Cellnex Corporate**

Supplier code of conduct

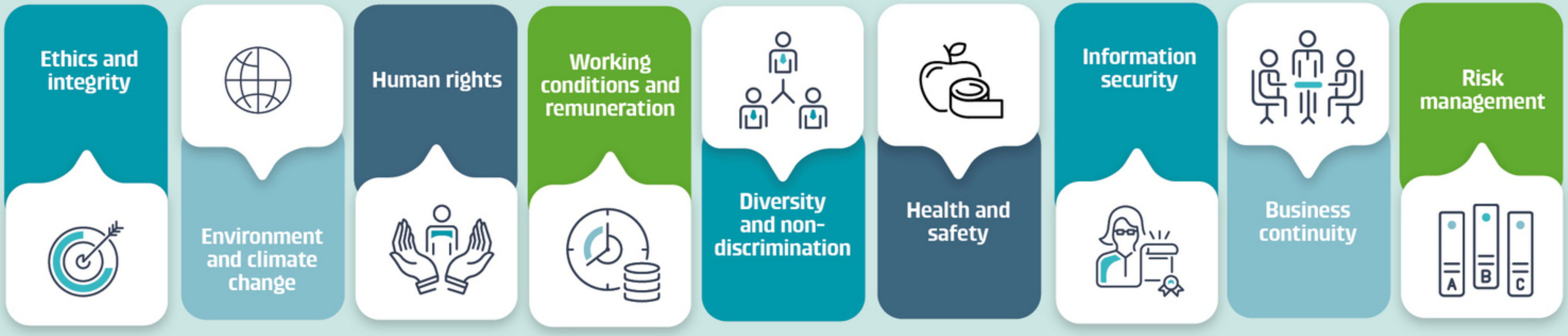
Cellnex adopted the **Supplier Code of Conduct** that acts as a framework of trust and cooperation for the Organisation with its value chain, resulting in the continuous improvement of procurement processes and, establishing long-lasting stable business relationships. As such, the Supplier Code of Conduct aims to bring together in a single document the key references to the set of principles, rules and policies of Cellnex Group that govern suppliers.

Integrating risk and ESG in the supply chain

In relation to the aforementioned, during 2022, work has been done on the definition of the Risk Integration and ESG model in the supply chain. This project is aligned with the objectives of the ESG Master Plan for the year 2022. Therefore, together with different areas (Legal, Health & Safety, Security, Sustainability and Quality and Risk Management) the risks associated with the supply chain have been defined, the suppliers have been categorized and a management model has been defined for the inclusion of ESG and risks criteria in the contracting, approval and evaluation of suppliers.

The implementation of the ESG and risk integration model in the supply chain will be carried out through the processes defined in the Ariba tool and will be carried out in parallel to the implementations of Ariba Sourcing and Contracts and Ariba SLP throughout the Group. The model will be fully implemented throughout the Group in 2023.

SUPPLIER CODE OF CONDUCT - PRINCIPLES



ARIBA Tool

Supplier management is carried out in a coordinated and homogeneous manner among all the Business Units under the Cellnex Industrial Model. Since 2020, work has been carried out on the implementation of the Ariba tool to improve and update the way of managing procurement in the Group. From the beginning, the implementation was proposed in three phases and in a staggered manner in the different countries. The implementation plan runs from 2020 to 2023, when the Ariba implementation project will be completed throughout the Group. Therefore, by 2023, all Group companies will manage their procurement processes end to end through the Ariba tool. The three phases of the implementation are divided into the different pillars of the tool:

- Ariba Buying: In the first phase of the implementation, the aim has been to standardize the way in which the Group carries out the operational purchase, from the purchase order to the accounting of the invoice and its subsequent payment. This phase has been deployed since the start of the project and has concluded in 2022 with the implementation of Ariba Buying in all the countries in which the Group operates. During the year 2022 it has been implemented in Poland, Denmark and Sweden.
- Ariba Sourcing and Contracts: in the second phase of the implementation, the objective has been to improve and automate the tactical procurement processes, which include the Sourcing process (bidding, negotiation,

auctions, etc.) and the Contracts process (contracts database, electronic signature, automation of contract review flows and full integration with operational procurement management). During 2022 the model has been defined and implemented in the Corporation and Spain. Likewise, the model and the tool have been implemented in Italy, the UK, and Poland. During the first half of 2023 it will be implemented to the rest of the Group.

- Ariba SLP: in the third phase of the implementation, the focus will be on the automation of supplier registration and qualification management. The definition of the model has been done during 2022 in line with the Risk Integration and ESG model in the supply chain.
- The Ariba Network: this module is the supplier portal that strengthens the relationship with suppliers, centralizing all communication in a single place which is updated in real time. It manages all the information relating to purchase orders, incoming goods notifications, invoices and payments. In 2021, 500 suppliers were incorporated into the portal.

CDP Supply Chain

In 2022, the CDP Supply Chain campaign has been carried out once again. Through CDP, Cellnex suppliers can report their carbon footprint, which allows a more accurate calculation of the emissions associated with scopes 3.1 and 3.2 of Cellnex's carbon footprint, as well as their plans to reduce emissions.

In line with the commitment acquired to reduce by 21% the emissions of scopes 3.1 and 3.2 by 2025, contracts have been signed with strategic suppliers in which carbon footprint reduction plans have been defined. Likewise, the suppliers of these contracts have committed to report their emissions through CDP during the term of the contracts.

In 2022 CDP Supply Chain questionnaire was launched for Cellnex suppliers, with 224 responses in 2022 (178 in 2021).

CDP recognises Cellnex for engaging suppliers in the fight to end climate change

Cellnex has been recognised by CDP as '**Supplier Engagement Leader 2021**' for its action combating climate change and its efforts to measure and reduce environmental impact in its supply chain. The company's commitment to sustainability and its efforts to measure and reduce climate risk in its supply chain made it a leader among the 518 companies which are ranked in the index, and one of only 16 Spanish companies to make the list. In particular, the independent telecommunications infrastructure operator stood out for establishing objectives and actions to reduce atmospheric emissions, mitigate climate risks and promote development of low-carbon activity. The company has continued providing these information as part of the CDP Supply Chain questionnaire 2022.

Supplier evaluation, selection and monitoring

The supplier evaluation, selection and monitoring *are considered critical within the procurement process*

Cellnex is committed to generating local value by contracting most of its suppliers locally. Cellnex suppliers must share the same values and commitment to society and the environment as Cellnex does, which is why the Company periodically evaluates the sustainability of our suppliers, as well as their impact on climate change.

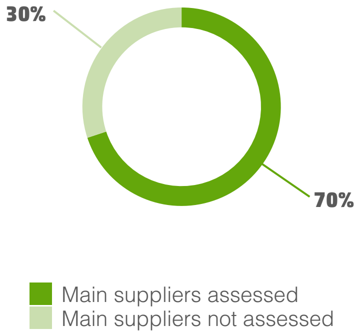
The supplier selection, approval and evaluation processes are considered critical within the procurement process. During 2022, as in the last two years, the ESG supplier evaluation campaign was again carried out using the Ecovadis platform. For 2022, the supplier categorisation criteria have been taken into account to ensure that all the Group's main suppliers have been assessed by Ecovadis. Once the assessment is completed, feedback is given to suppliers and the areas with the highest risk of non-compliance have been identified. On this basis, an action plan is drawn up for the supplier, which is registered and managed through the Ecovadis platform. In this sense, no suppliers with negative environmental impacts were identified in 2022.
For its part, Cellnex Italia has also evaluated 50% of its suppliers on environmental and social issues through other mechanisms.

> ***"The procurement team is focused on selecting and evaluating suppliers who are committed to respecting and supporting the values of sustainability. I am very proud to be part of this team that helps Cellnex to leave an important and significant mark on the world we live in".***
>
> **Silvia Scalia, Procurement Technician - Cellnex Italy**

ecovadis

Social assessment (Ecovadis)

Environmental or ESG assessment (Ecovadis +CDP)



90%

of local suppliers

🇪🇸	89 %	(2022)
	89 %	(2021)
🇮🇹	93 %	(2022)
	95 %	(2021)
🇫🇷	90 %	(2022)
	90 %	(2021)
🇨🇭	91 %	(2022)
	92 %	(2021)
🇳🇱	90 %	(2022)
	89 %	(2021)
🇬🇧	88 %	(2022)
	94 %	(2021)
🇮🇪	77 %	(2022)
	81 %	(2021)
🇵🇹	89 %	(2022)
	87 %	(2021)
🇦🇹	77 %	(2022)
	26 %	(2021)
🇩🇰	79 %	(2022)
	97 %	(2021)
🇸🇪	93 %	(2022)
	98 %	(2021)
🇵🇱	97 %	(2022)
	98 %	(2021)

Cellnex Italy has in place a circular economy and sustainability project

Cellnex Italy has embarked on a path to achieve sustainability objectives, involving one of its strategic suppliers. Accordingly, a circular economy and sustainability project has been identified which, starting from the raw material used in the production of an asset used on the Cellnex technical sites, allows for the end of life of this asset, through a regular recycling process, to recover the raw material to be returned to the production cycle on the Italian market. The entire process also involves the use of a chain of properly qualified and certified Italian suppliers. The project relates to the replacement of batteries at Cellnex.

The advantages of this project on the circular economy and sustainability, are the following::

1. Reduction in the cost of supplying batteries;
2. Involvement of leading Italian companies;
3. Saving money by reducing transport;
4. Cutting CO_2 emissions into the atmosphere by reducing transport;
5. Controlled management of waste with evidence of the reuse of the material.

7

BASIS for the preparation of the Report

7.1 Structure and content of the Report

This document represents the Consolidated Management Report for 2022 which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the annual accounts of the company. Likewise, this report has incorporated best practices in corporate transparency during the 2022 period, applying the international framework of the Integrated Annual Report, presenting financial and non-financial, management, corporate governance and strategic information for the company.

As a sign of Cellnex's commitment to transparency and responding to the applicable regulations in this regard, this report was prepared in accordance with Law 11/2018, which transposes Directive 2014/95/EU into Spanish law with regard to the dissemination of non-financial information and diversity. Annex 3 of this document includes the **Index of contents required by Law 11/2018**, as well as its location within the report.

Likewise, to ensure the credibility of the information and generate trust with its stakeholders, this report (including the materiality assessment process) has been verified by a third-party assurance provider, as outlined in **Annex 9. Independent Limited Verification Report**.

The structure of the Report follows the guidelines of the International Integrated Reporting Council (IIRC), Directive 2015/95/EU on non-financial information and the CNMV guide for the preparation of management reports of listed companies. The document has been prepared with reference to the GRI Standards and the AA1000AP (2020), AccountAbility Principles Standard, in relation to the principles of inclusivity, materiality, responsiveness and impact.

Following the guidelines laid down by these standards, the content of this report was defined on the basis of the 2022 double materiality analysis, which was used to identify the relevant internal issues for the company, expectations and concerns of Cellnex stakeholders and relevant Corporate Responsibility issues in the sector.

7.2 Reporting scope

Regarding Non-financial information scope, the report covers 12 countries where Cellnex operates, which account for 100% of revenues, except for environmental indicators related to carbon footprint which represent 99,8% of the Group's revenues or KPIs where otherwise is indicated.

In this respect, the scope of both the financial and sustainability information includes all the subsidiary companies listed in Appendix I of the Consolidated Financial Statements. The information in the report regarding total staff and taxes refers to the entire Cellnex Group, unless otherwise stated.

The Integrated Annual Report 2022 is supplemented with the information presented in the Cellnex **Consolidated Financial Statements** for the financial year ended 31 December 2022, the **2022 Annual Corporate Governance Report** and the **2022 Annual Report on the Remuneration of Directors.** This information is publicly available on the website of the National Securities Market Commission (CNMV), as well as on the **Cellnex Telecom website** (https://www.cellnex.com/) from the date of publication of this Integrated Annual Report.

The GRI contents that Cellnex has addressed in this report are detailed in the GRI Content Index presented in the Annex 4. Cellnex has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

In addition, Annex 9 to this document includes the **Independent Limited Verification Report** issued by Deloitte S.L. in relation to the review of non-financial indicators in their adaptation to the standards of the GRI, “with reference to” option, reported in this document.

The review process was conducted in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

In addition, the non-financial information included in the report has been reviewed in accordance with the AccountAbility 1000 Assurance Standard (AA1000AS), issued by AccountAbility, to provide moderate assurance on the application of the principles set out in AA1000AP (2018) and on the sustainability performance indicators (moderate Type 2 review).

7.3 Carbon Footprint: Scope & Calculation methodology for CO_2 emissions

The Cellnex Group Greenhause Gas (GHG) emissions inventory was prepared according to the ISO 14064-1:2018 as well as GHG Protocol standards, and GHG statements related to GHG inventories and procedures have been third-party independently verified (TÜV Rheinland) following the ISO 14064-3:2019 and GHG Protocol standards, achieving a limited level of assurance.

The scope of Cellnex Group's carbon footprint for the year 2022 represents 99,8% of the Group's revenues, excluding only the companies integrated in the group at the end of 2022: CK Hutchison Networks Italia S.p.A, Cignal Infrastructure UK LTD, Cignal Infrastructure Portugal S.A., Remer Sp. z.o.o..

Cellnex Group has been preparing its GHG emissions inventory in accordance with the International ISO14064 Standard since 2015. In the internal procedure of the GHG emissions information management there is a summary table with the organisational and reporting boundaries included in Cellnex's GHG inventory since 2015.

Due to the expansion of the countries where the company operates and the addition of indirect GHG emission categories as set out in the new International ISO 14064-1: 2018 Standard and the GHG Protocol, Cellnex established 2020 as the base year for GHG emissions for comparative purposes and other GHG programme requirements and intended uses. Furthermore, the 2020 and 2021 emissions inventories have been recalculated according to the GHG Protocol, as there were relevant structural and methodological changes in 2022:

- Structural changes in the reporting organisation that have a significant impact on the company's base year emissions. There have been structural changes including acquisitions of new companies. In relation to the carbon footprint for 2021, the following companies were added to the scope in 2022: MBA Datacenters, Nextcell, Hivory, London Connectivity Partnership, Cellnex UK In-Building Solutions Limited, Infratower SA, Hivory Portugal and Cignal Infrastructure Portugal.
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data. In this case, the methodology for calculating the categories of indirect emissions from the purchase of goods and services and capital goods has been improved. In addition, the methodology for calculating emissions associated with rented offices or downstream leased assets has also been improved. Finally, new emission sources have been added that previously either did not exist or the information to report them was not available.

In summary, base year emissions have been retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emissions information.

The results of Cellnex Group's carbon footprint correspond to the period from 1 January 2022 to 31 December 2022. The GHG emissions inventory maintains the structure and content established by the reference standard ISO14064-1:2018, as well as the GHG Protocol. The GHG inventory includes the quantification of direct GHG emissions separately for CO_2, CH_4, N_2O, NF_3, SF_6 and other GHG groups (HFCs, PFCs, etc.) in tonnes of CO_2e, as well as the indirect GHG emissions separated by categories in the same units. In addition, Cellnex does not present biogenic GHG emissions or removals.

The financial control approach was taken into consideration to calculate Cellnex Group's carbon footprint. In line with the ISO 14064-1:2018 methodology, GHG emissions have been aggregated into the following categories at organisational level:

ISO 14064-1:2018 methodology	GHG Protocol methodology Corporate Value Chain (Scope 3) Accounting and Reporting Standard methodology
C1. Direct GHG emissions and removals	Scope 1: direct emissions
C2. Indirect GHG emissions from imported energy (market)	Scope 2: indirect emissions from electricity
C3. Indirect GHG emissions from transportation C4. Indirect GHG emissions from products used by the organisation C5. Indirect GHG emissions associated with the use of products from the organisations	Scope 3: other indirect emissions

Following the "Guidance for the process of identifying significant indirect GHG emissions" included in ISO 14064-1:2018 Standard, Cellnex Group has defined its global criteria to evaluate the relevance of each indirect GHG emissions subcategory.

The principles that were taken into account when applying the criteria are relevance, completeness, consistency, accuracy and transparency.

The criteria used to evaluate the significance of indirect emissions include the following:

- Magnitude: emissions that are assumed to be quantitatively substantial. All categories whose GHG emissions contribute less than 5% to the overall carbon footprint are considered non-relevant.
- Level of influence: the organisation has the ability to monitor and reduce these emissions.
- Risk or opportunity: indirect emissions that contribute to the organisation's exposure to risk or its business opportunities.
- Sector-specific guidance: GHG emissions deemed significant by the business sector.
- Outsourcing: indirect emissions resulting from outsourced activities that are typically core business activities.
- Employee engagement: indirect emissions that could motivate employees to reduce energy use or fight climate change

With this analysis, in 2020 it was concluded that the following subcategories of indirect GHG emissions were considered non-significant: Upstream transport and distribution, Disposal of waste, Use of assets leased by the organisation, Downstream leased assets owned by the organisation and Investments. These subcategories were then excluded from the 2020 GHG emissions inventory. However, due to the setting of science-based targets, from 2021 all emission categories have been considered as significant and have been included in the carbon footprint results

Emission categories	Applicable to the activity	Significant emissions
1. Goods and services purchased	✓	Yes
2. Capital goods	✓	Yes
3. Fuel and energy-related activities	✓	Yes
4. Transport and distribution upstream	✓	Yes
5. Waste generated in operations	✓	Yes
6. Business trips	✓	Yes
7. Displacement of employees	✓	Yes
8. Leased assets upstream	✓	Yes
9. Transport and distribution downstream	×	No
10. Processing of products sold	×	No
11. Use of products sold	×	No
12. End-of-life treatment of products sold	×	No
13. Leased assets downstream	✓	Yes
14. Franchises	×	No
15. Investments	×	No

The quantification model obtains the amount of emissions by source by multiplying the activity data by its correspondent emission factor. The emission factors are obtained from reliable and official sources (IPCC and other relevant sources).

7.4 Contact information

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Cellnex Corporate & Public Affairs

8

Annexes

Annex 1. Risks

The Cellnex Telecom Group has implemented a risk management model that has been approved and is monitored by the Audit and Risk Management Committee and is applicable to all business and corporate units in countries where the Group operates. The risk management model is aimed at effectively ensuring that the Group's objectives are achieved.

The main risks to the fulfilment of the Group's objectives are as follows:

Strategic risks	I)	Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.
	II)	Risks of increasing competition.
	III)	The Group's status as a "significant market power" (SMP) operator in the digital terrestrial television (DTT) market in Spain imposes certain detrimental obligations on it compared with its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in adjacent businesses to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum is a scarce resource and it is highly dependent on political decisions. Access may not be secured in the future, which would prevent the Group from providing a high portion of its services in accordance with its plans.
	VI)	Risk related to a substantial portion of Group revenue being derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution of the entire committed perimeter.
	IX)	The expansion or development of the Group's businesses, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations.
	X)	Risks inherent in the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to execution of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Parent Company's significant shareholders' interests differing from those of the Group.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not implementing the strategic sustainability plan.
	XVIII)	Risks related to maintaining the rights over land where the Group's infrastructures are located.
	XIX)	Failure to attract and retain high quality personnel could adversely affect the Group's ability to operate its business.
	XX)	The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services
Financial risks	XXI)	Financial information.
	XXII)	Expected contracted revenue (backlog).
	XXIII)	Foreign currency risks.
	XXIV)	Interest rate risk.
	XXV)	Credit risk.
	XXVI)	Liquidity risks.
	XXVII)	Inflation risk.
	XXVIII)	Risk related to the Group's indebtedness.
	XXIX)	The Parent Company cannot guarantee that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if it were able to, that it would do so).
Compliance risks	XXX)	Fraud and compliance risks.
	XXXI)	Risk associated with significant agreements signed by the Group that could be modified due to change-of-control clauses.

Strategic risks

I) Risk related to the environment in which the Group operates and risks stemming from the specific nature of its businesses

The Group's business includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Any factor adversely affecting the demand for such services, some of which are not under the control of the Group (such as for instance, those which are a consequence of the Russian invasion of Ukraine or the Coronavirus Pandemic), could potentially have a material adverse impact on its business, prospects, results of operations, financial condition and cash flows.

Through the Telecom Infrastructure Services segment, the main business activity, the Group facilitates access to the spectrum (owned by its customers), by means of providing access to telecom through its connectivity services as well as the related passive and active infrastructure to external MNOs, typically under mid- and long-term contracts. Therefore, the Telecom Infrastructure Services segment is highly dependent on the demand for such infrastructures and a decrease in such demand may adversely affect the Group's business.

In the Broadcasting Infrastructure activity, the demand for the Group's communications depends on the coverage needs from its customers, which, in turn, depend on the demand for TV and radio broadcast by their customers.

Likewise, for the Other Network Services segment, the demand for connectivity, public protection and disaster relief ("PPDR") networks, operation and maintenance ("O&M"), Smart City and Internet of Things ("IoT") services depends on the demand from public administrations as well as entities operating in the private and public sectors.

The willingness of the Group's customers to use the Group's communications infrastructures, contract its services, or renew or extend existing contracts on its communications infrastructures on the same terms, can be affected by numerous factors, (some of which are beyond the Group's control) including, among others:

- increased sharing initiatives among MNOs (both related to passive and active network sharing), roaming or resale arrangements by MNOs;
- mergers or consolidations among the Group's customers such as MNOs;
- reduced potential organic growth due to higher number of competitors in each market as many MNOs have already contractualized the roll-out plans with their own towercos such as Vantage, DFMG or Totem (please see "ii. Risk of increasing competition").
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;
- governmental licensing of spectrum or restrictions on or revocations of spectrum licenses;
- changes in electromagnetic emissions' regulations;
- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers regarding the number of PoPs or customer ratio, (among others, due to the increased number of towercos (please see Risk ii) some clients can withdraw their equipments from our towers), or decreases in overall demand for broadcast space and services, caused by, among others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group's companies;
- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning,

environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;

- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;
- changes in connectivity to the internet;
- an increase in demand for private networks;
- the evolution of public internet;
- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;
- the availability or capacity of the Group's infrastructure or associated land interests where the infrastructure is located;
- the location of the Group's wireless infrastructure;
- changes in, or the success or failure of, the Group's customers' business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that the Groups does not currently use, such as the development of satellite-delivered and optical fibre-delivered radio and video services and internet TV;
- the existence of alternative providers of the Group's services or, alternatively, the self-provision of services by the Group's customers;
- the willingness of the Group's current or future customers to make contractual arrangements with the Group under the current terms and conditions; and
- the Group's customers' desire to renegotiate its agreements with them or to adversely amend current contractual arrangements.

As a result of these factors the Group's customers may scale back their need or demand for its services which could materially and adversely affect the degree of utilisation of the capacity of the Group's communications infrastructures and its network and connectivity development services, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

To reduce its exposure to risks as a result of the environment in which it operates, the Group pursues a selective international expansion plan, diversification and growth policy, fostering understanding with Government Agencies to develop infrastructures. In addition, it has continued to implement an efficiency plan in order to streamline operating investments and expenditures.

II) Risk of increasing competition

The Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Telxius completed in 2021 an agreement with American Tower for the sale of its telecommunication towers division in Europe. Therefore, American Tower is significantly increasing its presence in the European market and becoming a key player and strong competitor of the Group. In addition several infrastructure funds have recently acquired portfolios of towers from Vodafone and DFMG, thus reducing the addressable market of the Group both to grow organically and inorganically. The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new services agreements. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make more difficult for the Group to achieve targeted returns on investments.

Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion has made the acquisition of high quality assets significantly more costly, and taking into consideration the Group's business nature, with long term contracts, fixed fees normally inflation-linked, more and more infrastructure funds and private equity firms have shown appetite towards this kind of assets. Some competitors are larger than the Group and may have greater financial resources (such as KKR or Brookfield), while other competitors may apply investment criteria with lower return on investment requirements. Likewise, Cellnex also faces competition or may face future competition from its US peers. Additionally, some of the Group´s customers have set up their own infrastructure companies, while more European MNOs are increasingly showing their willingness to set their own infrastructure vehicles, which could drive to scarcity in terms of assets for sale (thus generating inflation on prices for assets), combined with more competitiveness on the normal course of the Group's business limiting the organic growth potential.

Besides, if the Group is unable to compete effectively with its competitors or anticipate or respond to customer needs, the Group could lose existing and potential customers, which could reduce its operating margins and have a material adverse effect on the Group´s business, prospects, results of operations, financial conditions and cash flows.

III) The Group's status as a "Significant Market Power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors

In 2006, the Group was classified as a SMP operator by the competition authorities. Given its dominant market position, the National Commission of Markets and Competition (Comisión Nacional de los Mercados y de la Competencia, or "CNMC", the former Comisión del Mercado de las Telecomunicaciones, or "CMT") imposed certain regulatory remedies on it to allow it to operate in the broadcasting market which, amongst others, set out that if the Group is not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. The CNMC has introduced certain flexibility to those conditions as per the latest review of the relevant market, concluded on 17 July 2019 with the publication of Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003, as notified to the European Commission and the European Electronic Communications Regulators Entity).

The competitors of the Group in the market who are not considered to be a SMP operator because of their low market share and limited coverage capacity are not subject to these obligations. These obligations and potential additional obligations imposed on the Group by the regulatory authorities vis-à-vis its competitors could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Industry trends and technological developments may require the Group to continue investing in adjacent businesses to telecommunication towers, such as fibre, edge computing and small cells

European MNOs are apparently moving towards a less infrastructural-based business model, thus the sharing trends in the telecommunications sector are increasing, especially given the upcoming 5G technological cycle. In this context, Cellnex may need to reinforce its services' offer in order to meet the needs of its customers, increasingly investing in adjacent businesses to telecommunication towers, such as fibre, edge computing, small cells, or acquisition of lands.

While the above adjacent businesses can be managed through co-location services offered by a neutral provider (in a similar way to the Group's current Telecom Infrastructure Services business segment and potentially with comparable economic principles), the Group may face certain additional risks, such as (i) execution risk of entering into new businesses; (ii) limited local know-how about the commercial potential of new business deployments; (iii) higher financing requirements, requiring in turn increased financing capabilities; (iv) the need to have a large-scale to become a relevant player in these businesses given global and local competition; (v) increased risk of overbuilding capacity affecting the price equilibrium in the market; (vi) compliance with new regulations; (vii) risk of over-paying, giving the high current valuations due to growing investors' demand; and (viii) increased competition against players holding better operational capabilities, among others.

The Group believes it has the technical know-how to support the long term needs of its customers and has been gradually investing in adjacent asset-class businesses in order to gain experience and mitigate potential future risks, however failing to overcome such risks could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

V) Spectrum is a scarce resource and it is highly dependent on political decisions. Access may not be secured in the future, which would prevent the Group from providing a high portion of its services in accordance with his plans

The Group and its customers are highly dependent on the availability and accessibility of sufficient spectrum for the provision of services. Spectrum is a scarce resource and the process for guaranteeing access to it is highly complex, costly and time-consuming.

The Group depends upon spectrum allocation for the wireless services that it provides, either in the Telecom Infrastructure Services segment (4G, 5G, etc.), the Broadcasting Infrastructure segment, (TV and radio) or Other Network Services segment, (Public Protection Disaster Relief, IoT or radio links). The Group cannot guarantee that the spectrum needed to appropriately render its services or the spectrum needed by its customers will be available in the future, and any change in spectrum allocation could have a material adverse effect on the Group’s business, prospects, results of operations, financial condition and cash flows.

The licenses and assigned frequency usage rights that the Group and its customers use for services such as connectivity have a finite maturity. The Group and its customers could be unable to renew or obtain their licenses and frequency usage rights necessary for their business upon expiration of their terms or they may have to make significant investments to maintain its licenses, either of which could have a material adverse effect on their business, prospects, results of operations, financial condition and cash flows.

Focusing into the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that broadcasters use to compress and distribute their signals in Spain. The evolution of technology standards, formats, coding technologies and consumer habits is likely to influence the future spectrum demand for broadcasting services.

The Group cannot guarantee that its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its current services.

Following the EU regulation in this matter, the Spanish government passed Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalization of the “second Digital Dividend”. This Royal Decree states that the sub-700 megahertz (“MHz”) will continue to be used for DTT broadcasting until, at least, 2030. Nonetheless, since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control.

Since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control. In the event that the number of MUXs available for DTT is further reduced, the Group’s customers could lose some of its current DTT multiplex spectrum currently licensed.

Finally, the Group believes that any delays in 5G rollouts in member states of the European Union (“Member States” and the “EU”, respectively) due to the Coronavirus Pandemic are likely to be temporary rather than long lasting, considering the systemic importance of universal broadband access. However, 5G rollouts could also be adversely affected by growing concerns, fueled in part by unreliable sources propagated through social and other media, that 5G’s radio waves could pose health risks, which could materially affect the Group’s business, prospects, results of operations, financial condition and cash flows.

VI) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers

In the Telecom Infrastructure Services segment the Group's main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organizations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group.

The Group’s reliance on a small group of customers may adversely affect the development of its business. As such, the loss of one or more of any of the Group’s main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group cannot guarantee that contracts with its major customers will not be terminated (including contractual agreements to transfer or build assets under the Group's acquisition agreements, purchase commitments and build-to-suit programs), or that these customers will renew their contracts with the Group on the same terms or at all, including due to disagreements regarding certain terms or matters or otherwise. Any of the above could potentially have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers, (especially those related to the Other Network Services segment and Broadcasting Infrastructure segment), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. The Group completed during last years a general cycle of renewal of contracts in the Broadcasting Infrastructures segment that has led to a downward revision of prices paid by the Group's customers and reducing the indexation to inflation, excepting the RTVE contract that was renewed in 2023 for a 5 years period. Contracts in the Other Network Services and the Broadcasting Infrastructure segments have generally shorter terms than contracts in the Telecom Infrastructures Services segment, and accordingly they need to be renewed more frequently. In addition, certain contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty. The termination of the contracts ("churn") with major customers may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, the maturities of the lease contracts, sub-lease contracts and other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers for the provision of services in such infrastructures. As a result, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services to its customers, as the Group may not have access to primary resources essential to execute such contractual obligations. The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. Land owners could decide not to renew, or to adversely amend the terms of the land lease contracts with the relevant Group company, or landlords may lose their rights to the land they own, or they may transfer their land interests to third parties. Also, some landlords can force Cellnex to leave the towers and look for a new land. Moreover, land aggregator entities, which tend to intermediate ground lease prices by acquiring large portfolios of land contracts, may increase the price for the Group's land lease contracts, which could result in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, subsidiaries of the Group may in the future become involved in disputes with their landlords, which could interfere with the Group's operation of a given site or force the Group to build new sites in order to continue providing services to its customers. The Group's inability to negotiate rent renewals on attractive terms, or to protect its rights to the land on which its infrastructures are located, may result in an increase in costs and may interfere with the Group's ability to operate infrastructures and generate revenues. Any damage or destruction to the Group's infrastructure due to unforeseen events, including natural disasters, may impact the Group's ability to conduct its business. Additionally, if the loss of service is not deemed to be due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during the full term of the contract (especially in the current geopolitical situation leading to energy prices escalation), which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

Moreover, potential energy outages, especially in the context of the military conflict between Russia and Ukraine and disrupting supply chains may affect the Group's relationship with its customers, especially in those businesses where the Group operates active equipment providing the communications signal (such as the Broadcasting in Spain or the Augmented TowerCo model in Poland).

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the

Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Parent Company could lead to the termination of contracts or to a loss of customers; and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VII) Risk of infrastructure sharing

While the Group believes the neutral operator model presents certain advantages and there is a growing trend of externalization of the provision of wireless communications infrastructure, extensive sharing of site infrastructure, roaming or resale arrangements among wireless service providers as an alternative to using the Group's services may slow down entering into new service agreements. Moreover, if MNOs utilize shared equipment (either active or passive) rather than deploy new equipment, it may result in the decommissioning of equipment on certain existing infrastructure because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. Likewise, the Judgment of the General Court (First Chamber, Extended Composition) issued on May 28, 2020 which annulled the Commission Decision C(2016) 2796 of May 11, 2016, declaring incompatible with the internal market the concentration resulting from the acquisition of Telefónica Europe Plc by Hutchison 3G UK Investments Ltd. may increase the interest of the Group's customers to merge, which could result also in the loss of commercial opportunities for the Group. In addition, customer consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. As a result of the above, either MNOs' consolidation or broadcasters' consolidation could decrease the demand for the Group wireless infrastructure, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VIII) Risk of non-execution the entire committed perimeter

The framework agreements for the provision of services with anchor customers may include clauses by which the parties agree to execute further acquisitions or the construction of infrastructures over a defined period or acquisition or construction of a maximum number of infrastructures. Such agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers. Moreover, customers could decide not to pursue such agreements due to a change in their business strategy. In addition, such agreements with anchor customers may include the unilateral right to dismiss a low-single digit percentage of the total sites (respiration rate clause) per year. If any these circumstances were to occur, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect for the Group's business, prospects, results of operations, financial condition and cash flows.

IX) The expansion or development of the Group's business, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests (including minority stakes in companies where the Group already holds a majority interest), joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, new debt and the issuance of shares (of Cellnex or its affiliates) to finance such growth opportunities and in the case of acquisitions of minority interests as described above, payments of prices which are inflationary, strongly revaluated, or higher than the original price paid by the Group (as it is already agreed upon in the relevant shareholders agreements), following the revaluation of Cellnex's share price performance (from the signing of those transactions and until the acquisition of those minority interests). For example, in 2019 the Group purchased 90% of the share capital of Swiss Infra for a total consideration (Enterprise Value) of approximately EUR 770 million and in 2021 the Group acquired an additional 10% for EUR 131.5 million, or in 2019 the Group purchased 70% of the share capital of On Tower France for an aggregate upfront consideration of approximately EUR 1.4 billion, and in 2022 the Group acquired the remaining 30% non-controlling interest from Iliad, S.A. for EUR 950 million and an additional 10% interest of the share capital of On Tower Poland, for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion), exclusive of taxes. Consequently, the Group expects that the acquisition of minority stakes may follow, at least, the same pattern and therefore for the price to be inflationary with respect to the purchase price of the majority stakes.

The Group's growth strategy deployed in recent years has an impact in the accounting losses due to a prudent depreciation and amortization policy and it exposes the Group to operational and strategic challenges and risks such as the need to identify potential acquisition or divestment opportunities on favourable terms, the diversion of management's attention from existing business, the potential impairment of acquired intangible assets, including goodwill, or the acquisition of liabilities or other claims from acquired businesses, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters, which may significantly impact the value of the acquired target and the overall viability and success of the intended business.

Prior to entering into an acquisition agreement, the Group generally performs due diligence with respect to the target or the relevant assets, but such inspection is limited by its nature. Additionally, the Group's analysis and risk evaluation prior to entering into any acquisition agreements are based on the accuracy and completeness of the information available to the Group. The Group may not independently verify the accuracy or completeness of certain of the information made available to it in the context of its due diligence procedures.

Any assets acquired by the Group may be subject to hidden material defects that were not apparent or that otherwise the Group failed to discover or consider at the time of the acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, the Group may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling the Group to use the underlying infrastructure as intended, or other environmental, structural or operational defects or liabilities requiring remediation. As such, in accordance with IFRS 3, at an acquisition's completion date Cellnex recognises contingent liabilities (which are a result of present obligations arising from past events, where the fair value can be reliably measured) arising from the purchase price allocation process in business combinations, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Failure to identify any such defects, liabilities or risks or to adequately address any such defects, liabilities or risks could expose the Group to unanticipated costs and liabilities or could result in the Group having acquired assets which are not consistent with its investment strategy, which are difficult to integrate within its portfolio, which fail to perform in accordance with expectations, and/or which adversely affect the Group's reputation, which, in turn, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business operations, communications infrastructure portfolio and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing financial, accounting, reporting, information technology and other systems and processes, cultural differences, differences in customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources. There could also be integration risks related to the commercialization of the spaces where newly acquired sites are located, as well as in connection with the transition of the payments, the retention of existing customers on newly acquired sites, including obtaining the necessary prior consents to assign the relevant services agreements, and the implementation of the Group's standards, controls, procedures and policies with regards to any newly acquired towers. The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity.

The Group's growth strategy is also linked, among other factors, to the capacity to successfully decommission and build new infrastructures. The framework agreements for the provision of services signed with anchor customers may include agreements for the further acquisition or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures. Such agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy or due to the impact of the Russian invasion of Ukraine or the Coronavirus Pandemic, among others. In addition, such framework agreements with anchor customers may include the unilateral right of the customer to dismiss a low single-digit percentage of the total sites per year (Respiration Rate). Any of the foregoing could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Build-to-Suit programs are executed on the basis of framework agreements with third-party suppliers or with the customers that will use the new infrastructures. As such the Group relies on third parties to effectively execute its contractual obligations and despite long term contracts tends to be based on fixed costs, the raw materials price increase might ultimately negatively affect the final cost of the infrastructures this impacting the Group's prospects. Moreover, the Group may face additional challenges in managing its expansion into new countries or into countries where the Group may have limited knowledge and understanding of the local market, business relationships and familiarity with the local governmental procedures and regulations.

In the ordinary course of its business, the Group reviews, analyses and evaluates potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to its business or its scope of services. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group's business. In addition, the failure to correctly assess the terms and conditions of potential transactions could imply unexpected costs to the Group, or could prevent the Group from obtaining the full benefit of the related business expansion (e.g., by way of changes in the expected perimeter of the relevant transaction upon closing), or any benefit at all, any of which could in turn materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, the Group may fail to sufficiently assess the price adjustments that should be taken into account for potential changes in the perimeter of the target, or may fail to successfully absorb them or pass them onto its customers, which could imply unexpected costs to the Group and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group may face contingencies, including delays, in the implementation of its strategy (including due to the lack of suitable acquisitions or buyers for assets, the failure to negotiate and agree acceptable purchase or divestment agreements or the failure to satisfactorily complete due diligence). In addition, the completion of any pending or future acquisitions may be subject to the satisfaction of certain conditions precedent, some of which may not be within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the relevant acquisition. As such, there is no assurance that any such pending or future acquisitions or divestments will be completed or, if completed, that it will be completed on the same terms as are described in the transaction agreements. For example, necessary regulatory or administrative authorizations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, and any such refusal or imposition of remedies, involving divestitures or otherwise, on onerous terms may limit the Group's ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all, or may result in significant delays and/or significant unexpected costs in relation to a particular acquisition.

Even if compliant with antitrust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities, increased risk of operations or other consequences which could negatively impact the Group's business and its prospects. In addition, the loss of the Group's neutral position may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group, and adversely impact its growth strategy. As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to the Group, including in exchange for Shares, which could negatively impact the Group's business and its prospects as this type of transactions could affect the perception of the Group's neutrality.

Market conditions and other factors, such as the Group's competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minority interests that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions or increase the acquisition costs.

Additionally, the Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Further, any such competitors could become a significant landlord of the Group's portfolio. The Group's main competitors are Vantage Towers, American Tower, Phoenix Tower, TOTEM, Inwit, TDF or CTIL, among others. A potential combination of any of those would create a more predominant competitor.

The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the Group's rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new ones. Higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult for the Group to achieve its return on investment criteria. Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion could make the acquisition of high quality assets significantly more costly (taking into consideration the nature of the Group's business, with long-term contracts and fixed fees which are normally inflation-linked, infrastructure funds and private equity firms are showing increasing appetite towards this class of assets), and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than the Group and may have greater financial resources, while other competitors may apply investment criteria with lower return on investment requirements. Likewise, the Group also faces competition or may face future competition from its peers. In addition, some of the Group's customers have set up their own infrastructure companies and more European MNOs are increasingly showing their willingness to establish their own infrastructure vehicles, which could lead to increases in the demand for assets for sale (thus leading to increases in asset prices), as well as increased competition in the ordinary course of the Group's business, limiting potential organic growth. Moreover, these MNO-captive infrastructure vehicles could eventually join together, further limiting the Group's inorganic growth prospects.

If the Group is unable to compete effectively with such customers and other competitors, or to effectively anticipate or respond to customer needs or consumer sentiment, it could lose existing and potential customers, which could reduce the Group's operating margins and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is also subject to a number of construction, service provision, financing, operating, regulatory and other risks related to the development, expansion and maintenance of its infrastructure, many of which are beyond its control. The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialized hardware and software technologies and equipment, which, consequently, require significant operating expenses and capital expenditures, as well as highly- qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose the Group to reputational risks, as well as the risk of losing clients, amongst others.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation, deflation or currency devaluation, expropriation, unwind of state aids, subsidies and contracts or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labour (as a result of unionization or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries which could adversely affect the Group's results of operations.

As a result, the Group is unable to predict the timeline for the successful execution of its strategy and there is no guarantee that the Group will be successful in identifying acquisitions, divestments or making any investments in a timely manner or at all. Generally, if the Group cannot identify, implement or integrate attractive opportunities on favourable terms or at all, or if the Group's foreign operations and expansion initiatives do not succeed as expected, they could adversely affect the Group's ability to execute its growth strategy. Any of the foregoing could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

X) Risks inherent in the businesses acquired and the Group's international expansion

Notwithstanding the Group's diversification of its risk exposure through the internationalisation of its operations, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

The Group's customers in European markets such as Spain, Italy, France, the United Kingdom, Switzerland, Poland, Portugal and the Netherlands represent a significant portion of the operating income of the Group, therefore especially exposing it to risks affecting these countries.The Group will increase its presence in the United Kingdom, following completion of the Hutchison United Kingdom Acquisition, and thereby increasing its exposure to risks affecting this country. Notwithstanding the above, the Group is in process of completing certain disposals in France, as required in the context of the Hivory Acquisition.

Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, the demand for services provided by the Group tends to decline, adversely affecting the Group's results of operations. A negative or low growth cycle could affect the Group in the European markets where the Group operates as of the date of the accompanying Consolidated Management Report (in particular, in those countries with customers representing a significant portion of the operating income of the Group).

In particular, adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the full-scale invasion of Ukraine launched by Russia on 24 February 2022. As a result of the invasion, the European Union (the "EU"), EU member states, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions and export-control measure packages. The uncertain nature, magnitude and duration of Russia's war in Ukraine and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks that may compromising the confidentiality, integrity and/or availability of information relevant to the Group or its business continuity in the event of a cybersecurity breach), on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which affect the Group's business, results of operations, cash flows, financial condition and prospects.

In addition, both the military conflict between Russia and Ukraine and the associated sanctions are contributing to further increases in the prices of energy, oil and other commodities, and further disrupting supply chains. This has led to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. Such an increase in commodity prices adds to a context of already extraordinarily high inflation rates, in Spain, in the rest of the European markets where the Group operates and in most developed countries. In this situation, central banks have abandoned the low interest rate environment, increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Despite the lowering inflation due to central banks raising interest rates, inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen. In this context, there is a risk that our suppliers do not have adequate capacity to respond or provide the resources and services required by the Group across different geographies, potentially affecting the operational capacity of Cellnex and the value of the Parent Company's shares, prospects, results of operations, financial condition and cash flows.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates), all of which in turn may also materially and adversely affect the Group's business, results of operations, cash flows, financial condition and prospects.

Besides, the coronavirus COVID-19 pandemic (the "Coronavirus Pandemic") which began in China in late 2019 and subsequently spread globally, has significantly affected the European markets where the Group operates as of the date of this Consolidated Management Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group), as well as the global economy, impacting global growth. While the actions of the central banks in response to the Coronavirus Pandemic, however, allowed an overall context of favourable financing conditions and the macro-financial outlook for the global economy improved mainly as a result of vaccines having been rolled out, some vulnerabilities continue to remain, such as the weak financial situation of some segments of households and companies, the growing public indebtedness of the low profitability of entities. Moreover, the appearance and spread of new COVID-19 variants may result in the reintroduction of containment measures. While the Group's business activity has remained largely unaffected by the uncertain effects of the Coronavirus Pandemic, the extent to which the Coronavirus Pandemic impacts the Group's business and results of operations in the future will depend on future developments. For example, in addition to affecting demand for the Group's services (or the Group's customers' services) and its customers' ability to meet their payment obligations, the Group could, among others, suffer delays in the execution of build-to-suit programs, changes in the expected organic growth or severe disruptions due to its suppliers being unable to meet their current commitments.

Likewise, the Group is directly exposed to adverse political conditions in the European markets where the Group operates as of the date of the accompanying Consolidated Management Report (in particular in those countries where there are customers representing a significant portion of the operating income of the Group). Also, changes in the international financial markets' conditions as a result of the effects of the Russian invasion of Ukraine or the Coronavirus Pandemic pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. The Group cannot predict how the economic and political cycle in such markets will develop in the short-term or in the coming years, or whether there will be a deterioration in political stability in them.

Therefore, the Group may be adversely affected by the adverse economic conditions or potential instability in the European markets where the Group operates as of the accompanying Consolidated Management Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group), while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country-related issues. In addition, the Group may be adversely affected by economic, social and political conditions in the countries in which its customers, suppliers and other counterparties operate.

Countries or supranational organizations, such as the EU, in the markets where the Group or its customers operate may develop and implement legislation, adopt decisions or otherwise change laws, regulations and treaties, or their interpretation thereof, which could materially and adversely affect the Group's business, prospects and results of operations. The European Commission has conducted investigations in multiple countries focusing on whether local rulings or local legislation violate EU state aid rules and concluded that certain countries, including Spain, have provided illegal state aid in certain cases. The decisions of the European Commission and the national authorities in relation to such investigations, and any such changes to laws, regulations and treaties, or their interpretation thereof, and any related expropriation, cancellation, unwind, claw-back and recovery of state aids and subsidies could materially and adversely affect the Group's business, prospects and results of operations.

Because of the Group's significant presence in the United Kingdom, it may face the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the EU which became effective on 31 January, 2020 ("Brexit"). Prior to that, on 24 January, 2020, the United Kingdom signed the Agreement on the withdrawal of the United Kingdom from the EU and the European Atomic Energy Community (the "Withdrawal Agreement"). Under the terms of the Withdrawal Agreement, a transition period ran until 31 December, 2020, during which time the United Kingdom continued to benefit from, and was bound by, many EU laws. On 24 December, 2020, the EU and the United Kingdom entered into three agreements setting out the terms of their post-Brexit relationship namely the Trade and Cooperation Agreement, the Agreement on Nuclear Cooperation, and the Agreement on Security Procedures for Exchanging and Protecting Classified Information. The Trade and Cooperation Agreement covers the general objectives and framework of the relationship between the United Kingdom and the EU, including in relation to trade, transport, visas, judicial, law enforcement and security matters, and mechanisms for dispute resolution. Under the terms of the Trade and Cooperation Agreement, the United Kingdom firms no longer benefit from automatic access to the EU single market and there is no longer free movement of people between the United Kingdom and the EU. In addition, while domestic law derived from EU law, EU law directly applicable in the United Kingdom, and EU rights, powers, liabilities and obligations recognised and available in the United Kingdom, in each case immediately before 31 December, 2020, were, subject to certain exceptions, retained by the United Kingdom, the United Kingdom's law may diverge from EU law in the future. The legal, political and economic uncertainty resulting from Brexit may adversely affect the Group's business, prospects, results of operations, financial condition and cash flows in the United Kingdom, in particular because of the Group's significant presence in the United Kingdom.

Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In this regard, on 9 June 2022 the European Central Bank Governing Council announced that while reinvestments of the principal payments from maturing securities purchased under the asset purchase programmes will continue in full for an extended period of time, net asset purchases under such asset purchase programmes were discontinued as of 1 July 2022 (please see risk XXVIII).

Furthermore, as a significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor, deflationary macroeconomic circumstances will have an adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, in the current high interest rate environment, most of the Group's contracts that are linked to inflation are capped at various levels, whereas the Group's operating expenses and payment of lease instalments are generally uncapped, which would negatively impact the Group's business, prospects, results of operations, financial condition and cash flows. However, even if contractually agreed, certain operators may not agree to bear the cost of the inflation impact on the Group's contracts.

As a consequence of the foregoing, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the effects of adverse economic and/or political conditions, in particular those deriving from the Russian invasion of Ukraine or the Coronavirus Pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Risks related to acquisitions

Completion of any new acquisition or divestment is subject to the satisfaction of certain conditions, some of which are not within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the acquisition. Such conditions include the obtaining of an antitrust clearance decision by the relevant antitrust authority.

If the Group fail to complete a previously announced acquisition on the terms described in the agreements, it may not be able to obtain the expected synergies of the proposed business expansion represented by such transaction, and this failure could result in significant costs to the Company, all of which could materially and adversely affect the value of the Company's shares and the Group's deleveraging plans, business, prospects, results of operations, financial condition and cash flows. Additionally, liabilities and defects may emerge that are hidden or unknown at the time of the execution of any agreement.

Prior to entering into any agreement, the Group usually perform due diligence to identify any risks, including any potential liability arising out of the business and defects of the acquired tower business. However, the Group's capacity to physically inspect the acquired towers is limited and such towers may be subject to defects or risks that were unknown at the time of the execution of the agreements or at the time of completion of the transaction or were known but were not considered material.

In addition, the Group assume all rights and liabilities of the acquired business since the closing of the transaction, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters. The Group may be subject to unknown or non-disclosed liabilities or contingencies, including those resulting from tax, labour, regulatory or accounting matters, as well as new contingencies derived from past events which the Group is unaware of or could not anticipate.

To the extent that the Group fails to identify, fully quantify or assess the materiality of such risks, the Group may incur unexpected liabilities and further costs, relating to, among others, property, environmental, labor, tax or regulatory matters, as well as structural and operational defects.

The Group may be unable to adequately address any such risks and the realization of any such risks could expose the Group to unanticipated costs and liabilities and prevent or limit the Group from realizing the projected benefits of the transaction, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group could not independently verify the accuracy or completeness of the information on the acquisitions

The Group's analysis and risk evaluation prior to entering into any agreements assumed on the accuracy and completeness of the information available to the Group. The Group could not independently verify the accuracy or completeness of certain of the information made available to it context of its due diligence procedures.

The Group may be unable to successfully integrate the new business into the Group

The operational integration of a new business into the Group could prove to be difficult and complex, and the benefits and synergies from such integration may not be in line with the Group's expectations. This may imply difficulties and costs in the integration process which are beyond the Group's control and may exceed those foreseen at the time of the signing of the agreements.

Difficulties may arise as a result of conflicts between control structures, procedures, standards, business cultures and policies, or compensation structures of the Group and those of business acquired, or the need to implement, integrate and harmonize diverse business operating procedures and financial, accounting, reporting, information technology and other systems, which could adversely affect the Group's ability to maintain relationships with the customers of the business acquired, employees, suppliers and other business partners following the acquisition.

There is also an integration risk related to the commercialization of the space where the sites are located, as well as in connection with the transition of the payments, the retention of existing customers on sites operated by the business acquired, including obtaining the necessary prior consents to assign the relevant service agreements and the maintenance of the Group's standards, controls, procedures and policies with regards to towers operated by the business acquired.

The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity. The Group expects to successfully combine the relevant businesses; however, in the event it cannot reach its objectives within the anticipated timeframe, or at all, or if the underlying assumptions for its expectations prove to be incorrect, the expected anticipated benefits and cost savings may not be fully realized, which could materially and adversely affect the Group's business and the value of the Parent Company's shares, prospects, results of operations, financial condition and cash flows.

It should be noted that the Group may face a risk of implementing an effective and unified culture across the different geographies where it is present as a result of several simultaneous integrations, potentially conflicting the alignment of its employees with the Group's strategy and the engagement of its workforce.

Additionally, the significant demands on the attention of the Group's management arising from the integration of the business acquired could result in other areas of the Group's business not receiving the attention they require, which could have an adverse effect on its business. If the Group is unable to manage the expanded organization, then it could impact in the opportunity to improve the efficiency of the Group's Consolidated Income Statement, in addition to any other difficulties that could arise if full integration of assets and resources of the business acquired is not achieved, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XI) Risk related to the non-control of certain subsidiaries

Although Cellnex has full control and a 100% stake in the vast majority of its subsidiaries, Cellnex has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In addition, the Group has full control over certain subsidiaries in which shareholders are holders of a minority investment.

Investments in assets over which Cellnex has partial, joint or no control are subject to the risk that the other holders of interest in the assets (making use their minority rights), who may have different business or investment strategies than Cellnex or with whom it may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or the appointment of members of management, which may be crucial to the success of the project or Cellnex's investment in the project, or otherwise implement initiatives which may be contrary to its interests, creating impasses on decisions and affecting its ability to implement the foreseen strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey Cellnex's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of Cellnex's interests in such assets. These restrictions may limit the price or interest level for Cellnex's interests in such assets, in the event it wants to dispose such interests. In addition, minority shareholders may target an exit through different mechanisms (i.e. put options, right of first offers, rights to acquire belonging to Cellnex, etc.) and the Group has the willingness to acquire such minority stakes. However, the price of this acquisition may be inflationary and strongly revaluated (as happened with the acquisition of the additional 30% of On Tower France described in Note 2.h.II of the accompanying consolidated financial statements) or because this mechanisms may have already a defined price in the SHA, which is higher than the current original price paid by Cellnex.

During 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into two agreements, pursuant to which, Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired 30% interest of the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes. The price paid was calculated pursuant to said agreement, which was very inflationary as happened with the acquisition of the additional 10% of Swiss Infra. Pursuant to this acquisition, Cellnex France Groupe held 100% of On Tower France as of 31 December 2022. In addition, Cellnex has enhanced the Build-to-Suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million. Moreover, during 2022, Cellnex Poland and Iliad Purple entered into an agreement, pursuant to which, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired 10% interest of the share capital of On Tower Poland, for an amount of PLN 615 million (approximately EUR 140 million at the current exchange rate) (exclusive of taxes). This price implies the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. The Iliad Poland SHA is very similar to the Iliad France SHA with regards to the referred right to sell. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 31 December 2022.

Other holders of interest in the Group´s assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect Cellnex's investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting Cellnex's management team from their other managerial tasks. In certain of Cellnex's joint ventures, it may also be reliant on the particular expertise of other holders of interest and, as a result, any failure to perform Cellnex's obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, Cellnex's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

XII) Risks related to execution of Cellnex's acquisition strategy

Cellnex' strategy includes the aim to strengthen and expand its operations, among others, through acquisitions. This strategy of growth exposes Cellnex to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms. It also may expose Cellnex to other risks such as the diversion of management's attention from existing business or the potential impairment of acquired intangible assets, including goodwill, as well as the acquisition of liabilities or other claims from acquired businesses.

Prior to entering into an acquisition agreement, Cellnex generally performs a due diligence exercise on the potential changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or its international acquisitions, which may be applied the acquisition. To the extent Cellnex or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, it may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling Cellnex to use the underlying infrastructure as intended, environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any defects, liabilities or risks could result in Cellnex having acquired assets which are not consistent with its investment strategy which are difficult to integrate with the rest of the portfolio or which fail to perform in accordance with expectations, and/or adversely affect Cellnex's reputation, which, in turn, could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Generally, if Cellnex cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely impact its ability to execute its growth strategy.

XIII) Regulatory and other similar risks

Risks related to changes in tax and legal regulations and socio-political changes are significant, given that the Group carries out an activity subject to government regulations, as well as to the regulatory framework in the European Union (the "EU"). These changes in tax and legal regulations could be applied or enforced retroactively. The main rules applicable to the Group and its customers include the availability and granting of licences for the use of the spectrum, the rates for its use and the commercial framework for the sale of terrestrial radio broadcasting assets and the obligations imposed on the Group by the Spanish competition authorities in relation to its broadcasting infrastructure activities.

Moreover, environmental and health regulation imposes additional costs and may affect the Group's results of operations. In the countries in which the Group operates, it is subject to environmental laws and electromagnetic regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws are increasingly stringent and may create in the future substantial environmental compliance liabilities and costs.

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which could in turn slow down the Group's growth. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact the Group's customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, financial condition, results of operations and cash flows. The Group insurance coverage may not be sufficient to cover all or a substantial portion of any liability it may have.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the radio emitting equipment is held by Cellnex, the Group´s customers are liable for the emissions of their own equipment. In the event that such rules were amended against the Group´s interest, they could limit its growth capacity and may adversely affect its business, prospects, results of operations, financial condition and cash flows.

The Group mitigates the risks to which is exposed from possible regulatory changes through coordination in the relevant country's governmental bodies to ensure that it follows prevailing local legislation and that it is able to anticipate regulatory changes.

XIV) Litigation

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, financial condition, results of operations or cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XV) The Parent Company's significant shareholder's interests may differ from those of the Group

As of the date of the accompanying Consolidated Management Report, there are two significant shareholders of Cellnex represented in the Board of Directors with one director each: (i) Edizione S.R.L ("Edizione"), which pursuant to publicly available information on the website of the Spanish Securities Market Commission (the "CNMV"), indirectly holds approximately 8.53% of Cellnex's share capital; and (ii) GIC Private Limited ("GIC"), which pursuant to publicly available information on the website of the CNMV, directly and indirectly holds approximately 7.03% of Cellnex's share capital. Pursuant to publicly available information on the website of the CNMV, there are other significant shareholders with stakes above 3% of the share capital (see Note 14 of the accompanying Consolidated Financial Statements).

Cellnex's significant shareholders may have an influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of Cellnex and the adoption of certain amendments to the bylaws. There can be no assurance that any current or future significant shareholder will act in a manner that is in the best interest of the Group, which could, in turn, adversely affect the Group's business, prospects results of operations, financial condition and cash flows.

Operational risks

XVI) Risks related to the industry and the business in which the Group operates

The sector where the Group develops its activities is characterized by rapid technological changes and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services provided), or changes in the Group customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the Group's infrastructure space or reduce rates or other fees obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in. For example, as communication technologies continue to develop, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those offered by the Group, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality.

The Group cannot be certain that existing, proposed or as yet undeveloped technologies of its complementary segments (such as, 5G, "Small Cells", DAS, data centres/edge computing and fibre will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete. Should the Group's competitors develop and commercialize new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, it could significantly decrease demand for existing infrastructure. In fact, the Broadcasting Business is threaten due to substitute new technologies such as cable TV, satellite TV, or OTTs, or low-orbit satellites might in the future challenge network configuration, negatively impacting the Telecommunications Infrastructure Service business prospects.

The Group's business and growth prospects could be jeopardized if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet the clients' changing needs. The development and implementation of new services with a significant technological component is also subject to inherent risks that the Group may not be able to overcome.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group´s customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain Small Cell-based complementary network technologies, in which the Group is actively working, could shift a portion of its customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures. Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely affect demand for the Group's infrastructure services. Further, a customer may decide to no longer outsource infrastructures or otherwise change its business model, which would result in a decrease in the Group's revenue.

In the Broadcasting Infrastructure activity, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television ["IPTV"]) or the growth and deployment of Wi-Fi network could reduce the Group's current business volume. In the Other Network Services activity the Group uses, among other technologies, terrestrial tranked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth. The development and implementation of any of these and similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

XVII) Risk of not developing the strategic sustainability plan

Cellnex's degree of involvement and commitment to the environment and the fight against climate change has led it to develop a Strategic Plan for sustainability based on 11 lines of action, all of which are aligned with the United Nations' ODS.

Failure to develop the plan would entail a reputational risk. A worse rating in the sustainability indices and in the analyses of proxy advisors would mean a worse valuation by investors. It would also represent a failure to comply with the commitments acquired in environmental matters with various international bodies and institutions (United Nations, Global Compact, Business for 1.5°C or Science-Based Targets initiative (SBTi) according to IPPC, as well as with our stakeholders and society in general.

The Group may not comply with the environmental requirements established in the Spanish and/or European Legislative Framework, or with the requirements of listed companies such as those established in the Non-Financial Information and Diversity Act.

Failure to implement the measures set out in the Strategic Sustainability Plan to reduce the impact of climate change would ultimately have direct consequences for the Group's activity. Among these are the management of energy efficiency and the associated carbon footprint, due to the impact on, for example, cooling systems to compensate for the increase in temperatures at the various types of the Group's telecommunications sites; or supply chain management by incorporating suppliers into the sustainability and carbon footprint reduction criteria. Failure to implement the mentioned Plan, could also have an impact on the financing costs due to the increase in margins, as a consequence of sustainability KPIs not achieved.

XVIII) Risks related to maintaining the rights over land where the Group's infrastructures are located

The Group's real property interests relating to its infrastructures consist primarily of ownership interests, fee interests, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, the Group may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect the Group's rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures it operates; however, the vast majority of the land and rooftops where these infrastructures are located is operated and managed through lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the UK, where the group owns a large amount of the land where its sites are located). Thus, for various reasons, land owners could decide not to renew, or to adversely amend the terms of the ground lease contracts with the relevant Group company, or landlords may lose their rights to the land they own, or they may transfer their land interests to third parties. Also, some landlords may force Cellnex to leave the towers and look for a new land. In particular, the increasing presence of ground lease aggregators may negatively affect the Group´s ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, in the future the Group must revert back to the corresponding government authorities certain assets under the terms of certain concession agreements (i.e. in Group subsidiaries such as XOC and Tradia).

In addition, the maturities of the lease contracts, sub-lease contracts or other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers to provide services. In that sense, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services, as the Group may not have access to primary resources essential to execute those contractual obligations.

The Group's inability to use the land where its infrastructures are located may have a material adverse effect on the Group's ability to comply with its contractual obligations and to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all. This may in turn have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with the Group's industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licenses and permits of its infrastructure assets. The lack of necessary licenses, property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorization or license is obtained. Criminal liability could also arise in certain circumstances. Similarly, the basic resources to provide service to the Group's customers may not be guaranteed.

To minimise these risks, the Group has specific control policies, procedures, plans and systems for each area, which are periodically reviewed and updated by specific external auditors for each area (financial reporting, quality, occupational risks, etc.). The Group also continually monitors and analyses its insurable risks and has implemented an insurance programme, to ensure a level of coverage and risk in keeping with the policies that have been introduced.

XIX) Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and key employees. In the increasingly volatile labour market where the Group operates, the loss of any of its key senior executives, could have an adverse effect on its business unless and until a replacement is found. In addition, the Group believes that its future success, including the ability to internationally expand the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. At the same time, developing talent from within, which needs to be also a priority to build a solid talent pipeline and also a driver to retain key talent as per development opportunities. Labour markets are becoming tight and with inflationary pressure on hiring. Demand for high quality personnel is intense and the Group may not be able to successfully recruit, train or retain qualified personnel.

As the Group is currently carrying out the succession plan for its CEO position, it should be noted that could cause management changes, with the subsequent need to secure the capabilities that are necessary to deliver the Group's business plans.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Also, the execution of efficiency plans could require contention or reduction of staff. Even when in these circumstances the Group would target to eliminate redundancies, a worsened climate among its workforce could lead to losing or retaining key talent or impacting the business.

XX) The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. In addition, the Build-to-Suit programs are executed on the basis of agreements with third-party suppliers, and so the Group relies on third-parties to effectively execute its contractual obligations. The Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Parent Company's existing suppliers and such competitors may obtain more favourable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are terminated or the Group is unable to renew them on favourable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business and capacity to fulfil their contractual obligations, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Financial risks

XXI) Financial information risk

To mitigate risks relating to financial reporting and to ensure the reliability of such information, the Group has established an Internal Control over Financial Reporting System ("ICFRS"). The Group has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of the Group employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which, together with the above, could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

The Group's Accounting Policies should only change if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. All changes in Accounting Policies follow the guidance in IAS 8 or, if resulting from the initial application of an IFRS, in accordance with the specific transitional provisions, if any, in that IFRS. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group develops an accounting estimate to achieve the objective set out by the accounting policy. The Group may need to change an accounting estimate if changes occur in the circumstances on which the accounting estimate was based or as a result of new information, new developments or more experience. By its nature, a change in an accounting estimate does not relate to prior periods and is not the correction of an error, but could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

XXII) Expected contracted revenue (backlog)

Expected contracted revenues from the service agreements (backlog) represents management’s estimate of the amount of contracted revenues that the Group expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but does not include adjustments for inflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group’s anchor customers. Such contracts have renewable terms including, in some cases, ‘all or nothing’ clauses that only allow the renewal of the entire portfolio of the relevant project (not the renewal of a portion thereof) on terms that are generally pre-agreed and may result an increase or a decrease in price, within certain parameters. In addition, the Group calculates backlog assuming that acquisitions which are subject to the satisfaction of conditions precedent will be completed on the terms described in the applicable transaction agreements in their entirety. However, there is no assurance that any pending or future acquisitions will be completed or, if completed, that they will be completed on such same terms. For example, necessary regulatory or administrative authorisations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, which may limit the Group’s ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all. As a result, the assumptions the Group uses to calculate backlog may prove to be incorrect, which in turn could have an adverse effect on the Group’s backlog estimates.

While the first contract of the Telecom Infrastructure Services subject to renewal was successfully renewed (the different Telefónica contracts were unified, harmonized and renewed for a total of up to 30 years) and one of the main contracts of the Broadcasting business was also successfully renewed for a 5 years period (under the same fees but with no escalators), it should be noted that several contracts of the Telecom Infrastructure Services business are expected to face renewals in the coming years, being KPN’s at the Shere portfolio and Wind Tre S.p.A. ("Wind Tre") at the Galata portfolio amongst the most relevant contracts to be renewed first (as defined herein), please see section 1.2. Please note that KPN contracts will reach their termination date in 2026 and 2027 respectively, thus requiring a new negotiation potentially driving the anchor terms to converge with the fees being applied in the market to secondary customers. In addition, contracts with major customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in 2025 (excepting the above-mentioned RTVE contract that was renewed in 2023 for a 5 years period). Also, certain contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

The termination of the contracts ("churn") with major customers in both of the segments above may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows. It should also be noted that contracts in place with Telefónica and Wind Tre may be subject to changes in relation to the fees being applied at a time of a renewal, set within a predefined range taking into account the last annual fee (which reflects the cumulative inflation of the full initial term), that in the case of Telefonica ranges from -5% to +5% (applicable after the initial period and the first two extension periods have elapsed) and of -15% to +5% for Wind Tre.

Regarding the contracts in Polkomtel, it should be noted that the Polkomtel MSA is following a business model consisting in a long term revenue that ensures the profitability and return on investment (Capex) executed by Cellnex on behalf of the client, encouraging investment in the expansion and modernization of client infrastructure and allowing better client quality services owing to new investments (Capex). This long term revenue model presents a tariff scheme that allow Cellnex to increase revenue in line with opex increases following the Polish CPI, (please see section 1.2.2) resulting in potential risks of very high inflationary pressures on both Capex and Opex requirements that the Group might not be able to translate into the tariff scheme agreed, or other tariff concepts that could be subject to interpretation and potentially challenged by the customer. Additionally, the Group´s definition of backlog may not necessarily be the same as that used by other companies engaged in similar activities. As a result, the amount of the Group backlog may not be comparable to the backlog reported by such other companies. The realization of the Group backlog estimates is further affected by the performance under its contracts. The ability to execute the Group’s backlog is dependent on its ability to meet the clients’ operational needs, and if the Group was unable to meet such needs, the ability to execute its backlog could be adversely affected, which could materially affect the Group’s business, prospects, financial condition, results of operations and cash flows. There can be no assurance that the revenue projected in the Group’s backlog will be realized or, if realized, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or schedule of services the Group provides to its clients, the Group cannot predict with certainty when or if its backlog will be realized. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Payment delays, payment defaults or contract cancellations could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXIII) Foreign currency risk

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty, respectively, on the other. The Group’s strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, including allowing the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in the exchange rate between the euro, and, respectively, the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition, and cash flows.

XXIV) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt. Recently, interest rates hikes have brought long-term Cellnex's notes to yields of approximately 4.5%

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

During periods of high interest rates, the Group could also decide to enter into derivatives transaction to change fix rated contracts to variable rates contracts to benefit from the lowering of interest rates in the future.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying consolidated financial statements).

As of 31 December 2022 and 2021 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying consolidated financial statements).

XXV) Credit risk

Each of the Group’s main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group’s main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

During periods of high interest rates and inflation, the Group’s customers can experience difficultly in making payments which could have an impact on the working capital of the Group, this affecting its prospects.

Given the nature of the Group’s business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution’s credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group’s expected services agreements revenues from certain customers and an increase in the Group’s level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group’s business, prospects, results of operations, financial condition and cash flows.

XXVI) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group’s businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity amounting to EUR 4.5 billion, considering cash and available credit lines, as at the date of approval for issue of these consolidated financial statements, and has no immediate debt maturities (the maturities of the Group’s financial obligations are detailed in Note 15 of the accompanying consolidated financial statements).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

XXVII) Inflation risk

After a long period of historically low inflation, inflation significantly increased around the world during 2022, with food, energy and petrol prices hitting record highs. A significant portion of the Group’s operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank. Further, most of the Group’s infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this sense, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current high inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation.

This mismatch arises from a link of the Group's Operating Income to inflation which is capped at most of its contracts with anchor customers or fixed terms escalators (please see *1.2.Technology and connectivity Solutions, Telecommunications Infrastructure Services (TIS)*), whereas Opex and leases are generally uncapped, which require a strong Opex and lease control that is not under the total control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

Any of the events above could in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXVIII) Risk related to Group indebtedness

The Group's current indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group's future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group's control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group's financing contracts such as limitations on the ability to incur additional debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group's credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

Furthermore, the Group announced a new capital allocation framework with deleverage and Investment Grade status by two credit rating agencies as key priorities (hence subordinating alternative uses of cash flow generation). Failure to deliver would significantly impact the credibility of the Group, force the Group to forego certain business opportunities and shareholding remuneration or force to sale assets while potentially being perceived as a distressed seller.

Moreover, BTS programs could be subject to acceleration demands from the Group's customers, seriously conflicting the commitment to deleverage.

In addition, the Group may be exposed to increasing demands from its customers to execute additional Engineering Services which could imply Expansion or Maintenance capital expenditures to increase. As such, from 2023 onwards, Engineering Services capex will be reported within Expansion Capex (potentially surpassing 10% guided intensity over Operating Income) or Maintenance capital expenditures, depending on its nature and magnitude (in prior years Engineering Services were included within the Build-to-suit programmes). Potentially, the Engineering Services could constitute a new capex line.

Also, achieving 2025 Targets could rely on more intensive Capital Expenditures activities, which would imply either delaying the Group's deleverage ambition or a failure to deliver on the 2025 Targets set.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 77% of its debt at fixed rate. Thus, at 31 December 2022 and 2021 a change on the interest rates would not have a significant impact on the consolidated financial statements.

Adverse circumstances around the Group's indebtedness and the risk of refinancing debt at worsened terms could prevent Cellnex from achieving its target of accessing an Investment Grade status by two credit rating agencies.

XXIX) The Parent Company cannot guarantee that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if it were able to, that it would do so)

If there are any distributable profits, declaration of a dividend requires a resolution of the General Shareholders' Meeting upon the recommendation of the Board of Directors. In the implementation of the Parent Company's Shareholder's Remuneration Policy (as defined herein), Cellnex is focused on distributing an annual dividend in an amount increased by 10% with respect to the dividend distributed the year before. However, the Parent Company's ability to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before, depends on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Parent Company in any financial year, any limitations to the distribution of dividends included in the Group's financing agreements and the Group's growth strategy. In the future, the Parent Company may not have cash available to pay dividends in an amount increased by 10% with respect to the dividend distributed the year before or have the reserves legally required for the Parent Company to be able to do so. Even if the Parent Company does have adequate cash and reserves, the Parent Company's shareholders and Board of Directors may choose not to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before. In addition, the Parent Company's ability to distribute dividends at all, depends on the same circumstances and factors and even if the Parent Company does have adequate cash and reserves, the Parent Company's shareholders and Board of Directors may choose not to distribute dividends at all.

Consequently, the Group cannot assure that it will pay a dividend in the future in compliance with the Parent Company's Shareholder's Remuneration Policy, or that it will pay any dividend.

Compliance risks

XXX) Fraud and compliance risks

The Group's operations are also subject to anti-bribery and anti-corruption laws and regulations and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to facilitate compliance with such laws and regulations.

The Cellnex group has a code of conduct (the “Ethics' Code”) approved by the Board of Directors. The corporation prepares an Ethics' Code Framework which is then adapted in each country . This Ethics' Code is communicated to all employees.

The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts. The main values and principles included in the Ethics' Code are: integrity, honesty, transparency, loyalty, commitment to and defence of Group interests, and responsibility in all actions. The Ethics' Code includes among its fundamental principles the commitment to strictly comply with the obligation of the Group to offer reliable financial information prepared in accordance with applicable regulations, and the responsibility of its employees and management to ensure this is so, by correctly carrying out of their functions and by notifying the governing bodies of any circumstance which might affect that undertaking.

XXXI) Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses

Certain material contracts entered into by the Group, including the Group's material debt agreements and most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third-party, either alone or in conjunction with others, obtains “significant influence” and/or “control” (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights) or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

With regards to the material contracts entered into by Group companies with anchor customers, the triggering of a change of control provision is generally limited to events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). Such buy back option may also be granted in the event that a competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. For example, in the context of the Polkomtel Acquisition, the Group entered into a buyback agreement with Polkomtel (as defined herein) by virtue of which Polkomtel (or its nominee) will be granted the right to require Cellnex Poland or Cellnex to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA, as defined herein) to Polkomtel (or its nominee in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex or gains control over Cellnex, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%.

On the other hand, the bonds issued under the EMTN Programme, and the Guaranteed EMTN Programme, other debt securities issued by the Group, the Convertible Bonds, (see note 15 of the accompanying consolidated financial statements) and the bank financing contracts of the Group include certain change of control clauses that could trigger an early repayment under the respective debt arrangement.

Finally, asset buy back options can also be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers (“SLAs”). In addition, the Group may enter into contracts related to joint future investments that have a buy back clause whereby the customer has the right to acquire the related assets during defined periods. While the Group’s management currently believes that the likelihood of exercising such option is not high, given it would require the relevant customer to make a significant payment to the Group, the Group can provide no assurance that any such options will not be exercised.

If a change of control clause included in any of the Group’s material contracts is triggered, or if a company of the Group fails to comply with its contractual obligations under an SLA or a joint investment agreement, it may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows.

Annex 2. Other public documents

At the date of issue of the accompanying Integrated Annual Report, information of a public nature is available, and should be read in conjunction with this Consolidated Management Report for the year ending 31 December 2022, as detailed below on a non-exhaustive illustrative basis. Such information is not incorporated by reference into this Consolidated Management Report.

- Prospectus Offer of Sale and Admission to Negotiate Shares of Cellnex Telecom, S.A.U (https://www.cellnex.com/app/uploads/2021/11/Oferta-Venta-y-Admision-a-Negociacion-Acciones-de-Cellnex-Telecom-23-de-abril-de-2015.pdf)
- Supplement to the informative prospectus for the sale and admission to trading of shares of Cellnex Telecom, S.A.U. (https://www.cellnex.com/app/uploads/2021/11/Suplemento.pdf).
- Prospectus March 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus October 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus July 2020 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus March 2021 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/20210330-Cellnex-Offering-Memorandum.pdf)
- Debt Programs (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs)
- Universal Registration Document (https://www.cellnex.com/app/uploads/2017/11/Folleto.pdf).
- Euro Medium Term Note Program (EMTN) Base Prospectus (https://www.cellnex.com/app/uploads/2015/12/Base-Prospectus_9a658ab1-a8aa-40f6-a58a-135203155a1e.pdf).
- Euro-Commercial Paper Programme (https://www.cellnex.com/app/uploads/2018/06/Cellnex-ECP-Programme_Information-Memorandum_FINAL.pdf).
- Report of the Board of Directors on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Consejo-de-Administraci%C3%B3n-Bonos-Convertibles.pdf).
- Auditor's Report on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Auditor-Bonos-Convertibles.pdf).
- Ratings Rating Agencies (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs).
- Corporate Policies (https://www.cellnex.com/investor-relations/corporate-governance/#shareholders-investors-corporate-policies).
- Press releases (https://www.cellnex.com/mediacenter/).
- Inside Information (https://www.cellnex.com/investor-relations/cnmv-notifications/).
- Quarterly Results (https://www.cellnex.com/sections/shareholders-investors-financial-quarterly-table/).
- ESG (https://www.cellnex.com/sustainability/)
- Annual/half-yearly reports (https://www.cellnex.com/investor-relations/financial-information/#shareholders-investors-financial-reports).
- Corporate Bylaws of Cellnex Telecom S.A. (https://www.cellnex.com/app/uploads/2022/05/20220428-Estatutos-sociales-refundidos-ENG.pdf)
- Comisión Nacional del Mercado de Valores (“CNMV”) website (https://www.cnmv.es/portal/home.aspx).
- Cellnex Telecom website (https://www.cellnex.com/)
- Research released by the sell-side community covering the stock are highly recommended. Please find Analysts relation at: https://www.cellnextelecom.com/en/recomendaciones-analistas/
- The Hutchison shareholder Circular (https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1201/2020120101741.pdf)

Annex 3. Index of contents required by Law 11/2018

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
General Information				
Brief description of the group's business model, which will include: 1. its business environment, 2. its organisation and structure, 3. the markets in which it operates, 4. its goals and strategies, 5. The main factors and trends that may affect its future evolution	Material	2-1	• Name of the organisation: Cellnex Telecom, S.A. • Ownership and legal form: Cellnex Telecom, S.A. • Location of headquarters: Juan Esplandiú, 28007 Madrid • Location of operations: 1. Cellnex: Driving sustainable telecom connectivity / 1.2. Connectivity solutions / Global presence	20-24
		2-6	• Activities: 1. Cellnex: Driving sustainable telecom connectivity / 1.2. Connectivity solutions • Value chain: 6.Value Chain - Extending our commitment to the value chain • Business relationships: 1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholders 2. Governance - Showing what we are, acting with integrity / Business Perspective 2. Governance - Showing what we are, acting with integrity / Investors relations	15-52; 216-229; 68-77; 124; 125-133
		2-7	3. People - Boosting our talent, being diverse and inclusive / 3.1 People strategy Annex 6. KPI Tables	136-137; 281-282
		2-22	Interview with the Chairman and the CEO 2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	5-8; 80-87
Reporting framework used	Material	1-3	This report has been prepared with reference to the GRI Standards. 7. Basis for the preparation of the Report / 7.2 Reporting Scope	232
Materiality	Material	3-1 3-2	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Double materiality analysis	55-58
Policies				
A description of the policies that the group applies regarding these issues, which will include: 1.) due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts 2.) verification and control procedures, including what measures have been taken	Material	3-3 2-23 2-24	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment 2. Governance - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. People – Boosting our talent, being diverse and inclusive 3.5 Diversity and inclusion 3.6 Safety and well-being at our core 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. Environment - Growing with a long-term sustainable environmental approach 5.1 Strategy and environmental positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Conservation of resources 5.5 Carbon footprint and climate change 6. Value chain- Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	53-54; 80-92; 93-101; 152-157; 158-163; 185; 188-191; 192-195; 198-203; 204-208; 217-223; 224-229

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Risks				
The main risks related to these issues related to the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Material	3-3	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment 2. Governance - Showing what we are, acting with integrity / 2.2 Global Management Systems / Risk Management 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks	53-77; 97-101; 185; 192-195; 237-260
Environmental Issues				
General information				
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures.	Material	3-3 2-23	1.2 Connectivity solutions / Regulatory context / Exposure to electromagnetic fields 2. Governance - Showing what we are, acting with integrity / 2.2 Global Management Systems 5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks	50-52; 93-101; 192-195; 237-260
Resources dedicated to the prevention of environmental risks.	Material	2-23	2. Governance - Showing what we are, acting with integrity / 2.2 Global Management Systems 5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts. Annex 1. Risks Consolidated Financial Statements / Note 22.	93-101; 192-195; 237-260
The application of the precautionary principle, the amount of provisions and guarantees against environmental risks.	Material	2-23	2. Governance - Showing what we are, acting with integrity / 2.2 Global Management Systems 5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks Consolidated Financial Statements / Note 22 Cellnex has environmental liability insurance, in accordance with current legislation, of €20Mn	93-101; 192-195; 237-260
Pollution				
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	Not material	3-3 302-4 (2016) 305-5 (2016)	Although it is a non-material topic and it is not mandatory to report this topic, information is disclosed in: 5. Environment - Growing with a long-term sustainable environmental approach 5.2 Monitoring and management of the main environmental risks, opportunities and impacts 5.4 Conservation of resources 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions	192-195; 198-203; 204-208; 233-234
Circular economy and prevention and waste managements				
Waste: Prevention, recycling, reuse, other forms of recovery and waste disposal.	Not material	3-3 306-2 (2020)	Although it is a non-material topic and it is not mandatory to report this topic, information is disclosed in 5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Responsible and circular resource management Annex 6. KPI Tables	202-203; 299
Actions to fight food waste	Not material	-	As it is a non-material topic, it is not applicable to report this information.	-

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Sustainable use of resources				
Water consumption and water supply according to local limitations	Not material	303-1 (2018) 303-2 (2018) 303-5 (2018)	Although it is a non-material topic and it is not mandatory to report this topic, information is disclosed in: 5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Responsible and circular resource management Annex 6. KPI Tables	202; 296
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Not material	-	As it is a non-material topic, it is not applicable to report this information.	-
Consumption, direct and indirect, of energy,	Material	3-3 302-1 (2016)	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295
Measures taken to improve energy efficiency.	Material	3-3 302-4 (2016)	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295
Use of renewable energies	Material	3-3 302-1 (2016)	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295
Climate change				
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Material	3-3 305-1 (2016) 305-2 (2016) 305-3 (2016) 305-4 (2016)	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234; 297-298
The measures adopted to adapt to the consequences of Climate Change.	Material	3-3 201-2 (2016)	5. Environment - Growing with a long-term sustainable environmental approach 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.5 Carbon footprint and climate change	192-195: 204-208
The reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	Material	3-3 305-5 (2016)	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change	204-208
Biodiversity				
The measures taken to preserve or restore biodiversity.	Not material	3-3	Although it is a non-material topic and it is not mandatory to report this topic, information is disclosed in 5. Environment - Growing with a long-term sustainable environmental approach / 5.6 Nature and biodiversity	209-214
Impacts caused by activities or operations in protected areas.	Not material	304-1 (2016) 304-2 (2016)	Although it is a non-material topic and it is not mandatory to report this topic, information is disclosed in 5. Environment - Growing with a long-term sustainable environmental approach / 5.6 Nature and biodiversity	209-214
Social issues and related to employees				
Employment				
Total number and distribution of employees by sex, age, country and professional category.	Material	3-3 2-7 405-1 (2016)	3. People - Boosting our talent, being diverse and inclusive / 3.1 People strategy Annex 6. KPI Tables	136; 279-285
Total number and distribution of work contract modalities.	Material	2-7	Annex 6. KPI Tables	279-285
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Material	2-7 405-1 (2016)	The annual average of contracts by type do not present seasonality throughout the year, so only the workforce breakdown by type of contract is disclosed at the end of the reporting year. Annex 6. KPI Tables	281-282
Number of dismissals by sex, age and professional classification.	Material	401-1 (2016)	Annex 6. KPI Tables	285

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
The average remunerations and their evolution disaggregated by sex, age and professional classification or equal value.	Material	405-2 (2016)	Annex 6. KPI Tables	286-287
Salary gap, the remuneration of equal or average positions in the company	Material	3-3 405-2 (2016)	Annex 6. KPI Tables	286
The average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long term savings forecast systems and any other perception disaggregated by sex.	Material	3-3 2-19 405-2 (2016)	Annex 6. KPI Tables Consolidated Financial Statements / Note 24 Annual Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital. Annual Report on the Remuneration of Directors 2022 / 4. Remuneration in 2022	286-287
Implementation of labour disconnection measures.	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core / Well-being at Cellnex	158-159
Employees with disabilities	Material	405-1 (2016)	Cellnex had 26 employees with different abilities in 2022, 19 in 2021.	-
Work organisation				
Organisation of working time	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163
Number of hours of absenteeism.	Material	403-9 (2018)	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	158-163; 291
Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163
Health and safety				
Conditions of health and safety at work.	Material	3-3 403-1 (2018) to GRI 403-8 (2018)	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163
Work accidents, in particular their frequency and seriousness, occupational diseases, disaggregated by sex.	Material	403-9 (2018) 403-10 (2018)	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	158-163; 291
Social relations				
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Material	3-3 402-1 (2016)	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue	150-151
Percentage of employees covered by collective agreement by country.	Material	2-30	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue Annex 6. KPI Tables	150-151; 282
Balance of collective agreements, particularly in the field of health and safety at work.	Material	403-1 (2018) 403-4 (2018)	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue Annex 6. KPI Tables	150-151; 282
Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue	150-151
Training				
The policies implemented in the field of training	Material	3-3 404-2 (2016)	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Talent Academy Annex 6. KPI Tables	147-148; 289-290
The total amount of training hours by professional categories.	Material	404-1 (2016)	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Talent Academy Annex 6. KPI Tables	147-148; 289-290
Accessibility				
Universal accessibility for people with disabilities	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion	152-157

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Equality				
Measures taken to promote equal treatment and opportunities between men and women.	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion	152-157
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion	152-157
The policy against all types of discrimination and, where appropriate, management of diversity	Material	3-3	3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion	152-157
Human rights				
Application of due diligence procedures in human rights. Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuse	Material	3-3 2-23 2-24	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	89-92; 185
Complaints about cases of violation of human rights.	Material	406-1 (2016)	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185
Promotion and compliance with the provisions of the fundamental Conventions of the International Labor Organisation related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.	Material	3-3 406-1 (2016) 407-1 (2016) 408-1 (2016) 409-1 (2016)	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	150-151; 185
Anti-corruption and anti-brivery				
Measures taken to prevent corruption and bribery.	Material	3-3 2-23 2-24 205-2 (2016)	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92
Measures to combat money laundering.	Material	205-3 (2016)	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92
Contributions to foundations and non-profit entities.	Material	413-1 (2016)	In 2022,the total amount of donations was €3,430,905 (€2,692,660 in 2021) the total contribution to sponsorship activities or events by Cellnex Telecom was €265,342 euros (€217,296 in 2021), the total contribution to associations of which Cellnex is a member was €722,693 (€799,523 in 2021)	-
Society				
Commitments of the company to sustainable development				
The impact of society's activity on employment and local development. The impact of the company's activity on local populations and the territory.	Material	3-3 203-1 (2016) 413-1 (2016)	1. Cellnex: Driving sustainable telecom connectivity 1.2 Connectivity solutions 1.3 Our commitment /Our commitment to the Sustainable Development Goals (SDG) 4. Society - Being a facilitator of social progress	15-52; 64-67; 164-185
The relationships maintained with the actors of the local communities and the modalities of dialogue with them	Material	2-29 413-1 (2016)	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholders 2. Governance - Showing what we are, acting with integrity / 2.5 Investor Relations 4. Society - Being a facilitator of social progress	68-77; 125-133; 164-185
The association or sponsorship actions.	Material	2-28	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholder In 2022, the total contribution to sponsorship activities or events by Cellnex Telecom was €265,342 (€217,296 in 2021), the total contribution to associations of which Cellnex is a member was €722,693 (€799,523 in 2021). The contribution to Tallon Boury & Associés has been €66,000 in 2022 (€55,134.79 in 2021), to Mayer Brown €21,000 (€21,000 in 2021), and to Brunswick €532,468 (€112,000 in 2021) to Hill+Knowlton Strategies €45,082 (€94,816 in 2021).	68-77

Information requested by Law 11/2018	Materiality	Equivalent GRI disclosure (2021 version if not stated otherwise)	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Subcontracting and suppliers				
The inclusion in the procurement policy of social issues, gender equality and environmental issues. Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	Material	3-3 2-13 308-1 (2016) 308-2 (2016) 414-1 (2016) 414-2 (2016)	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / ESG Master Plan 5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring	59-63; 208; 228-229
Supervision systems and audits and their results.	Material	3-3	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring Annex 6. KPI Tables	208; 228-229; 292
Consumers				
Measures for the health and safety of consumers.	Material	3-3 416-1 (2016)	6. Value chain - Extending our commitment to the value chain / 6.1 Customers / Security of the information	222-223
Claims systems, complaints received and resolution of them.	Material	3-3 418-1 (2016)	6. Value chain - Extending our commitment to the value chain / 6.1 Customers Our customer-centric approach Security of the information	217; 222-223
Tax information				
Benefits obtained country by country	Material	3-3 207-4 (2019)	2. Governance - Showing what we are, acting with integrity / 2.3 Financial information / Responsible tax policy and values of Cellnex This information is provided in detail in Consolidated Financial Statements / Note 18 and Note 23	118-121
Taxes paid on benefits	Material	3-3 207-1 (2019) 207-4 (2019)	2. Governance - Showing what we are, acting with integrity / 2.3 Financial information / Responsible tax policy and values of Cellnex	118-121
Public subsidies received.	Material	201-4 (2021)	No significant financial assistance has been received from the government.	-

Information requested by Regulation (EU) 2020/852 on Taxonomy	Materiality	Used references	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
The proportion of Taxonomy -eligible and aligned; eligible and not aligned; and non-eligible- economic activities in the total turnover	Material	Regulation (EU) 2020/852 on Taxonomy Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 on Taxonomy	5. Environment - Growing with a long-term sustainable environmental approach / 5.3 EU taxonomy Annex 7. EU taxonomy	196-197; 300-318
The proportion of Taxonomy -eligible and aligned; eligible and not aligned; and non-eligible- economic activities in the total investments in fixed assets (CapEx)	Material		5. Environment - Growing with a long-term sustainable environmental approach / 5.3 EU taxonomy Annex 7. EU taxonomy	196-197; 300-318
The proportion of Taxonomy -eligible and aligned; eligible and not aligned; and non-eligible- economic activities in the operating expenses (OpEx)	Not material		As it is a non-material topic, it is not applicable to report this information.	-
Breakdown of qualitative information for the indicators described above understanding	Material	Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 on Taxonomy - Annex 1.2	5. Environment - Growing with a long-term sustainable environmental approach / 5.3 EU taxonomy Annex 7. EU taxonomy	196-197; 300-318

Annex 4. GRI Content Index

Statement of use	Cellnex Telecom, S.A. has reported the information cited in this GRI content index for the period 1st of January 2022 to 31st of December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	• Name of the organisation: Cellnex Telecom, S.A. • Ownership and legal form: Cellnex Telecom, S.A. • Location of headquarters: Juan Esplandiú, 28007 Madrid • Location of operations: 1. Cellnex: Driving sustainable telecom connectivity / 1.2. Connectivity solutions / Global presence	20-24	
	2-2 Entities included in the organization's sustainability reporting	7. Basis for the preparation of the Report / Reporting scope	232	
	2-3 Reporting period, frequency and contact point	• Reporting period: Fiscal Year 2022, extending from 1st of January 2022 to 31st of December 2022. • Reporting frequency: Annual • Contact point: 7. Basis for the preparation of the Report / Contact information	235	
	2-4 Restatements of information	There have been restatements of information from previous reports in Annex 6. KPI Tables	279-282; 284; 286-287; 291; 293-299	
	2-5 External assurance	Annex 9. Independent Limited Verification Report Verification Report	320-326	
	2-6 Activities, value chain and other business relationships	• Activities: 1. Cellnex: Driving sustainable telecom connectivity / 1.2. Connectivity solutions • Value chain: 6.Value Chain - Extending our commitment to the value chain • Business relationships: 1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholders 2. Governance - Showing what we are, acting with integrity Business Perspective Investors relations	15-52; 68-77; 124; 125-133	
	2-7 Employees	3. People - Boosting our talent, being diverse and inclusive / 3.1 People strategy Annex 6. KPI Tables	136; 281-282	
	2-8 Workers who are not employees	In 2022 Cellnex has had 541 non-staff workers, whose work is controlled by the organization.	-	
	2-9 Governance structure and composition	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance Annual Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	80-87	
	2-10 Nomination and selection of the highest governance body	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	80-87	
	2-11 Chair of the highest governance body	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	80-87	
	2-12 Role of the highest governance body in overseeing the management of impacts	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment ESG Master Plan Stakeholders 2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance Annex 1. Risks Annual Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	59-63; 68-77; 80-87; 237-260	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
	2-13 Delegation of responsibility for managing impacts	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / ESG Master Plan 2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance Annual Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	59-63; 80-87	
	2-14 Role of the highest governance body in sustainability reporting	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / ESG Master Plan Annual Corporate Governance Report / 5.5 Powers and functions of board directors based on the position held on the Board of Directors	59-63	
	2-15 Conflicts of interest	Annual Corporate Governance Report / 8.3 Conflicts of interest	-	
	2-16 Communication of critical concerns	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	
	2-17 Collective knowledge of the highest governance body	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	80-87	
	2-18 Evaluation of the performance of the highest governance body	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance Annual Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	80-87	
	2-19 Remuneration policies	Annual Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital Annual Report of the Remuneration of Directors of Cellnex Telecom	-	
	2-20 Process to determine remuneration	Annual Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital Annual Report of the Remuneration of Directors of Cellnex Telecom	-	
	2-21 Annual total compensation ratio	Annex 6. KPI Tables The ratio obtained from the calculation between the remuneration of the person who holds the position of CEO and the average remuneration of the Group is 71.75 in 2022 (in 2021 it was 88.72). The ratio between the average remuneration increase of the Group in relation to the increase of the remuneration of the CEO for the year 2022 is -0.11, (-3.9 in the previous period) and the variation in the remuneration of the CEO was -2.4% in 2022 (23.8% in the previous period). The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.	286-287	
	2-22 Statement on sustainable development strategy	Interview with the Chairman and the CEO 1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Cellnex's commitment to the Sustainable Development Goals (SDG) 2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	5-8; 64-67; 80-87	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
	2-23 Policy commitments	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment 2. Governance - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. People – Boosting our talent, being diverse and inclusive 3.5 Diversity and inclusion 3.6 Safety and well-being at our core 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. Environment - Growing with a long-term sustainable environmental approach 5.1 Strategy and environmental positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Conservation of resources 5.5 Carbon footprint and climate change 6. Value chain- Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	53-54; 80-92; 93-101; 152-157; 158-163; 185; 188-191; 192-195; 198-203; 204-208; 217-223; 224-229	
	2-24 Embedding policy commitments	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment 2. Governance - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. People – Boosting our talent, being diverse and inclusive 3.5 Diversity and inclusion 3.6 Safety and well-being at our core 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. Environment - Growing with a long-term sustainable environmental approach 5.1 Strategy and environmental positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Conservation of resources 5.5 Carbon footprint and climate change 6. Value chain- Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	53-54; 80-92; 93-101; 152-157; 158-163; 185; 188-191; 192-195; 198-203; 204-208; 217-223; 224-229	
	2-25 Processes to remediate negative impacts	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	89-92; 185	
	2-26 Mechanisms for seeking advice and raising concerns	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	
	2-27 Compliance with laws and regulations	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance. 3 People/ 3.4 Driving Efficiency and performance. 4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts	89-92; 145-151; 185; 192-195	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
	2-28 Membership associations	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholder In 2022, the total contribution to sponsorship activities or events by Cellnex Telecom was €265,342 (€217,296 in 2021), the total contribution to associations of which Cellnex is a member was €722,693 (€799,523 in 2021). The contribution to Tallon Boury & Associés has been €66,000 in 2022 (€55,134.79 in 2021), to Mayer Brown €21,000 (€21,000 in 2021), and to Brunswick €532,468 (€112,000 in 2021) to Hill+Knowlton Strategies €45,082 (€94,816 in 2021).	68-77	
	2-29 Approach to stakeholder engagement	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Stakeholder	68-77	
	2-30 Collective bargaining agreements	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue Annex 6. KPI Tables	150-151; 282	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Double materiality analysis	55-58	
	3-2 List of material topics	1. Cellnex: Driving sustainable telecom connectivity / 1.3 Our commitment / Double materiality analysis	55-58	
Environmental strategy and positioning				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts	192-195	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4. Society - Being a facilitator of social progress / 4.3 Socio-economic impact Generated economic value in 2022: €3,584,726,000; distributed economic value in 2022: €1,550,479,000; retained economic value in 2022: €2,034,247,000.	182-184	
	201-2 Financial implications and other risks and opportunities due to climate change	5. Environment - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks Consolidated Financial Statements / Note 22	192-195	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-2 Energy indirect (Scope 2) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-3 Other indirect (Scope 3) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-4 GHG emissions intensity	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
	305-5 Reduction of GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6 Value Chain / 6.2.2 Suppliers evaluation	208; 228-229	
	308-2 Negative environmental impacts in the supply chain and actions taken	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change / Carbon management along the value chain. 6 Value Chain / 6.2.2 Suppliers evaluation	208; 228-229	
Climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change	204-208	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-2 Energy indirect (Scope 2) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-3 Other indirect (Scope 3) GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-4 GHG emissions intensity	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
	305-5 Reduction of GHG emissions	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change 7. Basis for the preparation of the Report / 7.3 Carbon Footprint: Scope & Calculation methodology for CO2 emissions Annex 6. KPI Tables	204-208; 233-234 297-298	
Energy management				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management	198-201	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295	
	302-4 Reduction of energy consumption	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295	
	302-5 Reductions in energy requirements of products and services	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables	198-201; 293-295	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
Equity, diversity and inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion	152-157	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI Tables	288	
	202-2 Proportion of senior management hired from the local community	Annex 6. KPI Tables	288	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / The Cellnex Board of Directors 3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion. Annex 6. KPI Tables	83-87; 279-280	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 6. KPI Tables	286-287	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185	
Well-being, health & Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-2 Hazard identification, risk assessment, and incident investigation	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-3 Occupational health services	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-4 Worker participation, consultation, and communication on occupational health and safety	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Social dialogue 3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	150-151; 158-163	
	403-5 Worker training on occupational health and safety	3. People - Boosting our talent, being diverse and inclusive / 3.4. Driving efficiency and performance / 3.6 Safety and well-being at our core	158-163	
	403-6 Promotion of worker health	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-8 Workers covered by an occupational health and safety management system	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	158-163	
	403-9 Work-related injuries	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	158-163; 291	
	403-10 Work-related ill health	3. People - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	158-163; 291	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
Sustainable supply chain strategy				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Environment - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers	208; 224-229	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6. Value chain / 6.2 Suppliers / Supplier evaluation. Annex 6. KPI Tables	228; 292	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5. Environment / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring Annex 6. KPI Tables	204-208; 228-229; 292	
	308-2 Negative environmental impacts in the supply chain and actions taken	5. Environment / 5.5 Carbon footprint and climate change / Carbon management along the value chain 6 Value Chain / 6.2.2 Suppliers evaluation	204-208; 228-229	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Collaboration and commitment with our value chain	185; 224-227	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Collaboration and commitment with our value chain	185; 224-227	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring Annex 6. KPI Tables	224-227; 292	
	414-2 Negative social impacts in the supply chain and actions taken	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6 Value Chain / 6.2.2 Suppliers evaluation	185; 228-229	
Good governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance	80-87	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / The Cellnex Board of Directors 3. People - Boosting our talent, being diverse and inclusive / 3.5 Diversity and inclusion. Annex 6. KPI Tables	80-87; 152-157; 279-280	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 6. KPI Tables	286-287	
Ethics and compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	
	205-2 Communication and training about anti-corruption policies and procedures	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance Annex 6. KPI Tables	89-92 289	
	205-3 Confirmed incidents of corruption and actions taken	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There have been no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices in 2022. 2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185	
GRI 415: Public Policy 2016	415-1 Political contributions	€67,000 in political contributions received in France.	-	
Access to communications				
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Society - Being a facilitator of social progress / 4.1 Social contribution / Access to communications	172-173	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1. CELLNEX: Driving sustainable telecom connectivity / 1.2 Connectivity solutions / Innovation 1. CELLNEX: Driving sustainable telecom connectivity / 1.3 Our commitment /Our commitment to the Sustainable Development Goals (SDG) 4. Society - Being a facilitator of social progress	44-46; 64-67; 165-185	
	203-2 Significant indirect economic impacts	4. Society - Being a facilitator of social progress / 4.3 Socio-economic impact	182-184	
Human Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Talent Academy / Training programs and training hours Annex 6. KPI Tables	147-148; 290	
	404-2 Programs for upgrading employee skills and transition assistance programs	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Talent Academy / Training programs and training hours	147-148; 290	
	404-3 Percentage of employees receiving regular performance and career development reviews	3. People - Boosting our talent, being diverse and inclusive / 3.4 Driving Efficiency and performance / Holistic Performance management	145-156	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights	185	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Collaboration and commitment with our value chain	185; 224-227	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. Value chain - Extending our commitment to the value chain / 6.2 Suppliers / Collaboration and commitment with our value chain	185; 224-227	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring	228-229	
	414-2 Negative social impacts in the supply chain and actions taken	4. Society - Being a facilitator of social progress / 4.4 Commitment to Human Rights. 6. Value chain / 6.2 Suppliers / Supplier evaluation, selection and monitoring	185; 228-229	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Section of the Integrated Annual Report 2022 and/or direct response)	LOCATION (Page number of the Integrated Annual Report 2022)	OMISSION
Cybersecurity and privacy of the information				
GRI 3: Material Topics 2021	3-3 Management of material topics	6. Value chain - Extending our commitment to the value chain / 6.1 Customers / Security of the information	222-223	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Due to the nature of the activity (B2B), Cellnex doesn't handle personal information of customers understood as an individual person. Even so, Cellnex has a Private Data Policy. The Cellnex Group guarantees the security, secrecy and confidentiality of personal data under its responsibility, adopting the most stringent and robust security measures and technical resources to prevent the loss or misuse of the data or access to the data without your authorisation. Moreover, Clients Personal Data Management Clause included in all the contracts signed by Cellnex with its clients, regarding Personal Data management.	-	
Network expansion				
GRI 3: Material Topics 2021	3-3 Management of material topics	1. CELLNEX: Driving sustainable telecom connectivity / 1.2 Connectivity solutions	15-52	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI Tables	288	
	202-2 Proportion of senior management hired from the local community	Annex 6. KPI Tables	288	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1. CELLNEX: Driving sustainable telecom connectivity 1.2 Connectivity solutions / Innovation 1.3 Our commitment /Our commitment to the Sustainable Development Goals (SDG) 4. SOCIETY - Being a facilitator of social progress	44-46; 64-67; 166-185	
	203-2 Significant indirect economic impacts	4. SOCIETY - Being a facilitator of social progress / 4.3 Socio-economic impact	182-184	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2. Governance - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	89-92	

Annex 5. SASB Topics

Telecommunication Services

Topic	SASB Code	Accounting metric	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Environmental Footprint of Operations	TC-TL-130a.1	Total energy consumed, percentage grid electricity, percentage renewable	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Energy management Annex 6. KPI Tables / GRI 302-1	198-201, 293-295
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	Due to the nature of the activity (B2B), Cellnex doesn't handle personal information of customers understood as an individual person. Even so, Cellnex has a Private Data Policy. The Cellnex Group guarantees the security, secrecy and confidentiality of personal data under its responsibility, adopting the most stringent and robust security measures and technical resources to prevent the loss or misuse of the data or access to the data without your authorisation. Moreover, Clients Personal Data Management Clause included in all the contracts signed by Cellnex with its clients, regarding Personal Data management.	-
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes		
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		
	TC-TL-220a.4	Number of law enforcement requests for customer information, number of customers whose information was requested, percentage resulting in disclosure		
Data Security	TC-TL-230a.1	Number of data breaches, percentage involving personally identifiable information (PII), number of customers affected	6. Value chain - Extending our commitment to the value chain / 6.1 Customers / Security of the information	222-223
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards		
Product End-of life Management	TC-TL-440a.1	Materials recovered through take back programs, percentage of recovered materials that were reused, recycled, and landfilled	5. Environment - Growing with a long-term sustainable environmental approach / 5.4 Conservation of resources / Responsible and circular resource management. Annex 6. KPI Tables / GRI 306 Despite waste is not a material topic for Cellnex, the company is working to be able to report in more detail the breakdown of information requested in future years.	202-203, 299
Competitive Behavior & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2022, Cellnex didn't receive any final judgements or any other type of sanction related to proceedings associated with anticompetitive behaviour regulations.	-
	TC-TL-520a.2	Average actual sustained download speed of owned and commercially-associated content and non-associated content	Due to the nature of Cellnex business, this indicator does not apply . Download speed is a service offered directly by network mobile operators to the end customer.	-
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	Due to the nature of Cellnex business, this indicator does not apply.	-

Topic	SASB Code	Accounting metric	Section of the Integrated Annual Report 2022 and/or direct response	Page number of the Integrated Annual Report 2022
Managing Systemic Risks from technology disruptions	TC-TL-550a.1	System average interruption frequency and customer average interruption duration	6. Value Chain - Extending our commitment to the value chain / 6.1 Customers / Global customer service model / Ensuring the availability and reliability of Cellnex services	219-220
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	2. Governance - Showing what we are, acting with integrity / 2.2 Global Management Systems	93-101
Activity Metric	TC-TL-000.A	Number of wireless subscribers	Due to the nature of Cellnex business, these indicators do not apply.	-
	TC-TL-000.B	Number of wireline subscribers		
	TC-TL-000.C	Number of broadband subscribers		
	TC-TL-000.D	Network traffic		

Annex 6. KPI Tables[32]

GRI 405-1 Diversity of governance bodies and employees. Total number, percentage and distribution of employees by gender, age, professional classification and country[33,34]

	2022		2021		2020	
	Workforce	%	Workforce	%	Workforce	%
Gender distribution						
Women	929	31%	861	30%	586	30%
Men	2,089	69%	2,016	70%	1,398	70%
Total	**3,018**	**100%**	**2,877**	**100%**	**1,984**	**100%**
Age distribution						
Under 30	244	8%	219	8%	132	7%
30 to 45	1,197	40%	1,204	42%	910	46%
46 to 55	1,246	41%	1,157	40%	793	40%
Over 55	331	11%	297	10%	149	8%
Total	**3,018**	**100%**	**2,877**	**100%**	**1,984**	**100%**
Professional classification						
Senior Management	9	0.3%	8	0.3%	9	0.5%
Directors	102	3.4%	100	3%	76	4%
Managers	339	11%	301	10%	235	12%
Coordinators/ Other professionals	2,568	85%	2,468	86%	1,664	84%
Total	**3,018**	**100%**	**2,877**	**100%**	**1,984**	**100%**
Country distribution						
Spain	1,274	42%	1,289	45%	1,199	60%
Italy	254	8%	252	9%	171	9%
France	283	9%	259	9%	131	7%
Switzerland	55	2%	50	2%	48	2%
Netherlands	104	3%	107	4%	73	4%
UK	352	12%	307	11%	267	13%
Ireland	43	1%	37	1%	25	1%
Portugal	65	2%	61	2%	55	3%
Austria	28	1%	23	1%	15	1%
Denmark	28	1%	25	1%	—	—
Sweden	28	1%	17	1%	—	—
Poland	504	17%	450	16%	—	—
Total	**3,018**	**100%**	**2,877**	**100%**	**1,984**	**100%**

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[32] Cellnex has been working on improving the information systems to be able to offer all the data breakdowns for the 2022 financial year and subsequent reporting years. For this reason, in previous financial years there are reported data that are indicated as "Not available".

[33] CEO included in Senior Management

[34] Data from previous years have been restated.

	2022				2021				2020			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Age distribution												
Under 30	112	46%	132	54%	105	48%	114	52%	59	45%	73	55%
30 to 45	460	38%	737	62%	437	36%	767	64%	313	34%	597	66%
46 to 55	298	24%	948	76%	264	23%	893	77%	182	23%	611	77%
Over 55	59	18%	272	82%	55	19%	242	81%	32	21%	117	79%
Total	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**	**586**	**30%**	**1,398**	**70%**
Professional classification												
Senior Management	2	22%	7	78%	1	13%	7	88%	1	11%	8	89%
Directors	14	14%	88	86%	14	14%	86	86%	11	14%	65	86%
Managers	91	27%	248	73%	77	26%	224	74%	63	27%	172	73%
Coordinators/ Other professionals	822	32%	1746	68%	769	31%	1,699	69%	511	31%	1153	69%
Total	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**	**586**	**30%**	**1,398**	**70%**
Country distribution												
Spain	328	26%	946	74%	328	25%	961	75%	288	24%	911	76%
Italy	89	35%	165	65%	89	35%	163	65%	62	36%	109	64%
France	124	44%	159	56%	110	42%	149	58%	51	39%	80	61%
Switzerland	19	35%	36	65%	17	34%	33	66%	14	29%	34	71%
Netherlands	31	30%	73	70%	29	27%	78	73%	20	27%	53	73%
UK	142	40%	210	60%	131	43%	176	57%	115	43%	152	57%
Ireland	20	47%	23	53%	19	51%	18	49%	11	44%	14	56%
Portugal	30	46%	35	54%	28	46%	33	54%	24	44%	31	56%
Austria	10	36%	18	64%	7	30%	16	70%	1	7%	14	93%
Denmark	9	32%	19	68%	8	32%	17	68%	—	—	—	—
Sweden	8	29%	20	71%	5	29%	12	71%	—	—	—	—
Poland	119	24%	385	76 %	90	20%	360	80 %	—	—	—	—
Total	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**	**586**	**30%**	**1,398**	**70%**

	2022				2021				2020			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Senior Management												
Under 30	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %
30 to 45	1	1 %	0	0 %	1	13 %	1	13 %	1	11 %	1	11 %
46 to 55	1	0 %	4	1 %	0	0 %	3	38 %	0	0 %	2	22 %
Over 55	0	0 %	3	0 %	0	0 %	3	38 %	0	0 %	5	56 %
Total	**2**	**22%**	**7**	**78%**	**1**	**13%**	**7**	**88%**	**1**	**11 %**	**8**	**89%**

GRI 2-7 Employees. Total number of employees, and a breakdown of this total by gender and by region. Total number of employees by employment contract and type (permanent or temporary, and full-time or part-time), by gender professional classification and country[35,36]

	2022				2021				2020			
	Fix	%	Temporary	%	Fix	%	Temporary	%	Fix	%	Temporary	%
	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%
Gender distribution												
Women	914	98%	15	2%	821	95%	40	5%	549	94%	37	6%
Men	2,051	98%	38	2%	1,963	97%	53	3%	1,363	97%	35	3%
Total	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**	**1,912**	**96%**	**72**	**4%**
Age distribution												
Under 30	223	91%	21	9%	189	86%	30	14%	107	81%	25	19%
30 to 45	1,179	98%	18	2%	1,163	97%	41	3%	882	97%	28	3%
46 to 55	1,240	100%	6	0%	1,141	99%	16	1%	783	99%	10	1%
Over 55	323	98%	8	2%	291	98%	6	2%	140	94%	9	6%
Total	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**	**1,912**	**96%**	**72**	**4%**
Professional classification												
Senior Management	9	100%	0	0%	8	100%	0	0%	8	89%	0	0%
Directors	102	100%	0	0%	99	99%	1	1%	75	99%	1	1%
Managers	335	99%	4	1%	297	99%	4	1%	234	100%	1	0%
Coordinators/ Other professionals	2,519	98%	49	2%	2,380	96%	88	4%	1,594	96%	70	4%
Total	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**	**1,911**	**96%**	**72**	**4%**
Country distribution												
Spain	1,263	99%	11	1%	1,272	99%	17	1%	1,181	98%	18	2%
Italy	254	100%	0	0%	251	100%	1	0%	169	99%	2	1%
France	275	97%	8	3%	246	95%	13	5%	129	98%	2	2%
Switzerland	55	100%	0	0%	50	100%	0	0%	47	98%	1	2%
Netherlands	87	84%	17	16%	87	81%	20	19%	62	85%	11	15%
UK	339	96%	13	4%	284	93%	23	7%	230	86%	37	14%
Ireland	42	98%	1	2%	37	100%	0	0%	25	100%	0	0%
Portugal	65	100%	0	0%	61	100%	0	0%	55	100%	0	0%
Austria	27	96%	1	4%	22	96%	1	4%	14	93%	1	7%
Denmark	28	100%	0	0%	25	100%	0	0%	—	—	—	—
Sweden	26	93%	2	7%	17	100%	0	0%	—	—	—	—
Poland	504	100%	0	0%	432	96%	18	4%	—	—	—	—
Total	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**	**1,912**	**96%**	**72**	**4%**

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[35] CEO included in Senior Management

[36] Data from previous years have been restated.

	2022				2021				2020			
	Full time	%	Part time	%	Full time	%	Part time	%	Full time	%	Part time	%
	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%
Gender distribution												
Women	885	95%	44	5%	815	95%	46	5%	550	94%	36	6%
Men	2,073	99%	16	1%	1,998	99%	18	1%	1,383	99%	15	1%
Total	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**	**1,933**	**97%**	**51**	**3%**
Age distribution												
Under 30	241	99%	3	1%	217	99%	2	1%	129	98%	3	2%
30 to 45	1,173	98%	24	2%	1,171	97%	33	3%	884	97%	26	3%
46 to 55	1,223	98%	23	2%	1,138	98%	19	2%	781	98%	12	2%
Over 55	321	97%	10	3%	287	97%	10	3%	139	93%	10	7%
Total	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**	**1,933**	**97%**	**51**	**3%**
Professional classification												
Senior Management	9	100%	0	0%	8	100%	0	0%	9	100%	0	0%
Directors	102	100%	0	0%	100	100%	0	0%	75	99%	1	1%
Managers	338	100%	1	0%	301	100%	0	0%	231	98%	4	2%
Coordinators/ Other professionals	2,509	98%	59	2%	2,404	97%	64	3%	1,618	97%	46	3%
Total	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**	**1,933**	**97%**	**51**	**3%**
Country distribution												
Spain	1,273	100%	1	0%	1,289	100%	0	0%	1,213	101%	1	0%
Italy	248	98%	6	2%	246	98%	6	2%	169	99%	2	1%
France	282	100%	1	0%	257	99%	2	1%	131	100%	0	0%
Switzerland	53	96%	2	4%	49	98%	1	2%	45	94%	3	6%
Netherlands	75	72%	29	28%	79	74%	28	26%	50	68%	23	32%
UK	336	95%	16	5%	286	93%	21	7%	251	94%	16	6%
Ireland	43	100%	0	0%	34	92%	3	8%	19	76%	6	24%
Portugal	65	100%	0	0%	61	100%	0	0%	55	100%	0	0%
Austria	25	89%	3	11%	23	100%	0	0%	—	—	—	—
Denmark	27	96%	1	4%	25	100%	0	0%	—	—	—	—
Sweden	28	100%	0	0%	17	100%	0	0%	—	—	—	—
Poland	503	100%	1	0%	447	99%	3	1%	—	—	—	—
Total	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**	**1,933**	**97%**	**51**	**3%**

GRI 2-30 Collective bargaining agreements[37]

	2022		2021		2020	
	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements
Spain	1,264	99%	1,275	99%	1,193	90%
Italy	254	100%	252	100%	171	100%
France	283	100%	259	100%	131	100%
Total	**1,801**	**60%**	**1,786**	**62%**	**1,495**	**52%**

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[37] Countries where collective bargaining figure exists are broken down. Consolidated data refers to all employees of the Group.

GRI 401-1 New employee hires and employee turnover. Dismissals by gender, age and professional classification

New employee hires	2022		2021		2020	
	New employees	New employee rate	New employees	New employee rate	New employees	New employee rate
Gender distribution						
Women	182	20%	330	38%	218	37%
Men	273	13%	699	35%	299	21%
Total	**455**	**15%**	**1,029**	**36%**	**517**	**26%**
Age distribution						
Under 30	119	49%	145	66%	76	58%
30 to 45	207	17%	410	34%	233	26%
46 to 55	97	8%	381	33%	156	20%
Over 55	32	10%	93	31%	52	35%
Total	**455**	**15%**	**1,029**	**36%**	**517**	**26%**
classification						
Senior Management	0	0 %	0	0 %	Not available	Not available
Directors	9	9%	22	22%	Not available	Not available
Managers	22	6%	104	35%	Not available	Not available
Coordinators/ Other professionals	424	17%	903	37%	Not available	Not available
Total	**455**	**15%**	**1,029**	**36%**	**—**	**—**
Country distribuion						
Spain	69	5%	108	8%	71	6%
Italy	11	4%	94	37%	27	16%
France	75	27%	148	57%	48	37%
Switzerland	12	22%	6	12%	12	25%
Netherlands	19	18%	42	39%	3	4%
UK	133	38%	88	29%	270	101%
Ireland	11	26%	8	22%	11	44%
Portugal	8	12%	9	15%	57	104%
Austria	7	25%	20	87%	18	120%
Denmark	6	21%	11	44%	—	—
Sweden	13	46%	17	100%	—	—
Poland	91	18%	478	106%	—	—
Total	**455**	**15%**	**1,029**	**36%**	**517**	**26%**

Employee turnover[38]	2022		2021		2020	
	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover
Gender distribution						
Women	115	12%	64	7%	37	6%
Men	199	10%	96	5%	96	7%
Total	**314**	**10%**	**160**	**6%**	**133**	**7%**
Age distribution						
Under 30	35	14%	23	11%	11	8%
30 to 45	145	12%	69	6%	43	5%
46 to 55	61	5%	47	4%	12	2%
Over 55	73	22%	21	7%	67	45%
Total	**314**	**10%**	**160**	**6%**	**133**	**7%**
Professional classification						
Senior Management	0	0 %	1	13%	Not available	Not available
Directors	9	9%	4	4%	Not available	Not available
Managers	20	6%	15	5%	Not available	Not available
Coordinators/ Other professionals	285	11%	140	6%	Not available	Not available
Total	**314**	**10%**	**160**	**6%**	**—**	**—**
Country distribution						
Spain	87	7%	32	2%	90	8%
Italy	8	3%	8	3%	8	5%
France	51	18%	20	8%	13	10%
Switzerland	7	13%	5	10%	1	2%
Netherlands	22	21%	8	7%	5	7%
UK	87	25%	47	15%	13	5%
Ireland	5	12%	2	5%	3	12%
Portugal	4	6%	3	5%	0	0 %
Austria	2	7%	0	0%	0	0 %
Denmark	2	7%	4	16%	—	—
Sweden	2	7%	0	0%	—	—
Poland	37	7%	31	7%	—	—
Total	**314**	**10%**	**160**	**6%**	**133**	**7%**

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[38] Total employee turnover (voluntary and non-voluntary turnover). Both individual and collective dismissals are taken into account. Data from previous years have been restated.

Dismissals[39]	2022		2021		2020	
	Workforce dismissals	%	Workforce dismissals	%	Workforce dismissals	%
Gender distribution						
Women	19	2%	2	0.2%	12	2%
Men	49	2%	1	0.05%	57	4%
Total	**68**	**2%**	**3**	**0.1%**	**69**	**3%**
Age distribution						
Under 30	0	0%	1	0.5%	1	1%
30 to 45	10	1%	1	0.1%	13	1%
46 to 55	7	1%	1	0.1%	5	1%
Over 55	51	15%	0	0%	50	34%
Total	**68**	**2%**	**3**	**0.1%**	**69**	**3%**
Professional classification						
Senior Management	0	0%	0	0%	0	0 %
Directors	1	1%	0	0%	1	1%
Managers	3	1%	0	0%	2	1%
Coordinators/ Other professionals	64	2%	3	0.1%	66	4%
Total	**68**	**2%**	**3**	**0.1%**	**69**	**3%**
Country distribution						
Spain	47	4%	0	0%	Not available	Not available
Italy	0	0%	0	0%	Not available	Not available
France	3	1%	2	0.8%	Not available	Not available
Switzerland	0	0%	0	0%	Not available	Not available
Netherlands	0	0%	0	0%	Not available	Not available
UK	16	5%	1	0.3%	Not available	Not available
Ireland	0	0%	0	0%	Not available	Not available
Portugal	0	0%	0	0%	Not available	Not available
Austria	0	0%	0	0%	Not available	Not available
Denmark	0	0%	0	0%	—	—
Sweden	1	4%	0	0%	—	—
Poland	1	0.2%	0	0%	—	—
Total	**68**	**2%**	**3**	**0.1%**	**—**	**—**

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[39] Both individual and collective dismissals are taken into account for the dismissal disclosed.

GRI 405-2 Ratio of basic salary and remuneration of women to men. Gender pay gap. The average remunerations and their evolution disaggregated by gender, age and professional classification or equal value[40]

Gender pay gap[41]	**Median**		**Average**	
	2022	**2021**	**2022**	**2021**
Spain	1%	3%	9%	10%
Italy	19%	20%	25%	26%
France	23%	13%	28%	26%
Switzerland	23%	18%	31%	24%
Netherlands	30%	32%	13%	25%
UK	29%	39%	24%	32%
Ireland	16%	42%	26%	44%
Portugal	15%	6%	35%	35%
Austria	40%	43%	48%	56%
Denmark	10%	(5%)	14%	(1%)
Sweden	20%	38%	14%	24%
Poland	9%	4%	8%	(1%)
Total	**10.0%**	**9.0%**	**14.0%**	**14.3%**

	2022	**2021**	**2020**
Salary evolution[42]	20.7%	(6.1)%	(7.8)%

Average remuneration	**2022**		**2021**	
	Women	**Men**	**Women**	**Men**
Senior Management (base salary)	(*)	€396,233	(*)	€260,000
Senior Management (base salary + other incentives)	(*)	€715,333	(*)	€438,124
Management level: Directors + Middle Management (base salary)	€86,060	€97,647	€84,321	€93,001
Management level: Directors + Middle Management (base salary + other incentives)	€105,469	€124,049	€101,739	€115,221
Coordinators / Other professionals (base salary)	€44,337	€46,900	€42,314	€44,993
Coordinators / Other professionals (base salary + other incentives)	€49,057	€51,726	Not available	Not available

(*)Due to confidentiality issues, the average remuneration data is not reported for these categories.

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[40] Data from previous years have been restated.

[41] The interannual difference is derived from the fact that all the data reported includes the companies incorporated during the year, as indicated in chapter 7.2 Reporting scope. The gender pay gap is calculated taking into account the following formula: [(Base salary + Other incentives male) - (Base salary + Other incentives female)] / (Base salary + Other incentives male).

[42] The percentage is calculated by comparing the average remuneration of the workforce between the current year and the previous one, taking into account changes in the perimeter due to the inclusion of new companies. The increase in FY2022 derives from the provision of the cost of the LTIP, as the number of LTIP beneficiaries increases.

			2022				2021				2020			
			Senior Management	**Directors**	**Managers**	**Coordinators/ Other professionals**	**Senior Management**	**Directors**	**Managers**	**Coordinators/ Other professionals**	**Senior Management**	**Directors**	**Managers**	**Coordinators/ Other professionals**
Under 30	Men	Base salary	—	(*)	(*)	€33,289	—	—	€44,240	€34,315	—	€60,000	€53,810	€35,973
		Base salary + Other incentives	—	(*)	(*)	€36,423	—	—	€51,240	€36,837	—	€75,000	€56,501	€38,827
	Women	Base salary	—	—	(*)	€35,722	—	—	€32,860	€34,195	—	—	€33,000	€36,211
		Base salary + Other incentives	—	—	(*)	€39,247	—	—	€39,432	€37,299	—	—	€37,330	€39,023
30 to 45	Men	Base salary	—	€146,978	€80,816	€45,813	(*)	€135,043	€75,250	€42,764	€500,000	€131,272	€73,330	€43,732
		Base salary + Other incentives	—	€205,816	€96,514	€50,677	(*)	€182,860	€88,576	€47,002	€800,000	€172,965	€87,375	€47,993
	Women	Base salary	(*)	(*)	€74,344	€44,522	(*)	€133,455	€76,261	€42,357	(*)	€138,440	€73,032	€43,626
		Base salary + Other incentives	(*)	(*)	€89,567	€49,123	(*)	€176,419	€90,523	€46,343	(*)	€173,273	€84,856	€47,838
46 to 55	Men	Base salary	€342,100	€152,886	€75,674	€47,398	€215,000	€145,084	€72,002	€46,250	€180,000	€152,967	€80,659	€49,004
		Base salary + Other incentives	€602,500	€207,936	€91,075	€52,023	€322,500	€190,615	€84,945	€50,384	€252,000	€204,177	€96,828	€53,443
	Women	Base salary	(*)	€142,067	€82,682	€46,594	—	€129,574	€77,761	€44,820	—	€140,667	€73,045	€46,060
		Base salary + Other incentives	(*)	€187,119	€98,680	€51,842	—	€166,289	€90,349	€49,652	—	€182,850	€86,223	€50,651
Over 55	Men	Base salary	(*)	€172,239	€77,917	€56,351	(*)	€157,672	€76,336	€54,011	€427,500	€158,163	€79,287	€59,670
		Base salary + Other incentives	(*)	€237,561	€93,747	€62,763	(*)	€208,302	€87,519	€59,455	€703,375	€205,877	€94,784	€65,351
	Women	Base salary	—	€145,067	—	€50,115	—	€173,000	(*)	€47,616	—	€155,150	—	€44,780
		Base salary + Other incentives	—	€189,920	—	€55,734	—	€235,700	(*)	€52,566	—	€208,585	—	€47,968

(*) Due to confidentiality issues, the average remuneration data is not reported for these categories.

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage[43]

		Spain	France	Italy	Switzerland	Netherlands	UK	Ireland	Portugal	Austria	Denmark	Sweden	Poland	Total average
Ratio of the difference between the lowest salary and minimum inter-professional salary	**2022**	1	0.67	Not applicable	1.06	1.41	1.02	1.33	1.8	Not applicable	Not applicable	Not applicable	1	1.16
	2021	1.33	1.05	Not applicable	1.14	1.13	1.1	1.81	1.69	Not applicable	Not applicable	Not applicable	1.14	1.30
	2020	1.35	1.52	Not applicable	1.16	1.15	1	1.37	1.43	Not applicable	—	—	—	1.28

GRI 202-2 Proportion of senior management hired from the local community[44]

	2022		2021		2020	
	Local	%	Workforce	%	Workforce	%
Professional classification						
Senior Management	0	—	0	—	0	Not available
Directors	2	22 %	21	95 %	14	Not available
Total	**2**	**22 %**	**21**	**95 %**	**14**	**Not available**

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[43] The countries where local Interprofessional Minimum Wage (IMW) is not applicable are indicated.

[44] The percentage is calculated based on the new employee hires of each category disclosed in GRI 401-1 content.

GRI 205-2 Communication and training about anti-corruption policies and procedures

Communication about anti-corruption policies and procedures	2022		2021		2020	
	Communication to new employees in the reporting year	Total % of employees communicated	Communication to new employees in the reporting year	Total % of employees communicated	Communication to new employees in the reporting year	Total % of employees communicated
Employees and governance bodies						
Senior Management	0	100%	0	100%	Not available	Not available
Directors	9	100%	22	100%	Not available	Not available
Managers	22	100%	104	100%	Not available	Not available
Coordinators/ Other professionals	424	100%	903	100%	Not available	Not available
Employees by country						
Spain	69	100%	108	100%	71	100%
Italy	11	100%	94	100%	27	100%
France	75	100%	148	100%	48	100%
Switzerland	12	100%	6	100%	12	100%
Netherlands	19	100%	42	100%	3	100%
UK	133	100%	88	100%	270	100%
Ireland	11	100%	8	100%	11	100%
Portugal	8	100%	9	100%	57	100%
Austria	7	100%	20	100%	18	100%
Denmark	6	100%	11	100%	—	—
Sweden	13	100%	17	100%	—	—
Poland	91	100%	478	100%	—	—
Total	**455**	**100%**	**1029**	**100%**	**517**	**100 %**

Training about anti-corruption policies and procedures	2022		2021		2020	
	Employees trained in the reporting year	Total % of employees trained	Employees trained in the reporting year	Total % of employees trained	Employees trained in the reporting year	Total % of employees trained
Employees and governance bodies[45]						
Senior Management	0	44%	1	Not available	1	Not available
Directors	13	76%	22	Not available	19	Not available
Managers	34	63%	48	Not available	35	Not available
Coordinators/ Other professionals	539	74%	457	Not available	396	Not available
Employees by country						
Spain	51	86%	113	85%	97	86%
Italy	205	78%	23	69%	35	94%
France	68	51%	38	47%	37	43%
Switzerland	8	82%	6	90%	26	90%
Netherlands	11	52%	26	81%	10	41%
UK	110	93%	132	93%	189	72%
Ireland	15	95%	9	81%	23	71%
Portugal	9	100%	30	30%	31	55%
Austria	6	93%	18	75%	0	0%
Denmark	3	79%	23	85%	—	—
Sweden	8	71%	11	59%	—	—
Poland	92	37%	99	21%	—	—
Total	**586**	**73%**	**528**	**70%**	**448**	**79%**

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[45] All members of the Board of Directors receive relevant anti-corruption training.

GRI 404-1 Average hours of training per year per employee. Total amount of training hours by gender, country and professional classification

Total amount of training hours per professional classification	2022		2021		2020	
	Women	Men	Women	Men	Women	Men
Senior Management	103	220	78	354	1	282
Directors	390	1,512	1,319	1,051	1,448	2,091
Managers	2,843	6,192	2,078	3,065	3,825	4,161
Coordinators/ Other professionals	16,608	38,862	9,152	27,293	16,597	30,699
Total	**19,944**	**46,786**	**12,627**	**31,762**	**21,871**	**37,233**

Total amount of training hours per country	2022	2021	2020
Spain	35,774	32,340	46,337
Italy	9,344	6,310	7,455
France	889	186	712
Switzerland	460	319	794
Netherlands	915	400	931
UK	3,039	2,502	1,375
Ireland	549	124	339
Portugal	2,824	582	1,161
Austria	155	286	—
Denmark	312	317	—
Sweden	156	195	—
Poland	12,312	828	—
Total	**66,730**	**44,389**	**59,104**

Average of training hours per employee	2022	2021	2020
Gender distribution			
Women	21.5	14.7	37.3
Men	22.4	15.8	26.6
Professional classification			
Senior Management	35.8	53.9	31.4
Directors	18.6	23.7	46.6
Managers	26.7	17.1	34.0
Coordinators/ Other professionals	21.6	14.8	28.4
Country distribution			
Spain	28.1	25.1	38.6
Italy	36.8	25.0	43.6
France	3.1	0.7	5.4
Switzerland	8.4	6.4	16.5
Netherlands	8.8	3.7	12.8
UK	8.6	8.2	5.2
Ireland	12.8	3.4	13.5
Portugal	43.4	9.5	21.1
Austria	5.5	12.4	—
Denmark	11.1	12.7	—
Sweden	5.6	11.5	—
Poland	24.4	1.8	—
Total average	**22.1**	**15.4**	**29.8**

GRI 403-9 & GRI 403-10 Work-related injuries and Work-related ill health[46,47]

	2022			2021		
	Women	Men	Total	Women	Men	Total
Employee health and safety data						
Nº of accidents with injuries	6	12	18	0	10	10
Nº of high-consequence work-related injuries	0	0	0	0	0	0
Nº of accidents with leave	1	2	3	0	5	5
Nª of work-related ill health	0	0	0	0	0	0
Hours worked	1,600,667	3,599,347	5,200,014	1,483,503	3,473,568	4,957,071
Hours of absenteeism	—	—	140,009	—	—	103,795
Health and safety data of third parties (non-employees)[48]						
Nº of accidents with injuries	1	24	25	Not available	Not available	Not available
Nº of high-consequence work-related injuries	0	0	0	Not available	Not available	Not available

	2022			2021		
	Women	Men	Total	Women	Men	Total
Employee accident rates						
Lost Time Injury Frequency Rate (IFR)	3.75	3.33	3.46	0.00	2.88	1.85
Rate of high-consequence work-related injuries	0.00	0.00	0.00	Not available	Not available	Not available
Lost Time Accident Frequency Rate (AFR)	0.62	0.56	0.58	0.00	1.44	1.01
Accident severity rate (SR)	0.01	0.00	0.01	7.98E-08	3.21E-08	4.64E-11
Incident Rate of Occupational Diseases (IROD)	0.00	0.00	0.00	0.00	0.00	0.00
Absenteeism rate	—	—	0.02	—	—	0.02
Third party accident rates (non-employees)						
Lost Time Injury Frequency Rate (IFR)	Not available	Not available	40.18	Not available	Not available	Not available
Rate of high-consequence work-related injuries	0.00	0.00	0.00	Not available	Not available	Not available
Lost Time Accident Frequency Rate (AFR)	Not available	Not available	0.64	Not available	Not available	Not available

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[46] There have been no employee fatalities due to work-related accidents or ill health in the years reported. Regarding the non-employees whose work and/or workplace is controlled by the organization there has been one fatality (customer's worker) in 2022.

- Lost Time Injury Frequency Rate (IFR) = (Nº accidents with injuries / Nº worked hours) x 10^6
- Lost Time Accident Frequency Rate (AFR) = (Nº accidents with leave / Nº worked hours) x 10^6
- Rate of high-consequence work-related injuries = (High-consequence work-related injuries in the reporting year / Nº worked hours) x 10^6
- Accident severity rate (SR) = (Nº lost days due accidents with leave / Nº worked hours) x 10^3
- Incident Rate of Occupational Diseases (IROD) = (Nº leaves due to diseases/Nº employees) x 10^3
- Worked hours: Number of theoretical hours
- Lost days: Number of days lost due to clinical absenteeism (due to accident)
- Absenteeism disclosed: Working days of sick leave due to occupational accidents or disease, maternity or paternity leave, temporary disability, unpaid leave.

[47] Cellnex is working to collect and report all the required information broken down by gender for its employees, as well as for the third parties (non-employees).

[48] Regarding Health and safety data of third parties (non-employees), in 2022 there have been registered a total of 4 accidents with leave, being the total hours worked 6,221,605 hours. The Accident severity rate and Incident rate of Occupational Diseases (IROD) of third-party employees (non-employees) is not available for the reporting year. The Company is working in order to disclose this data in future years of reporting.

GRI 204-1 Proportion of spending on local suppliers

	2022				2021			2020		
	Number of suppliers	Number of local suppliers	% of local suppliers	% of spending on local suppliers	Number of suppliers	Number of local suppliers	% of local suppliers	Number of suppliers	Number of local suppliers	% of local suppliers
Spain	1,733	1,543	89%	94%	1,734	1,544	89%	1,638	1,468	90%
Italy	517	483	93%	93%	433	410	95%	483	455	94%
France	392	351	90%	90%	605	545	90%	279	263	94%
Switzerland	275	250	91%	90%	180	165	92%	90	82	91%
Netherlands	338	303	90%	94%	317	282	89%	187	169	90%
UK	423	373	88%	97%	300	283	94%	189	160	85%
Ireland	92	71	77%	95%	183	148	81%	37	36	97%
Portugal	92	82	89%	99%	146	127	87%	108	99	92%
Austria	94	72	77%	97%	42	11	26%	—	—	—
Denmark	120	95	79%	99%	64	62	97%	—	—	—
Sweden	379	354	93%	99%	127	125	98%	—	—	—
Poland	655	636	97%	100%	204	199	98%	—	—	—
Total	**5,110**	**4,613**	**90%**	**96%**	**4,335**	**3,901**	**90%**	**3,011**	**2,732**	**91%**

GRI 308-1 & GRI 414-1. New suppliers that were screened using environmental criteria and New suppliers that were screened using social criteria. Total number of suppliers evaluated using ESG criteria[49]

Supplier assessment	2022		2021	2020
	Suppliers	% of suppliers	Suppliers	Suppliers
Environmental				
New suppliers screened	103	20%	27	55
Total number of suppliers assessed	352	70%	238	245
Social				
New suppliers screened	84	17%	29	55
Total number of suppliers assessed	235	47%	240	245
ESG (CDP+Ecovadis)				
New suppliers screened	103	20%	27	55
Total number of suppliers assessed	352	70%	238	245

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[49] New suppliers screened: Number and percentage of suppliers evaluated for the first time with respect to the total number of main suppliers in the reporting year.

GRI 302-1 Energy consumption within the organization[50]

Gasoline consumption by country (MWh)

	2022	2021	2020 (base year)
Spain	76.52	67.27	28.93
Italy	—	—	—
France	—	—	—
Switzerland	—	—	—
Netherlands	—	—	—
UK	—	—	—
Ireland	—	—	—
Portugal	—	—	—
Austria	—	—	—
Denmark	—	—	—
Sweden	—	—	—
Poland	560.25	329.64	331.12
Total	**636.78**	**396.92**	**360.05**

Diesel consumption by country (MWh)

	2022	2021	2020 (base year)
Spain	2,389.74	2,075.70	2,453.82
Italy	—	—	—
France	0.34	0.19	0.20
Switzerland	—	—	—
Netherlands	452.16	395.36	366.63
UK	—	—	—
Ireland	—	—	—
Portugal	—	—	—
Austria	—	—	—
Denmark	—	—	—
Sweden	—	—	—
Poland	525.17	194.69	195.97
Total	**3,367.41**	**2,665.93**	**3,016.62**

Natural gas consumption by country (MWh)

	2022	2021	2020 (base year)
Spain	—	0.005	0.003
Italy	—	—	—
France	—	—	—
Switzerland	—	—	—
Netherlands	—	0.146	0.573
UK	—	—	—
Ireland	—	—	—
Portugal	—	—	—
Austria	—	—	—
Denmark	—	—	—
Sweden	—	—	—
Poland	—	—	—
Total	**0.00**	**0.15**	**0.58**

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[50] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

Grid electricity consumption by country (MWh)

	2022	2021	2020 (base year)
Spain	288,712.63	321,029.67	295,074.48
Italy	686,617.99	612,372.58	566,501.15
France	9,776.30	5,333.01	5,333.01
Switzerland	44.44	28.92	21.85
Netherlands	33,407.43	32,968.04	34,989.50
UK	63,979.53	60,992.44	58,248.01
Ireland	1,069.91	386.53	647.15
Portugal	—	—	—
Austria	—	—	—
Denmark	1,960.53	40.65	40.65
Sweden	36,878.51	29,846.88	29,846.88
Poland	170,912.20	159,575.39	159,575.39
Total	**1,293,359.47**	**1,222,574.11**	**1,150,278.07**

Other imported energy consumption (district cooling/heating) by country (MWh)

	2022	2021	2020 (base year)
Spain	2,063.59	1,302.70	1,302.70
Italy	—	—	—
France	—	—	—
Switzerland	—	—	—
Netherlands	0.33	0.48	0.30
UK	—	—	—
Ireland	—	—	—
Portugal	—	—	—
Austria	—	—	—
Denmark	—	—	—
Sweden	—	—	—
Poland	—	—	—
Total	**2,063.92**	**1,303.18**	**1,303.00**

Total energy consumption by country (MWh)

	2022	2021	2020 (base year)
Spain[51]	295,007.49	324,952.11	299,135.12
Italy	686,617.99	612,372.58	566,501.15
France	9,776.64	5,333.20	5,333.21
Switzerland	44.44	28.92	21.85
Netherlands	33,859.92	33,364.02	35,357.00
UK	63,979.53	60,992.44	58,248.01
Ireland	1,069.91	386.53	647.15
Portugal	—	—	—
Austria	—	—	—
Denmark	1,960.53	40.65	40.65
Sweden	36,878.51	29,846.88	29,846.88
Poland	171,997.62	160,099.72	160,102.47
Total	**1,301,192.57**	**1,227,417.06**	**1,155,233.51**

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[51] The Self-generated electricity consumption is aggregated to the total energy consumption. Spain is currently the only country with self-generated electricity consumption. This consumption has been 1,765.00 MWh in 2022, 476.77 MWh in 2021 and 275.20 MWh in 2020.

Total energy consumption by source (MWh)

	2022	2021	2020 (base year)
Gasoline	636.78	396.92	360.05
Diesel	3,367.41	2,665.93	3,016.62
Natural Gas	0.00	0.15	0.58
Electricity	1,295,124.47	1,223,050.88	1,150,553.27
Grid electricity	1,293,359.47	1,222,574.11	1,150,278.07
Self-generated electricity[52]	1,765.00	476.77	275.20
District heating/cooling	2,063.92	1,303.18	1,303.00
Total	**1,301,192.57**	**1,227,417.06**	**1,155,233.51**

Total renewable energy consumption (MWh)

	2022	2021	2020 (base year)
Renewable grid electricity	999,537.14	496,150.99	115,373.95
Self-generated electricity[53]	1,765.00	476.77	275.20
Total	**1,001,302.14**	**496,627.76**	**115,649.15**

Share of renewable electricity by country (%)

	2022	2021	2020 (base year)
Spain	100%	47%	0%
Italy	59%	37%	0%
France	100%	0%	0%
Switzerland	100%	100%	100%
Netherlands	100%	68%	63%
UK	100%	100%	100%
Ireland	0%	0%	0%
Portugal	—	—	—
Austria	—	—	—
Denmark	100%	0%	0%
Sweden	100%	100%	100%
Poland	94%	0%	0%
Total	**77%**	**41%**	**10%**

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[52] Spain is the only country with Self-generated electricity consumption.

[53] Self-generated electricity corresponds to self-consumed electricity.

GRI 303-5 Water consumption[54]

Water consumption by country (m^3)	2022			2021			2020 (base year)		
	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total
Spain	1,497	256	1,753	8,765	854	9,619	9,216	926	10,142
Italy	—	—	—	751	0	751	445	0	445
France	—	—	—	—	—	—	—	—	—
Switzerland	—	—	—	—	—	—	—	—	—
Netherlands	442	0	442	668	0	668	1,725	0	1,725
UK	—	—	—	—	—	—	—	—	—
Ireland	—	—	—	—	—	—	—	—	—
Portugal	—	—	—	—	—	—	—	—	—
Austria	—	—	—	—	—	—	—	—	—
Denmark	—	—	—	—	—	—	—	—	—
Sweden	—	—	—	—	—	—	—	—	—
Poland	—	—	—	—	—	—	—	—	—
Total	**1,939**	**256**	**2,195**	**10,184**	**854**	**11,038**	**11,385**	**926**	**12,311**

GRI 304-2 Significant impacts of activities, products and services on biodiversity

Impacts on biodiversity	2022				2021				2020			
	Total analyzed sites	Not affected	Affected	% of sites in protected areas	Total analyzed sites	Not affected	Affected	% of sites in protected areas	Total analyzed sites	Not affected	Affected	% of sites in protected areas
Spain	10,247	9,194	1,053	10%	10,733	9,527	1,206	11%	8,734	7,539	1,195	14%
Italy	20,371	19,407	964	5%	21,663	20,581	1,082	5%	11,477	10,961	516	4%
France	11,840	11,128	712	6%	12,399	11,678	721	6%	4,753	4,651	102	2%
Switzerland	4,994	4,924	70	1%	5,308	5,237	71	1%	5,085	4,749	336	7%
Netherlands	3,961	3,806	155	4%	769	681	88	11%	817	771	46	6%
UK	9,257	8,365	892	10%	9,236	8,346	890	10%	8,419	8,323	96	1%
Ireland	1,651	1,610	41	2%	1,774	1,723	51	3%	520	469	51	10%
Portugal	5,719	5,210	509	9%	5,958	5,443	515	9%	4,927	4,521	406	8%
Austria	4,698	4,236	462	10%	3,189	2,880	309	10%	—	—	—	—
Denmark	1,385	1,376	9	1%	1,351	1,320	31	2%	—	—	—	—
Sweden	2,437	2,413	24	1%	5,308	5,237	71	1%	—	—	—	—
Poland	7,868	6,805	1,063	14%	6,911	6,069	842	12%	—	—	—	—
Total	**84,428**	**78,474**	**5,954**	**7%**	**84,599**	**78,722**	**5,877**	**7%**	**44,732**	**41,984**	**2,748**	**6%**

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[54] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

GRI 305 Emissions: GRI 305-1 Direct (Scope 1) GHG emissions; GRI 305-2 Energy indirect (Scope 2) GHG emissions; GRI 305-3 Other indirect (Scope 3) GHG emissions; GRI 305-4 GHG emissions intensity; GRI 305-5 Reduction of GHG emissions[55]

GHG emissions by scope and country (t CO2e)	2022			2021			2020 (base year)		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Spain	1,519	5	36,883	1,887	33,723	51,586	1,990	79,019	55,838
Italy	961	40,954	59,119	1,127	110,444	69,841	1,114	167,695	66,857
France	31	0	32,937	73	0	40,458	72	0	39,827
Switzerland	0	0	5,723	0	0	14,284	0	0	12,943
Netherlands	172	0	24,394	151	2,762	33,369	377	5,430	42,536
UK	0	3	42,758	0	0	58,316	0	0	61,015
Ireland	0	353	8,373	0	128	6,677	0	215	6,849
Portugal	0	0	31,228	0	0	36,885	0	0	41,394
Austria	88	0	25,080	110	0	26,223	110	0	30,454
Denmark	4	0	2,845	5	15	4,361	5	15	5,755
Sweden	8	0	1,044	7	0	1,306	9	0	1,435
Poland	429	7,014	236,089	263	179,786	257,623	264	179,786	264,308
Total	**3,212**	**48,329**	**506,470**	**3,623**	**326,857**	**600,929**	**3,940**	**432,160**	**629,210**

GHG emissions by country (t CO2e)	2022	2021	2020 (base year)
Spain	38,407	87,196	136,847
Italy	101,033	181,413	235,666
France	32,968	40,531	39,899
Switzerland	5,723	14,284	12,943
Netherlands	24,566	36,282	48,342
UK	42,762	58,316	61,015
Ireland	8,726	6,805	7,064
Portugal	31,228	36,885	41,394
Austria	25,168	26,333	30,564
Denmark	2,849	4,381	5,775
Sweden	1,051	1,313	1,443
Poland	243,532	437,671	444,357
Total	**558,011**	**931,409**	**1,065,310**

GHG emissions by scope (t CO2e)	2022	2021	2020 (base year)
Scope 1	3,212	3,623	3,940
Scope 2	48,329	326,857	432,160
Scope 3	506,470	600,929	629,210
Total	**558,011**	**931,409**	**1,065,310**

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[55] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

Emission intensity by country (Scope 1+2+3)	2022		2021		2020 (base year)	
	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)
Spain	66.82	3.57	162.73	8.40	247.64	13.01
Italy	132.43	4.86	268.77	8.96	353.22	11.81
France	43.34	1.35	58.47	1.78	59.34	3.83
Switzerland	36.24	1.07	98.39	2.66	89.30	2.45
Netherlands	187.70	6.09	287.91	9.02	378.04	12.73
UK	111.64	5.71	189.58	7.52	198.36	7.79
Ireland	153.37	4.84	122.45	3.74	129.31	4.00
Portugal	231.10	5.17	316.52	7.11	370.93	7.98
Austria	320.86	5.59	361.22	5.87	419.26	6.84
Denmark	81.24	1.84	153.31	3.10	202.12	4.39
Sweden	17.88	0.37	27.09	0.49	29.79	0.58
Poland	588.37	14.99	1,157.51	29.89	1,175.19	30.80
Total	**157.26**	**5.27**	**292.63**	**9.25**	**336.39**	**12.18**

Emission intensity by country (Scope 1+2)	2022		2021		2020 (base year)	
	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)
Spain	2.65	0.14	66.46	3.43	146.59	7.70
Italy	54.94	2.02	165.30	5.51	253.01	8.46
France	0.04	0.00	0.11	0.00	0.11	0.01
Switzerland	0.00	0.00	0.00	0.00	0.00	0.00
Netherlands	1.32	0.04	23.11	0.72	45.41	1.53
UK	0.01	0.00	0.00	0.00	0.00	0.00
Ireland	6.21	0.20	2.30	0.07	3.93	0.12
Portugal	0.00	0.00	0.00	0.00	0.00	0.00
Austria	1.12	0.02	1.51	0.02	1.51	0.02
Denmark	0.11	0.00	0.71	0.01	0.71	0.02
Sweden	0.13	0.00	0.14	0.00	0.18	0.00
Poland	17.98	0.46	476.17	12.29	476.18	12.48
Total	**14.53**	**0.49**	**103.83**	**3.28**	**137.71**	**4.98**

GRI 306-3 Waste generated[56]

Waste (t)	2022			2021			2020 (base year)		
	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Spain	126.0	39.6	165.6	158.3	39.6	197.9	134.4	42.7	177.2
Rest of the countries[57]	1.5	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	**127.5**	**39.6**	**167.1**	**158.3**	**39.6**	**197.9**	**134.4**	**42.7**	**177.2**

GRI 306-4 & GRI 306-5 Waste diverted from disposal and Waste directed to disposal

Waste by type of treatment (t)	2022			2021			2020 (base year)		
	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Elimination	1.8	0.5	2.3	10.0	0.9	10.9	0.5	1.0	1.5
Recovery	124.0	39.1	163.1	148.3	38.6	187.0	133.9	41.7	175.6
Total	**125.8**	**39.6**	**165.4**	**158.3**	**39.6**	**197.9**	**134.4**	**42.7**	**177.2**

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[56] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

[57] Waste arising from Cellnex's activities is mainly generated by its suppliers and subcontractors. Therefore, it is the suppliers who are responsible for managing the waste in Cellnex activities/facilities under their responsibility. Cellnex has only maintained ownership and management of waste in some parts in Spain and in Italy's offices.These quantities do not represent a significant impact and are therefore considered a non-material environmental aspect.

Annex 7. EU Taxonomy

Introduction

Regulation (EU) 2020/852 established a phased implementation of the regulation, starting with simpler regulatory requirements in 2022 and expanding them from January 2023. From January 1, 2023, all obligations come into force of disclosure of the Taxonomy for the objectives of Mitigation and Adaptation, obliging to report based on Annexes I and II of the Delegated Act of Article 8 (2021/4987/UE). It is then obliged to report alignment, in addition to the eligibility of economic activities at the level of financial data, with all that is involved in quantitative and qualitative verifications for technical selection criteria, Do Not Significant Harm (DNSH) and minimum guarantees.

Consequently, following the regulations that apply from 2023, the analysis of eligibility and alignment of economic activities and calculations of the KPIs to be disclosed this year with data from 2022 have been developed, explaining the reasoning and approaches used during the study.

Methodology

This section aims to provide details on how the calculation process of the different indicators of the Taxonomy has been proposed, based on the economic-financial data, and the phases that have been established in the process. This exercise is based on the taxonomy project carried out since 2021 in preparation for the disclosure of information on the indicators linked to the taxonomy in the Integrated Annual Report for 2021 and 2022.

The process followed to obtain the degree of alignment based on Taxonomy Regulation 852/2020/UE has followed the following steps:

1. Identification of business units
2. Classification of activities based on one or several NACE codes
3. Analysis of Cellnex activities incorporated directly or indirectly in the Taxonomy
4. Detailed assessment of eligibility by activity
5. Assessment of alignment by activity. This phase comprises:
    i. Comply with the Technical Screening Criteria (TSC) established for each activity.
    ii. Do Not Significant Harm (DNSH) to any of the other environmental objectives.
    iii. Be carried out in accordance with the minimum guarantees established.
6. Extraction of financial indicators according to the Delegated Disclosure Act methodology.

In each of the phases, the data and the appropriate quantitative and qualitative evidence have been compiled for subsequent external verification.

Identification of business units

The identification of large business units is based on the one developed last year with the confirmation and validation of the different business managers. Among these were identified:

- Telecommunications Infrastructure Service (TIS): Co-location in infrastructures of mobile telephone operators so that they can install their wireless broadcasting and telecommunications equipment there. Wide range of integrated network infrastructure services for mobile network operators, wireless telecommunications and broadband.
- Audiovisual broadcasting networks and infrastructures: The broadcasting activity consists of the distribution and transmission of television and radio (FM) signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content, OTT broadcasting services (over-the-top multi-screen services) and others.

- Network services and others: Cellnex includes everything from the design, installation, operation and maintenance of Wi-Fi and mobile telephone networks (2G, 3G, LTE/4G) to roaming and download services. This activity includes connectivity services for telecommunications operators (other than broadcast operators), radio communication, operation and maintenance services, commercial services, Smart Cities/ IoT ("Internet of Things") and other services.

- Investment in R+D+i: Cellnex dedicates part of its budget to research, development and implementation of innovative solutions that have allowed the company to anticipate radical changes that have occurred in the sector, such as the example of 5G technology, the Internet of Things or Infrastructure Services for telecommunications.

The result of this analysis was a list of specific economic activities for each of the three large branches described, providing definitions for each of them and the necessary details to define a specific NACE.

Telecommunications infrastructure services	Broadcasting infrastructure	Other network services
TIS	Broadcast	IoT
5G	Internet Media	Smart Services
Engineering Services		MCPN
Fiber		Connectivity
Utility fee		O&M
LTE		Other income
Pass through		
Others TIS		
DAS BL		
Land Aggreg.		
Datacenters		

This degree of detail allowed us to begin to consider the fit of the different business units with the statistical definitions of the different economic activities.

Assessment of eligibility to the Taxonomy by activity

Based on the identification of the different economic activities and their respective description, the NACE code was assigned according to each of them. This code, together with the definition of each activity, was used as a basis for the eligibility analysis.

In the eligibility and alignment analysis, the activities have been differentiated and classified according to the KPIs analyzed (operating income, Capex and Opex) since some activities only appear in one of the defined items. The Opex KPI is not shown in the following sections because it has been considered as a non-material indicator. As established in Annex I of the Delegated Disclosure Act (Art. 8) referring to regulation 2020/852/UE, in point 1.1.3.2, those non-financial companies that consider that Opex is not a material indicator for their model of business, are exempt from calculating the numerator of the Opex KPI. The company considers that the Opex margin for the calculation of the Taxonomy is not material, mainly and in accordance with IFRS16 accounting regulations, the most significant item (rental costs) is reflected in financial interests and in the amortization of the financial statements of the company. Therefore, this causes the company to have very high operating leverage and margin.

Operating income

For each of the business activities, it was validated if they really fit with the activities of the proposed Taxonomy. The approach to this task helped to outline the finally eligible activities in relation to those incorporated in the Climate Delegated Act.

In this second year of validation of eligibility for the economic activities carried out by Cellnex, the following list was defined:

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
Datacenters	8.1. Data processing, hosting and related activities	CC Mitigation	Transition
Broadcast	8.3. Radio and television programming and broadcasting activities	CC adaptation	Adapted
Internet Media	8.3. Radio and television programming and broadcasting activities	CC adaptation	Adapted
IoT Utilities	7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings (b) (Part related to electronic water meters)	CC Mitigation	Facilitator
IoT Smart Services	8.2 Data-driven solutions to reduce greenhouse gas emissions	CC Mitigation	Facilitator
Mission Critical (MCPN)	8.3 Radio and television programming and broadcasting activities (5.a) (Related to emergency telecommunication services that increase resilience to climate risks)	CC adaptation	Adapted Facilitator

As regards Cellnex's operating income, the specific economic activities included in the headings of Telecommunications Infrastructures, Broadcasting Infrastructures and other network services have been considered. The following table shows the adjusted EBITDA items of the different lines as published in the annual accounts.

Operating income (Thousands of Euros)

	31 December 2022	31 December 2021
Telecommunications Infrastructure Services	3,159,629	2,211,789
Broadcast Infrastructures	223,497	218,290
Other network services	112,054	102,720
Operating income	**3,495,180**	**2,532,799**

Income by type (Thousands of Euros)

	31 December 2022	31 December 2021
Services	3,251,155	2,441,669
Other operating income	247,467	94,399
Advances to customers (Note 13.b)	(3,442)	(3,269)
Operating Income	**3,495,180**	**2,532,799**

If we now focus on the reason why each of the activities has been considered eligible, we must take into account the following points:

- Datacenters: This activity fits perfectly into the definition of activity 8.1 Data processing, hosting and related activities as a whole. Income comes from the rental of "Racks", physical spaces designed to house servers, network devices, cables or other data center computing equipment. These “Racks” are rented within each data center to independent clients. Cellnex is dedicated to maintaining the conditioned space to store and operate IT or telecommunications equipment. Although this activity is presented in Annexes I and II of the Climate Delegated Act, it has been considered more closely linked to the former. Data centers manage to optimize the performance and processes of computing systems in infrastructures with stable and secure environments. Cellnex is making progress in the decarbonization and efficiency of these centers.

- Broadcast: The activity carried out by Cellnex is directly related to radio and television broadcasting services, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcast of third-party television signals from Cellnex's telecommunications infrastructures. However, the income derived from this activity has not been accounted for in the income indicator (%) since it is considered, at an accounting level, income from an "adapted" eligible activity and cannot be included in the numerator.

- Internet media: The activity in question consists of broadcasting television via the Internet, a nuance that incorporates the definition of the activity 8.3 Radio and television programming and broadcasting activities, since the technology by which the broadcast is made is not discriminated . Cellnex is dedicated to the technological development and management of television broadcast platforms over the Internet. However, the income derived from this activity has not been accounted for in the income indicator (%) since it is considered, at an accounting level, income from an "adapted" eligible activity and cannot be included in the numerator.

- IoT - Utilities: The IoT business carries out two different activities. IoT Utilities is related to projects related to the connectivity and data transmission of electronic water and gas meters to monitor consumption, better manage incidents and ensure intelligent management. The activity has been considered eligible under mitigation activity 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.

- IoT - Smart Services: The other leg of the IoT business focuses on Smart Services, digital solutions offered by Cellnex as a smart information management tool with the aim of establishing Smart Cities or Smart Regions. These "Internet of Things" services establish sensor networks and the integration of other data sources in transversal management digital systems to improve mobility management, increase energy efficiency, reduce resource consumption, improve the management of waste or reduce air pollution. This integrated information management tool with the aim of improving energy efficiency has been considered eligible under Mitigation activity 8.2 Data-based solutions to reduce greenhouse gas emissions.

- Mission Critical (MCPN): The activity provides highly reliable and secure broadcasting services to public emergency services such as firefighters, civil protection, maritime rescue or police, key in resilience to acute weather events. Radio connectivity of emergency services has been considered eligible under adaptation facilitating activity 8.3 Radio and television programming and broadcasting activities for its key contribution to resilience to climate risk.

The most relevant revenue item for the group, Telecommunications Infrastructure Services (TIS), 67% of sales, could not be included in the eligibility calculations given that within the environmentally sustainable economic activities presented in the regulation. There is still no activity in line with that carried out by Cellnex. TIS's activity is based on the operational efficiency of telecommunications towers, an activity with a great positive impact as described above. The non-incorporation of environmentally sustainable services linked to connectivity through wireless and wired networks is surprising, a significant loss in the evaluation of the environmental sustainability of Cellnex's business. The lack of development of the Taxonomy damages the transparency of a company whose main business is linked to efficiency.

Capital Expenditures (CAPEX)

The numerator of the Capex indicator, which must be reported according to the Taxonomy regulations, establishes that the following investments can be counted as eligible/aligned:

- Those that are related to assets or processes associated with economic activities aligned with the Taxonomy.

- Those that are part of a plan to expand economic activities aligned with the taxonomy or ensure alignment with the Taxonomy (Capex Plan). This is not yet the case for Cellnex.

- Those related to the purchase of output from economic activities aligned with the Taxonomy or individual measures to facilitate economic activity to be low in carbon (focused above all on Installation, maintenance and repair of energy efficiency equipment, charging stations for electric vehicles, instruments and devices to measure, regulate and control the energy efficiency of buildings or renewable energy technologies).

In general, Cellnex distinguishes its investments in:

Investment (Thousands of Euros)

Capital expenditures	31 December 2022	31 December 2021 restated
Maintenance capital expenditures	107,726	76,799
Expansion (or organic growth) capital expenditures	349,553	233,107
Expansion capital expenditures (Build to Suit programs) and Remedies	2,133,206	1,346,136
Expansion capital expenditures (Build to Suit programs)	2,282,650	1,346,136
Remedies [2]	(149,444)	—
M&A capital expenditures	4,881,163	12,741,420
Total investment [1]	**7,471,648**	**14,397,463**

[1] "Total Investment", amounting to €7,472Mn (€14,397Mn in 2021), corresponds to "Total net cash flow from investment activities" in the accompanying Consolidated Statement of Cash Flows amounting to €5,950Mn (€13,904Mn in 2021), plus i) "Cash and cash equivalents" of the acquired companies in business combinations amounting to €101Mn (€211Mn in 2021, see Note 8 to the accompanying consolidated financial statements); plus ii) "Cash advances to landlords" amounting to €133Mn (€71Mn in 2021, see Note 16 to the accompanying Consolidated Financial Statements); plus iii) the payment for the Hutchison UK acquisition through Cellnex Telecom SA shares (€1,237Mn, see Note 6 to the accompanying consolidated financial statements); plus iv) "Others" amounting to €51Mn (€210Mn in 2021), which includes, mainly, timing effects related to assets purchases, the reimbursement of contributions of the initial investment in DIV (€52Mn, see note 10 to the accompanying Consolidated Financial Statements) and other financial assets (€-93Mn, see note 13.b to the accompanying Consolidated Financial Statements).

[2] Corresponds to the total price in relation to the Divestment Remedy with WIG in the United Kingdom.

- Maintenance: Investments in existing tangible or intangible assets, such as investments in information technology infrastructure, equipment and systems, and are mainly linked to keeping the assets in good working order, but excludes investment to increase the capacity of such businesses.

- Expansion (or organic growth): Adaptation of mobile telephony infrastructures for new customers, land lease (includes advance payments, and renegotiations), and other efficiency measures associated with energy and connectivity, and adaptation of infrastructures to increase capacity of the locations. All this corresponds to the investment related to the expansion of the business, which generates additional Recurring Leveraged Cash Flow (including decommissioning, adaptation of the telecommunications site for new tenants and prepayments of land leases).

- Expansion (build-to-suit projects): Corresponds to committed build-to-suit programs (consisting of towers, backhaul, backbone, edge computer centers, DAS nodes or any other type of telecommunications infrastructure, as well as any advance payment related to the same or Engineering Services to different customers Any ad-hoc maintenance capital expenditures that may be required by any service line may be included.
- Inorganic: This is investment through business combinations (not including deferred payments in business combinations that are payable in subsequent years), as well as investment through the acquisition of parcels of sites or land (purchase of assets).

For each of these categories, the specific investment items have been identified that, after a fit analysis with the definitions, are considered eligible. Most of these come from investments in expansion and maintenance of eligible activities, however, investments in outputs from alienated activities are also added. Below is the corresponding table:

Investment item	Activity	Typology
Datacentres	Activity 8.1. - Climate Change Mitigation	Aligned assets
IoT Utilities	Activity 7.5 - Climate Change Mitigation	Aligned activities
IoT Smart Services	Activity 8.2 - Climate Change Mitigation	Aligned activities
Mission Critical	Activity 8.3 - Adaptation to Climate Change	Aligned activities
Investment item	**Activity**	**Typology**
Energy efficiency	Activity 7.3. - Climate Change Mitigation	Output activity aligned
Renewable energy	Activity 7.6. - Climate Change Mitigation	Output activity aligned

Although the eligible activities have been defined in the previous income section, some of which are listed in the table above, two new activities have been included for the Capex indicator.

- Efficiency Capex (Energy): Although this activity has not been included in the income section due to the fact that it does not generate billing, it has been included in the investment section. This investment item is considered eligible since it is related to the purchase of output and investment in economic activities aligned - at the moment eligible - with the Taxonomy or individual measures to facilitate economic activity to be low carbon. This investment item includes emissions focused on reducing the company's consumption through the implementation of more efficient equipment, remote control systems or the installation of solar panels for the company's self-consumption. Included here are all investments in energy efficiency related to air conditioning improvements;
    - 7.3. Installation, maintenance and repair of energy efficiency equipment; includes investments mainly for efficiency in refrigeration equipment.
    - 7.6. Installation, maintenance and repair of renewable energy technologies. Mainly linked to investments in photovoltaic solar energy.

Assessment of alignment to the Taxonomy by activity

In this phase, the requirements established in Article 3 of Regulation 2020/852/EU for an activity to be considered environmentally sustainable have been assessed. In addition to the point of contributing to one or more environmental objectives that has been previously assessed (Eligibility), compliance with the rest of the criteria has been verified:

- Comply with the Technical Selection Criteria (TSC) established for each activity.
- Do Not Significant Harm (DNSH) to any of the other environmental objectives.
- Be carried out in accordance with the minimum guarantees established.

The four points established in Art.3 must be met simultaneously for an activity to be considered environmentally sustainable. To analyze the degree of alignment of each activity, an eligibility screening was first carried out and then a verification of compliance with the criteria for Do Not Significant Harm (DNSH), minimum guarantees and Technical Selection Criteria (TSC). To ensure a correct alignment analysis, Cellnex has exhaustively examined these criteria and points, working in parallel to meet each of the points that the alignment process marks.

The technical selection criteria (TSC) and DNSH principles of each of the activities identified as eligible for Cellnex are analysed below.

Datacenters

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
Datacenters	8.1. Data processing, hosting and related activities	CC Mitigation	Transition

Cellnex has data centers in Spain, France and the Netherlands, the latter two countries having the bulk of centers. To comply with the first CTS, a working group was organized that analysed in detail the European Code of Conduct on energy efficiency in data centers, starting with the document 2022 Best Practice Guidelines for the EU Code of Conduct on Data Center Energy Efficiency, the Participant Guidelines v.3.0.0 and Reporting Form 13.2 spreadsheet. Once the requirements established for participants with underwriter characteristics, such as Cellnex, were analysed, a meeting was held with the heads of the Joint Research Center, who served as a guide to fill out the best practices questionnaire and ensure compliance with the better practices.

Once the questionnaires were filled out with their corresponding data, the information was provided to the auditor to verify compliance with the best practices in energy efficiency and ensure compliance with said TSC for those centers that had the technical characteristics and basic information to demonstrate the alignment.

Thanks to the refrigerant gas data collected for the calculation of the carbon footprint verified under the ISO 14064 standard, it was possible to analyse the data centers that totally or partially had refrigerant gases with a global warming value (GWP) less than or equal to 675. Some data centers have several refrigeration equipment to cool the different rooms of the building, therefore, for those centers where the gases that met the criteria did not represent the total number of gases, partial allocations of alignment have been made based on to the weight of the refrigerant gases.

The explanation of each point of the DNSH that proceeds for the activity is shown below:

- **DNSH for objective 2. Adaptation: The activity conforms to the criteria established in appendix A of this annex**

  Cellnex has carried out a Climate Change Adaptation Plan during 2022 that has two different parts, (i) a first focused on analyzing the climate risk of all its assets, and (ii) a second focused on proposing adaptation activities and proposals to those assets at risk. In general, the project has followed 5 steps:

  1. Prioritization of climate variables based on lists of international climate-related platforms, such as the European Environmental Agency (EEA) and the World Meteorological Organization (WMO), the Intergovernmental Panel on Climate Change (IPCC), as well as the list of variables incorporated into Annex A of the EU Taxonomy Climate Delegated Act.
  2. Obtaining and modelling of climatic information, data and statistics from the most advanced climatic data storage platforms on the market. These data are obtained for the periods 2011-2040 and 2041-2070, covering the 50-year average useful life of the assets. At the same time, the worst case scenario of the RCP 8.5 trajectory has been used to obtain the worst possible scenario, choosing a conservative approach. The data have been obtained from the

Copernicus Climate Data Warehouse (ECMWF), the European Environmental Agency, as well as from regional projections obtained from EURO-CORDEX CIMP5 and CIMP6, with resolutions up to 1km resolution.

3. Analysis of exposure, vulnerability and probability of affectation of assets through the use of prioritization matrices, geographic information systems, statistical data and technical information of each infrastructure analysed
4. Quantification of the final climate risk through the use of models adapted by climate variable that provide a final risk value that takes into account the synergies between variables
5. The proposal, quantification and approach of adaptation solutions for each type of asset and climate risk.

The specific result obtained for data centers has been used to define the final alignment degree.

- **DNSH for objective 3. Sustainable use and protection of water and marine resources**

Cellnex's Water Availability Footprint, based on ISO 14046:2018, analyses the availability, consumption and impact on water masses. The analysis includes companies that incorporate data centers (Towerlink France S.A.S, Alticom B.V, On Tower Telecom Infraestructuras S.A.U) analysing whether consumption and the impact on water bodies is relevant to the activity, as well as direct and indirect consumption . From the result of the Water Availability Footprint, it is defined that only 0.02% is linked to a direct impact on the operations of the assets. Based on the results of the study, it has been considered that water consumption is not material for the business, also extending it to data centers, many with a lower consumption or comparable to a home due to the fact that they do not use open water circuits. for refrigeration.

Regarding the Environmental Impact Study, according to the transposition of Directive 2011/92/UE on EIAs, all the studies include a mandatory analysis of the environmental water vector, assessing potential physical and biological impacts.

- **DNSH for objective 4. Transition to a circular economy**

Cellnex is a neutral infrastructure operator that offers control and management of space (data centre) by measuring temperature, humidity, providing energy, without installing its own equipment, allowing customers to have a space to install their servers. Thus, this category would apply to the server operators and not to the space managed by Cellnex.

For Cellnex control products in the data centers, the restricted substances in point 2 are complied with since the purchasing team has approved only products that have the CE label and specific sustainability labels, which certify compliance with the limits. of halogen materials according to Directive 2011/65/UE and Royal Decree 219/2013 that transposes it to the Spanish legal system.

Within its ISO 14001 environmental management system, Cellnex has a procedure specifically focused on waste management, which is implemented in all the countries where it operates and is mandatory for its own centers and suppliers that carry out waste management tasks. waste outsourced. At the same time, said procedure establishes clear guidelines to focus the waste generated on a management that prepares it for its reuse, recovery or recycling.

- **Obtaining financial data**

Based on the eliminative criteria linked to the TSC and DNSH, financial data will be extracted only from data centers that meet all the criteria established to be considered aligned.

Internet of Things (IoT)

Cellnex offers data network services dedicated to the Internet of Things in different European countries. The benefits of IoT solutions achieve improvements with low consumption, long reach, low traffic and low cost for customers. In all projects, secure and resilient data communication is provided by collaborative cell designs and random frequency transmission. End-to-end services ultimately achieve an optimal transversal service for resource management and efficiency in all areas of management.

Within the IoT business, although many of the services have implicit characteristics that improve management from an environmental point of view, only services offered to public administrations or energy or natural resource service companies are considered for sustainability purposes.

Internet of Things (IoT) Utilities

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
IoT Utilities	7.5 Installation, maintenance and repair of instruments and devices	CC Mitigation	Mitigation Facilitator

The activity fits into the following individual measures:

- Installation, maintenance and repair of building automation and control systems, building energy management systems, lighting control systems and energy management systems;

- Installation, maintenance and repair of smart meters for gas, heat, cold and electricity;

If we focus on services to energy service companies and natural resources, Cellnex provides services to remotely control the consumption or flow of these in different types of solutions, mainly in buildings. The use of this type of solution is fantastic for smart meters, for example water or natural gas, where real-time and low-cost readings are needed to more efficiently manage the provider's infrastructures, optimizing their operations (reducing energy consumption and footprint). carbon) and improving efficiency in use by the end customer, avoiding excessive consumption.

The explanation of each point of the DNSH that proceeds for the activity is shown below:

- **DNSH for objective 2. Adaptation: The activity conforms to the criteria established in appendix A of this annex**

  Cellnex has carried out a Climate Change Adaptation Plan during 2022 that has two different parts, (i) a first focused on analysing the climate risk of all its assets, and (ii) a second focused on proposing adaptation activities and proposals to those assets at risk. For the IoT Utilities business, the percentage of assets adapted to climate change linked to the transmission of information has been valued, considering the rest as non-aligned.

- **Obtaining financial data**

  To obtain the financial data for this line of business, a detailed analysis of all the projects linked to this activity was made based on the information extracted from SAP by the financial department. Once the first list of projects with income computed in 2022 was obtained, meetings were held with those responsible for the business to analyse whether the services offered to each specific client fit the definition established in the Taxonomy regulation.

Internet of Things (IoT) Smart Services

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
IoT Smart Services	8.2. Data-driven solutions to reduce GHG emissions	CC Mitigation	Mitigation Facilitator

The digital solution offered by Cellnex is an integrated information management tool with the aim of improving energy efficiency, reducing the consumption of natural resources and, consequently, reducing greenhouse gas emissions (Smart Cities or Smart Regions).

If we focus on services to public administrations or private entities, these are focused on the creation of Smart cities, Smart regions or Smart Companies depending on the client in question. A smart city goes beyond the use of digital technologies for a better use of resources and the reduction of emissions. It means smarter urban transportation networks, improved water supply and waste disposal facilities, and more efficient ways to light and heat buildings, as well as energy services.

Cellnex services include sensor networks and the integration of other data sources in transversal management systems to improve mobility management, increase energy efficiency, reduce resource consumption, improve waste management or reduce air pollution. . The establishment of indicators to assess changes in environmental vectors and ensure compliance with climate objectives in the short, medium and long term, is one of the services provided as a public administration tool. Private companies are more focused on improving efficiency in the use of energy linked to the production of renewable energy or air quality controls. In this way, the administration and private companies can use reliable and real-time data, processed by Cellnex, to make decisions that reduce greenhouse gas emissions.

Through the data, reports and results of the implemented projects, it has been considered proven that the activity complies with the established technical selection criteria.

The explanation of each point of the DNSH that proceeds for the activity is shown below:

- **DNSH for objective 2. Adaptation: The activity conforms to the criteria established in appendix A of this annex**

  In a general way, the IoT – Smart Services activity implements sensor networks for the integration of other data sources in transversal management systems, generating two types of physical climate risk to the activity, a first linked to the risks for the management of this type of project at the corporate level, and another linked to the networks or sensors implemented. Next, the aspects related to climate change are established;

  As previously mentioned, Cellnex has carried out a Climate Change Adaptation Plan during 2022 that has analysed the degree of adaptation of the company. Since the IoT Smart Services activity involves different company assets, it has been considered aligned to the same degree as the company as a whole.

  At the same time, the IoT Smart Services activity uses a catalogue of sensors with different characteristics, which are selected to ensure that they adapt to the weather conditions of the location where they are installed. It is for this reason that they have indoor or outdoor sensors, varying the degree of protection to climatic variables depending on the sensor. For example, for specific sensors of flood signals, the equipment is adapted to extreme conditions of precipitation or fluvial flooding that allow them to send data in extreme cases.

- **DNSH for objective 3. Circular economy**

  All electronic products purchased by Cellnex follow a green purchasing procedure that values aspects of sustainability, requires maximum compliance with regulations and voluntary recommendations, and ensures the best technical performance. Throughout the process, it is ensured that the restricted substances in point 2 are complied with, since the purchasing team has approved only products that have the CE label and other sustainability labels that ensure compliance with the limits of halogen materials according to the 2011 Directive. /65/UE and Royal Decree 219/2013 that transposes it to the Spanish legal system.

  Within its ISO 14001 environmental management system, Cellnex has a procedure specifically focused on waste management, which is implemented in all the countries where it operates and is mandatory for its own centers and suppliers that carry out waste management tasks. waste outsourced. At the same time, said procedure establishes clear guidelines to focus the waste generated on a management that prepares it for its reuse, recovery or recycling.

- **Obtaining financial data**

  To obtain the financial data for this line of business, a detailed analysis of all the projects linked to this activity was made based on the information extracted from SAP by the financial department. Once the first list of projects with income computed in 2022 was obtained, meetings were held with those responsible for the business to analyse whether the services offered to each specific client fit the definition established in the Taxonomy regulation.

Broadcast

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
Broadcast	8.3. Radio and television programming and broadcasting activities	CC adaptation	Adapted to climate change

The activity carried out by Cellnex de Broadcast is directly related to radio and television broadcasting services, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcast of third-party television signals from Cellnex's telecommunications infrastructures, the company being a key player for companies and individuals to receive the corresponding signals.

The activity is considered almost fully aligned based on the results obtained in the climate risk analysis and the company's climate change adaptation plan. The result of said analysis establishes that between 97% - 90% of the company's telecommunications towers are at a risk level without the need to implement adaptation measures. The 3% - 10% could require some specific measure that will be worked on with the operations teams based on the results of the Climate Change Adaptation Plan.

The income derived from this activity has not been accounted for in the income indicator (%) since it is considered, at an accounting level, income from an "adapted" activity and cannot be included in the numerator as established in the Delegated Disclosure Act 2021/4987/UE.

Internet Media

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
Internet media	8.3. Radio and television programming and broadcasting activities	CC adaptation	Adapted to climate change

The activity carried out by Cellnex for Internet Media is directly related to services for broadcasting radio and television via the Internet, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcast through digital platforms of third-party television signals from telecommunications infrastructures.

An example of the Internet Media business is the LOVEStv platform, the new DTT audiovisual platform adapted to new consumption habits. Cellnex Telecom is the technology provider of the platform that the Spanish public channel RTVE and the two large private broadcasting groups, Atresmedia and Mediaset, are working together to launch. This platform, which allows viewers to enjoy the advantages of linear DTT while being able to access content and new non-linear services.

As previously mentioned, Cellnex has carried out a Climate Change Adaptation Plan during 2022 that has analyzed the degree of adaptation of the company. Since Internet Media activity involves different company assets, it has been considered aligned to the same degree as the company as a whole.

The income derived from this activity has not been accounted for in the income indicator (%) since it is considered, at an accounting level, income from an "adapted" activity and cannot be included in the numerator as established in the Delegated Disclosure Act 2021/4987/UE.

Mission Critical

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Activity typology
Mission Critical	8.3. Radio and television programming and broadcasting activities	CC adaptation	Climate change facilitator

MCPN stands for Mission Critical and Private Networks. The business is based on the construction and operation of private communication networks, for limited and known users for security and efficiency reasons. The business is clearly divided into two parts, the networks called Mission Critical (Emergency Corps) and the networks called Private Networks (Business Sector).

The Mission Critical Networks are those of interest in terms of sustainability, since they are offered to emergency public services such as firefighters, civil protection, forestry agents, police, or medical services. The network technology offered can be Narrowband (TETRA, DMR) or Broadband (4G/5G), depending on the customer's needs. These private networks provide highly reliable and secure radio communication services to public emergency services that are used above all in extreme circumstances such as natural disasters (floods, storms, forest fires, etc.), accidents such as oil spills or gas leaks, etc

Mission Critical's activity has as a priority objective to offer communication services to emergency services to increase resilience to physical climate risks of people, nature, cultural property and private assets. Secure and stable communication ensures that the response of said troops is coordinated, safe and effective, reducing exposure to risks derived from climate change, reducing their impact and increasing resilience thanks to better post-impact management. At the same time, emergency teams need the signal provided by Cellnex to send early warning signals in the face of possible disasters, thus ensuring greater preparation of organizations and people, which increases their resilience to potential damage.

Based on the above, it is considered that this activity fits within the adaptation activity 8.3. Radio and television programming and broadcasting activities within Annex II of the Climate Delegate Act. In its definition it includes “… It also includes data broadcast, which is usually integrated with the radio or television broadcast. The broadcast can be made using different technologies: by airwaves, by satellite, by cable or by Internet…”. In the case of Mission Critical, data is broadcast via radio that facilitates adaptation.

In 2021, this activity was already incorporated into the Cellnex 2021 Taxonomy report and all interested parties considered it reasonable. It is considered that Mission Critical fits into the radio broadcast due to the fact that any communication from the emergency services must pass yes or yes through Cellnex towers, where this signal is received and emitted again so that it is transferred directly to the corresponding system, ensuring safe and efficient transmission.

Considering the section of the activity associated with facilitating activities, it is understood that Cellnex's interpretation is one of the only ones that could fit into the approach made because it uses the emission of radio waves as the means to facilitate an increase in resilience and adaptability to climate change.

Based on the technical clarification of the European Commission regarding the interpretation and implementation of the technical selection criteria and DNSH of the climate objectives of December 19, 2022, it is established that the facilitating activities have to (i) ensure that they are adapted to climate change, and (ii) contribute to the resilience or adaptation efforts of third parties.

Cellnex has carried out a Climate Change Adaptation Plan during 2022 that has two different parts, (i) a first focused on analyzing the climate risk of all its assets, and (ii) a second focused on proposing adaptation activities and proposals to those assets at risk. For the Mission Critical business, the percentage of assets adapted to climate change linked to the transmission of information has been valued, considering the rest as non-aligned.

Minimum guarantees

The Final Report on Minimum Guarantees of the Platform in Sustainable Finance of October 2022 provides relevant information on how to interpret compliance with the criteria established in the reference frameworks presented above. There are overlapping issues in Article 18 and the different principles or recommendations set out in the UNGP and the OECD guidelines. The UNGPs play a general role in the application of the minimum guarantees. They define the responsibilities of private and public companies to ensure respect for human rights. The same is true of the OECD Guidelines for Multinational Enterprises.

Taking into account the above, the substantive and relevant issues that continue to be relevant for the minimum guarantees are the following, leaving the environment and science and technology as aspects of the responsibility of the states:

1. Human rights (including labor and consumer rights)
2. Bribery, bribe solicitation and extortion
3. Taxation
4. Fair competition

Based on the review of the procedures, policies and analysis on the subject of minimum guarantees, it is considered that Cellnex Telecom complies in all its activities and geographical areas with the minimum guarantees established in the framework of Regulation 2020/852/UE of Taxonomy. For each of the substantive issues presented above, the company has identified the documents, where it develops the measures and procedures for each issue and which are available to stakeholders on the corporate website.

Substantive issues	Cellnex documents
Fair competition	Code of Ethics (point 3.3.3.7)
Taxation	Code of Ethics (point 3.3.3.4) Tax Policy, Tax Compliance Committee IAR pages 130-134
Human rights	Code of Ethics (point 3.3.3.2) Politics Human rights Due Diligence Human Rights Equity Diversity and Inclusion Policy Supplier Code of Conduct
Labor rights	Collective agreements, OHS Policy, ISO 45001 Equity, Diversity and inclusion Policy Politics Human rights Harassment Prevention Protocol (ES)
Interests (rights) of consumers (customers)	Code of ethics (point 3.3.7.2) Global Quality Policy Customer satisfaction survey Information Security Policy
Bribery	Code of Ethics (point 3.3.6) Corruption Prevention disciplinary system Whistle blowing channel
Transversal documents	ESG Policy Disciplinary system (for all employees) Cellnex Annual Report

Financial indicators and methodology

As previously stated, the Taxonomy requires the reporting, in 2022, of the percentage of income, CapEx and OpEx eligible and aligned based on the economic activities published in the Climate Delegated Act, which covers both adaptation and mitigation to climate change.

The financial information used for this analysis was subject to an external audit when the annual accounts for the year were closed. These were subject to joint analysis and control by the local and central teams to ensure consistency with the consolidated revenue for the year. Controls focused on both the treatment of intragroup transactions and the breakdown of revenue by business segment and sub-segment.

The consolidation of financial data is governed by IFRS accounting policies and is audited by Cellnex's financial auditors. The financial data is extracted from the so-called "reporting package" of each country, whose data comes from the "FCCS" consolidation ERP system, which is fed by "PBCS" which in turn is fed by "SAP" or local ERP depending on each country. The computerization of these processes ensures the minimization of human errors.

The income presented here is recorded as follows by commercial activity:

- The income generated by Datacenter activities is based on the rental of "Racks", physical spaces designed to house servers, network devices, cables or other data center computing equipment. These "Racks" are rented, within each data center, to independent clients. Cellnex is dedicated to maintaining the conditioned space to store and operate IT or telecommunications equipment. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country using the Datacenters business line. Since the alignment analysis has been carried out at a very high level of detail, the revenue per data center has been extracted in order to extract the aligned revenue and CapEx.

- IoT contract revenue is determined using the “IoT” line of business. The income of said business unit differs in each of the projects carried out by the IoT teams. In order to allocate the income and CapEx to the Utilities activity (7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control energy efficiency in buildings) or to the Smart Services activity (8.2 Data-based solutions to reduce emissions of greenhouse gases), the list of projects for 2022 was obtained and together with the teams of each business, the fit or not in each of the defined activities was assessed. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

- The income generated by Mission Critical's activities is based on service contracts for emergency and relief telecommunications networks, provision of services to the merchant marine, interconnection of broadcasting networks for the police, protection of firefighting networks, etc. Of the total customers of the Mission Critical business, those that fit the definition of climate resilience, such as emergency services, have been identified. Other customers who do not fit the reasoning raised have been ignored. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

It is necessary to emphasize the casuistry of Broadcast and Internet Media, both activities fit into activity 8.3 Radio and television programming and broadcasting activities of Annex II of Adaptation to Climate Change of Delegated Regulation 2021/2139/UE. Due to the type of activity, they are classified as activities adapted to climate change. For this type of activity, the Delegated Disclosure Regulation (Article 8) 2021/4987/UE, which defines in its Annex I the content to be published by non-financial companies, establishes that the income generated by adapted activities cannot be incorporated into the numerator of the % revenue aligned with the taxonomy. This means that, although Broadcast and Internet Media activities are aligned with the TSC and DNSH established in the Taxonomy Regulation, their income, due to the type of activity, cannot be counted in the income indicator.

Based on this, we could say that of the eligible activities, 8.76% of the eligible income corresponds to leases - Datacenter business - and the remaining 91.24% is based on contracts with clients for specific services.

The data reported in the report does not consider the production of companies for others within the Cellnex group. This case could occur in some activities, but data has only been reported at the consolidated level of income from external customers.

- The CapEx data presented in this report is accounted for as follows:

- Investments linked to Datacenter activities are defined as those focused on the purchase of data centers, their improvement or installation. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

- Those of Mission Critical have been extracted from the MCPN investment list, analyzing the fit with Mission Critical activity on a case-by-case basis. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

- Efficiency Capex (Energy) investments are defined by those investments focused on the installation of renewable energy - photovoltaic solar panels - and investments in energy efficiency and control, mainly linked to air conditioning or equipment improvement. Thanks to the analyzes of those responsible for energy and operations, it has been possible to extract the items that fit into the alignment approach. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

- Finally. Investments focused on the specific projects incorporated by IoT Utilities and IoT Smart Services focused on climate change mitigation have also been considered. The data has been extracted from the PBCS software used by the company for accounting, which is powered by SAP in each country.

To avoid double counting, the calculations of the different indicators have differentiated between activities incorporated in the mitigation or adaptation objective, counting only based on the objective where the contribution is considered more substantial. In this way, duplicate accounting of the same item of income or CapEx is avoided.

Changes compared to 2021

At the level of economic activity:

- Internet of Things (IoT): In 2021, a difference was made between the business focused on smart meters (7.5) and that focused on networks (8.3). This, after reviewing it with business and operations teams, has been improved, differentiating between (7.5) energy consumption control and monitoring projects through smart meters (IoT Utilities), and (8.2) the development of "Smart" systems that help to reduce energy consumption and automate processes (IoT Smart Services). When reviewing project by project, the differentiation between one activity and the other, at the level of income and CapEx, has been much more precise, reaching the maximum possible degree of detail.

- Mission critical: In 2021 the entire MCPN line of business (Mission Critical & Private Networks) was used as eligible based on the taxonomy. The fact that private network services (Private Network) is focused on companies without the main objective of being focused on extreme phenomena and emergencies, makes it ineligible. In 2022, the analysis has been improved and only the Mission Critical business has been considered, public clients for emergency networks in the same activity 8.3. Within the Mission Critical business, customer-by-customer analysis has also been carried out to ensure that truly applicable revenues and Capex were incorporated as eligible and aligned.

Capex:

- In terms of Capex, a much more detailed analysis of financial data has made it possible to review all investments in energy matters one by one, facilitating the identification of investments in the activity 7.3 energy efficiency of refrigeration and air conditioning equipment, as well as investments in photovoltaic panels, renewable energy activity 7.6.

- The Capex item awarded to activity 7.2 of building renovation, has been considered as no longer applicable and has not been contemplated since the investments in buildings this year did not fit the definition of the activity.

Based on operating income and Capex items linked to eligible and aligned activities, 2022 presents significant changes from 2021 in terms of:

- Datacenters: The business of Datacenters, fully eligible, it has grown substantially in 2022, reaching 34,816,843 eligible euros, an increase of approximately 271%. Regarding investment, this year it has increased to 76,960,011 euros for the acquisition of businesses, improvement of centers and extensions.

- IoT: The previous year the income from the IoT business was divided into activity 7.5 and 8.3. adding a total of 2,752,092 euros eligible in its entirety. This year, differentiation between IoT Utilities has been improved, with activity 7.5. with a total eligible income of 147,056 euros, and the IoT Smart Services activity, with activity 8.2. with a total eligible income of 1,028,870 euros. The improvement in the eligibility and alignment analysis has reduced the eligibility figure, but it presents a large percentage of alignment. In 2021, approximately 1,516,443 euros were reported in investments linked to IoT activities. But this year, Thanks to more detail, game by game, eligible investments of 66,712 euros have been obtained. The difference is explained by the fact that in 2022 the degree of detail has been improved and investments that did not fit with the Delegated Disclosure Act methodology have been ruled out.

- Mission Critical: The last eligibility report listed the entire MCPN game, which also includes Private Networks, as eligible, adding a total of 44,988,729 euros. This year, thanks to a greater degree of detail of the projects, those from Mission Critical that fit with activity 8.3 have been extracted, adding a total of 39,155,209 euros. Significant growth and a high degree of alignment are identified. For projects selected as eligible. The investment has amounted to 4,436,358 euros, higher than the previous year.

- Broadcast: Comparing Broadcast activity in 2021 and 2022, a growth of 216,362,255 euros to 224,189,229 euros is identified, which are considered eligible and highly aligned. Although they cannot be reported in activity 8.3 for accounting in the revenue alignment KPI due to their classification as aligned activities. Eligible CapEx has been nearly halved in 2022.

- Internet Media: Comparing Internet Media activity in 2021 and 2022, a growth of 2,155,614 euros to 2,540,841 euros is identified, which are considered eligible and highly aligned. Although they cannot be reported in activity 8.3 for accounting in the revenue alignment KPI due to their classification as aligned activities.

- Energy efficiency: In the last eligibility report, a total of 4,802,290 euros were presented in investments linked to activity 7.5. In 2022 the total has been 1,887,295 and the investments have focused more on those described in activity 7.3. mainly in cooling improvements.

- Renewable energies: In the last eligibility report, a total of 48,508 euros were presented in investments linked to the activity 7.6 of self-production of renewable energy. In 2022 the total has been much higher, amounting to 1,770,921 euros, fully linked to investments in photovoltaic solar panels.

Results

Below are the eligibility and alignment results based on the tables in Annex II of the Delegated Act of Article 8. The disclosure of information in this format is required as of 2023, to disclose the results in a standardized manner by of economic agents and participants in the financial market.

- **Operating income:** Of a total of 3,495,180 thousands of euros of income in 2022, it is considered that 289,143 thousands of euros (8.27% of total income) come from eligible economic activities based on those set out in the Climate Delegate Act and a total of 3,206,037 thousands of euros of activities not eligible with the taxonomy (91.73% of total income). Of the eligible income, a total of 240,695 thousands of euros are considered eligible and aligned with the taxonomy. If from the income from aligned activities we extract those from activities adapted to climate change, the total is 39,324 thousands of euros, which represents 13.60% of the total eligible income and 1.13% of the total income. The eligible and non-aligned income totals 48,448 thousands of euros, 16.76% of the total eligible income and 1.39% of the total.

- **Capital Expenditures (Capex)**: Of a total Capex of 7,471,648 thousands of euros invested in 2022, it is considered 86,258 thousands of euros correspond to eligible investments based on the Taxonomy (1.15% of total Capex) and a total of 7,385,390 thousands of euros in activities not eligible with the taxonomy (98.85% of total CapEx). The total eligible Capex, aligned with the Taxonomy, amounts to 7,843 thousands of euros. a percentage of 9.09% of the total eligible Capex and 0.10% of the total Capex. Eligible and non-aligned CapEx amounts to 78,416 thousands of euros, 90.91% of the total eligible CapEx and 1.05% of the total.

- **Operating Expenditures (Opex)**: Cellnex has not calculated the eligible Opex indicator based on the Taxonomy as it is not considered material for the business.

Conclusions

The results obtained in this second year of evaluation of the degree of eligibility and first year of alignment of Cellnex activities, under the list of economic activities of the Taxonomy regulation, present levels similar to those of the last year. The Taxonomy does not incorporate the bulk of Cellnex's business. It is considered that Regulation 2020/852/EU of the European Union does not conform to a useful tool to assess the environmental sustainability of the group's business. This is so due to the fact that most of the economic activities that are carried out have not been included in the list of mitigation and adaptation activities. Consequently, Cellnex cannot assess whether or not it meets the technical selection criteria and thus assess its substantial contribution to sustainability. For those activities where it does meet the technical selection criteria, you cannot report said income as aligned due to a methodological consideration. The Delegated Disclosure Act (Art. 8) establishes that “adapted” activities cannot be counted in the numerator of the income indicator.

Of the total operating income, 8.27% are established as eligible based on the taxonomy. Of these eligibility percentages. we have that 13.60% of the eligible income is considered aligned. The eligible and aligned income indicator being 1.13% of total income. On the other hand, it is established that 1.15% of Capex is considered eligible, being 9.09% eligible and aligned based on the total eligible. and 0.10% eligible and aligned based on total Capex. The most important variation between eligibility and alignment in the income section comes from the methodological impossibility of accounting for Broadcast and Internet Media income in the numerator. although they are considered aligned.

Cellnex has adopted a conservative approach when reporting eligibility and alignment based on the Taxonomy, avoiding forcing the definitions of economic activities to incorporate activities of its business. It is understood that the regulation has the objective of avoiding "greenwashing" and it would not do any good to try to adjust the regulation in favour of the company. An approach that responds to the principles of integrity, representativeness and veracity has been maintained.

Internally, Cellnex has worked during 2022 to carry out the relevant evaluations and validations to ensure compliance with the criteria set out in article 3 of regulation 2020/852/UE. The technical selection criteria have been validated for each of the different business units that carry out the same Taxonomy activity, trying to obtain evidence or certificates that prove compliance with the criteria established at the most granular level possible. The same approach has been used to validate the criteria of Do Not Significant Harm (DNSH) to other environmental targets. Finally, the minimum guarantees have been validated at the group level due to the fact that they are internal procedures or policies applicable to all the company's subsidiaries.

Cellnex assumes as its purpose in the coming years, to improve the degree of alignment of the company to the technical selection criteria and DNSH principles of its eligible activities, to maintain those classified as aligned during 2022 and to improve the methodologies and procedures for the development of applicability and usability of the Taxonomy.

Below are the mandatory reporting tables for this year on the degree of eligibility and alignment of the company with Regulation 2020/852/UE.

Operating income

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')										
Economic activities	**Code(s)**	**Absolute turnover (EUR)**	**Proportion of turnover (%)**	**CC mitigation**	**CC adaptation**	**Water and marine rosources**	**Circular economy**	**Pollution**	**Biodiversity and ecossytems**	**CC mitigation**	**CC adaptation**	**Water and marine rosources**	**Circular economy**	**Pollution**	**Biodiversity and ecossytems**	**Minimum safeguards (Yes/ No)**	**% Taxonomy aligned proportion of turnover, year N**	**% Taxonomy aligned proportion of turnover, year N-1**	**Category (enabling activity or)**	**Category '(transitional activity)'**
A. TAXONOMY-ELEGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	€ 132,497	0.00%	100.00 %	0.00 %					—	Yes	—	—	—	—	Yes	0.00%	—	F	
Data processing, hosting and related activities	8.1	€ 2,992,805	0.09%	100.00 %	0.00 %					—	Yes	Yes	Yes	—	—	Yes	0.09%	—		T
Data-driven solutions to reduce greenhouse gas emissions	8.2	€ 920,119	0.03%	100.00 %	0.00 %					—	Yes	—	Yes	—	—	Yes	0.03%	—	F	
Radio and television programming and broadcasting activities	8.3	€ 35,278,843	1.01%	0.00 %	100.00 %					—	—	—	—	—	—	Yes	1.01%	—	F	
Radio and television programming and broadcasting activities	8.3	€ 201,370,553	5.76%	0.00 %	100.00 %					—	—	—	—	—	—	Yes	0.00%	—		
(A.1) Turnover of environmentally sustainable activities (Taxonomy-aligned)		**€ 240,694,816**	**6.89%**	**0.12 %**	**6.77 %**											**Yes**	**1.13%**	**—**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	€ 14,559	0.00 %																	
Data processing, hosting and related activities	8.1	€ 22,322,618	0.64 %																	
Data-driven solutions to reduce greenhouse gas emissions	8.2	€ 108,752	0.00 %																	
Radio and television programming and broadcasting activities	8.3	€ 26,002,542	0.74 %																	
(A.2) Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**€ 48,448,469**	**1.39 %**																	
Total (A.1 + A.2)		**€ 289,143,286**	**8.27 %**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**€ 3,206,036,714**	**91.73 %**																	
TOTAL A+B		**€ 3,495,180,000**	**100.00 %**																	

- *Within activity 7.5 the IoT Utilities activity is included. It is considered as a facilitating activity according to Annex I of Climate Change Mitigation.*
- *Activity 8.1 includes the income from eligible Datacenters aligned with the Taxonomy Regulation. It is considered as a transition activity in Annex I of Climate Change Mitigation.*
- *Activity 8.2 includes income from IoT Smart Services.*
- *Within activity 8.3 Mission Critical is included as activities that facilitate adaptation to climate change as established in Annex II of Adaptation to Climate Change. Also included in the calculations are revenue from Broadcast and Internet Media, whose aligned revenue is not counted in the aligned billing percentage, hence the discrepancy between the percentage in column 4 and the percentage in column 18.*

The most relevant income item for the group, Telecommunications Infrastructure Services (TIS), which represents approximately 67% of the group's income, could not be included in the eligibility and alignment calculations given that within the economic activities environmentally sustainable that the regulation presents, there is still no activity in line with that carried out by Cellnex. The TIS activity is based on the operational efficiency of telecommunications towers by sharing them among several operators, an activity with a positive environmental impact since it avoids the duplication of infrastructures, optimizes the occupied land, reduces the impact on biodiversity and achieves improvements in energy efficiency. The lack of development of the Taxonomy generates damage to the public image of the company, whose main business is linked to operational and energy efficiency.

At the same time, Cellnex has revenues linked to eligible and aligned economic activities that are higher than those provided in the indicator. Based on Annex II of the Climate Delegated Act (Climate Change Adaptation Activities) certain economic activities of the company meet the eligibility and alignment criteria, but are not counted in the alignment percentage numerator. Broadcast and Internet Media activities, in excess of 204 million euros in aligned revenue, could not be accounted for since they are classified as "adapted" activities under adaptation activity 8.3, Radio and television programming and broadcasting activities. At a methodological level, the Delegated Disclosure Act establishes that "adapted" activities are not considered sustainable, greatly affecting Cellnex's aligned revenue KPI. The alignment percentage would increase to 6.97% if Broadcast and Internet Media activities, considered as adapted, were included.

The European Parliament and the Council have prioritized the coverage in the regulation of economic activities that can make, from their point of view, the most relevant contribution to the two environmental objectives considered. This first Delegated Act focuses on climate objectives (mitigation of climate change and adaptation to climate change) and, therefore, includes the most relevant activities for reducing greenhouse gas emissions and for improving climate resilience. . This includes the sectors with the highest contribution to CO2 emissions (energy, manufacturing, transport, buildings), as well as the activities that enable their transformation or transition, necessary to achieve the EU climate objectives. This approach poses the paradox that the most polluting sectors such as energy or transport are covered by regulation, while the activities of the digital sector, which have less impact, are not. This is why the eligibility percentages of some companies, to be published in 2022, are going to be much higher than those of Cellnex due to the mere fact that their economic activity or sector is covered by regulation, while a large part of the Cellnex turnover (TIS), is not incorporated.

The number of economic activities of the ICT sector represented in the Climate Delegated Act only reaches 4 (Climate Change Mitigation) and 6 for repetitions of two activities that also includes the Adaptation delegated act, of more than 200 activities contemplated in the Taxonomy current. Some of them are too general or specific to be able to bring together a representative part of the companies in the sector.

These activities include:

- *Data processing, hosting and related activities*
- *Data-driven solutions to reduce emissions*
- *Radio and television programming and broadcasting activities*
- *Programming, consulting and other computer related activities*

Unfortunately, the bulk of Cellnex's business is not included in the lists of sustainable economic activities or is included as an adapted activity, a categorization that does not allow them to be counted in the Taxonomy indicators.

Capital Expenditures (CAPEX)

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')										
Economic activities	Code(s)	Absolute CapEx (EUR)	Proportion of CapEx (%)	CC mitigation	CC adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	CC mitigation	CC adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards (Yes/ No)	% Taxonomy aligned proportion of turnover, year N	% Taxonomy aligned proportion of turnover, year N-1	Category (enabling activity or)	Category '(transitional activity)'
A. TAXONOMY-ELEGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of energy efficiency equipment	7.3	€ 1,887,295	0.03 %	100.00 %	0.00 %					-	-	-	-	-	-	Yes	0.03%	—	F	
Installation, maintenance and repair of renewable energy technologies	7.6	€ 1,770,921	0.02 %	100.00 %	0.00 %					-	-	-	-	-	-	Yes	0.02%	—		T
Data processing, hosting and related activities	8.1	€ 127,820	0.00 %	100.00 %	0.00 %					-	Yes	Yes	Yes	-	-	Yes	0.00%	—	F	
Data-driven solutions to reduce greenhouse gas emissions	8.2	€ 59,661	0.00 %	0.00 %	100.00 %					-	Yes	-	Yes	-	-	Yes	0.00%	—	F	
Radio and television programming and broadcasting activities	8.3	€ 3,997,159	0.05 %	0.00 %	100.00 %					-	-	-	-	-	-	Yes	0.05%	—		
(A.1) CapEx of environmentally sustainable activities (Taxonomy-aligned)		**€ 7,842,855**	**0.10 %**	**0.05 %**	**0.05 %**											**Yes**	**0.10%**	**—**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data processing, hosting and related activities	8.1	€ 76,832,191	1.03 %																	
Data-driven solutions to reduce greenhouse gas emissions	8.2	€ 7,051	0.00 %																	
Radio and television programming and broadcasting activities	8.3	€ 1,576,352	0.02 %																	
(A.2) CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**€ 78,415,595**	**1.05 %**																	
Total (A.1 + A.2)		**€ 86,258,450**	**1.15 %**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**€7,385,389,550**	**98.85 %**																	
TOTAL A+B		**€7,471,648,000**	**100.00 %**																	

- *Activity 7.3 includes the investment made in more efficient refrigeration equipment from the item Efficiency Capex (Energy)*
- *Activity 7.6 includes all the investment made in solar panels in the different countries in which the company operates*
- *Activity 8.1 fully includes investments related to Datacenters*
- *Activity 8.2 includes investments linked to projects classified in the IoT Smart Services business*
- *Investments in Mission Critical projects that fit the definition of the activity are fully included in activity 8.3 of the alignment section. Included in eligible and unaligned investments are investments within the 8.3 Broadcast and Internet Media activity*

The CapEx items considered in the calculation represent (i) those investments in eligible economic activities and aligned based on the Taxonomy - especially Datacenters, IoT Smart Services, Mission Critical - and (ii) activities mentioned in category (c) of the section 1.1.2.2 of Annex I of the Delegated Disclosure Act, related to the purchase of products and individual measures of eligible economic activities or energy efficiency measures. The items incorporated in point (ii) are especially investments in renewable energy equipment and energy efficiency improvements. As with the income section, Cellnex cannot account for investments associated with "adapted" economic activities. This is the case of investments linked to Broadcast and Internet Media. In the same way, the investment items in activities linked to the operational and energy efficiency of telecommunications towers, such as TIS, could not be accounted for since the activities are not considered eligible.

Cellnex has recently published a Sustainability-linked Financing Framework, which has obtained a second-party opinion from specialists, stating that it complies with international financial sustainability criteria. The framework or plan has the objective of issuing sustainable bonds or obtaining sustainable loans, while complying with strict objectives of decarbonization, use of renewable energy and equality between men and women. However, many of the investments in sustainability cannot yet be counted as eligible since the company does not have a specific Investment Plan linked to the improvement of the KPIs of the Taxonomy.

Operating Expenditures (OPEX)

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')										
Economic activities	**Code(s)**	**Absolute OpEx (EUR)**	**Proportion of OpEx (%)**	**CC mitigation**	**CC adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**CC mitigation**	**CC adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards (Yes/ No)**	**% Taxonomy aligned proportion of turnover, year N**	**% Taxonomy aligned proportion of turnover, year N-1**	**Category (enabling activity or)**	**Category '(transition al activity)'**
A. TAXONOMY-ELEGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
(A.1) OpEx of environmentally sustainable activities (Taxonomy-aligned)		—	—	—	—					—	—	—	—	—	—	—	—	—	—	—
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
(A.2) OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		—	—																	
Total (A.1 + A.2)		—	—																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**€ (868,186,993)**	**100.00%**																	
TOTAL A+B		**€ (868,186,993)**	**100.00%**																	

Cellnex has decided not to calculate the OpEx KPI as it is not considered material for the group's business. The company considers that the OPEX margin for the calculation of the Taxonomy is not material, mainly and in accordance with IFRS16 accounting regulations, the most significant item (rental costs) is reflected in financial interests and in the amortization of the financial statements. of the company. Therefore, it causes the company to have very high operating leverage and margin.

Annex 8. Sustainable Finance

Indicator	Description	Base year (2020)	Status 2022	Performance vs Base Year	Target 2025	Target 2030
		Value (Unit)	Value (Unit)	(%)	Value (Unit)	Value (Unit)
KPI 1a[58]	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	525,037 t CO2e	108,620 t CO2e	(79)%	(45)%	(70)%
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	80,957 t CO2e	73,532 t CO2e	(9)%	(21)%	_
KPI 2	Annual sourcing of renewable electricity	10%	77%	670%	100%	_
KPI 3[59,60]	Percentage of women in directors and senior management/manager roles	24%	27%	13%	30%	_

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[58] KPI included in the Facilities Agreement

[59] KPI included in the Facilities Agreement

[60] According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.

Annex 9. Independent Limited Verification Report

Cellnex Telecom, S.A.
and Subsidiaries

Independent Limited Assurance Report of the non-financial information included in the Consolidated Management Report for the year ended 31 December 2022

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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08034 Barcelona
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Translation of a report originally issued in Spanish. In the event of a discrepancy,
the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Cellnex Telecom, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the accompanying Consolidated Management Report ("CMR") for the year ended 31 December 2022 of Cellnex Telecom, S.A. and subsidiaries ("Cellnex" or "the Group"), which forms part of the Group's Integrated Annual Report ("IAR").

The content of the CMR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in "Appendix 3: Table of Contents required by Law 11/2018", "Appendix 4: GRI Content Index ", "Appendix 6: KPI Tables", "Appendix 7: EU Taxonomy" and "Appendix 8: Sustainable Finance" and the indicators established for that purpose by the Sustainability Accounting Standard Board ("SASB") for the "Telecommunication Services" sector in " Appendix 5: SASB Table of Contents", included in the accompanying CMR ("CMR Appendices").

We also verified, with a scope with a moderate level of assurance, the application of the principles of inclusivity, materiality, responsiveness and impact included in the section, "1.3. Our Commitment – Stakeholders", of the accompanying IAR in accordance with AccountAbility's AA1000AP Principles Standard (2018).

Responsibilities of the Directors

The preparation and content of the CMR of Cellnex are the responsibility of the Directors of Cellnex. The CMR was prepared in accordance with the content specified in current Spanish corporate legislation, taking as reference the selected Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and with the selected SASB standards of the "Telecommunication Services" sector, as indicated for each matter in the CMR Appendices to the aforementioned Consolidated Management Report.

These responsibilities of the Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CMR to be free from material misstatement, whether due to fraud or error.

The Directors of Cellnex are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the CMR is obtained.

In addition, the directors are responsible for implementing the processes and procedures required to comply with the principles established in AccountAbility's AA1000AP Standard (2018).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the international standards on quality in force and, accordingly, maintains a quality system of quality that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in reporting on economic, social and environmental performance, and a specialist in the AA1000AP Stakeholder Engagement Standard (2018) and in corporate economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements. We also performed our engagement in accordance with AccountAbility's AA1000AS v3 Assurance Standard (2020) (Type 2).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted of making inquiries of management and the various units of Cellnex that participated in the preparation of the CMR, reviewing the processes used to compile and validate the information presented in the CMR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Cellnex personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2022 CMR based on the materiality analysis performed by Cellnex and described in the "Double Materiality" section, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2022 CMR.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2022 CMR.

- Review by means of meetings with the Group personnel responsible for implementing the stakeholder engagement model and review of the internal documentation on the roll-out of the model, the nature and scope of the processes defined to comply with the AA1000AP (2018) Standard and evaluation of the reliability of the information relating to the performance indicated in that scope.

- Verification, by means of sample-based tests, of the information relating to the contents included in the 2022 CMR and the appropriate compilation thereof based on the data furnished by the information sources.

- Review of the information on the taxonomy of activities as established in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

- Obtainment of a representation letter from the directors and management.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the climate change mitigation and climate change adaptation objectives for the first time for 2022, in addition to the information referring to eligible activities required in 2021. As a result, the accompanying CMR does not include comparative information in relation to alignment. Also, since the information referring to eligible activities in 2021 was not required with the same level of detail as in 2022, the information disclosed in relation to eligibility in the accompanying CMR is not strictly comparable either. In addition, it should be noted that the directors of Cellnex have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in "Appendix 7: EU Taxonomy" in the accompanying CMR. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The CMR of Cellnex Telecom, S.A. and Subsidiaries for the year ended 31 December 2022 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards and the selected SASB standards for the "Telecommunication Services" sector, as indicated for each matter in the CMR Appendices to the Consolidated Directors' Report.

b) The information included in the section, "1.3. Our Commitment – Stakeholders" of the CMR on the principles of inclusivity, materiality, responsiveness and impact was not prepared, in all material respects, in accordance with AccountAbility's AA1000AP Principles Standard (2018).

Other Matters

Pursuant to the provisions of AA1000AS v3 (2020), we presented to management of Cellnex our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality, responsiveness and impact. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

In 2022, Cellnex prepared a new materiality exercise, including a double materiality perspective, to ensure that the CMR includes, for the entire scope of consolidation of the Group, the particular features, concerns and expectations of all the stakeholders in the various locations where the Group operates.

In this respect, we recommend that Cellnex continue to perform an annual review of the materiality exercise to ensure that it is adapted to the changing global context and the context in each of the countries in which the Group operates.

Responsiveness

Based on the work performed and in view of the expansion of the Cellnex Group, we recommend that Cellnex continue to strengthen its mechanisms relating to internal control over non-financial reporting, encouraging greater standardisation and integration in the management of each of the areas making up non-financial reporting.

Impact

Cellnex monitors the information relating to risks and impacts of a social, economic and environmental nature and continues to improve in this area through the use of integrated management systems and its risk management system. In this regard, Cellnex should continue to work on monitoring all the business units on a recurring basis, with particular emphasis on the impacts it generates by carrying on its business.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Iván Rubio Borrallo

28 February 2023

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INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

DELOITTE, S.L.

2023 Núm. 01/23/04726

Sello distintivo de otras actuaciones

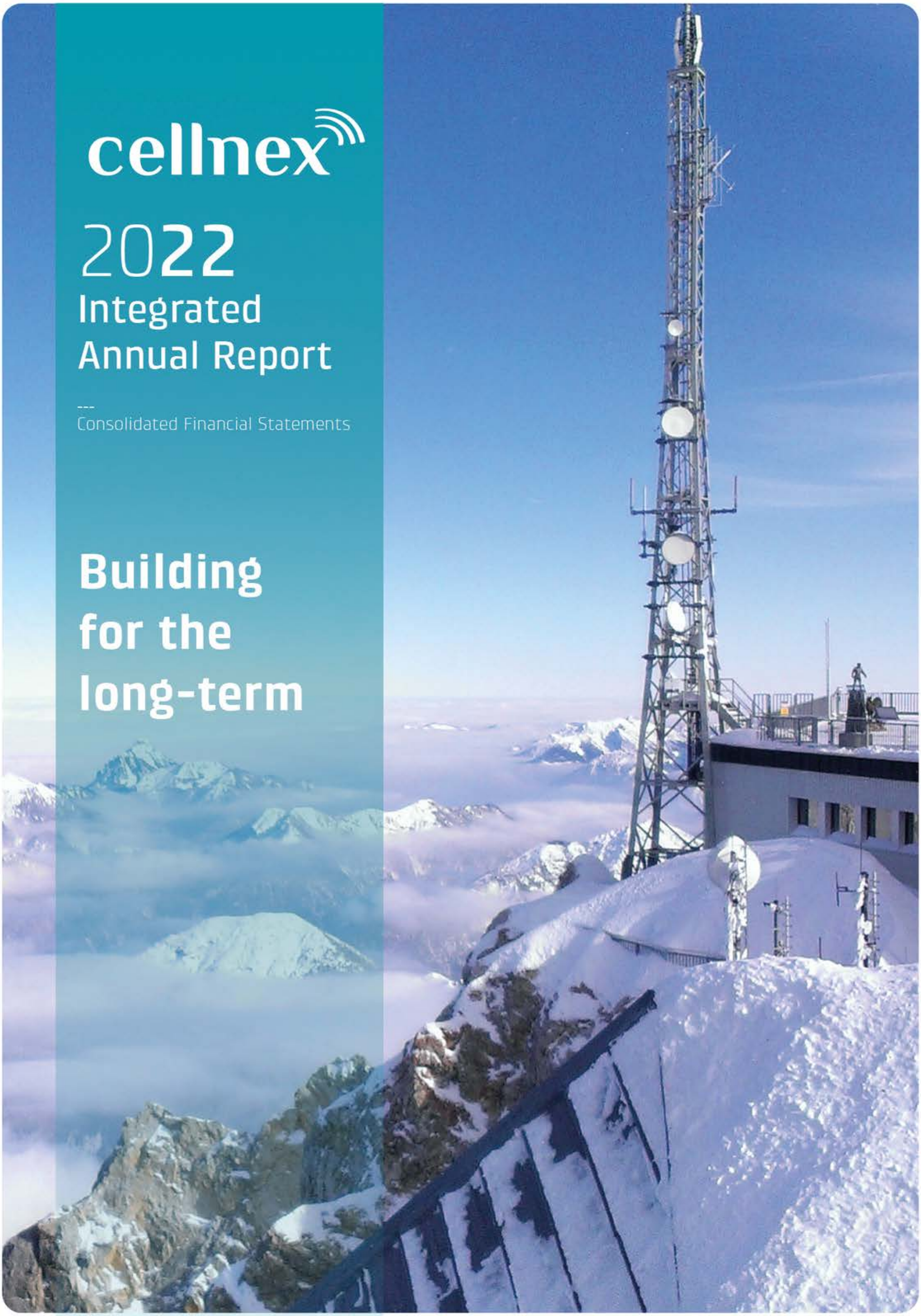
Annex 10. Annual Report on the Remuneration of Directors of Cellnex Telecom

The Annual Report on the Remuneration of the Directors of Cellnex Telecom for the fiscal year 2022, which is part of the Company's Consolidated Management Report, is presented as a separate document and is available on the website of the National Securities Market Commission (CNMV) as well as on the **Cellnex Telecom website** from the date of publication of the Integrated Annual Report.

Annex 11. Annual Corporate Governance Report

The Annual Corporate Governance Report of Cellnex Telecom for the fiscal year 2022, which forms part of the company's Consolidated Management Report, is presented as a separate document and is available on the website of the National Securities Market Commission (CNMV) as well as on the **Cellnex Telecom website** from the date of publication of the Integrated Annual Report.

Additionally, the auditor's report referring to the "information relating to the Internal Control over Financial Reporting (ICFR) system of the Cellnex Group (Cellnex Telecom, S.A. and subsidiaries) for the reporting year it is endorsed to the Annual Corporate Governance Report.



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2022 Integrated Annual Report

Consolidated Financial Statements

Building for the long-term

Cellnex Telecom, S.A.
and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2022 and
Consolidated Directors' Report, together
with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cellnex Telecom, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in net equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2022, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description

Notes 8 and 9 to the accompanying consolidated financial statements as at 31 December 2022 contain a description of the goodwill, other intangible assets and property, plant and equipment relating mainly to infrastructure for the provision of services to mobile telecogmmunications operators, and also of the cash-generating units (CGU) identified by the Group.

In relation to those assets, each year the Group tests each of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques, for which purpose it employs cash flow projections aligned with projected earnings and needed investments, as well as other assumptions obtained from the business plan approved by the Parent's directors, irrespective of whether there are indications of impairment, given the sensitivity of the key assumptions used.

Also, a discount rate is determined on the basis of the economic situation in general and of that of each CGU in particular.

Procedures applied in the audit

Our audit procedures included, among others, the understanding of the process followed by the Group for evaluating the recoverable value of goodwill, other intangible assets and property, plant and equipment.

Furthermore, we performed substantive procedures, based on obtaining and analysing the impairment tests conducted by the Group, verifying their clerical accuracy and also analysing the consistency of the future cash flow projections considered in those tests with the most recent business plan approved by the Parent's directors.

Also, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions and an analysis of their consistency with the actual data relating to the performance of the CGU.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description

The performance of these impairment tests requires the Parent's directors to make significant judgements and estimates. As a result of this circumstance, together with the significance of those assets at the reporting date, this matter was determined to be a key matter in our audit.

Procedures applied in the audit

In addition, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Lastly, we checked that the disclosures included in Notes 3-c, 8 and 9 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Business combinations

Description

The Group performed business combinations in 2022 and 2021, as described in Notes 2-h and 6 to the accompanying consolidated financial statements as at 31 December 2022.

These combinations are complex transactions which include contractual agreements the recognition of which in the consolidated financial statements requires the Parent's directors to make significant judgements and estimates.

Procedures applied in the audit

Our audit procedures included, among others, the understanding of the process followed by the Group of identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose.

Business combinations	
Description	**Procedures applied in the audit**
In addition, in the process of identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose, significant judgements and estimates also need to be made and, therefore, the Group, where appropriate, was assisted by experts engaged by it for this purpose. The accompanying consolidated financial statements include the provisional accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combinations effected in 2022, and the completed accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combinations effected in 2021 (see Note 5), since the applicable legislation allows the allocation of fair value to be re-estimated during a period of one year from the acquisition date. Consequently, the analysis of these transactions was a key audit matter in our audit.	Furthermore, we performed substantive procedures, based on obtaining and analysing the contractual documentation, placing particular emphasis on the transfer of the risks associated with the business in order to determine when the obtainment of control of the aforementioned businesses should be accounted for. For each business combination in 2022, we obtained the provisional analysis performed by the Group to determine the fair value of the assets acquired and liabilities and contingent liabilities assumed, and we verified the clerical accuracy of the calculations performed and the reasonableness of the main assumptions considered therein. In addition, for the business combinations in 2021, the accounting of which was considered to have been completed in 2022, we obtained the final analysis carried out by the Group to determine the fair value of the assets acquired and the liabilities assumed, and verified the same aspects and that the comparative figures were restated in accordance with the applicable regulations.

Business combinations

Description	Procedures applied in the audit
	To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the business plan relating to the businesses acquired. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions. With regard to the external experts engaged by the Group, we evaluated their competence, capability and objectivity, and obtained an understanding of their work as experts and of the adequacy of that work for use as audit evidence. Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows. Lastly, we evaluated whether the disclosures included in Notes 2-h, 5 and 6 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2022, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Director's Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above was furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2022 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and Risk Management Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's Audit and Risk Management Committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on pages 9 and 10 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Cellnex Telecom, S.A. and subsidiaries for 2022, which comprise the XHTML file including the consolidated financial statements and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Cellnex Telecom, S.A. are responsible for presenting the annual financial report for 2022 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). In this regard, the Annual Corporate Governance Report and the Annual Director's Remuneration Report have been incorporated by reference in the management report.

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit and Risk Management Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's Audit and Risk Management Committee dated 28 February 2023.

Engagement Period

The Annual General Meeting held on 21 July 2020 appointed us as auditors for a period of three years from the year ended 31 December 2020.

Previously, we were designated by the sole shareholder for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2013 and, therefore, since the year ended 31 December 2015, the year in which the Parent became a Public Interest Entity.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21443

28 February 2023

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de Censors Jurats
de Comptes
de Catalunya

DELOITTE, S.L.

2023 Núm.20/23/00261

Informe d'auditoria de comptes subjecte
a la normativa d'auditoria de comptes
espanyola o internacional

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Consolidated Financial Statements

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2022

TABLE OF CONTENTS

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022

(Thousands of Euros)

	Notes	31 December 2022	31 December 2021 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 8	10,694,339	8,354,543
Intangible assets	Note 9	26,841,727	24,280,539
Right-of-use assets	Note 16	3,437,710	3,346,187
Investments in associates	Note 10	33,232	3,265
Financial investments	Note 13.b	117,568	26,406
Derivative financial instruments	Note 11	161,523	30,116
Trade and other receivables	Note 12	75,259	50,830
Deferred tax assets	Note 18	635,662	673,024
Total non-current assets		**41,997,020**	**36,764,910**
CURRENT ASSETS			
Inventories		4,770	2,765
Trade and other receivables	Note 12	1,162,665	1,163,078
Receivables from associates	Note 24	25	384
Financial investments	Note 13.b	3,663	3,151
Derivative financial instruments	Note 11	—	77
Cash and cash equivalents	Note 13	1,038,179	3,926,578
Total current assets		**2,209,302**	**5,096,033**
Non-current assets held for sale	Note 7	51,427	—
TOTAL ASSETS		**44,257,749**	**41,860,943**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2022.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022

(Thousands of Euros)

	Notes	31 December 2022	31 December 2021 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	176,619	169,832
Treasury shares	Note 14.a	(47,619)	(60,802)
Share premium	Note 14.b	15,522,762	14,580,762
Reserves	Note 14.c	(1,133,599)	(133,427)
Loss for the period	Note 14.g	(297,058)	(362,539)
		14,221,105	**14,193,826**
Non-controlling interests	Note 14.f	966,693	1,633,652
Total net equity		**15,187,798**	**15,827,478**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	17,747,336	14,914,060
Lease liabilities	Note 16	2,501,896	2,402,021
Derivative financial instruments	Note 11	25,290	11,832
Provisions and other liabilities	Note 19.c	2,014,396	2,119,242
Employee benefit obligations	Note 19.b	51,727	70,453
Deferred tax liabilities	Note 18	4,444,316	3,826,048
Total non-current liabilities		**26,784,961**	**23,343,656**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	143,352	719,995
Lease liabilities	Note 16	583,594	503,741
Employee benefit obligations	Note 19.b	62,851	70,634
Payables to associates	Note 24	710	69
Trade and other payables	Note 17	1,472,669	1,395,370
Total current liabilities		**2,263,176**	**2,689,809**
Liabilities associated with non-current assets held for sale	Note 7	21,814	—
TOTAL NET EQUITY AND LIABILITIES		**44,257,749**	**41,860,943**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2022.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Euros)

	Notes	2022	2021 (*)
Services		3,247,713	2,438,400
Other operating income		247,467	94,399
Operating income	**Note 20.a**	**3,495,180**	**2,532,799**
Staff costs	Note 20.b	(270,383)	(300,357)
Other operating expenses	Note 20.c	(658,518)	(485,404)
Change in provisions		(15,269)	(2,537)
Depreciation, amortisation and results from disposals of fixed assets	Notes 7, 8, 9, 16 and 20.e	(2,320,694)	(1,676,324)
Operating profit		**230,316**	**68,177**
Financial income	Note 20.f	22,519	4,416
Financial costs	Note 20.f	(424,073)	(375,591)
Interest expense on lease liabilities	Note 20.f	(327,405)	(234,088)
Net financial loss		**(728,959)**	**(605,263)**
Profit of companies accounted for using the equity method	Note 10	(4,239)	(3,222)
Loss before tax		**(502,882)**	**(540,308)**
Income tax	Note 18	189,946	154,124
Consolidated net loss		**(312,936)**	**(386,184)**
Attributable to non-controlling interests	Note 14.f	(15,878)	(23,645)
Net loss attributable to the Parent Company		**(297,058)**	**(362,539)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.44)	(0.59)
Diluted	Note 14.e	(0.29)	(0.43)

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated income statement corresponding to the year ended 31 December 2022.

(*) Restated figures. Certain amounts included in this consolidated income statement for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Euros)

	Notes	2022	2021 (*)
LOSS FOR THE PERIOD		**(312,936)**	**(386,184)**
Income and expenses recognised directly in net equity, transferable to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	81,984	8,008
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies	Note 11	(1,554)	14,094
Foreign exchange differences	Note 14	(212,715)	90,042
Tax effect		(20,842)	(2,002)
Income and expenses recognised directly in net equity, not transferable to the consolidated income statement:			
Changes in the fair value of financial liabilities at fair value through equity	Note 14 and 19.c	(9,703)	—
Total income and expenses recognised directly in net equity		**(162,830)**	**110,142**
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(929)	(3,586)
Tax effect		232	895
Total income transferred to the consolidated income statement		**(697)**	**(2,691)**
Total consolidated comprehensive profit / (loss)		**(476,463)**	**(278,733)**
Attributable to:			
- Company shareholders		(464,261)	(263,947)
- Non-controlling interests		(12,202)	(14,786)
Total consolidated comprehensive profit / (loss)		**(476,463)**	**(278,733)**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2022.

(*) Restated figures. Certain amounts included in this consolidated statement of comprehensive income for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Euros)

	Notes	Share capital	Treasury shares	Share premium	Reserves	Profit for the period	Non-controlling interests	Net equity
At 1 January 2021		**121,677**	**(8,078)**	**7,769,936**	**267,805**	**(135,425)**	**914,504**	**8,930,419**
Comprehensive income for the year		—	—	—	98,592	(362,539)	(14,786)	**(278,733)**
Distribution of 2020 profit		—	—	—	(135,425)	135,425	—	**—**
Treasury shares	Note 14.a	—	(52,724)	—	—	—	—	**(52,724)**
Changes in the consolidation scope	Note 2.i	—	—	—	(374,526)	—	733,934	**359,408**
Final dividend	Note 14.d	—	—	(32,216)	—	—	—	**(32,216)**
Capital increase and other equity contributions	Note 14.a	48,155	—	6,843,042	3,245	—	—	**6,894,442**
Employee remuneration payable in shares	Note 19.b	—	—	—	9,979	—	—	**9,979**
Other		—	—	—	(3,097)	—	—	**(3,097)**
At 31 December 2021 (*)		**169,832**	**(60,802)**	**14,580,762**	**(133,427)**	**(362,539)**	**1,633,652**	**15,827,478**
At 1 January 2022 (*)		**169,832**	**(60,802)**	**14,580,762**	**(133,427)**	**(362,539)**	**1,633,652**	**15,827,478**
Comprehensive income for the year		—	—	—	(167,203)	(297,058)	(12,202)	**(476,463)**
Distribution of 2021 profit		—	—	—	(362,539)	362,539	—	**—**
Treasury shares	Note 14.a	—	13,183	—	(52,391)	—	—	**(39,208)**
Changes in the consolidation scope	Note 2.i	—	—	—	(418,139)	—	(672,844)	**(1,090,983)**
Final dividend	Note 14.d	—	—	(36,635)	—	—	—	**(36,635)**
Capital increase and other equity contributions	Note 14.a	6,787	—	978,635	—	—	15,929	**1,001,351**
Employee remuneration payable in shares	Note 19.b	—	—	—	(5,759)	—	—	**(5,759)**
Other		—	—	—	5,859	—	2,158	**8,017**
At 31 December 2022		**176,619**	**(47,619)**	**15,522,762**	**(1,133,599)**	**(297,058)**	**966,693**	**15,187,798**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the statement of changes in the consolidated equity corresponding to the year ended 31 December 2022.

(*) Restated figures. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Euros)

	Notes	2022	2021 (*)
Profit/(loss) for the year before tax		**(502,882)**	**(540,308)**
Adjustments to profit-			
Depreciation, amortisation and results from disposals of fixed assets	Note 20.e	2,320,694	1,676,324
Changes in provisions		15,269	2,537
Interest and other income		(22,519)	(4,416)
Interest and other expenses		751,478	609,679
Share of results of companies accounted for using the equity method	Note 10	4,239	3,222
Other income and expenses		3,442	3,269
Changes in current assets/current liabilities-			
Inventories		(1,291)	(607)
Trade and other receivables		34,169	(253,343)
Other current assets and liabilities		(49,681)	253,882
Cash flows generated by operations			
Interest paid		(626,125)	(441,974)
Interest received		20,702	4,174
Income tax received/(paid)		(88,586)	(87,170)
Non-recurring Income tax paid	Note 18	(7,342)	(78,400)
Current provisions, employee benefit obligations and others		(22,425)	(5,701)
Total net cash flow from operating activities (I)		**1,829,142**	**1,141,168**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2022.

(*) Restated figures. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Euros)

	Notes	2022	2021 (*)
Business combinations and changes in the scope of consolidation	Notes 2.i and 6	(3,390,169)	(12,358,365)
Purchases of property, plant and equipment and intangible assets	Notes 8 and 9	(2,568,516)	(1,521,429)
Payments for financial investments and associates		(157,827)	(23,722)
Collections for financial investments and associates	Note 10	56,388	—
Proceeds from Non-current assets held for sale		110,448	—
Total net cash flow from investing activities (II)		**(5,949,676)**	**(13,903,516)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	Note 14	(322,917)	6,765,675
Proceeds from issue of bank borrowings	Note 15	2,047,334	393,529
Bond issue	Note 15	982,525	5,869,731
Repayment and redemption of bond issues and other loans	Note 15	(600,000)	—
Repayment and redemption of bank borrowings	Note 15	(288,137)	(505,399)
Net repayment of other borrowings	Note 15	1,957	327
Net payment of lease liabilities	Note 16	(597,046)	(447,594)
Total net cash flow from financing activities (III)		**1,223,716**	**12,076,269**
Foreign exchange differences (IV)		**8,419**	**(39,370)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)+(IV)		**(2,888,399)**	**(725,449)**
Cash and cash equivalents at beginning of year	Note 13	3,926,578	4,652,027
Cash and cash equivalents at end of year	**Note 13**	**1,038,179**	**3,926,578**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2022.

(*) Restated figures. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 5.

Cellnex Telecom, S.A. and Subsidiaries

Notes to the consolidated financial statements for the year ended on 31 December 2022

1. General information

Cellnex Telecom, S.A., (hereinafter, the "Parent Company" or "Cellnex") was incorporated in Barcelona, Spain, on 25 June 2008. Its registered office is at Calle Juan Esplandiú nº 11 in Madrid, Spain. On 1 April 2015, it changed its name to Cellnex Telecom, S.A. The name of the Parent Company has not changed in this financial year or in the previous one.

The Parent Company's corporate purpose, as set out in its bylaws, includes:

- The establishment and operation of all kinds of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, for its own benefit or for the benefit of third parties, of all types of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of such installations and services under any type of contractual arrangement allowed by law, especially administrative concessions.

The Parent Company may undertake these activities directly or indirectly through the ownership of shares or equity investments in companies with a similar corporate purpose or in any other manner allowed by law.

The main location in which the group operates is Europe.

Cellnex Telecom, S.A. is the parent of a group of companies engaged in the management of terrestrial telecommunications infrastructures (hereinafter, the "Group" or "Cellnex Group").

2. Basis of presentation

a) Basis of presentation

The consolidated financial statements of Cellnex Telecom, S.A. and Subsidiaries for the year ended on 31 December 2022, which have been based on the accounting records kept by the Parent Company and by the other companies that make up the Group, were authorised for issue by the Directors of the Parent Company at the meeting of the Board of Directors held on 28 February 2023.

These consolidated financial statements have been prepared in accordance with the regulatory financial reporting framework applicable to the Group which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter, "EU-IFRS") and taking into consideration all of the accounting principles and standards and the valuation criteria that must be applied, as well as the Commercial Code, the Spanish Limited Liability Companies Act and other applicable commercial legislation, so that they show a true image of the equity and financial condition of the Cellnex Group at 31 December 2022 and the results of its operations, the changes in net equity and the consolidated cash flows that have occurred within the Group during the financial year ended on that date.

Given that the accounting principles and valuation criteria applied when preparing the Group's consolidated financial statements at 31 December 2022 may differ from those used by some of the companies within the Group, the adjustments and reclassifications needed to standardise the principles and criteria, and adapt them to the EU-IFRS, have been carried out as part of the consolidation process.

The consolidated financial statements of Cellnex Telecom, S.A., as well as its stand-alone financial statements and the financial statements of the companies forming part of the Group will be submitted for its approval to their respective General

Meetings of Shareholders/Partners or Sole Shareholder/Sole Partner within the legally established deadlines. The Directors of the Parent Company consider that these financial statements will be approved without any significant changes.

Moreover, the Group's consolidated financial statements corresponding to the financial year ended on 31 December 2021 were approved by the shareholders of the Parent Company on 28 April 2022.

b) Adoption of IFRSs

The Cellnex Group's consolidated financial statements are presented in accordance with EU-IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to prepare consolidated financial statements in accordance with EU-IFRSs is also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on tax, administrative, labour and social security measures.

The principal accounting policies and measurement bases adopted by the Group are presented in Note 3.

(I) Standards and Interpretations effective during the present year

The following new accounting standards, amendments and interpretations came into force in 2022:

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning on or after:
	Approved for use in the European Union	
Amendment to IFRS 3. Reference to the Conceptual Framework (published in May 2020)	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recording of contingent assets and liabilities.	1 January 2022
Amendment to IAS 16. Income obtained before intended use (published in May 2020)	The amendment prohibits deducting from the cost of property, plant and equipment any income obtained from the sale of the items produced while the entity is preparing the asset for its intended use. The income from the sale of such samples, together with the production costs, should be recorded in the income statement.	1 January 2022
Amendment to IAS 37. Onerous contracts - Cost of fulfilling a contract (published in May 2020)	The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfillment of the contract.	1 January 2022
Improvements to IFRS Cycle 2018 - 2020 (published in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022

The Group has applied the aforementioned standards and interpretations since their entry into force, which has not given rise to any significant change in its accounting policies.

(II) Standards and interpretations issued but not yet in force

At the date of formal preparation of these consolidated financial statements, the following standards, amendments and interpretations had been published by the International Accounting Standards Board (IASB) but had not come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union.

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
	Approved for use in the European Union	
Amendments to IAS 1 - Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications of the definition of a change in accounting estimate.	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications on how entities should recognise deferred taxes arising in transactions such as leases and obligations in relation to the dismantling assets.	1 January 2023
Amendments to IFRS 17 - Insurance contracts - Initial application of IFRS 17 and IFRS 9. Comparative information (issued in December 2021)	Amendments of the requirements for transition of IFRS 17 for the insurance companies compliant with IFRS 17 and IFRS 9 for the first time at the same time.	1 January 2023
IFRS 17 - Insurance contracts and their modifications (published in May 2017 and June 2020, respectively)	It replaces IFRS 4 and includes the principles of registration, valuation, presentation and breakdown of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that the contracts of insurance they have in the financial statements.	1 January 2023
	Not yet approved for use in the European Union	
Amendment to IAS 1 - Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current	1 January 2024
Amendments to IFRS 16 - Lease liability in a sale with subsequent leasehold)	These amendments define how to present the lease liabilities that arise in the sale transactions and subsequent leasehold.	1 January 2024

The application of new standards, amendments and interpretations will be considered by the Group once they have been ratified and adopted, as the case may be, by the European Union. In any case, the Parent Company's Directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's consolidated financial statements.

c) Presentation currency of the Group

These consolidated financial statements are presented in euros, as this is the currency of the main economic area in which the Group operates. In relation to financial information of foreign companies whose functional currency is different from the presentation currency of the consolidated financial statements are translated to euros using the method described in Note 2.g VII.

Additionally, in relation to financial information of foreign companies whose functional currency is different from the presentation currency of the consolidated financial statements and its presentation in euros on a date, other than the closing date of these accompanying consolidated financial statements, it is translated to euros using the following exchange rates: i) PLN = 4.651 to EUR 1 in relation to the Iliad Poland Acquisition (see Note 6); ii) SEK = 10.06 to EUR 1 in relation to the CK Hutchison Holdings Transactions in Sweden, iii) PLN = 4.522 to EUR 1 in relation to the Polkomtel Acquisition (see Note 6), and iv) GBP = 0.879 to EUR 1 in relation to the CK Hutchison Holdings Transactions in the United Kingdom (see Note 6).

d) Responsibility for the information provided and accounting estimates and judgements made

The preparation of the consolidated financial statements under IFRS requires certain accounting estimates to be made and certain elements of judgement to be considered by the Board of Directors of the Parent Company. These are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events, which are considered reasonable under the circumstances. Although the estimates considered have been made with the best information available as of the date of preparing these consolidated financial statements, in accordance with IAS 8, any future amendment to these estimates would be applied prospectively as of that moment, acknowledging the effect of the change on the estimate made in the consolidated income statement for the financial year in question.

The main estimates and judgements considered in preparing the consolidated financial statements are as follows:

a) Useful lives of property, plant and equipment (see Note 3.a).

The determination of useful lives of property, plant and equipment requires estimates of the assets' level of use and of expected technological changes. Assumptions regarding the level of use, technological framework and their future development, based on which the useful lives are determined, entail a significant degree of judgment, since the time and nature of future events are difficult to foresee.

b) Useful lives of intangible assets (see Note 3.b).

The intangible assets associated with the telecom infrastructures are amortised over the shorter of the term of the corresponding ground lease (taking into consideration renewals) or up to 20 years, as the Group considers these intangibles to be directly related to the infrastructure assets.

c) Lease term and useful lives of right-of-use assets (see Note 3.r).

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

d) The measurement of non-financial assets and goodwill in order to determine the existence of impairment losses on these assets (see Notes 3.b and 3.c).

The determination of impairment losses requires the use of estimates on the recoverable amount based on impairment tests. The estimated recoverable amount for non-financial assets and goodwill is based mainly on impairment tests performed using discounted cash flows.

e) Derivatives or other financial instruments (see Notes 3.d, 3.e, 11 and 15)

The fair value of financial instruments traded on official markets is based on the market prices at the consolidated balance sheet date. The quoted market price used for financial assets is the current bid price.

The fair value of the financial instruments not quoted on active markets is determined using valuation techniques. The Group uses various methods and makes assumptions based on the existing market conditions at each consolidated balance sheet date. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate swaps is calculated as the present value of the estimated cash flows.

The carrying amount, less the provision for impairment losses on accounts receivable and payable, is similar to their fair value.

The fair value of financial liabilities, for the purposes of presenting financial information, is estimated by discounting future contractual cash flows at the current market interest rate the Group would have access to for similar financial instruments.

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. In this sense, the Group determines the classification of its financial assets at initial recognition.

f) Business combinations and fair value of the acquired assets and liabilities (see Note 6).

As a first step, Cellnex carries out a review of the acquisitions made to determine if they correspond to a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets. In the case of a business combinations, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

g) Provisions for staff obligations (see Notes 3.m and 19.b).

The calculation of pension expenses, other post-retirement expenses or other post-retirement liabilities requires the application of several assumptions. At the end of each financial year, the Group estimates the provision needed to meet the commitments for pensions and similar obligations, in accordance with the advice of independent actuaries. Changes affecting these assumptions may result in different amounts for the expenses and liabilities recorded. The most significant assumptions for measuring pension and post-retirement benefits liabilities are retirement age, inflation and the discount rate used. The assumptions about social security coverage are also essential for determining other post-retirement benefits. Any future changes to these assumptions would have an impact on the future pension expenses and liabilities.

h) Deferred tax assets and income tax (see Notes 3.l and 18).

The calculation of the income tax expense requires the interpretation of tax legislation in the jurisdictions where the Group operates. The determination of expected outcomes with regards to outstanding disputes and litigation requires significant estimates and judgements to be made. The Group assesses the recoverability of deferred tax assets based on the estimates of future taxable income and the ability to generate sufficient income during the periods in which these deferred taxes are deductible.

i) Provisions: the probability of occurrence and the amount of the undetermined contingent liabilities (see Notes 3.o and 19).

The Group makes an estimate of the amounts to be settled in the future, including those corresponding to contractual obligations and outstanding litigation. These estimations are subject to interpretations of the current facts and circumstances, forecasts of future events and estimates of the financial effects of these events.

The consolidated financial statements have been prepared on the historical cost basis, except in the cases specifically mentioned in these Notes, such as the items measured at fair value, as described in Notes 3.d and 3.e.

Coronavirus Pandemic

Global economic conditions have rapidly deteriorated in 2021 and 2022 as a result of the Coronavirus Pandemic which began in China in late 2019 and has subsequently spread globally, significantly affecting the European markets where the Group operates as of the date of these consolidated financial statements, as well as the global economy, impacting global growth. During 2022, while the actions of the central banks in response to the Coronavirus Pandemic, however, allowed an overall context of favourable financing conditions and the macro-financial outlook for the global economy improved mainly as a result of vaccines having been rolled out, some vulnerabilities continue to remain, such as the weak financial situation of some segments of households and companies, and the growing public indebtedness of the low profitability of entities. Moreover, the appearance and spread of new COVID-19 variants may result in the reintroduction of containment measures. While the Coronavirus Pandemic has not had a significant effect on the Group's business, financial condition or results of operations nor in prior periods neither as of 31 December 2022 and, therefore, has not had a significant effect on the consolidated financial statements for the year ended 31 December 2022, its future evolution will depend on future developments, which are uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others.

During the crisis brought about by the pandemic, maintaining connectivity was more important than ever before, not only with respect to the many entertainment options offered through streaming services or social media, but also by catering for the curricular needs of millions of students, providing information and maintaining employment, family and interpersonal relationships through instant audiovisual communication. Telecommunications infrastructure plays a vital role in this regard.

Cellnex, as an operator of such infrastructure, managed to ensure the continuity of uninterrupted 24/7 service to more than 200 million people throughout Europe. For this reason, Cellnex's operations were not especially affected by the Coronavirus Pandemic neither a significant impact has resulted on the leases entered into by the Group, so they have not had to be modified or renegotiated.

Brexit

In general terms, the long term effects of Brexit on the financial statements as a whole are still uncertain. In this regard, the increase in public debt, the fall in growth rates and any monetary policy measure that might be adopted in the future in the credit markets could affect the Group's businesses. One change in any of these factors could affect the Group's ability to access the capital markets and the terms and conditions under which it might access them.

In this context, it should also be noted that the nature of the Group's business means that in each territory it acts, to all extents and purposes, autonomously of other subsidiaries or the parent, in the sense that interterritorial commercial operations are not a key aspect of the business. In this connection, any risk associated with competition restrictions or disadvantages arising from potential transactions between the United Kingdom and other geographies is limited.

Notwithstanding, the Group's plans for mitigating the potential risks associated with Brexit focus mainly on the risk relating to Cellnex's exposure to the pound sterling, the most notable tools for which are the designation of cash flow hedging instruments and hedges of net investments in foreign operations. These hedges were implemented through both derivative financial instruments (e.g., currency swaps) and loans in pounds sterling that act as a natural hedge of the investment in the United Kingdom (see Note 11).

Russian invasion of Ukraine

Adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the full-scale invasion of Ukraine launched by Russia on 24 February 2022. As a result of the invasion, the European Union (the "EU"), EU member states, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions and export-control measure packages. The uncertain nature, magnitude and duration of Russia's war in Ukraine and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks), on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which could affect the Group's business, results of operations, cash flows, financial condition and prospects.

In addition, both the military conflict between Russia and Ukraine and the associated sanctions are contributing to further increases in the prices of energy, oil and other commodities, and further disrupting supply chains. This has led to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. Such an increase in commodity prices adds to a context of already extraordinarily high inflation rates, in Spain, in the rest of the European markets where the Group operates and in most developed countries. In this situation, central banks have started to abandon the low interest rate environment, increasing or discussing the possibility of increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates).

The conflict has not had a significant effect on the Group's results for the period ended as of 31 December 2022 and, additionally, the Group has considered the uncertainty caused by the current situation and, as a conclusion, to date they have not affected the estimates that were being made and, consequently, they have not affected the book value of the assets (especially considering 2022 impairment test headroom as described in Notes 8 and 9) and liabilities as well as certain financial risks (see Note 15). The evolution of the conflict will depend on future developments, which are highly uncertain and cannot be predicted, including the economic conditions, and the actions to contain the conflict or treat its impact, among others.

Others

The consolidated financial statements have been prepared on the basis of uniformity in recognition and measurement. When a new standard amending existing measurement bases becomes applicable, it is applied in accordance with the transition criterion provided in the standard.

Certain amounts in the consolidated income statement and the consolidated balance sheet were grouped together for the sake of clarity. These items are disclosed in the Notes to the consolidated financial statements.

The distinction presented in the consolidated balance sheet between current and non-current items was made based on whether they fall due within one year or more, respectively.

In addition, the consolidated financial statements include all additional information considered necessary for their correct presentation under the company law in force in Spain.

Finally, the figures contained in all the financial statements forming part of the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes to net equity, consolidated statement of cash flows) and the Notes to the consolidated financial statements are expressed in thousands of euros (or otherwise expressed).

e) Comparative information

As required by the IFRS, the information relating to the financial year ended on 31 December 2021 contained in these consolidated financial statements for 2022 is submitted solely and exclusively for the purpose of comparison.

The consolidated balance sheet (and its respective disclosures), the consolidated income statement (and its respective disclosures), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2021 (included in these consolidated financial statements) were restated (with regard to the information contained in the Group's consolidated financial statements at 31 December 2021) as a result of the final purchase price allocation for Iliad Poland Acquisition, T-Mobile Infra Acquisition, Polkomtel Acquisition, the CK Hutchison Transaction in respect of Italy, Infratower Acquisition and Hivory Acquisition (see Notes 5 and 6).

f) Materiality

In deciding what information to disclose in the Notes on the various items of the consolidated financial statements or other matters, the Group assessed materiality in relation to these consolidated financial statements for 2022.

g) Consolidation principles

(I) Methods of Consolidation

Subsidiaries

Subsidiaries are all companies in which the Group directly or indirectly controls the financial and operational policies, so that it exercises control over the investee company while maintaining the exposure or right to the variable results from the investment and the ability to use this control in order to influence the amount of these returns. This is generally accompanied by an ownership interest of more than the half of the voting rights.

Additionally, to assess if the Group controls another company, the following are considered: the power over the investee; exposure or rights to variable returns of the investment; and the ability to use this power over the investee to affect the amount of the investor’s returns. The subsidiary companies are consolidated as from the date on which control is transferred to the Group and they are excluded from consolidation on the date in which the control ceases.

The Group consolidates subsidiaries using the full consolidation method. In this connection, Cellnex exercises effective control over the consolidated companies On Tower Poland, s.p.z.o.o ("On Tower Poland"), Nexloop France, S.A.S. (“Nexloop”), Cellnex Netherlands subgroup, Cellnex Switzerland subgroup, Adesal, S.A., Metrocall, S.A. (“Metrocall”) and Cellnex France Infrastructure, S.A.S. ("Cellnex France Infrastructure") since Cellnex exercises effective control, without considering, when applicable, any potential additional voting rights, over the consolidated companies as: i) Cellnex holds more than 50% ownership interest of the companies, ii) Cellnex, as majority shareholder, has the capacity to appoint a majority of the members of the Board of Directors of the companies, and iii) by virtue of the respective shareholders agreement entered into with respective minority/ies shareholder/s of the companies, giving Cellnex the decision-making capacity over relevant activities of the companies and also the control over the returns of the investments. The rights granted to minority/ies shareholder/s according to the respective agreements are protective rights and, consequently, does not allow the minority/ies shareholder/s to have power over abovementioned companies since the rights granted are related to fundamental changes to the activities or only applicable in exceptional circumstances.

Finally, in accordance with the disclosure requirements set forth in IFRS 12, there are no significant restrictions on the use of assets and settlement of liabilities of the Group companies.

Appendix I to these Notes provides details on all the subsidiaries included in the scope of consolidation at 31 December 2022.

Associates

Associates are companies over which the Group exercises significant influence and with which it has a long-term relationship that fosters and influences its business even though it has a small representation in the management and control bodies. Along with this representation, the Group generally holds between 20% and 50% of the company’s voting rights, unless it can be clearly demonstrated that such influence does not exist or unless the Group holds less than 20% of those rights and it can be clearly demonstrated that said influence does exist.

The investments in associates are recorded using the equity method and are initially recognised at cost. The investments of the Parent Company in associates include, as per IAS 28, goodwill (net of any accumulated impairment losses) identified in the acquisition, and are recognised under “Investments in associates” in the consolidated balance sheet.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the cost of the acquisition. Therefore, the Group interprets the cost of an investment in an associate acquired in stages to be the sum of the amounts paid at each acquisition plus the share of the profits and other changes in shareholders’ equity less any impairment that may have arisen.

Thereafter, the Group’s share of the profit (loss) and reserves of associates is recognised in the consolidated income statement and as consolidation reserves (other comprehensive income), respectively, with the value of the shareholding as the balancing entry in both cases. Dividends received and/or accrued after acquisitions are adjusted against the amount of the investment.

If the Group’s share of the losses of an associate is equal to or greater than the value of its financial investment, including any other outstanding account receivable not guaranteed, further losses will not be recognised unless obligations have been incurred, guarantees have been furnished or payments have been made on behalf of the associate, which would entail the recognition of a financial liability.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

Appendix II to these Notes provides details on the associates included in the scope of consolidation using the equity method at 31 December 2022.

(II) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(III) Standardisation of accounting reference periods and valuation

The reporting periods for all companies included in the scope of consolidation end on 31 December. For the purposes of the consolidation process, the respective financial statements prepared under IFRS principles were used. In accordance with current legislation, these companies present individual financial statements as set forth in the applicable standards.

The measurement bases applied by the Group companies are largely consistent. However, where necessary, adjustments were made to standardise the measurement bases and ensure that the accounting policies of the companies included in the scope of consolidation were uniform with the policies adopted by the Group.

(IV) Business combinations

The subsidiaries acquired by the Group are accounted for using the acquisition method in accordance with the revised IFRS 3, considering that they meet the "business" definition. Acquisition cost is the fair value of the assets acquired and the equity instruments issued, and of the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs that are directly attributable to the transaction are recognised directly in the consolidated income statement for the year in which the transaction takes place.

Cellnex only recognises as part of the application of the acquisition method the consideration transferred for the assets acquired and the liabilities assumed at the date on which the business combination becomes effective. The calculation of the consideration to be transferred to the seller and the valuation of the net assets acquired is based on fair values that only envisage the net assets in existence at the date of obtainment of control of the underlying business, and, when applicable, the service agreements entered into with the seller do not affect these values.

The consideration transferred is generally a fixed amount and it is not subject to variability or have any relationship with the service agreements, i.e., the agreements are on an arm's-length basis and, accordingly, Cellnex considers, when applicable, that there is no interaction between the amount of the consideration transferred in the business combinations and the future amounts agreed upon in the service agreements. In this sense, in general terms, the service agreements entered into with the seller are negotiated at terms and conditions that would be agreed upon with a third party with which no purchase and sale agreement for the related business has been entered into. Any possible breach of the obligations assumed in these agreements would not affect the consideration transferred in the business combination. Such agreements envisage, as part of the terms and conditions agreed upon, certain penalties in the event of breach by the parties. These penalties are in line with those that would be negotiated in an agreement in which the party providing the services were not the seller of the related business; i.e., the penalties attempt to compensate, in market terms, the damage that would arise in the event of a breach of the agreement.

The Group measures non-controlling interests at fair value, pursuant to IFRS 3.19. This fair value is calculated based on the proportion represented by the non-controlling interest of the fair value of the business acquired.

The excess over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the corresponding Cash-Generating Units (hereinafter, CGUs).

The Group makes a provisional allocation of the purchase price for the business combination at the acquisition date; this initial assessment is reviewed, as appropriate, within 12 months from the date control is obtained.

The resulting goodwill is allocated to the various CGUs expected to benefit from the business combination's synergies, regardless of any other acquired assets and liabilities allocated to these CGUs or groups of CGUs.

However, if the acquisition cost is below the fair value of the acquiree's net assets, such as in a bargain purchase, the difference is recognised as a gain directly in the consolidated income statement.

Goodwill arising on consolidation is not systematically amortised and is subject to an annual impairment test, as indicated in Note 3.b.iv.

In the case of acquisitions of associates in stages, goodwill is calculated for each acquisition based on the cost and the interest in the fair value of the net assets acquired on each acquisition date. Additionally, on gain of control the fair value of the assets and liabilities of the business acquired must be determined including the interest already held. The differences arising from the previously recognised assets and liabilities must be recognised in the consolidated statement of profit or loss.

As indicated in Note 2.g.I)., goodwill relating to acquisitions of associates and multi-group companies is included as an increase in the value of the respective investment and is recognised in accordance with Note 3.b.iv.

(V) Elimination of inter-company transactions

Inter-company transactions and balances are eliminated, as are unrealised gains vis-a-vis third parties on transactions between or among Group companies. Unrealised losses are also eliminated, unless there is evidence of an impairment loss on the transferred asset.

Gains and losses from transactions between the Group and its associates and multi-group companies are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and multi-group companies not related to the investor.

(VI) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the owners of the Group's equity. Therefore, in purchases of non-controlling interests, the difference between the consideration paid and the corresponding proportion of the carrying amount of the subsidiary's net assets is recognised with an impact on net equity. Likewise, gains or losses through the disposal of non-controlling interests are also recognised in the Group's net equity.

In the event that it ceases to have control or significant influence, the remaining investment is remeasured at its fair value, and any gain or loss relative to the previously recognised investment is recognised with an impact in the year's consolidated income statement. Additionally, any amount previously recognised in other comprehensive income with regards to this company is recorded as if the Group had directly sold all the related assets and liabilities. Should this occur, the amounts previously recognised under other comprehensive income would be reclassified to the consolidated income statement for the year. If the decrease in the investment in an associate does not imply a loss of significant influence, the proportional share previously recognised under other comprehensive income is reclassified to the consolidated income statement.

Finally, in relation with the right to sell granted to some minority shareholders that the Group has recorded a liability as a consequence of the terms set forth in paragraph 23 of IAS 32, the Groups criteria is recording the adjustments to the redemption liability directly in equity. This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

(VII) Translation of financial statements denominated in foreign currencies

The financial statements of the foreign companies, none of which operate in a hyperinflationary economy, presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the consolidated financial statements (the euro), are translated to euros using the year-end exchange rate method, according to which:

- Equity is translated at the historical exchange rate.
- Items in the income statement are translated using the average exchange rate for the period as an approximation of the exchange rate at the transaction date.
- The other balance sheet items are translated at the year-end exchange rate.

As a result, exchange differences are included under "Reserves – Translation differences" in equity in the consolidated balance sheet.

(VIII) Other

Currency translation differences arising from the translation of a net investment in a foreign operation and from loans and other instruments in a currency other than euro designated as hedges of those investments are recognised in equity. When the investment is sold, any exchange differences are recognised in the consolidated income statement as part of the gain or loss on the sale.

Adjustments to goodwill and to fair value arising from the acquisition of a foreign operation are considered assets and liabilities of the foreign operation and are translated using the year-end exchange rate.

h) Changes in the scope of consolidation

Movements in 2022

Acquisitions and incorporations

The most significant changes in the scope of consolidation and in the ownership of the companies included in it during the 2022 financial year were as follows:

Name of the company	Company with direct shareholding and % acquired/diluted		Consolidation method
Acquisitions/incorporations:			
On Tower Poland sp z.o.o. (1)	Cellnex Poland sp z.o.o	10%	Full
On Tower France, S.A.S. (2)	Cellnex France Groupe, S.A.S.	30%	Full
Hivory Portugal, S.A. (3)	CLNX Portugal, S.A.	100%	Full
CK Hutchison Networks (UK) Limited (4)	Cellnex UK Limited	100%	Full
Cellnex Netherlands BV (5)	Cellnex Telecom, S.A.	5%	Full
Towerlink Netherlands BV (5)	Cellnex Netherlands BV	5%	Full
Breedlink BV (5)	Cellnex Netherlands BV	5%	Full
Shere Masten BV (5)	Cellnex Netherlands BV	5%	Full
Alticom BV (5)	Cellnex Netherlands BV	5%	Full
On Tower Netherlands subgroup (5)	Cellnex Netherlands BV	5%	Full
Cignal Infrastructure Netherlands BV (5)	Cellnex Netherlands BV	5%	Full

(1) 02/03/2022; (2) 02/03/2022; (3) 31/03/2022; (4) 10/11/2022; (5) 08/08/2022 and 13/09/2022.

I) Acquisition of an additional stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement pursuant to which, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 10% interest in the share capital of On Tower Poland, for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion), exclusive of taxes. This price implies the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 31 December 2022. Thus, the indirect stake that Cellnex holds in On Tower Poland has increased from 60% to 70% as at 31 December 2022.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower France, S.A.S.

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into an agreement pursuant to which Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes (the price of this acquisition has been very inflationary, affected by the performance of the underlying assets). Following this acquisition, Cellnex France Groupe held 100% of On Tower France as of 31 December 2022. Thus, the indirect stake that Cellnex holds in On Tower France has increased from 70% to 100% as at 31 December 2022. Additionally, at the same date, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into another agreement pursuant to which Cellnex has enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed) (see Note 5 of the consolidated financial statements ended as of 31 December 2019) until 2027, with an Enterprise Value of EUR 639 million.

Since the aforementioned transaction did not modify the controlling position in On Tower France, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Acquisition of Hivory Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Notes 2.h and 6 of the 2021 consolidated financial statements), in the second quarter of 2022, Cellnex has acquired, (through its fully owned subsidiary CLNX Portugal) 100% of the share capital of Hivory Portugal S.A. ("Hivory Portugal"), another portfolio of 102 sites in Portugal. The transaction involves an estimated total consideration (Enterprise Value) of approximately EUR 70 million.

The transaction was completed in 2022 following the receipt of customary regulatory authorizations. Thus, Hivory Portugal has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022. The transaction has been accounted for as an asset acquisition rather than as a business combination, as these assets and liabilities acquired are a residual vestige from a previous transaction accounted for as a Business Combination under IFRS 3 (see Note 6), where inputs and processes were identified, and a purchase price allocation exercised was performed.

IV) The Hutchison United Kingdom Acquisition

The CK Hutchison Holdings Transactions in respect of United Kingdom was completed in the last quarter of 2022, following satisfaction or waiver of all applicable conditions precedent, including in connection with customary anti-trust and foreign investment clearances (the “Hutchison United Kingdom Acquisition”). This business combination has been structured through the contracts described in Note 6 and, as a result of the operation, as of 31 December 2022, the Group fully owns the CK Hutchison UK tower business unit comprising: i) 100% of the share capital of CK Hutchison Networks (UK) Limited (“Networks Co UK”), which owns 1,550 sites as well as the commitment of 1,225 additional sites that will be built and transferred to Cellnex and ii) the rights and obligations in relation to 7,324 of the sites (including any accompanying passive infrastructure) currently managed by a joint operation between Hutchison and a third party (such joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party (Following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 sites but up to a maximum of 3,833 sites will be transferred to a member of the Group without cost for the Cellnex Group).

The total consideration upon closing by the Group under the CK Hutchison Agreements was partially paid in cash, EUR 2.3 billion, and the remaining consideration was satisfied by the issuance of 27,147,651 new Cellnex shares (see Note 14) and the transfer of 6,964,144 treasury shares (see Note 14) whose fair value amounted to an aggregate of EUR 1,237 million at the competition date. The Cellnex shares subscribed by Hutchison are subject to a 12-month lock-up on customary terms.

As a result of the aforementioned, the CK Hutchison UK tower business has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022.

V) Dilution of the stake in Cellnex Netherlands subgroup

As detailed in Note 10, during 2022, after the entry of new shareholders into the share capital of Digital Infrastructure Vehicle I SCSp (“DIV”), Cellnex received contributions returns of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) for a total amount of EUR 52 million. Thus, Cellnex's initial investment in DIV has been diluted by 12.71%, from 33.33% to 20.62%.

As a result of the above, at 31 December 2022, Cellnex's stake in the Cellnex Netherlands subgroup has decreased by 5%, from 75% to 70% (see Note 14.f. of the accompanying consolidated financial statements).

Transactions between companies in the scope of consolidation

Furthermore, in 2022, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Liquidations:			
Gestora del Espectro, S.L.		Liquidation of the company	08/03/2022
Mergers:			
CK Hutchison Italia, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with CK Hutchison Italia S.r.L. (absorbed company).	01/04/2022
Hivory II, S.A.S.	Cellnex France Groupe, S.A.S.	Merger by absorption of Cellnex France Groupe, S.A.S.. (absorbing company), with Hivory II, S.A.S. (absorbed company).	21/10/2022
Towerco, S.p.A.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Towerco, S.p.A. (absorbed company).	01/07/2022

Furthermore, in 2022, the subsidiary formerly called Herbert in Building Wireless Limited changed its name to Cellnex UK In-Bulding Solutions Limited and the subsidiary formerly called Network Co UK changed its name to Cignal Infrastructure UK Limited.

Movements in 2021

Acquisitions and incorporations

The most significant changes in the scope of consolidation and in the companies included in it during the 2021 financial year were as follows:

Name of the company	Company with direct shareholding and % acquired/maintained		Consolidation method
Acquisitions/incorporations:			
On Tower Sweden, AB. (formerly HI3G Networks AB) (1)	Cellnex Sweden, AB	100%	Full
Wayworth Limited (2)	Cignal Infrastructure Limited	100%	Full
Swiss Infra Services SA (3)	Swiss Towers AG	10%	Full
On Tower Poland, s.p.z.o.o. (formerly Elphin s.p.z.o.o.) (4)	Cellnex Poland	60%	Full
Digital Infrastructure Vehicle I Scsp (5)	Cellnex Telecom, S.A.	33.33%	See Note 6
Cignal Infrastructure Netherlands, B.V. (formerly T-Mobile Infra B.V.) (6)	Cellnex Netherlands, B.V.	100%	Full
CK Hutchison Networks Italia SPA (7)	Cellnex Italia, SpA	100%	Full
Towerlink Poland (8)	Cellnex Poland	99.99%	Full
Infratower, SA (9)	CLNX Portugal, S.A.	100%	Full
Hivory, SAS (10)	Cellnex France Groupe	100%	Full
Hivory II, SAS (formerly Starlight BidCo, SAS) (10)	Cellnex France Groupe	100%	Full
Sapastre, s.p.z.o.o (11)	Cellnex Poland	100%	Full
Iaso Group Immobiliaire, S.r.L. (12)	Cellnex Italy, S.p.A.	100%	Full
Cignal Infrastructure Portugal (13)	CLNX Portugal, S.A.	100%	Full

(1)25/01/2021; (2)10/03/2021; (3)18/03/2021; (4)31/03/2021; (5)26/05/2021; (6)01/06/2021; (7)30/06/2021; (8)08/07/2021; (9)01/10/2021; (10)28/10/2021; (11)06/12/2021; (12)16/12/2021; (13)28/12/2021.

I) Acquisition by Virtue of the CK Hutchison Holdings Transaction

On 12 November 2020, Cellnex announced it had reached agreement with Hutchison for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions"). See Notes 2.h, 6 and 21 to the 2020 consolidated financial statements for additional information.

The CK Hutchison Holdings Transactions in respect of Sweden and Italy were completed during the first and second quarters of 2021, respectively, following satisfaction or waiver of all applicable conditions precedents.

Sweden

In the first quarter of 2021, Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Sweden) acquired 100% of the share capital of HI3G Networks AB, owner of approximately 2,500 sites located in Sweden. Additionally, Cellnex agreed the deployment of up to 2,677 sites in Sweden by 2025. The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 0.8 billion (see Note 6). In this regard, during the first quarter of 2021, the subsidiary formerly called HI3G Networks AB changed its name to On Tower Sweden AB. ("On Tower Sweden").

This transaction was completed in the first quarter of 2021, following the settlement of several administrative authorizations. Thus, On Tower Sweden was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

Italy

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Italia) acquired 100% of the share capital of CK Hutchison Networks Italia SPA ("Networks Co Italy"), owner of approximately 9,140 sites located in

Italy. Additionally, Cellnex agreed the deployment of up to 860 sites in Italy by 2027 (see Note 6). The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 3.3 billion (see Note 6).

This transaction was completed in the second quarter of 2021, following the settlement of several administrative authorizations. Thus, Networks Co Italy was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

II) Acquisition of an additional stake in Swiss Infra Services

In the first quarter of 2021, Cellnex (through Cellnex Switzerland AG, of which Cellnex owns 72.22%, and Swiss Towers AG, of which Cellnex Switzerland AG owns 100%) entered into an agreement with Matterhorn Telecom SA ("Matterhorn") to acquire 10% of the share capital of Swiss Infra Services SA ("Swiss Infra") from Matterhorn, for an amount of CHF 146 million (with a Euro value of EUR 131.5 million as of the date of completion). Pursuant to this acquisition, Swiss Towers AG held 100% of Swiss Infra as of 31 December 2021. As a result of the above, the indirect stake that Cellnex holds in Swiss Infra increased from 64.99% to 72.22% as at 31 December 2021.

Since the aforementioned transaction did not modify the controlling position in Swiss Infra, it was treated as an equity transaction carried out with a non-controlling interest (see Note 14). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Acquisition of On Tower Poland

In the first quarter of 2021, Cellnex, (through its fully owned subsidiary Cellnex Poland sp z.o.o.) acquired 60% of On Tower Poland sp z.o.o.’s share capital, a wholly-owned subsidiary of Play, for the subsequent acquisition by On Tower Poland of the telecommunications passive infrastructures business unit of P4, comprising an initial portfolio of approximately 7,428 sites (including the initial 6,911 sites and 517 additional sites constructed and completed before the Iliad Poland Acquisition Date), for an estimated total consideration (Enterprise Value) of approximately EUR 1,458 million. The initial 6,911 sites were funded by Cellnex Poland and Iliad through a capital increase in proportion to their respective shareholder stake in On Tower Poland, thus Cellnex funded approximately EUR 801 million, and the 517 additional sites were funded solely by Cellnex via intercompany debt for an investment of EUR 123 million. This represents a total payment financed by Cellnex of EUR 890 million (after incorporating EUR 34 million of cash from the acquired business unit). Additionally, P4 undertook to propose to On Tower Poland the acquisition of a minimum of 1,871 sites on or before 31 December 2030, although the Group estimates that approximately up to 4,462 new sites will be eventually deployed (see Note 6).

This transaction was completed in the first quarter of 2021, following the settlement of several administrative authorizations. As a result of this transaction, at 31 December 2021, Cellnex, through its wholly owned subsidiary, Cellnex Poland, holds 60% of the share capital and voting and economic rights of On Tower Poland. Cellnex exercises effective control over On Tower Poland, as it holds ownership interests of over 50% and by virtue of the shareholders’ agreement entered into with Play, which gives Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas Play has certain protective rights. Finally, the signed shareholders’ agreement includes certain exit agreements very similar to On Tower France shareholders' agreement as described in Note 6. Thus, On Tower Poland was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

IV) Acquisition of Cignal Infrastructure Netherlands (formerly T-Mobile Infra B.V.)

On 21 January 2021, Cellnex and Cellnex Netherlands, B.V. (“Cellnex Netherlands”) signed a framework agreement with Deutsche Telekom A.G. (“DTAG”), Deutsche Telecom Europe, B.V. (“DTEU”) and Digital Infrastructure Vehicle I SCSp (which on the second quarter of 2021 became an alternative investment fund, as described below, “DIV”), which sets forth among others, the conditions and the steps and arrangements to achieve the contribution in kind, through DIV, of 100% of the share capital of T-Mobile Infra, B.V. (“T-Mobile Infra”), which owned approximately 3,150 sites, and had EUR 253 million of debt upon closing (including arrangements expenses), to Cellnex Netherlands in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (the “T-Mobile Infra Acquisition”, see Note 6). Additionally, pursuant to the T-Mobile Infra MLA, T-Mobile Infra and T-Mobile Netherlands, B.V. (“T-Mobile”) agreed to the deployment of a minimum of 180 additional sites in the

Netherlands by 2027. During the second quarter of 2021, the subsidiary formerly called T-Mobile Infra, B.V. changed its name to Cignal Infrastructure Netherlands.

As part of the T-Mobile Infra Acquisition, Cellnex, together with DTAG, as the fund's initial limited partners, signed a commitment letter, pursuant to which Cellnex committed to invest EUR 200 million in DIV. On the second quarter of 2021, DIV drew approximately EUR 136 million, which Cellnex paid with available cash. Such funds were used to finance a portion of the amounts payable by DIV under the T-Mobile Infra SPA (see Note 6), and to pay for certain expenses in connection with the T-Mobile Infra Acquisition and DIV's operation and setup. As soon as other investors become limited partners in DIV, DIV will refund to funds' initial limited partners part of the initial investment to adjust it to its resulting stake in DIV. In this regard, as indicated above, DIV's initial investment corresponds to 37.65% in Cellnex Netherlands, consequently, the Group investment in DIV, in accordance to IFRS 10.B94, has been considered increasing the effective percentage of ownership held by the Group in Cellnex Netherlands.

As a result of the above, Cellnex holds an indirect stake in Cignal Infrastructure Netherlands of 74.89% as at 31 December 2021. Finally, subsequent investments made by DIV, as per IFRS 10:B94 "Equity Method as One-line Consolidation" above mentioned, will be evaluated separately from the stake held by the fund in Cellnex Netherlands.

This transaction was completed in the second quarter of 2021, following the settlement of several administrative authorizations. Thus, Cignal Infrastructure Netherlands has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

V) Acquisition of Towerlink Poland

On 26 February 2021, Cellnex Poland entered into an agreement with Cyfrowy Polsat s.a. ("Cyfrowy") and Polkomtel sp. z.o.o. ("Polkomtel") to acquire 99.99% of the share capital of Polkomtel Infrastruktura sp. z.o.o. ("Polkomtel Infrastruktura"), for an estimated total consideration (Enterprise Value) of approximately EUR 1,531 million (the "Polkomtel Acquisition"). Polkomtel Infrastruktura manages a portfolio of approximately 7,000 passive infrastructure and active infrastructures in Poland (approximately 37,000 radio carriers covering relevant bands used by 2G, 3G, 4G and 5G technologies in Poland, approximately 11,300 km of fiber backbone and FTTT backhaul and a national network of microwave radiolinks).

The transaction was completed in the third quarter of 2021, following the satisfaction of the relevant conditions precedent. Thus, Polkomtel Infrastruktura has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

VI) Acquisition of Infratower

In the last quarter of 2021, Cellnex acquired, (through its fully owned subsidiary CLNX Portugal, S.A.) 100% of the share capital of Infratower S.A. ("Infratower"), owner of approximately 687 sites in Portugal. This agreement broadens the cooperation between Cellnex Portugal and MEO, S.A. The transaction involves an investment of approximately EUR 209 million[61].

The transaction was completed in the second half of 2021 following the receipt of customary regulatory authorizations. Thus, Infratower has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021.

VII) Acquisition of Hivory

On 3 February 2021, the Group (through Cellnex France, S.A.S.) entered into an agreement with Altice France, S.A.S. ("Altice") and Starlight HoldCo S.à r.l ("Starlight HoldCo"), which gave the right to Altice and Starlight HoldCo to require the Group to purchase, on an exclusive basis, their respective direct and indirect ownerships in the share capital of Hivory, S.A.S. ("Hivory"), which in aggregate amounts to approximately 100% of Hivory's share capital, for an estimated consideration (Enterprise Value) of approximately EUR 5.2 billion (the "Hivory Acquisition"). Altice and Starlight BidCo, S.A.S. ("Starlight BidCo"), a wholly-owned subsidiary of Starlight HoldCo, own shares representing 50.01% and 49.99%, respectively, of the share capital and voting rights of Hivory. There is also a minority interest holding less than 0.01% of the share capital of Hivory,

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[61] The final equity price corresponds to the 209 million plus working capital adjustments of 6 million (see Note 6).

which is outside the scope of the Hivory Acquisition. Altice and Starlight HoldCo exercised their right on 19 May 2021, and on that same date entered into a sale and purchase agreement with Cellnex France for the sale and purchase of approximately 100% of Hivory's share capital. Hivory owns and operates approximately 10,535 sites in France (wireless communications passive infrastructures relating to towers and rooftops, towers with access restrictions and micro sites located on the sites).

The transaction was completed in the last quarter of 2021 (the "Hivory Completion Date") following the satisfaction of the relevant conditions precedent. In this regard, the authorization granted by the French Competition Authority (the "FCA") is subject to the disposal of approximately 3,200 rooftops being completed within a maximum period of 30 months from the date of signing of the divestment agreement that will need to be entered into to complete the required disposal. The Group has therefore initially consolidated the approximately 10,500 sites owned by Hivory in France and will proceed with the disposal required by the FCA. Moreover, the Group is already working on new opportunities related to the deployment of new core assets to invest the proceeds to be obtained as a result of such disposal, with a view that both capital expenditures and Adjusted EBITDA (both of them as described in section 2.3 of the accompanying Consolidated Management Report) would remain unaffected on a consolidated run rate basis. Thus, Hivory was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities were included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021, and in relation to the divestment required by the FCA, it has been considered that the criteria established for the application of IFRS 5 to potential assets subject to divestment in the future are not met as of 31 December 2021.

Transactions between companies in the scope of consolidation

Also, in 2021, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Mergers:			
Areaventi, S.r.L. Towerlease, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Areaventi, S.r.L. and Towerlease, S.r.L. (absorbed companies).	01/07/2021

In addition, during 2021,the subsidiary formerly called HI3G Networks, AB changed its name to On Tower Sweden, AB. In Poland, the subsidiaries formerly called Elphin, s.p.z.o.o. and Polkomtel Infrastruktura s.p.z.o.o. changed its names to On Tower Poland, s.p.z.o.o. and Towerlink Poland, s.p.z.o.o. In addition, in the Netherlands, the subsidiary formerly called T-Mobile Infra, B.V. changed its name to Cignal Infrastructure Netherlands, B.V. Finally, in France, the subsidiary formerly called Starlight BidCo, S.A.S. changed its name to Hivory II, S.A.S.

3. Accounting policies and measurement bases

The main accounting policies used when preparing the consolidated financial statements, in accordance with those established by the International Financial Reporting Standards adopted by the European Union (EU-IFRS), as well as the interpretations in force when drawing up these consolidated financial statements, were as follows:

a) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses.

Grants related to assets received reduce the cost of acquisition of property, plant and equipment, and are recognised when the entity complies with conditions attaching to collection. These grants are taken to profit or loss on a straight-line basis over the useful life of the asset financed, with a reduction in the depreciation charge for the year.

Staff costs and other expenses, as well as net borrowing costs directly related to property, plant and equipment, are capitalised as part of the investment until the assets are put to use.

Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase the capacity or productivity or extend the useful life of the asset are capitalised as part of the cost of the related asset, provided that the carrying amount of the assets replaced and derecognised from inventories is known or can be estimated.

The costs of upkeep and maintenance are charged to the consolidated income statement in the year in which they are incurred.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, over the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

Asset	Useful life
Buildings and other constructions	7-50 years
Plant and machinery	3-17 years
Tooling	3-14 years
Other facilities	3-14 years
Furniture	5-10 years
Computer equipment	3-5 years
Other property, plant and equipment	4-13 years

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount, and the effect is taken to the consolidated income statement for the year, and the related provision is recognised. The Group therefore periodically determines whether there is any indication of impairment.

Gains or losses arising from the sale or disposal of an asset in this item are determined as the difference between carrying amount and sale price, and are recognised in the accompanying consolidated income statement under "Losses on fixed assets".

Provision for asset retirement obligation

This relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

b) Intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, useful life being evaluated on the basis of prudent estimates. Any grants related to assets reduce the cost of acquisition of the intangible asset and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable.

I) Computer software

Refers mainly to the amounts paid for access to property or for usage rights on computer programmes, only when usage is expected to span several years.

Computer software is stated at acquisition cost and amortised over its useful life (between 3 and 5 years). Computer software maintenance costs are charged to the consolidated income statement in the year in which they are incurred.

II) Intangible assets for telecom infrastructure services

With reference to the acquisition of telecom infrastructures in a business combination, the price agreed upon in the commercial sale and purchase agreement refers to the acquisition of an asset with two components: the physical asset (tower and other equipment and fixtures) and an intangible asset 'customer network service contracts and network location' in order to be able to provide the service to mobile operators. In this context, this heading records the amounts paid in the business combinations that correspond to the fair value of the net assets acquired, mainly consisting of:

- Concession intangible assets

  Includes the contracts signed with mobile operators as well as the locations of the telecom infrastructures used, which are subject to administrative concession.

  The amount recognised represents the discounted cash flow that the site where the infrastructure is located will generate from the various operators. This asset is depreciated in the period over which the Group is able to obtain income from the network coverage area. In this case, the only intangible asset recorded by the Group corresponds to the business combination of the company TowerCo S.p.A. and it is amortised on a straight-line basis until 2038.

- Customer network services contracts and Network location

  "Customer network services contracts" relates to the customer base existing at the acquisition date due to the Group's infrastructure service contracts with the anchor carrier and to the future returns expected to be generated because of the relationships with customers beyond the periods covered by the contracts.

  Additionally, "Network location", represents the incremental revenues and cashflows from additional infrastructure service agreements with carriers, not yet present at the date of acquisition and it is valued independently from the remaining intangible assets.

  Both intangible assets meets the recognition criteria: i) arise from contractual or other legal rights; regardless of whether those rights are transferable or separable from the entity or from other rights and obligations; or ii) be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability. Regarding "Network location", the intangible assets met the separability criteria, given that the excess available capacity can be used to offer network access services to third parties and, additionally, under IFRS 3 (B33), an intangible asset that the acquirer would be able to sell, license or otherwise exchange for something else of value meets the separability criterion even if the acquirer does not intend to sell, license or otherwise exchange it.

  Finally, for the valuation of "Customer network services contracts" and "Network location" intangible assets, the Parent Company has used the Multi-Period Earnings methodology, according to the financial projections of the different businesses affected. This method considers the use of other assets in the generation of the projected cashflows of a specific asset in order to isolate the economic benefit generated by the intangible asset. The contribution of the other assets such as fixed assets, working capital, labour and other intangible assets to the total cash flows is estimated through charges for contributing assets. This adjustment is made to separate the value of the specific assets from the portion of the purchase price that has already been allocated to net tangible assets and other intangible assets used. Therefore, the value of intangible assets is the present value of cash flows after potentially attributable taxes, net of the return on the fair value attributable to the tangible and intangible assets.

  Acquired "Customer network services contracts" and "Network location" intangibles are amortised over the shorter of the term of the corresponding ground lease taking into consideration lease renewals or up to 20 years, as the Parent Company considers these intangibles to be directly related to the infrastructure assets.

III) Other intangible assets

This heading includes the concessions for use acquired by the Group, which are measured at acquisition or production cost and amortised on a straight-line basis over the contractual period of between 10 and 40 years.

IV) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the fair or market value of all the Group's or the company's identifiable net assets acquired at the acquisition date.

Given that goodwill is considered as an asset of the acquired company/group (except that generated prior to 1 January 2004), in the application of the IFRS 1 they were considered as assets of the acquiree.

In the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2.g.VI.

Any impairment of goodwill recognised separately (that of subsidiaries and joint ventures) is reviewed annually through an impairment test (or in intermediate periods if there are signs of impairment), to determine whether its value has declined to a level below the carrying amount, and any impairment loss is recognised in consolidated profit or loss for the year, as applicable (see Notes 3.c). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill included in the carrying amount of the investment in associates is not tested separately. Rather, under IAS 36, whenever there is an indication that the investment may be impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of its goodwill.

c) Impairment losses on non-financial assets

The Group assesses, at each reporting date, whether there is an indication than an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required (in the case of goodwill), the Group estimates the asset's recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows that the asset is expected to generate are discounted to their present value using an interest rate that reflects the current time value of money and the risks specific to the assets.

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

In relation with right-of-use, from a purely conceptual perspective, since in general, right-of-use assets do not generate cash inflows that are largely independent of other assets, it is not possible to estimate the recoverable value of the asset at the individual level and therefore, they would be included in the book values of the cash generating units (CGUs) to which they belong in order to analyze their recoverability. Thus, the right-of-use asset would be included in the calculation of the value of the CGU, while the corresponding lease liability would not reduce the previous amount. It should be noted in this connection that the mentioned methodology must be approximately equivalent (in terms of calculating any possible impairment losses) to the methodology applied prior to the effective date of IFRS 16.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the consolidated income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the consolidated income statement for the year.

d) Investments and other financial assets (excluding derivative financial instruments)

Financial assets and financial liabilities (see Notes 11, 12 and 16) are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group determines the classification of its financial assets at initial recognition. At 31 December 2022, financial assets were classified into the following categories:

I) Advance payments

Advances to customers

This heading of the consolidated balance sheet includes, with regards to the acquisitions of telecom infrastructures undertaken by the Group, the multi-annual commercial costs assumed by the Group, in order to obtain the service provision services agreements with the mobile telephone operators that will generate future economic profit, through the purchase, from these operators, of the telecom infrastructures, the dismantling of which has been agreed to along with the related cost. It must be noted that the dismantling expenses do not represent a legal obligation to dismantle the telecom infrastructures, but rather a commercial decision made by the Group and these costs will be capitalised as they are incurred.

These amounts are recognised as an advance of the subsequent services agreement with the mobile telephone operator, which is recognised in the accompanying consolidated income statement on a straight-line basis as a reduction to "revenue from services rendered" according to the term of the services agreement entered into with the operator.

Other advance payments

Other Advance Payments includes payments made to the seller in the context of business combinations, which relate to assets included in purchase price which have not yet been transferred at year end. Once these assets are transferred, the corresponding amount will be reclassified to the appropriate balance sheet item in accordance with the related Purchase Price Allocation.

II) Trade and other receivables

This heading mainly corresponds to:

- Loans granted to associates, multi-group or related parties, which are measured at amortised cost using the effective interest method. This value is reduced by the corresponding valuation adjustment for the impairment of the asset, as applicable.

- Deposits and guarantees recognised at their nominal value, which does not differ significantly from their fair value.

- Trade accounts receivable, which are measured at their nominal amount, which is similar to fair value at initial recognition. This value is reduced, if necessary, by the corresponding provision for bad debts (impairment loss) whenever there is objective evidence that the amount owed will not be partially or fully collected. This amount is charged against the consolidated income statement for the year.

Above mentioned categories of financial assets, are measured subsequently in their entirety at amortised cost applying the effective interest method, since they meet the following conditions: i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. In addition, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The Group derecognises financial assets when they expire or the rights over the cash flows of the corresponding financial asset have been assigned and the risks and benefits inherent to their ownership have been substantially transferred, such as in the case of firm asset sales, non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and it recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender’s return and the securitisation of financial assets in which the transferring group retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

In addition, the Group estimates a provision for impairment in accordance with an expected loss model in financial assets valued at amortized cost, mainly trade receivables. The measurement of the expected credit losses is a function of: the probability of default, the loss given the default (i.e., the magnitude of the loss if there is a predetermined value) and the exposure at the predetermined value.

The Group has made this estimate taking into consideration, among other aspects, the diversity of clients according to their type or segment, grouped by country or geography, as well as differentiating their sector or industry, choosing an appropriate credit spreads curve for each of them. financial assets, as well as an analysis of historical defaults of the Group.

At least at each reporting date, the Group determines whether there is any indication that an asset or group of assets is impaired, so that any impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their fair value.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments measured at amortised cost or, if it has any, on investments in debt instruments measured at fair value through other comprehensive income, and on lease receivables, trade receivables, contract assets and financial guarantee contracts.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument in question.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, when available, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

i. Significant increase in credit risk

When assessing whether there has been a significant increase in credit risk on a financial instrument since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. When making such an assessment, the Group considers reasonable and supportable quantitative and qualitative information, including historical credit loss experience.

ii. Definition of default

The Group considers, among other factors, whether the debtor has defaulted on its financial obligations and whether the available information indicates that it is probable that the latter will not be able to settle its borrowings in full, in order to assess whether there has been a default event for credit risk management purposes.

In any case, the Group considers that a default event has occurred when a financial asset has been a significant period of time past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate on the basis of the asset analysed.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

iv. Recognition and measurement of expected credit losses

Expected credit losses are measured on the basis of the probability of default, the loss given default and exposure at default. The probability of default and the loss given default are measured on the basis of historical information adjusted by forward-looking information. Exposure to credit losses, for financial assets, is represented by the gross carrying amount of the assets at the reporting date.

For financial assets, an expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the conditions for this lifetime expected credit loss measurement are no longer met, it estimates the expected credit loss at an amount equal to 12-month expected credit losses at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises impairment gains or losses on all financial instruments with the concomitant adjustment to their carrying amount through a loss allowance for expected credit losses account.

v. Impairment policy

The Group derecognises a financial asset when it has information that indicates that the debtor is in a highly adverse financial situation and there is no reasonable prospect of recovering any further cash flows, for example, when the debtor has initiated a liquidation process or, in the case of trade receivables, when they have been past due for a very significant length of time. Financial assets derecognised may still be subject to the Group's recovery operations. Any recovery of a derecognised asset is recognised in profit or loss.

e) Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether or not classified as hedges, were classified either at fair value (both initially and subsequently), using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date and adjusting for the bilateral credit risk in order to reflect both the Group's risk and the counterparty's risk.

All derivative financial instruments are recognised as assets or liabilities on the consolidated balance sheet at their fair value, with changes in fair value recognised in consolidated income statement for the year. However, with hedge accounting, the effective portion of the hedge (fair value hedges, cash flow hedges and hedges of a net investment in a foreign currency) is recognised in equity.

At the inception of the hedge, or at the acquisition date in the case of an instrument incorporated in a business combination, the Group documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and the strategy for undertaking the hedge. The Group also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged risk.

The fair value of the derivative financial instruments used for hedging purposes is set out in Note 11, and the change in the hedging reserve recognised in consolidated equity is set out in Note 14.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net accumulated gain or loss recognised in equity is transferred to net profit or loss for the year.

Classification on the balance sheet as current or non-current will depend on whether the maturity of the hedge at year-end is less or more than one year.

The criteria used to account for these instruments are as follows:

I) Cash-flow hedge

The positive or negative variations in the valuation of the derivatives qualifying as cash flow hedges are charged, in their effective portion, net of the tax effect, to consolidated equity under “Reserves – Hedging reserves”, until the hedged item affects the income (or when the underlying part is sold or if it is no longer probable that the transaction will take place), which is when the accumulated gains or losses in net equity are released to the consolidated income statement for the year.

Any positive or negative differences in the valuation of the derivatives corresponding to the ineffective portion are recognised directly in the consolidated income statement for the year under “Change in fair value of financial instruments”.

This types of hedge corresponds primarily to i) those derivatives entered into by the Group companies that convert floating rate debt to fixed rate debt, ii) those derivatives in which payments and principal in one currency are exchanged for principal and interest payments in a different currency, used to lock in exchange rates for set periods of time, and iii) the designated cash maintained in a different currency used to hedge the disbursement envisaged in relation to the investment commitment of a considered highly probable transaction.

II) Hedges of a net investment in a foreign operation

In certain cases, Cellnex finances its activities in the same functional currency in which its foreign investments are held so as to reduce the currency risk. This is carried out by obtaining financing in the corresponding currency or by entering into cross currency and interest rate swaps.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in equity, while the ineffective portion of the gain or loss is recognised immediately in the consolidated income statement for the year.

Cumulative gains or losses in equity are included in the income statement on disposal of the foreign operation.

III) Derivatives not recognised as hedges

In the case of derivatives that do not qualify as hedging instruments, the positive or negative difference resulting from the fair value adjustments are taken directly to the income statement for the year.

The Group does not use any derivative instruments, which do not qualify as hedging instruments.

IV) Fair value and valuation techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified into level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of those inputs for measuring fair value in its entirety, as described below:

- Level 1 - Inputs are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are based on quoted prices for similar assets or liabilities in active markets (not included in level 1), prices quoted for identical or similar assets or liabilities in markets that are not active, techniques based on valuation models for which all relevant inputs are observable in the market or can be corroborated by observable market data.
- Level 3 - In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

In order to adopt IFRS 13, the Group must adjust the valuation techniques it uses for obtaining the fair value of its derivatives. The Group includes an adjustment for bilateral credit risk in order to reflect both its own risk, as well as counterparty risk in the fair value of its derivatives.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Group and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market, when these exists.

In addition, in order to reflect the credit risk in the fair value the market standard of 40% is applied as a recovery rate, which relates to the CDS in relation to senior corporate debt.

As at 31 December 2022 and 2021 the Group had derivative financial instruments (see Note 11).

f) Inventories

Inventories comprise mainly technical equipment which, after installation, will be sold. Inventories are measured at acquisition price, less any necessary valuation adjustments and the corresponding impairment.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits in banks and highly liquid, current investments with a maturity of three months or less or current investment that the Group can withdraw cash without giving any notice and without suffering any significant penalty.

The Group is not subject to any limits regarding drawing down funds beyond those established in certain contracts for bank borrowings (see Note 15).

h) Net equity

The share capital is represented by ordinary shares. The costs of issuing new shares or options, net of tax, are recognised directly against equity, as a reduction to reserves. Dividends on ordinary shares are recognised as a reduction to equity when approved. Acquisitions of treasury shares are recognised at their acquisition cost and are deducted from equity until disposal.

The gains and losses obtained on the disposal of treasury shares are recognised under "Reserves" in the consolidated balance sheet.

i) Earnings per share

Basic earnings per share are calculated by dividing consolidated profit or loss for the year attributable to the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent Company held by the Group.

Diluted earnings per share are calculated by dividing the consolidated profit or loss for the year attributable to ordinary shareholders adjusted for the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares of the Parent Company.

For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

j) Treasury Shares

If any Group company or the Parent Company acquires treasury shares of Cellnex, these are recognised in the consolidated balance sheet under "Treasury shares" and deducted from consolidated equity and measured at their acquisition cost without recognising any valuation adjustment.

When these shares are sold, any amount received, net of any additional directly attributable transaction costs and the corresponding effect of the tax on the gain generated, is included in equity attributable to shareholders of the Parent Company.

k) Financial liabilities and Equity

I) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

II) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs (see Note 3-h).

Repurchase of the Parents Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments (see Note 3-h).

III) Compound instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option by the issuer that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Parent Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to “Other equity”. Where the conversion option remains unexercised at the maturity date of the convertible loan or bond, the balance recognised in equity will be transferred to “Other equity”. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan or bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

IV) Financial liabilities

Borrowings, debentures and similar liabilities are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, they are measured at amortised cost. Any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if significant, is recognised in the consolidated income statement over the term of the debt at the effective interest rate.

Borrowings with floating interest rates hedged with derivatives that change the interest rate from floating to fixed are measured at fair value of the hedged item. Changes in the borrowings are taken to income, thus offsetting the impact on profit and loss of the change in the derivative instrument’s fair value. The borrowings with floating interest rates hedged with derivatives are not significant.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist. In the case of an exchange of debt instruments between the Group and a third party with substantially different terms, the Group derecognises the original financial liability and recognises the new financial liability. The difference between the carrying amount of the original liability and the consideration paid, including attributable transactions costs, is recognised in the consolidated income statement for the year.

l) Income tax

The income tax expense (credit) is the total amount accrued in this connection during the year, representing both current and deferred tax.

Both the current and the deferred tax expense (credit) are recognised in the consolidated income statement. However, the tax effect from items that are recognised directly in other comprehensive income or in equity is recognised in other comprehensive income or in equity.

The deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements, according to the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities that arise from temporary differences with subsidiaries, jointly controlled entities and/or associates are always recognised, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which to offset the deductible temporary differences or the unused tax losses or unused tax credits can be utilised. Any deferred tax assets that arise due to temporary differences with subsidiaries, jointly controlled entities and/or associates are recognised if, in addition, it is probable that they will be reversed in the foreseeable future.

The recoverability of deferred tax assets is assessed when they are generated, and at the end of each reporting period, depending on the earnings forecasts for the companies included in their respective business plans.

Lastly, the tax effect that may arise as a result of including the results and reserves of the subsidiaries in the Parent Company is included in the accompanying consolidated financial statements, especially those linked to the tax regulations of the tax group of which the Cellnex is the Parent Company.

m) Employee benefits

Under the respective collective bargaining agreements, different Group companies have the following obligations with their employees:

I) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee welfare instruments (which basically include employee pension plans and Group insurance policies), the Group makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised in the consolidated income statement for the year as the obligations arise.

Defined benefit obligations

Defined benefit obligations relate mainly to bonuses or payments for retirement from the company and temporary and/or life-time annuities.

With regard to these obligations, where the company assumes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected unit credit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included in the consolidated income statement, but presented in the consolidated statement of comprehensive income.

II) Other long-term benefits

Regarding other long-term employee benefits, relating mainly to length of service at the company, the liability recognised on the balance sheet coincides with the present value of the obligations at the reporting date as they do not include any plan assets.

The projected unit credit method is used to determine both the current value of the liabilities at the balance sheet date and the cost of the services provided in the current and prior years. The actuarial gains and losses that arise from changes in the actuarial assumptions are recognised, unlike the post-employment liabilities, in the year in which they occur on the consolidated income statement for the year.

III) Severance pay

Severance pay is given to employees as a result of the decision to terminate their work contract before the normal retirement age or when the employee voluntarily accepts to resign in exchange for such compensations. The Group recognises these benefits when it is demonstrably committed to terminate the employment of the employees in accordance with a formal detailed plan without the possibility of withdrawal or to provide severance pay. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to give its consent to the resignation of the employees when this has been requested by them.

IV) Obligations arising from plans for termination of employment

Provisions for obligations relating to plans for termination of employment of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed with the employees. In some cases, this may require actuarial valuations based on both demographic and financial assumptions.

V) Long Term Incentive Plan

Liabilities recognised in respect of Long Term Incentive Plan are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The amounts considered by the Group in relation to the Long-term Incentive Plans (“LTIP”) which were formalised in 2019, 2020, 2021 and 2022 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below. These LTIPs are rolling which means that every year a new plan is set up for the next three years. Therefore, those LTIPs formalised in 2019, 2020, 2021 and 2022 will remunerate management in 2022, 2023, 2024 and 2025, respectively, after the approval of annual accounts by the Annual General Shareholders' Meeting which will take place in the first half of the corresponding year.

Rolling Long-term Incentive Plan (2019-2021)

In November 2018 the Board of Directors approved the 2019-2021 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 57 employees).

The amount to be received by the beneficiaries was determined by the degree of fulfilment of the share price increase, calculated using the initial starting price of the period and the average price in the three months prior to November 2021, weighted by the volume (“vwap”).

The achievement of the objectives established in the 2019-2021 LTIP were assessed by the Nominations, Remuneration and Sustainability Committee and paid after the approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2021 by the Annual General Shareholders' Meeting.

For the LTIP 2019 – 2021 all Senior Management and Deputy CEO must receive a minimum of 50% of their LTIP remuneration in Cellnex shares and for the CEO the minimum amount is 30% of their LTIP remuneration in shares. The outstanding 50% or 70%, as applicable, may be paid in options. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee. The share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries.

As at 31 December 2021, the cost of the 2019-2021 LTIP was EUR 11 million, which has been paid during the first half of 2022.

Rolling Long-term Incentive Plan (2020-2022)

In December 2019, the Board of Directors approved the 2020-2022 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 105 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2019 (initial starting price of the period) and the average price in the three months prior to 31 December 2022 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2020-2022 LTIP will be assessed by the Nominations and Remuneration Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2022 by the Annual General Shareholders' Meeting.

For the 2020–2022 LTIP, the CEO must receive a minimum amount of 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a minimum amount of 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. Other beneficiaries must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2020-2022 LTIP is approximately EUR 11.7 million. The objectives set for this plan have not been met and therefore no pay-out will be made to management.

Rolling Long-term Incentive Plan (2021-2023)

In December 2020, the Board of Directors approved the 2021-2023 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 180 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2020 (initial starting price of the period) and the average price in the three months prior to 31 December 2023 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2021-2023 LTIP will be assessed by the Nominations and Remuneration Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2023 by the Annual General Shareholders' Meeting.

For the 2021–2023 LTIP, the CEO must receive a 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. The rest of Management must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 15.5 million.

Rolling Long-term Incentive Plan (2022-2024)

In December 2021, the Board of Directors approved the 2022-2024 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Deputy CEO, the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain RLFCF per share (considering the perimeter signed as of the end of 2021, and in 2024 the perimeter will have to be adjusted in order to estimate the like-for-like RLFCF per share provided that the Company targets to execute further inorganic growth). Cellnex´s RLFCF per Share is calculated by dividing RLFCF of the period / Cellnex´s number of outstanding shares, with approximately 708 million shares considered (assuming approximately 27 million new shares to be issued and paid to CK Hutchison Holdings Limited).

- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.

- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").

- With a weighting of 20%, ESG metrics: i) 8% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 12% is based on three parameters: a) the employee engagement at FY21 constant perimeter (based on the pulse survey), b) the reduction of the gender pay gap by 5% at FY21 constant perimeter, and c) achieving an specific percentage of foreign Directors at the Headquarters.

Additionally, under very exceptional performance of absolute Total Shareholder Return and relative position between top 2 companies of the peer group, a booster will be applied to the pay-out capped at a maximum of 5.0x (ranking first with respect the companies of the peer group, and being the share price approximately 115€/share). The achievement of the objectives established in the 2022-2024 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ending 31 December 2024 by the Annual General Shareholders' Meeting.

For all the beneficiaries of the 2022—2024 LTIP, 40% of this remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares depending on the job levelling of each employee. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2022-2024 LTIP amounts to approximately EUR 11 million.

n) Government grants

Government grants related to property, plant and equipment are deducted from the carrying value of the non-current assets in question and are taken to income over the expected useful lives of the assets concerned. In addition, the Group accounts for grants, donations or gifts and inheritances received as follows:

a) Non-refundable capital subsidies, donations and legacies: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in non-current liabilities and do not give rise to the recognition of any income.

b) Refundable grants: when refundable, they are recognised as non-current liabilities.

c) Operating subsidies: They are posted to the results at the time they are granted, except if they are used to finance the operating losses of future financial years, in which case they are recorded in said financial years. If they are granted to finance specific expenses, they are recorded as the financial expenses are accrued.

o) Provisions and contingencies

On the date of drawing up these consolidated financial statements, the Group differentiates between:

a) Provisions, understood as credit balances covering present obligations at the reporting date as a result of past events which could give rise to a loss for the Group, which is certain as to its nature but uncertain as to its amount and/or timing.

b) Contingent liabilities, understood as possible obligations arising as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the consolidated entities.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision is the present value of the future cash flows estimated to settle the present obligation.

Provisions recognised relate to the estimated amounts required to meet probable or certain liabilities stemming from ongoing litigation, compensation or other items resulting from the Group's activity that entail future payments that have been measured on the basis of currently available information. They are recognised as soon as the liability or obligation requiring compensation or payment to a third party arises, and bearing in mind the other conditions set forth in IFRSs.

Provision for asset retirement obligation

This relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

Due to the uncertainties inherent to the estimations necessary for determining the amount of the provision, the actual expenses may differ from the amounts originally recognised on the basis of the estimates made.

p) Revenue recognition

The various activities that contribute to the Group's revenue from the rendering of services are organised and administered separately based on the nature of the services provided:

- Telecom Infrastructure Services: this is the Group's main segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by Mobile Network Operators ("MNOs"), other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, Engineering Services and housing of different clients of broadcasters). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

  The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

  Additionally the consolidated income statement for the year includes income from re-charging costs, for example energy, related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting infrastructure: this is the Group's second main segment by turnover. Corresponding to broadcasting services in Spain, where Cellnex is the only operator offering nationwide coverage of the digital terrestial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting and other services. Through the provision of broadcasting services in Spain, The Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart Services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart Infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the optical fiber network of the Generalitat de Catalunya.

When the Group enters into an agreement with a customer, service deliverables under the contract are identified as separate performance obligations ("obligations") to the extent that the customer can benefit from the goods or services on their own and that the separate services are considered distinct from other services in the agreement. Where individual services do not meet the criteria to be identified as separate obligations they are aggregated with other services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts but might typically be separately identified for all above mentioned services. When in the signed agreements there is no identified price for each obligation, unusual in the Group, the transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations.

The revenue is recognised when the respective obligations in the contract are delivered to the customer and cash collection is probable, according to the following: i) the various services are provided through service agreements ("MSA") or lease agreements ("MLA"), for the infrastructure, in order to distribute the broadcasting or mobile signals, for a certain amount and for a certain length of time. The Group recognises revenue on a straight-line basis over the period in which the services are provided, and consequently, the obligation is satisfied, as established in the respective contracts. In this regard, inflation clauses tied to consumer price index ("CPI"), or other inflation-based indices, and other incentives included in the agreements with the Groups' tenants are excluded from the straight-line calculation. ii) when the Group carries out certain Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation, under IFRS 15, the costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognized as the capital expense is incurred. iii) in relation with re-charged costs to the customers, when the Group is the principal, receipts from customers and payments to suppliers are reported on a gross basis in revenue and operating costs.

Finally, according to the agreements with customers there are no significant differences between the time the performance obligations are satisfied and the usual time of payment and, consequently, there are no significant contractual liabilities at the reporting date.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends income from investments is recognised when the shareholders' right to receive payment has been established, e.g., when the shareholders' meetings of the investees approve the dividend payment.

q) Expense recognition

Expenses are recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets. The register of an expense should occur based on the actual flow of goods and services, irrespective of when the corresponding payments are made. Any payment that may be made for all of a service received during a given period of time will be considered a prepaid expense recognised on the asset side of the consolidated balance sheet under "Trade and other receivables" and will be taken to the consolidated income statement when the service is received by the Group.

Expenses are recorded immediately when a payment generates no future economic benefits or when it does not comply with the requirements to be registered as an asset.

An expense is also recorded when a liability is recorded and no corresponding asset is simultaneously recorded as would be the case for liabilities for guarantees.

r) Leases

a) The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, determined with the support of an independent expert. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.c.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss (see Note 20.c).

IFRS 16 allows a lessee not to separate non-lease components, therefore any lease and associated non-lease components can be accounted as a single arrangement.

b) The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its telecom infrastructures via Master Lease Agreements (“MLA”) where required, however the Group also offers Master Service Agreements (“MSA”) where appropriate. Cellnex provides to its customers in the Telecom Infrastructure Services access to the Group’s telecom infrastructures for MNOs to co-locate their equipment on the Group’s infrastructures.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 16 to allocate the consideration under the contract to each component.

s) Activities affecting the environment

Each year, costs arising from legal environmental requirements are either recognised as an expense or capitalised, depending on their nature. The amounts capitalised are depreciated over their useful life.

The potential impact on the consolidated financial statements of the risks arising from climate change described in Note 22 have been properly considered in the estimates and critical judgements made (see Note 2.d), with no significant impacts. Thus, it was not considered necessary to make any provision for environmental risks and expenses or any other liability, given that there are no contingencies in relation to climate change nor environmental protection (see Note 22) neither an impairment of Group's assets (see Notes 8 and 9).

t) Related Party Transactions

The Group carries out all of its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group’s Directors consider that there are no significant risks that could give rise to material liabilities in the future.

u) Consolidated statement of cash flows

The following terms are used in the consolidated statement of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and equivalent financial assets, which are short-term, highly liquid investments that are subject to a low risk of changes in value.
- Operating activities: the principal revenue-producing activities and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that produce changes to the size and composition of the net assets and of the liabilities which do not form part of the operating activities.

In the preparation of the consolidated statement of cash flows, “Cash and cash equivalents” were considered to include cash on hand, demand deposits at banks and other short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

v) Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Group (the euro) using the exchange rates prevailing at the date of the transaction. Exchange gains and losses arising on settlement of these transactions and translation of monetary assets and liabilities held in foreign currency at the closing rates are recognised in the consolidated income statement, unless they are deferred to equity, as in the case of cash flow hedges and hedges of net investments in foreign operations, as noted in section e) of this Note.

4. Financial and capital risk management

a) Financial risk factors

The Group’s activities are exposed to various financial risks, the most significant of which are foreign currency risk, interest rate risk, credit risk, liquidity risk, inflation risk and risks related to Group Indebtedness. The Group can use derivatives and other protection mechanisms to hedge certain interest rate and foreign currency risks.

Financial risk management is controlled by the Corporate Finance and Treasury Department following authorisation by the most senior executive officer of Cellnex, as part of the respective policies adopted by the Board of Directors.

I) Foreign currency risk

As the Group reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty, respectively, on the other. The Group’s strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk, considering that the Group is a long term investor in the above mentioned currencies and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, based on, inter alia, the depth of the market for local currency finance and hedging and its corresponding cost. These strategies could eventually allow the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in converting into euro agreements denominated in Pound sterling, Swiss francs, Danish krone, Swedish krone and the Polish Zloty may have negative consequences to the Group, affecting its overall business, prospects, financial condition, results of operations and/or cash flow generation.

In relation to foreign currency risk, the contributions to the main aggregates of the consolidated income statement of the Group by companies operating in a functional currency other than the euro were as follows:

31 December 2022

Company	Thousands of Euros		
	Functional currency	Income	%
Cellnex UK subgroup	GBP	386,203	11%
Cellnex Switzerland subgroup	CHF	157,520	5%
Cellnex Sweden subgroup	SEK	55,919	2%
Cellnex Denmark subgroup	DKK	36,166	1%
Cellnex Poland subgroup	PLN	412,578	12%
Contribution in foreign currency		**1,048,386**	**30%**
Total Cellnex Group		**3,495,180**	

31 December 2021

Company	Thousands of Euros		
	Functional currency	Income	%
Cellnex UK subgroup	GBP	311,814	12%
Cellnex Switzerland subgroup	CHF	146,141	6%
Cellnex Sweden subgroup	SEK	47,265	2%
Cellnex Denmark subgroup	DKK	28,574	1%
Cellnex Poland subgroup	PLN	212,754	8%
Contribution in foreign currency		**746,548**	**29%**
Total Cellnex Group		**2,532,799**	

The contribution to the main aggregates of the consolidated balance sheet of the Group by companies operating in a functional currency other than the euro was as follows:

31 December 2022

Company	Thousands of Euros				
	Functional currency	Total assets	%	Equity	%
Cellnex UK subgroup	GBP	7,883,066	18%	(48,739)	—%
Cellnex Switzerland subgroup	CHF	1,950,680	4%	175,634	1%
Cellnex Denmark subgroup	DKK	613,293	1%	(15,245)	—
Cellnex Sweden subgroup	SEK	878,346	2%	(74,895)	—
Cellnex Poland subgroup	PLN	3,780,547	9%	276,166	2%
Contribution in foreign currency		**15,105,932**	**34%**	**312,921**	**2%**
Total Cellnex Group		**44,257,749**		**15,187,798**	

31 December 2021 restated

Company				Thousands of Euros	
	Functional currency	Total assets	%	Equity	%
Cellnex UK subgroup	GBP	3,935,463	9 %	(371)	—
Cellnex Switzerland subgroup	CHF	1,946,295	5 %	105,192	1 %
Cellnex Denmark subgroup	DKK	598,094	1 %	(10,488)	—
Cellnex Sweden subgroup	SEK	940,025	2 %	(16,404)	—
Cellnex Poland subgroup	PLN	3,753,254	9 %	482,544	3 %
Contribution in foreign currency		**11,173,131**	**27 %**	**560,473**	**4 %**
Total Cellnex Group		**41,860,943**		**15,827,478**	

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% depreciation in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at year-end is as follows:

		Thousands of Euros
		2022
Functional currency	Income	Equity [(1)]
10% change:		
GBP	(35,109)	(346,516)
CHF	(14,320)	(61,818)
DKK	(3,288)	(30,433)
SEK	(5,084)	(50,737)
PLN	(37,507)	(256,234)

(1) Impact on equity from translation differences arising in the consolidation process.

		Thousands of Euros
		2021 restated
Functional currency	Income	Equity [(1)]
10% change:		
GBP	(28,347)	(167,710)
CHF	(13,286)	(58,411)
DKK	(2,598)	(30,865)
SEK	(4,297)	(56,054)
PLN	(19,341)	(263,335)

(1) Impact on equity from translation differences arising in the consolidation process.

The effects on the Group's equity would be partially offset by the impact on equity from the net investment hedges for an amount of EUR 57,989 thousand in 2022 (EUR 36,825 thousand in 2021, restated figures, before considering the post balance sheet event described in Note 26), which were entered into for the initial investment amount.

II) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying consolidated financial statements).

As at 31 December 2022 and 2021 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying consolidated financial statements).

III) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To partially mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity c. EUR 4.5 billion, considering cash and available credit lines, as at 31 December 2022, and has no significant immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

V) Inflation risk

Despite a long period of historically low inflation, inflation is on the increase around the world during 2022, with food, energy and petrol prices hitting record highs. A significant portion of the Group’s operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank. Further, most of the Group’s infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this sense, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current high inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation.

This mismatch arises due to the relationship of the Group's Operating Income to inflation which is capped in certain of its contracts with anchor customers or has fixed terms escalators (please see 1.2 Connectivity solutions, Technology and connectivity Solutions, Telecommunications Infrastructure Services (TIS)), whereas Opex and leases are generally uncapped, this requires strong Opex and lease control that is not always under the control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

VI) Risks related to Group Indebtedness

The Group’s present indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group’s future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group’s control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group’s financing contracts such as limitations on the incurrence of additional debt, restrictions in the amount and nature of the Group’s investments or the obligation to pledge certain Group’s assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group’s credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

As mitigation of the above-mentioned risk, the Group has taken, inter alia, the following actions: (i) signing long-term Revolving Credit Facilities, by which, banks commit to make funds available immediately to the Group for any potential cash needs, and (ii) entering into new capital markets such as the entry into the American market in 2021. Finally, in November 2022 the Group publicly announced its commitment to reduce the leverage and maintain it consistently below a certain level, with the objective to become Investment Grade by Standard & Poors as well as maintaining the current Investment Grade by Fitch.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

Any increase in interest rates would increase the Group’s finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 77% of its debt at fixed rate. Thus, at 31 December 2022 and 2021 a change on the interest rates would not have a significant impact on the consolidated financial statements. See estimated sensitivity analysis of the financial expenses in Note 15.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3-e.iv. The breakdown at 31 December 2022 and 2021 of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2022

	Thousands of Euros			
	Level 1	**Level 2**	**Level 3**	**2022**
Assets				
Derivative financial instruments:				
Cash flow hedges	—	150,131	—	150,131
Hedges of a net investment in a foreign operation		11,392		11,392
Total derivative financial instruments	**—**	**161,523**	**—**	**161,523**
Total assets	**—**	**161,523**	**—**	**161,523**
Liabilities				
Derivative financial instruments:				
Fair value hedge	—	25,290	—	25,290
Total derivative financial instruments	**—**	**25,290**	**—**	**25,290**
Total liabilities	**—**	**25,290**	**—**	**25,290**

31 December 2021

	Thousands of Euros			
	Level 1	**Level 2**	**Level 3**	**2021**
Assets				
Derivative financial instruments:				
Cash flow hedges	—	30,116	—	30,116
Derivatives not designated as hedges	—	77	—	77
Total derivative financial instruments	**—**	**30,193**	**—**	**30,193**
Total assets	**—**	**30,193**	**—**	**30,193**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	—	2,622	—	2,622
Hedges of a net investment in a foreign operation	—	9,210	—	9,210
Total derivative financial instruments	**—**	**11,832**	**—**	**11,832**
Total liabilities	**—**	**11,832**	**—**	**11,832**

In 2022 and 2021 there were no transfers between Levels 1 and 2.

As indicated in Notes 3.d and 3.e, the fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Group employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date. In this regard, the fair value based on the aforementioned hierarchies of the bond issues and other loans, and loans and credit facilities at 31 December 2022 and 2021 is detailed in Note 15.

c) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern to deliver returns to its shareholders and to maintain an optimal capital structure and lower costs. In this regard, Group's management is continuously assessing different alternatives to maintain a flexible approach regarding the capital structure, these alternatives being issuing straight bonds, convertible bonds, reaching agreements with minority shareholders at the business unit level such as Cellnex Switzerland, Cellnex Netherlands, Nexloop, Metrocall, On Tower Poland and Cellnex France Infrastructure, or even executing a potential capital increase. In order to do so, the management of the Parent Company takes into consideration both market conditions and its capacity on delivering organic growth, leveraging on its neutral operator character.

The Group monitors capital using a leverage ratio along with other financial ratios (e.g. net debt as a multiple of EBITDA and RLFCF), in line with standard industry practice.

One leverage ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as given in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as given in the consolidated balance sheet, plus net debt.

The leverage ratios at 31 December 2022 and 2021 were as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021 restated
Bank borrowings (Note 15)	3,838,178	2,064,351
Bonds issues (Note 15)	14,045,410	13,565,690
Lease liabilities (Note 16)	3,085,490	2,905,762
Cash and cash equivalents (Note 13.a)	(1,038,179)	(3,926,578)
Other financial assets (Note 13.b)	(93,242)	—
Net Financial Debt (1)	**19,837,657**	**14,609,225**
Net equity (Note 14)	15,187,798	15,827,478
Total capital (2)	**35,025,455**	**30,436,703**
Leverage ratio (1)/(2)	**57 %**	**48 %**

At 31 December 2022, Cellnex holds a long-term BBB- with stable outlook with agency Fitch Ratings Ltd as confirmed by a report issued on 17 January 2023, and a long-term "BB+" with positive outlook according to the agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 11 November 2022. On November 2022, Cellnex published a new financial policy and an unconditional commitment to reduce leverage, in order to become Investment grade (BBB-) with Standard & Poor's within two years and to maintain BBB- with Fitch.

5. Matters arising from the completion of the business combinations of the 2021 year end

The comparative financial information for 2021 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for Iliad Poland Acquisition, T-Mobile Infra Acquisition, Polkomtel Acquisition, the CK Hutchison Transaction in respect of Italy, Infratower Acquisition and Hivory Acquisition (see Note 6).

The reconciliation of the key figures of the Group's consolidated balance sheet, consolidated statement of changes in net equity, consolidated income statement and consolidated statement of cash flows for the year ended 31 December 2021, obtained before and after the completion of the purchase price allocation for the acquisitions mentioned above, is shown below:

Consolidated balance sheet at 31 December 2021

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (See Note 6)	31 December 2021 restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7,632,307	722,236	8,354,543
Goodwill	5,980,071	208	5,980,279
Other intangible assets	19,033,653	(733,393)	18,300,260
Right-of-use assets	3,282,641	63,546	3,346,187
Investments in associates	3,265	—	3,265
Financial investments	26,406	—	26,406
Derivative financial instruments	30,116	—	30,116
Trade and other receivables	50,830	—	50,830
Deferred tax assets	673,024	—	673,024
Total non-current assets	**36,712,313**	**52,597**	**36,764,910**
CURRENT ASSETS			
Inventories	2,765	—	2,765
Trade and other receivables	1,152,079	10,999	1,163,078
Receivables from associates	384	—	384
Financial investments	3,151	—	3,151
Derivative financial instruments	77	—	77
Cash and cash equivalents	3,926,578	—	3,926,578
Total current assets	**5,085,034**	**10,999**	**5,096,033**
TOTAL ASSETS	**41,797,347**	**63,596**	**41,860,943**

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (See Note 6)	31 December 2021 restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	169,832	—	169,832
Treasury shares	(60,802)	—	(60,802)
Share premium	14,580,762	—	14,580,762
Reserves	(130,330)	(3,097)	(133,427)
Profit for the year	(351,365)	(11,174)	(362,539)
	14,208,097	**(14,271)**	**14,193,826**
Non-controlling interests	1,633,591	61	1,633,652
Total net equity	**15,841,688**	**(14,210)**	**15,827,478**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	14,914,060	—	14,914,060
Lease liabilities	2,306,190	95,831	2,402,021
Derivative financial instruments	11,832	—	11,832
Provisions and other liabilities	2,124,609	(5,367)	2,119,242
Employee benefit obligations	70,453	—	70,453
Deferred tax liabilities	3,805,049	20,999	3,826,048
Total non-current liabilities	**23,232,193**	**111,463**	**23,343,656**
CURRENT LIABILITIES			
Bank borrowings and bond issues	719,995	—	719,995
Lease liabilities	529,894	(26,153)	503,741
Derivative financial instruments	—	—	—
Employee benefit obligations	70,634	—	70,634
Payables to associates	69	—	69
Trade and other payables	1,402,874	(7,504)	1,395,370
Total current liabilities	**2,723,466**	**(33,657)**	**2,689,809**
TOTAL NET EQUITY AND LIABILITIES	**41,797,347**	**63,596**	**41,860,943**

Consolidated income statement for the year ended 31 December 2021

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (See Note 6)	31 December 2021 restated
Services	2,438,400	—	2,438,400
Other operating income	94,399	—	94,399
Operating income	**2,532,799**	**—**	**2,532,799**
Staff costs	(300,357)	—	(300,357)
Other operating expenses	(485,404)	—	(485,404)
Change in provisions	(2,537)	—	(2,537)
Depreciation, amortisation and results from disposals of fixed assets	(1,687,564)	11,240	(1,676,324)
Operating profit	**56,937**	**11,240**	**68,177**
Financial income	4,416	—	4,416
Financial costs	(375,591)	—	(375,591)
Interest expense on lease liabilities	(216,644)	(17,444)	(234,088)
Net financial profit/(loss)	**(587,819)**	**(17,444)**	**(605,263)**
Profit of companies accounted for using the equity method	(3,222)	—	(3,222)
Profit/(loss) before tax	**(534,104)**	**(6,204)**	**(540,308)**
Income tax	159,031	(4,907)	154,124
Consolidated net profit/(loss)	**(375,073)**	**(11,111)**	**(386,184)**
Attributable to non-controlling interests	(23,708)	63	(23,645)
Net profit attributable to the Parent Company	**(351,365)**	**(11,174)**	**(362,539)**
Earnings per share (in euros per share):			
Basic	(0.59)		(0.59)
Diluted	(0.43)		(0.43)

Consolidated statement of changes in net equity for the year ended 31 December 2021

Thousands of Euros

Total Net Equity at 31/12/2021	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**169,832**	**(60,802)**	**14,580,762**	**(130,330)**	**(351,365)**	**1,633,591**	**15,841,688**
Impact of IFRS 3	—	—	—	(3,097)	(11,174)	61	(14,210)
Net Equity after IFRS 3 impact	**169,832**	**(60,802)**	**14,580,762**	**(133,427)**	**(362,539)**	**1,633,652**	**15,827,478**

Note: The amounts for the adjustments to equity are shown net of the related tax effects, if any, including the amounts both for fully consolidated companies as well as for those accounted for using the equity method, as applicable.

Consolidated statement of cash flows for the year ended 31 December 2021

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (See Note 6)	31 December 2021 restated
Profit/(loss) for the year before tax	**(534,104)**	**(6,204)**	**(540,308)**
Adjustments to profit-			
Depreciation, amortisation and results from disposals of fixed assets	1,687,564	(11,240)	1,676,324
Changes in provisions	2,537	—	2,537
Interest and other income	(4,416)	—	(4,416)
Interest and other expenses	592,235	17,444	609,679
Share of results of companies accounted for using the equity method	3,222	—	3,222
Other income and expenses	3,269	—	3,269
Changes in current assets/current liabilities-			
Inventories	(607)	—	(607)
Trade and other receivables	(253,343)	—	(253,343)
Other current assets and liabilities	253,882	—	253,882
Cash flows generated by operations			
Interest paid	(441,974)	—	(441,974)
Interest received	4,174	—	4,174
Income tax received/(paid)	(87,170)	—	(87,170)
Non-recurring Income tax paid	(78,400)	—	(78,400)
Current provisions and Employee benefit obligations	(5,701)	—	(5,701)
Total net cash flow from operating activities (I)	**1,141,168**	**—**	**1,141,168**

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (See Note 6)	31 December 2021 restated
Business combinations and changes in the scope of consolidation	(12,358,365)	—	(12,358,365)
Purchases of property, plant and equipment and intangible assets	(1,521,429)	—	(1,521,429)
Payments for financial investments	(23,722)	—	(23,722)
Total net cash flow from investing activities (II)	**(13,903,516)**	**—**	**(13,903,516)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	6,765,675	—	6,765,675
Proceeds from issue of bank borrowings	393,529	—	393,529
Bond issue	5,869,731	—	5,869,731
Repayment and redemption of bank borrowings	(505,399)	—	(505,399)
Net repayment of other borrowings	327	—	327
Net payment of lease liabilities	(447,594)	—	(447,594)
Total net cash flow from financing activities (III)	**12,076,269**	**—**	**12,076,269**
Foreign exchange differences	**(39,370)**	**—**	**(39,370)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)	**(725,449)**	**—**	**(725,449)**
Cash and cash equivalents at beginning of year	4,652,027	—	4,652,027
Cash and cash equivalents at end of year	**3,926,578**	**—**	**3,926,578**

6. Business combinations

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other infrastructure operators and subsequently integrates those infrastructures into its existing network. The financial results of the Group's acquisitions have been included in the accompanying consolidated financial statements for the period ended 31 December 2022 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognize the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements, the timing of the transfer of title or rights to the assets as well as the customary regulatory approvals, which may be accomplished in phases.

As a first step, Cellnex carries out a review of the acquisitions made to determine if they constitute a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets, irrespective of whether the acquisition takes place in the form of the purchase of a group of elements that constitutes a business, or through the purchase of the share capital of an entity.

In the case of a business combination, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

Given the complexity of the purchase price allocation process, the Group generally performs the latter with the participation of an independent third-party expert, and, in some cases, there is a reassessment of the allocation process during the period of one year since the business combination is completed, as permitted by IFRS 3. As in previous business combinations completed by the Group, the potential value of the sites is mainly derived from the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets) and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii), and provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. Additionally, as required by IFRS 3, IAS 12 and the other applicable standards, the deferred tax liabilities arising from the business combination were recognised as the differences between the carrying amount and the tax base calculated pursuant to the tax legislation in each jurisdiction of the respective operations. Finally, the goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases.

The main measurement assumptions and valuation techniques used in the purchase price allocation process in the context of a business combinations are as follows:

a. Property, plant and equipment are measured using the cost approach. This approach recognises that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce or replace it new. Utilization of the cost approach results in a concept referred to as Depreciated Replacement Cost New ("DRCN"), which is an indicator of fair value provided that all elements of depreciation and obsolescence are addressed. Property, plant and equipment was measured taking into account the technical data of each site and the estimate of the standard facilities and infrastructure associated with them, as applicable. The elements necessary for calculating fair value include, inter alia, the type of site, height, dismantling date and whether the item is indoors or outdoors.

b. Intangible assets, which are mostly Customer Network Services Contracts and Network Location intangibles, were measured using the Multi-Period Excess Earnings method. This is a technique used as part of the "Income Approach" and is similar to the discounted cash flow method, except that it also takes into account the use of other assets in the generation of the projected cash flows of a specific asset in order to isolate the economic benefit generated by the intangible asset in question. The contribution to the overall cash flows of other assets such as non-current assets, working capital, labour and other intangible assets is estimated by means of the capital expenditure relating to contributory assets. The assumptions taken into account for the measurement of the aforementioned intangible assets included, inter alia, the prior years' profit or loss of the acquired businesses with no loss of customers, the contractual terms and conditions agreed upon with the anchor customer of the acquired assets, comparative estimates with benchmark entities in the industry, future revenue projections based on business plans, costs based on the customer's contribution to revenue and discount rates in line with the estimates of the weighted average cost of capital assuming a risk margin. In this regard, the projected time spans used for the business combinations are longer than 20 years, but no terminal values representing perpetual cashflows are taken into account at the end of the projected period.

c. In the case of liabilities, the payables associated with working capital are generally measured at their nominal amount, which is generally considered to be a good approximation of fair value due to their nature and because the payables are settled at short term. For transactions that involve the assumption of provisions for contingencies or other obligations, the payables are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. The business combinations that include the assumption of financial liabilities were recognised at fair value, which was calculated taking into consideration a market participant yield at the measurement date.

The most noteworthy assumptions included in the aforementioned valuations are the weighted average cost of capital (WACC) and the compound annual growth rate (CAGR). The WACC rates calculated for the business combinations in 2021 were as follows: CK Hutchison Sweden 5.25%; Iliad Poland 6.00%; T-Mobile Infra 5.00%; CK Hutchison Italy 6.00%; Polkomtel 6.25%, Hivory 5.50%, and Infratower 6.2%. The CAGRs fluctuate in range from 1.30% to 5.00%. T-Mobile Infra and Iliad Poland at the low end of the range and the other business combinations are at the medium-high end of the range.

As a result of the business combinations performed during 2022 and 2021, and following a prudent approach, the vast majority of the difference between the book value of the assets acquired and the purchase price paid has been assigned to assets subject to deprecation or amortization. Thus, the resulting goodwill corresponds in the vast majority of cases to the net deferred tax recognized resulting from the higher fair value attributed to the net assets acquired in comparison with their tax bases. Furthermore, provision for other responsibilities captures mainly provisions for contingent liabilities (whose risk of cash outflow is not probable) made during the Purchase Price Allocation process which are a result of present obligations arising from past events, where the fair value can be reliably measured.

Business combinations for 2022

The main relevant business combinations for the 2022 year end is detailed below:

CK Hutchison Holdings Transactions

In the second half of 2020, Cellnex announced it had reached an agreement with CK Hutchison Networks Europe Investments S.à.r.L. (it or its related companies, hereinafter "Hutchison") for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions"). See Note 21 to the 2020 consolidated financial statements for more information.

Pursuant to the CK Hutchison Holdings Transactions, the Group agreed to acquire CK Hutchison Europe tower business unit which operates a portfolio of approximately 24,560 telecommunications sites in aggregate of which approximately 4,500 are located in Austria, approximately 1,300 in Denmark, approximately 1,120 in Ireland, approximately 9,140 in Italy, approximately 5,375 in the United Kingdom and approximately 2,500 in Sweden.

The CK Hutchison Holdings Transactions contemplates a total consideration (subject to certain adjustments) of approximately EUR 10 billion, of which approximately EUR 1.2 billion has been paid in new and/or treasury shares.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020, and the CK Hutchison Holdings Transactions in respect of Sweden and Italy were completed in the first and second quarters of 2021, respectively, following satisfaction or waiver of all applicable conditions' precedent.

Hutchison United Kingdom Acquisition

The CK Hutchison Holdings Transactions in respect of United Kingdom was completed in the last quarter of 2022, following satisfaction or waiver of all applicable conditions' precedent, including in connection with customary anti-trust and foreign investment clearances (the "Hutchison United Kingdom Acquisition"). Consequently, as of 31 December 2022, the Group fully owns the CK Hutchison UK tower business unit through the agreements described below.

Agreements in respect of the United Kingdom

Pursuant to a sale and purchase agreement dated 12 November 2020, the Hutchison United Kingdom Acquisition has been structured through the following agreements (together the "CK Hutchison agreements"):

i. a share purchase agreement between Hutchison and Cellnex UK (a fully-owned subsidiary of Cellnex, which acts as guarantor) to acquire the 100% of the share capital of Cignal Infrastructure UK Limited and the debt rights in respect of certain amounts owed to Hutchison by Cignal Infrastructure UK Limited (the "CK Hutchison UK SPA"). Under the terms of the CK Hutchison UK SPA, upon completion of the acquisition contemplated thereby, 1,550 sites have been transferred to the Group and 1,225 additional sites will be built and transferred to Cellnex.

ii. certain agreements (including, among others, the CK Hutchison EEBA, services agreement and advisory agreement) (the "CK Hutchison New Agreements") between Hutchison and Cellnex UK, pursuant to which, Hutchison irrevocably has transferred to On Tower UK the rights and obligations in relation to 7,324 sites (in relation to the passive infrastructure) currently managed by a joint operation, Mobile Broadband Network Limited (MBNL) between Hutchison and a third party (this joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party, in return for On Tower UK having undertaken Hutchison's obligations in relation to those sites. As a result of all the agreements taken as a whole, Cellnex occupies the same position as Hutchison had in MBNL in relation to the passive infrastructure and, consequently, the business combination recognises Cellnex's interest in MBNL as a joint operator. Finally, following the termination of this joint operation, which is expected to occur in 2031, the legal title to a minimum of 3,000 sites but up to a maximum of 3,833 sites that are subject to the CK Hutchison New Agreements will be transferred to the Group without any additional consideration. The specific sites, for which legal title will be transferred, will be determined at the termination of the joint operation as per current MBNL's joint operation agreement.

The total consideration upon closing by the Group under the CK Hutchison Agreements was partially paid in cash, EUR 2.3 billion, and the remaining consideration was satisfied by the issuance of 27,147,651 new Cellnex's shares (see Note 14) and the transfer of 6,964,144 treasury shares (see Note 14) whose fair value amounted to an aggregate of EUR 1,237 million at the competition date. The Cellnex hares subscribed by Hutchison are subject to a 12-month lock-up on customary terms.

The completion of the Hutchison United Kingdom Acquisition occurred after satisfaction of applicable conditions precedent in the CK Hutchison UK SPA, in particular, the condition precedent relating to antitrust clearance in the United Kingdom. This condition precedent was satisfied once the separate conditions precedent specified in the Final Undertakings accepted by the United Kingdom Competition and Markets Authority (“CMA”) on 12 May 2022 (the “Final Undertakings”) were satisfied. On 3 March 2022, the CMA approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,100 sites operated by Cellnex in the United Kingdom that geographically overlapped with the sites owned or operated by the Hutchison Group in the United Kingdom (the “Divestment Remedy”). On 24 October 2022, Cellnex announced that it had reached an agreement for the Divestment Remedy with United Kingdom telecommunications infrastructure operator Wireless Infrastructure Group (“WIG”) in accordance with the Final Undertakings. The Divestment Remedy with WIG was completed in the last quarter of 2022 (see Note 7).

Pursuant to the CK Hutchison agreements, a Hutchison group company and Cignal Infrastructure UK Limited have entered into a master services agreement whereby the Group will provide co-location services to Hutchison at the sites controlled by the Group (the “CK Hutchison UK MSA”) in terms similar to those of the CK Hutchison Europe MSAs. The price to be paid by Hutchison in exchange for the above services in accordance with the CK Hutchison UK MSA will be annually adjusted to the CPI, taking into consideration that the increase shall not exceed 2.25% per year and the decrease cannot be less than 0%. The initial term of the CK Hutchison UK MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an “all-or-nothing” basis. Additionally, the CK Hutchison UK MSA sets forth the terms under which the Group will build up to approximately 1,225 sites, for an estimated total consideration of up to approximately EUR 340 million (which the Group expects to finance with cash generated by the portfolio), including further initiatives to be executed by 2030.

Additionally, Cignal Infrastructure UK Limited entered into a transitional services agreement with a Hutchison group company, substantially in the same form as those signed in the context of the CK Hutchison Europe agreements, as contemplated above.

The transaction was completed in the last quarter of 2022, following the settlement of several administrative authorizations. Thus, the Hutchison United Kingdom Acquisition has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022. The operating income and net loss contribution since acquisition amounted to EUR 30 million and EUR 3 million, respectively, corresponding to the impact of 100% of the financial results of the Hutchison United Kingdom Acquisition in the accompanying consolidated income statement. If the Hutchison United Kingdom Acquisition had been completed on 1 January 2022 and it had been fully consolidated for the year ended on 31 December 2022, it would have contributed an operating income and net loss for an amount of approximately EUR 253 million and EUR 3 million, respectively.

The breakdown of the net assets acquired and goodwill generated by the Hutchison United Kingdom Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	3,561,201
Fair value of the net assets acquired	2,743,983
Resulting goodwill	**817,218**

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison United Kingdom Acquisition, the Group has carried out an internal preliminary purchase price allocation, but given the complexity in identifying the intangible assets acquired, an independent third party expert will be employed in the coming months. The assets and liabilities arising from the Hutchison United Kingdom Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	3,045,011	—	3,045,011
Right-of-use-assets	157,531	16,671	140,860
Property, plant and equipment	442,307	225,952	216,355
Trade and other receivables short term	1,732	1,732	—
Cash and cash equivalents	100,764	100,764	—
Lease liabilities long term	(126,372)	(13,684)	(112,688)
Provisions and other liabilities long term	(22,547)	(842)	(21,705)
Lease liabilities short term	(31,592)	(3,421)	(28,171)
Provisions and other liabilities short term	(8,503)	(8,503)	—
Net deferred tax assets /(liabilities)	(814,348)	994	(815,342)
Net assets acquired	**2,743,983**	**319,663**	**2,424,320**

Total acquisition price	3,561,201
Payment through Cellnex Telecom SA shares	(1,237,421)
Cash and cash equivalents	(100,764)
Cash outflow in the acquisition	**2,223,016**

Given the date on which the Hutchison United Kingdom Acquisition has been completed, at the date of signing these consolidated financial statements for the year ended on 31 December 2022, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified and, therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the transaction to complete the measurement process.

Business combinations for 2021

The initial accounting for the business combination involving the Iliad Poland Acquisition, T-Mobile Infra Acquisition, Hutchison Italy Acquisition, Polkomtel Acquisition, Infratower and Hivory described in Note 6 of the consolidated financial statements for the 2021 financial year, are now considered to have been completed, since one year has elapsed since its date of acquisition (in accordance with IFRS 3). Therefore, the Group modified the values used in the 31 December 2021 consolidated financial statements, as further information became available, allowing it to carry out a more accurate evaluation of the purchase price allocation process (see Note 5).

Hutchison Sweden Acquisition

In the first quarter of 2021, Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Sweden) acquired 100% of the share capital of HI3G Networks AB, owner of approximately 2,500 sites located in Sweden, (the “Hutchison Sweden Acquisition”). Additionally, Cellnex has agreed to the deployment of up to 2,677 new sites in Sweden by 2025. During the first quarter of 2021, the acquired company changed its name to On Tower Sweden AB (“On Tower Sweden”). The total consideration for Cellnex in relation to this transaction (Enterprise Value) has been EUR 0.8 billion. The transaction has been completed in the first quarter of 2021, following the settlement of several administrative authorizations. Thus, the Hutchison Sweden Acquisition has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2021 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2021. The operating income and net profit contribution since acquisition amounted to EUR 47 million and EUR 3 million, respectively, corresponding to the impact of 100% of the financial results of the Hutchison Sweden Acquisition in the accompanying consolidated income statement. If Hutchison Sweden Acquisition, had been completed on 1 January 2021 and it had been fully consolidated for the year ended on 31 December 2021, it would have contributed an operating income and net profit for an amount of approximately EUR 50 million and EUR 3 million, respectively.

The breakdown of the net assets acquired and goodwill generated by the Hutchison Sweden Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	804,679
Fair value of the net assets acquired	505,826
Resulting goodwill	**298,853**

The initial accounting for the business combination involving the Hutchison Sweden Acquisition described in Note 4 of the condensed consolidated interim financial statements for the period six-month period ended on 30 June 2021, was restated as of December 31, 2021 and was considered to be completed as of the date of signing of the 2021 consolidated financial statements, since one year has elapsed since the date of acquisition (in accordance with IFRS 3). The fair value at the date of acquisition of the assets and liabilities of the acquired business was determined, according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison Sweden Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Duff & Phelps, S.L.U., whose final PPA report was issued on 13 January 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Sweden Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	471,960	—	471,960
Right-of-use-assets	36,157	27,153	9,004
Property, plant and equipment	138,115	120,217	17,898
Trade and other receivables short term	2,098	2,098	—
Cash and cash equivalents	4,004	4,004	—
Lease liabilities long term	(23,517)	(15,699)	(7,818)
Provisions and other liabilities long term	(8,628)	(8,628)	—
Lease liabilities short term	(7,942)	(6,757)	(1,185)
Provisions and other liabilities short term	(5,640)	(5,640)	—
Net deferred tax assets /(liabilities)	(100,781)	130	(100,911)
Net assets acquired	**505,826**	**116,878**	**388,948**
Total acquisition price	804,679	804,679	
Cash and cash equivalents	(4,004)	(4,004)	
Cash outflow in the acquisition	**800,675**	**800,675**	

Hutchison Italy Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison Italy Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	3,400,070
Fair value of the net assets acquired	2,806,155
Resulting goodwill	**593,915**

The review of the purchase price allocation of the Hutchison Italy Acquisition gave rise to a EUR 83,859 thousand increase in goodwill following the recognition of a lower revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 2,509,335 thousand (EUR 2,859,135 thousand in the 2021 consolidated financial statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 884,300 thousand (EUR 651,646 thousand in the 2021 consolidated financial statements). The review also gave rise to a decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 and Note 3 of these consolidated financial statements, which ultimately amounted to EUR 321,811 thousand (EUR 342,892 thousand in the 2021 consolidated financial statements), and EUR 288,460 thousand (EUR 309,541 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison Italy Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 29 June 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Italy Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	2,509,335	715,441	1,793,894
Right-of-use-assets	321,811	321,811	—
Property, plant and equipment	884,300	600,200	284,100
Trade and other receivables short term	19,511	19,511	—
Cash and cash equivalents	76,976	76,976	—
Lease liabilities long term	(220,638)	(220,638)	—
Provisions and other liabilities long term	(65,605)	(40,104)	(25,501)
Lease liabilities short term	(67,822)	(67,822)	—
Provisions and other liabilities short term	(905)	(905)	—
Trade and other payables	(46,951)	(46,951)	—
Net deferred tax assets /(liabilities)	(603,857)	543	(604,400)
Net assets acquired	**2,806,155**	**1,358,062**	**1,448,093**
Total acquisition price	3,400,070	3,400,070	
Cash and cash equivalents	(76,976)	(76,976)	
Cash outflow in the acquisition	**3,323,094**	**3,323,094**	

Iliad Poland Acquisition

The breakdown of the net assets acquired and goodwill generated by the Iliad Poland Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	1,458,114
Fair value of the net assets acquired	1,227,492
Resulting goodwill	**230,622**

(1) Corresponds to the total amount paid by On Tower Poland for the 100% of the telecommunications passive infrastructures business unit of P4, containing an initial portfolio of approximately 7,428 sites (including the initial 6,911 sites and 517 additional sites completed before the Iliad Poland Completion Date. The Group has a 60% stake in On Tower Poland (see Note 2.h). Additionally, the total acquisition price considers the cash paid by On Tower Poland (PLN 6,712,476 thousand) plus the impact of a natural hedge (as disclosed in Note 11), which has been treated as a cash flow hedge of a highly probable transaction in accordance with the provisions of IAS 39, which converts to EUR 1,458,114 thousand.

The review of the purchase price allocation of the Iliad Poland Acquisition gave rise to a EUR 2,573 thousand decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 and Note 3 of these consolidated financial statements, which ultimately amounted to EUR 109,475 thousand (EUR 112,048 thousand in the 2021 consolidated financial statements), and EUR 109,300 thousand (EUR 111,873 thousand in the 2021 consolidated financial statements), respectively. In addition, the acquisition price has increased slightly by EUR 100 thousand, as a result of the completion of this business combination.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Iliad Poland Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 16 March 2022 and the report did not contain any limitations. The assets and liabilities arising from the Iliad Poland Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	1,017,954	—	1,017,954
Right-of-use-assets	109,475	—	109,475
Property, plant and equipment	226,090	—	226,090
Trade and other receivables short term	21	—	21
Cash and cash equivalents	33,787	—	33,787
Lease liabilities long term	(76,104)	—	(76,104)
Provisions and other liabilities long term	(18,647)	—	(18,647)
Lease liabilities short term	(33,196)	—	(33,196)
Trade and other payables	(31,888)	—	(31,888)
Net assets acquired	**1,227,492**	**—**	**1,227,492**
Total acquisition price	1,458,114		
Cash in from other shareholders	(533,993)		
Cash and cash equivalents	(33,787)		
Cash outflow in the acquisition	**890,334**		

T-Mobile Infra Acquisition

The breakdown of the net assets acquired and goodwill generated by the T-Mobile Infra Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	396,500
Fair value of the net assets acquired	206,602
Resulting goodwill	**189,898**

(1) Corresponds to the fair value of 25.10% of Cellnex Netherlands shares plus the initial contribution in DIV.

The review of the purchase price allocation of the T-Mobile Infra Acquisition gave rise to a EUR 8,550 thousand increase in goodwill following the recognition of a lower revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 572,700 thousand (EUR 584,100 thousand in the 2021 consolidated financial statements), and an increase in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 and Note 3 of these consolidated financial statements, which ultimately amounted to EUR 91,982 thousand (EUR 68,108 thousand in the 2021 consolidated financial statements), and EUR 79,475 thousand (EUR 55,601 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the T-Mobile Infra Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 27 May 2022 and the report did not contain any limitations. The assets and liabilities arising from the T-Mobile Infra Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	572,700	154,646	418,054
Right-of-use-assets	91,982	91,982	—
Property, plant and equipment	90,626	52,018	38,608
Trade and other receivables short term	9,104	9,104	—
Cash and cash equivalents	5,053	5,053	—
Bank borrowings and derivative financial instruments long term	(250,000)	(250,000)	—
Lease liabilities long term	(67,850)	(67,850)	—
Provisions and other liabilities long term	(77,313)	(35,488)	(41,825)
Lease liabilities short term	(11,625)	(11,625)	—
Provisions and other liabilities short term	(2,112)	(2,112)	—
Trade and other payables	(1,656)	(1,656)	—
Net deferred tax assets /(liabilities)	(152,307)	520	(152,827)
Net assets acquired	**206,602**	**(55,408)**	**262,010**
Total acquisition price	396,500	396,500	
Payment through issuance of new Cellnex Netherlands shares (37%)	(396,500)	(396,500)	
Initial investment in DIV	135,640	135,640	
Cash and cash equivalents	(5,053)	(5,053)	
Cash outflow in the acquisition	**130,587**	**130,587**	

Polkomtel Acquisition

The breakdown of the net assets acquired and goodwill generated by the Polkomtel Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	1,552,364
Fair value of the net assets acquired	1,249,455
Resulting goodwill	**302,909**

(1) Corresponds to the amount that Cellnex Poland would have paid for 100% of Towerlink Poland. The Group has a 99.99% in Towerlink Poland (see Note 2.h). Additionally, the total acquisition price considers the cash paid by Cellnex Poland (PLN 7,027,582 thousand) plus the impact of a natural hedge (as disclosed in Note 11), which has been treated as a cash flow hedge of a highly probable transaction in accordance with the provisions of IAS 39, which converts to EUR 1,552,364 thousand.

The review of the purchase price allocation of the Polkomtel Acquisition gave rise to a EUR 24,544 thousand decrease in goodwill following the recognition of a lower revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 683,887 thousand (EUR 1,002,560 thousand in the 2021 consolidated financial statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 877,566 thousand (EUR 538,770 thousand in the 2021 consolidated financial statements). The review also gave rise to an increase in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 and Note 3 of these consolidated financial statements, which ultimately amounted to EUR 186,428 thousand (EUR 169,713 thousand in the 2021 consolidated financial statements), and EUR 186,428 thousand (EUR 179,446 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Polkomtel Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 7 July 2022 and the report did not contain any limitations. The assets and liabilities arising from the Polkomtel Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	683,887	6,938	676,949
Right-of-use-assets	186,428	186,428	—
Property, plant and equipment	877,566	538,771	338,795
Trade and other receivables long term	78	78	—
Trade and other receivables short term	37,017	37,017	—
Cash and cash equivalents	21,401	21,401	—
Lease liabilities long term	(148,426)	(148,426)	—
Provisions and other liabilities long term	(100,745)	(23,052)	(77,693)
Trade and other payables long term	(39,902)	(39,902)	—
Lease liabilities short term	(38,002)	(38,002)	—
Provisions and other liabilities short term	(12,944)	(12,944)	—
Trade and other payables	(38,196)	(38,196)	—
Net deferred tax assets /(liabilities)	(178,707)	14,284	(192,991)
Net assets acquired	**1,249,455**	**504,395**	**745,060**
Total acquisition price	1,552,364	1,552,364	
Cash in from other shareholders	(155)	(155)	
Cash and cash equivalents	(21,401)	(21,401)	
Cash outflow in the acquisition	**1,530,808**	**1,530,808**	

Infratower Acquisition

The breakdown of the net assets acquired and goodwill generated by the Infratower Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	215,246
Fair value of the net assets acquired	174,790
Resulting goodwill	**40,456**

The review of the purchase price allocation of the Infratower Acquisition gave rise to a EUR 31,223 thousand increase in goodwill following the recognition of a lower revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 153,800 thousand (EUR 205,925 thousand in the 2021 consolidated financial statements), and an increase in tangible fixed assets, which ultimately amounted to EUR 14,941 thousand (EUR 3,174 thousand in the 2021 consolidated financial statements).

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Infratower Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 6 September 2022 and the report did not contain any limitations. The assets and liabilities arising from the Infratower Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	153,800	23,283	130,517
Right-of-use-assets	3,246	3,246	—
Property, plant and equipment	14,941	186,541	(171,600)
Trade and other receivables short term	5,558	5,558	—
Lease liabilities long term	(1,588)	(1,588)	—
Provisions and other liabilities long term	(9,698)	(2,810)	(6,888)
Lease liabilities short term	(1,657)	(1,657)	—
Trade and other payables	(110)	(110)	—
Net deferred tax assets /(liabilities)	10,298	438	9,860
Net assets acquired	**174,790**	**212,901**	**(38,111)**
Total acquisition price	215,246		
Cash outflow in the acquisition	**215,246**		

Hivory Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hivory Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	5,271,011
Fair value of the net assets acquired	3,749,667
Resulting goodwill	**1,521,344**

The review of the purchase price allocation of the Hivory Acquisition gave rise to a EUR 99,288 thousand decrease in goodwill following the recognition of a lower revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") and tangible fixed assets, which ultimately amounted to EUR 4,114,163 thousand (EUR 4,137,963 thousand in the 2021 consolidated financial statements), and 626,385 thousand (EUR 458,641 thousand in the 2021 consolidated financial statements), as well as an increase in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 and Note 3 of these consolidated financial statements, which ultimately amounted to EUR 308,711 thousand (EUR 240,356 thousand in the 2021 consolidated financial statements), and EUR 292,116 thousand (EUR 223,699 thousand in the 2021 consolidated financial statements), respectively. Finally, the acquisition price has decreased by EUR 11 million, as a result of the completion of this business combination.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hivory Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 21 October 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hivory Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	4,114,163	46,463	4,067,700
Right-of-use-assets	308,711	308,711	—
Property, plant and equipment	626,385	484,785	141,600
Trade and other receivables long term	492	492	—
Trade and other receivables short term	203,915	203,915	—
Cash and cash equivalents	69,679	69,679	—
Lease liabilities long term	(211,492)	(211,492)	—
Provisions and other liabilities long term	(86,380)	(57,329)	(29,051)
Lease liabilities short term	(80,624)	(80,624)	—
Provisions and other liabilities short term	(62,616)	(62,616)	—
Trade and other payables	(79,213)	(79,213)	—
Net deferred tax assets /(liabilities)	(1,053,353)	(1,028)	(1,052,325)
Net assets acquired	**3,749,667**	**621,743**	**3,127,924**
Total acquisition price	5,271,011		
Cash and cash equivalents	(69,679)		
Cash outflow in the acquisition	**5,201,332**		

7. Non-current assets held for sale

Non-current assets held for sale in relation to the Hutchison United Kingdom Acquisition

In relation with the completion of the Hutchison United Kingdom Acquisition (see Note 6), on 3 March 2022, the United Kingdom Competition and Markets Authority ("CMA") approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by the Hutchison Group in the UK (the "Divestment Remedy").

During 2022, the sale was highly probable, as the management has committed to a plan to sell and a buyer was actively being sought. In addition, the sites were already identified and actively marketed for sale at a price that was reasonable in relation to its current fair value. In this sense, during 2022, the Group considered that the requirements established in IFRS 5 had been met to classify these assets and their associated liabilities as "Assets held for sale". Consequently, based on the IFRS 5 - "Non-current assets held for sale and discontinued operations", since 30 April 2022, the assets and liabilities related to these Divestment Remedies were presented as assets and liabilities of disposal groups held for sale. Additionally, according to IFRS 5, Cellnex has not depreciated (or amortised) any non-current assets classified as held for sale, but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continued to be recognised.

On 24 October 2022, Cellnex announced that it had reached an agreement for the Divestment Remedy with UK telecommunications infrastructure operator Wireless Infrastructure Group ("WIG") in accordance with the Final Undertakings. The Divestment Remedy with WIG as well as the Hutchison United Kingdom Acquisition were completed in the last quarter of 2022 (see Note 6). The sites have been transferred for an amount of approximately GBP 135 million, without significant impact in the accompanying consolidated income statement recognized in "Depreciation, amortization and results from disposals of fixed assets" of the accompanying consolidated income statement (see Note 20.e). Thus, as of 31 December 2022, the headings "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" on the consolidated balance sheet are not including the amounts related to the aforementioned Divestment Remedy.

Non-current assets held for sale in relation to the Hivory Acquisition

In order to fulfill Hivory Acquisition (see Note 6) closing requirements established by the French Competition Authority ("FCA") in the first quarter of 2022 the Group entered into: i) a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France for an expected amount of approximately EUR 600 million, net of taxes; ii) a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France for an expected amount of approximately EUR 235 million, net of taxes. Both agreements are part of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 6 of the 2021 Consolidated Financial Statements) and are subject to its approval.

The sale is structured in six lots of sites and the completion of the Divestment Remedy is expected to take place during 2023 and 2024. The first lot of sites is already identified and actively marketed for sale at a price that is reasonable in relation to its current fair value. The process is progressing correctly and the transaction is expected to be completed soon. In this sense, as of 31 December 2022, the Group considers that the requirements established in IFRS 5 have been met to classify this first lot of assets and their associated liabilities as "Assets held for sale" in the accompanying consolidated balance sheet. Consequently, based on the IFRS 5 - "Non-current assets held for sale and discontinued operations", since 31 October 2022, the assets and liabilities related to these Divestment Remedies are presented as assets and liabilities of disposal groups held for sale. Additionally, according to IFRS 5, Cellnex has not depreciated (or amortised) any non-current assets classified as held for sale, but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continue to be recognised. The assets and liabilities rising at the time of their new classification (accounting effect 31 October 2022) amounting to EUR 51 million and EUR 22 million, respectively. In accordance with IFRS 5.40, the above presentation requirements are applied only prospectively, without reclassification of comparative information. In relation with the remaining lots, although the sale is probable and management has committed a plan to sell and buyer is actively being sought, the lots to sell are not definitive and could significantly change, as both seller and buyer are carrying out due diligence processes in order to identify those sites that meet certain required conditions. Consequently, the Group's considers that as of 31 December 2022 the requirements established in IFRS 5 for this other lots of sites have not been met yet in order to classify these assets and their associated non-current liabilities as "Non-current assets held for sale".

The main financial figures related to the non-current assets held for sale and the liabilities associated with non-current assets held for sale in relation to the Hivory Acquisition at the period ended 31 December 2022 are as follows:

	Thousands of Euros
	31 December 2022
NON-CURRENT ASSETS	
Property, plant and equipment	35,060
Right-of-use assets	16,367
Total non-current assets	**51,427**
TOTAL ASSETS	**51,427**
Non-current assets held for sale	**51,427**

	31 December 2022
NON-CURRENT LIABILITIES	
	20,286
Total non-current liabilities	**20,286**
CURRENT LIABILITIES	
Lease liabilities	1,528
Total current liabilities	**1,528**
TOTAL LIABILITIES	**21,814**
Liabilities associated with non-current assets held for sale	**21,814**

8. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2022 and 2021 were as follows:

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2022 restated				
Cost	8,231,776	1,104,526	723,648	**10,059,950**
Accumulated depreciation	(1,212,652)	(492,755)	—	**(1,705,407)**
Carrying amount	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Carrying amount at beginning of period	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Changes in the consolidation scope (Note 6)	384,349	1,470	127,725	**513,544**
Additions	1,527,232	154,433	991,229	**2,672,894**
Disposals (net)	(341)	(4,038)	(25,543)	**(29,922)**
Transfers	282,943	(24,626)	(258,317)	**—**
Transfers to non-current assets held for sale (see Note 7)	(30,716)	(2,743)	(32,317)	**(65,776)**
Foreign exchange differences	(37,672)	(1,889)	(8,893)	**(48,454)**
Depreciation charge	(640,537)	(61,953)	—	**(702,490)**
Carrying amount at close	**8,504,382**	**672,425**	**1,517,532**	**10,694,339**
At 31 December 2022				
Cost	10,357,571	1,227,133	1,517,532	**13,102,236**
Accumulated depreciation	(1,853,189)	(554,708)	—	**(2,407,897)**
Carrying amount	**8,504,382**	**672,425**	**1,517,532**	**10,694,339**

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2021				
Cost	4,269,398	907,306	347,918	**5,524,622**
Accumulated depreciation	(788,621)	(433,427)	—	**(1,222,048)**
Carrying amount	**3,480,777**	**473,879**	**347,918**	**4,302,574**
Carrying amount at beginning of period	**3,480,777**	**473,879**	**347,918**	**4,302,574**
Changes in the consolidation scope (Note 6)	2,741,253	83,420	36,610	**2,861,283**
Additions	1,000,829	159,491	499,132	**1,659,452**
Disposals (net)	(3,474)	(953)	(3,619)	**(8,046)**
Transfers	204,409	(45,744)	(158,665)	**—**
Foreign exchange differences	19,361	1,006	2,272	**22,639**
Depreciation charge	(424,031)	(59,328)	—	**(483,359)**
Carrying amount at close	**7,019,124**	**611,771**	**723,648**	**8,354,543**
At 31 December 2021 restated				
Cost	8,231,776	1,104,526	723,648	**10,059,950**
Accumulated depreciation	(1,212,652)	(492,755)	—	**(1,705,407)**
Carrying amount	**7,019,124**	**611,771**	**723,648**	**8,354,543**

The carrying amount recognised under “Land and buildings” includes infrastructures acquired at the centres in which the Group has installed its telecommunications equipment (land, towers and buildings – prefabricated and civil works).

“Plant and machinery and other fixed assets” include mainly the telecommunications infrastructure network for broadcasting and others network services. It also includes all equipment necessary to ensure the operation of the technical equipment installed in any infrastructure (electrical and air conditioning).

“Property, plant and equipment under construction” includes the carrying amount of those items of property, plant and equipment acquired in the last days of the year that have still not been put into operation.

Changes in the scope of consolidation and business combinations

The movements in 2022 and 2021 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of:

2022

- the Hivory Portugal Acquisition (EUR 70,296 thousand, see Notes 2.h).
- Hutchison United Kingdom Acquisition (EUR 442,307 thousand, see Notes 2.h and 6).

2021 Restated

- the On Tower Sweden Acquisition, considered completed in the 2021 consolidated financial statements (EUR 138,115 thousand, see Notes 2.h and 6).
- the Iliad Poland Acquisition (EUR 226,090 thousand, see Notes 2.h and 6).
- the T-Mobile Infra Acquisition (EUR 90,626 thousand, see Notes 2.h and 6).
- Hutchison Italy Acquisition (EUR 884,300 thousand, see Notes 2.h and 6).
- Polkomtel Acquisition (EUR 877,566 thousand, see Notes 2.h and 6).
- Infratower Acquisition (EUR 14,941 thousand, see Notes 2.h and 6).
- Hivory Acquisition (EUR 626,385 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

France

As of 31 December 2022, in accordance with the agreements reached with Bouygues Telecom during the period 2016 - 2020, Cellnex, through its subsidiaries Cellnex France, Towerlink France and Nexloop, has committed to acquire or for Bouygues Telecom to build, as applicable, up to 8,460 sites before considering the approximately 5,300 sites to be divested that will be gradually transferred to Cellnex until 2030, of which 1,877 have been transferred to Cellnex as of 31 December 2022 (1,408 as of 31 December 2021), as well as to the roll-out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,800 of which belong to and are operated by Cellnex) with the network of “metropolitan offices”, “center offices” and “Mobile switching centers” for housing data processing centres (Edge Computing). During 2022, 442 sites were acquired (457 sites in 2021) and optic fibre network was deployed in relation to the aforementioned agreements, for an amount of approximately EUR 327 million and 277 million, respectively (EUR 333 million and 290 million as of 31 December 2021, respectively). Therefore, the total investment during 2022 and 2021, in relation to the agreements described above, amounted to approximately EUR 604 million and EUR 623 million, respectively.

Moreover, in accordance with the agreement reached with Free Mobile in 2019 (see Note 6 of the consolidated financial statements ended as of 31 December 2020), Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 4,500 sites that will be gradually transferred to Cellnex until 2029, of which 870 and 1,303 sites have been transferred to Cellnex as of 31 December 2022 and 2021 with an investment in 2022 and 2021 amounting to approximately EUR 213 million and EUR 243 million, respectively.

Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S (see agreements described in Note 6), Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will be gradually transferred to Cellnex until 2030, of which 456 and 155 sites have been transferred as of 31 December 2022 and 2021 with an investment in 2022 and 2021 amounting to approximately EUR 69 million and EUR 28 million, respectively. The search and construction of sites is outsourced by Hivory to SFR. Hivory, within a framework of obtaining synergies, has agreed that it will front load partially these investments to facilitate the construction of up to 2,500 sites at the earliest possible date. Thus, the Group has delivered a prepayment in the first half of 2022 in respect of the investment and acceleration relating to the construction of these sites for an amount of EUR 521 million.

Therefore, the total investment in France during 2022 and 2021, in relation to the agreements described above, amounted to approximately EUR 1,407 million and EUR 893 million, respectively.

Poland

During 2021 Cellnex reached an agreement in Poland with Iliad Poland and Polkomtel (see agreements described in Note 6). Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030, of which 610 and 36 have been transferred as of 31 December 2022 (188 and 35 as of 31 December 2021), as well as other updates in active equipment with an investment in 2022 and 2021 amounting to approximately EUR 147 million and EUR 19 million as of 31 December 2022 (EUR 44 million and EUR 61 million as of 31 December 2021).

Italy

During 2022 and 2021, in the context of the Iliad Italy Acquisition, 998 and 413 sites have been transferred for an amount of approximately EUR 140 million and EUR 93 million, respectively.

Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Notes 2.h and 6 of the 2021 consolidated financial statements), in the second quarter of 2022, Cellnex has acquired another portfolio of 102 sites in Portugal for approximately EUR 70 million (see Note 2.h.). Additionally, 143 and 136 sites have been transferred to Cellnex as of 31 December 2022 and 2021 with an investment in 2022 and 2021 amounting to approximately EUR 20 million and EUR 18 million, respectively.

Additionally, in the first quarter of 2022, Cellnex reached an agreement with Nos Comunicações, S.A. in order to expand its BTS program for up to 150 sites to be transferred by Cellnex for approximately EUR 50 million, as part of its long-term partnership established in 2020. After this transaction, that was completed in the last quarter of 2022, the BTS program leads to a total of up to 550 sites to be completed by 2026, in exchange of a total capex of up to EUR 225 million, of which 278 sites have been transferred as of 31 December 2022 with an investment of EUR 163 million.

Others

In addition to the movements described above, during 2022 investments have also been carried out by the Group in relation to “Built-to-Suit” agreements reached with several anchor tenants in Netherlands, Switzerland, Ireland, Austria, Denmark and Sweden for a total amount of approximately EUR 76 million (EUR 54 million as of 31 December 2021), and other additions related to the business expansion and improvements of the Group's assets, for an amount of approximately EUR 350 million (EUR 233 million as of 31st December 2021). The total additions for the period ended on 31 December 2022 described above, include the investments carried out by the Group in relation to Engineering Services that have been agreed with different customers, including ad-hoc capex eventually required (such as adaptation, engineering and design services) amounting to approximately EUR 311 million (EUR 154 million during 2021), mainly in France, UK, Switzerland and Portugal, amounting to EUR 106 million, EUR 123 million, EUR 21 million and EUR 15 million, respectively (EUR 43 million, EUR 59 million, EUR 12 million and EUR 9 million, respectively, during 2021).

At 31 December 2022 and 2021 the Group had not entered into additional relevant framework agreements with other customers.

Property, plant and equipment abroad

At 31 December 2022 and 2021 the Group had the following investments in property, plant and equipment located abroad:

		Thousands of Euros
	31 December 2022	31 December 2021 restated
Italy	1,605,244	1,502,542
France	4,571,681	3,320,048
UK	858,018	324,705
Switzerland	227,934	209,462
Portugal	515,896	256,454
Austria	225,546	207,763
Poland	1,233,886	1,151,151
Others	570,443	531,705
TOTAL	**9,808,648**	**7,503,830**

Fully depreciated assets

At 31 December 2022, fully depreciated property, plant and equipment amounted to EUR 1,074 million (EUR 916 million at 31 December 2021).

Change of control clauses

With regards to the Group's acquisitions of infrastructures from mobile telecommunications operators, certain material contracts entered into by the Group, including most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. With regards to the material contracts entered into by the Group with anchor customers, a change of control clause may be triggered (and is generally limited to) in the event where a competitor of the anchor customer, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights), or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). In such circumstances, and in certain cases, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

Purchase commitments at year-end

As of 31 December 2022 the Group held purchase agreements for property, plant and equipment assets amounting to EUR 5,393 million (EUR 6,108 million in 2021). These purchase commitments were related to the agreements reached in France with Free Mobile in 2019, where Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 2,500 sites that will be gradually transferred to Cellnex until 2026, and several projects with Bouygues Telecom (Build-to-Suit sites, construction and acquisition of Mobile Switching Centers, Metropolitan Offices and Central Offices -sites with data processing capabilities-, and through which Nexloop will deploy a national optic fiber network in France to provide mobile and fixed fiber-based connectivity and especially accelerate the roll-out of 5G in the country). Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S in 2021, Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will gradually transferred to Cellnex until 2030. Furthermore, it included the agreements reached during 2021 in Poland with Iliad Poland and Polkomtel, where, Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030. In addition to the commitments described above, it also included the agreements with CK Hutchison Networks related to the deployment of new sites in Austria, Denmark, Ireland, Italy, Sweden, and the United Kingdom, as well as other "Build-to-Suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal, Ireland and the Netherlands.

Impairment

As of 31 December 2022 and 2021, the Directors of the Parent Company have not identified any indications of impairment related to the property, plant and equipment. Despite this, and in view of the relevance of the recently acquired assets related to telecom infrastructures (those not related to business combinations), the Directors of the Parent Company have decided to disclose the hypotheses used to evaluate any loss due to impairment. This evaluation is based on the calculation of the recoverable value, which has been determined in accordance with the general criteria and assumptions described in Notes 3.c and 9 of the accompanying consolidated financial statements, of the corresponding cash generating unit prepared.

The impairment tests carried out demonstrate that the unit to which the assets are allocated is deemed capable of recovering the net carrying value recognised at 31 December 2022 and 2021. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests carried out, the recoverable amount obtained exceeds the carrying value of the assigned assets to such an extent that even if the hypothesis used were changed there would be no significant risk of impairment. In accordance with the sensitivity analysis performed described in Note 9, changes in the discount rates; in terminal growth rate "g"; and in activity could be made without recognising any impairment in the assets recognised by the Group at 31 December 2022 and 2021. Thus, the recoverable amount obtained exceeds the carrying amount of the fixed assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance to changes in the key assumptions used (see Note 9 for further details).

Asset revaluation pursuant to Act 16/2012, of 17 December

With regard to assets located in Spain, in 2012 several Spanish Group companies took advantage of Act 16/2012, of 27 December, resulting in an increase in the value of the assets through an accounting revaluation for EUR 41 million in the separate financial statements of the Spanish companies, which is not included in the cost of the assets for IFRS purposes. The tax effect of this revaluation has been recorded as a deferred tax asset in the accompanying consolidated financial statements (Note 18).

Insurance

The Group takes out all insurance policies considered necessary to cover possible risks which might affect its property, plant and equipment. At 31 December 2022 and 2021, the Group's Directors considered that the insurance coverage was sufficient to cover the risks relating to its activities.

Other disclosures

As a result of the Hutchison United Kingdom Acquisition (see Notes 2 and 6) and pursuant the agreements between Cellnex and Hutchison, Cellnex is joint operator in MBNL in relation with the passive infrastructure. In this regard, following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are the subject of the agreements will be transferred to the Group without any additional disbursement. Irrespectively of the number of sites transferred, the revenues, EBITDA and cash flows should not be impacted.

At 31 December 2022 and 2021, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

9. Intangible assets

The changes in this heading in the consolidated balance sheet during 2022 and 2021 were as follows:

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2022 restated				
Cost	5,980,279	19,311,532	403,270	**25,695,081**
Accumulated amortisation	—	(1,321,811)	(92,731)	**(1,414,542)**
Carrying amount	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
Carrying amount at beginning of period	5,980,279	17,989,721	310,539	**24,280,539**
Changes in the scope of consolidation (Note 6)	828,830	3,076,424	1,392	**3,906,646**
Additions	—	—	41,101	**41,101**
Disposals (net)	—	—	(12,007)	**(12,007)**
Transfers to non-current assets held for sale	(32,304)	(102,529)	—	**(134,833)**
Foreign exchange differences	(58,853)	(141,660)	(1,679)	**(202,192)**
Amortisation charge	—	(992,318)	(45,209)	**(1,037,527)**
Carrying amount at close	**6,717,952**	**19,829,638**	**294,137**	**26,841,727**
At 31 December 2022				
Cost	6,717,952	22,143,767	432,077	**29,293,796**
Accumulated amortisation	—	(2,314,129)	(137,940)	**(2,452,069)**
Carrying amount	**6,717,952**	**19,829,638**	**294,137**	**26,841,727**

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2021				
Cost	2,733,805	9,661,175	265,259	**12,660,239**
Accumulated amortisation	—	(639,855)	(62,398)	**(702,253)**
Carrying amount	**2,733,805**	**9,021,320**	**202,861**	**11,957,986**
Carrying amount at beginning of period	2,733,805	9,021,320	202,861	**11,957,986**
Changes in the scope of consolidation (Note 6)	3,193,737	9,477,754	67,127	**12,738,618**
Additions	—	—	52,714	**52,714**
Disposals (net)	—	—	(2,049)	**(2,049)**
Foreign exchange differences	52,737	172,603	20,219	**245,559**
Amortisation charge	—	(681,956)	(30,333)	**(712,289)**
Carrying amount at close	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
At 31 December 2021 restated				
Cost	5,980,279	19,311,532	403,270	**25,695,081**
Accumulated amortisation	—	(1,321,811)	(92,731)	**(1,414,542)**
Carrying amount	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**

Intangible assets for telecom infrastructure services

The breakdown of the net book value of intangible assets for telecom infrastructure services is set out below:

		Thousands of Euros
	31 December 2022	31 December 2021 restated
Concession intangible assets	63,314	67,420
Customer network services contracts	16,091,517	14,534,539
Network location	3,674,807	3,387,762
Total	**19,829,638**	**17,989,721**

Goodwill

Gross goodwill and the accumulated losses in value recognised at 31 December 2022 and 2021, respectively, are detailed as follows:

		Thousands of Euros
	31 December 2022	31 December 2021 restated
Gross goodwill	6,717,952	5,980,279
Accumulated valuation adjustments	—	—
Net goodwill	**6,717,952**	**5,980,279**

The detail of goodwill, classified by cash-generating unit, at 31 December 2022 and 2021 is as follows:

		Thousands of Euros
	31 December 2022	31 December 2021 restated
Cellnex Italia SpA	821,462	224,551
Tradia Telecom	42,011	42,011
Towerlink Netherlands	35,307	35,307
Shere Masten	66,089	66,089
Shere Group UK (1)	28,420	29,998
Swiss Towers (1)	171,490	163,456
Infracapital Alticom subgroup	75,431	75,431
On Tower Netherlands BV	10,525	10,525
Swiss Infra Services (1)	169,348	161,412
Cignal Infrastrucuture subgroup	40,066	40,066
On Tower France	471,528	471,528
On Tower UK subgroup (1)	1,196,060	678,708
Metrocall	14,923	14,923
On Tower Portugal	89,743	89,743
Omtel	28,455	28,455
On Tower IE	240,697	240,697
On Tower DK (1)	108,176	108,178
On Tower AT	311,299	311,299
On Tower SE	270,388	293,377
On Tower Poland	229,287	233,203
Cignal infrastructure Netherlands	189,898	189,898
Towerlink Poland	292,597	297,967
Hivory, SAS	1,521,344	1,521,344
CK Hutchison Italy	—	593,915
Infratower Portugal	40,456	40,456
Cignal Infrastructure UK Limited	226,611	—
Others	26,341	17,742
Goodwill	**6,717,952**	**5,980,279**

(1) This goodwill is related to assets in a non-euro currency thus its value in Euros is affected by the variations in the prevailing exchange rate.

The main variations in the 2022 and 2021 financial year are due to changes in the scope of consolidation and business combinations, as detailed in Note 6, which mainly corresponds to the effect of the deferred tax on intangible assets acquired.

Changes in the scope of consolidation and business combinations

The movements in 2022 and 2021 due to changes in the scope of consolidation and business combinations in intangible assets for telecom infrastructure services mainly correspond to the impact of:

2022

- Hutchison United Kingdom Acquisition (EUR 3,045,011 thousand, see Notes 2.h and 6).

2021 Restated

- the On Tower Sweden Acquisition, considered definitive in the 2021 consolidated financial statements (EUR 471,960 thousand, see Notes 2.h and 6).
- the Iliad Poland Acquisition (EUR 1,017,954 thousand, see Notes 2.h and 6).
- the T-Mobile Infra Acquisition (EUR 572,700 thousand, see Notes 2.h and 6).
- Hutchison Italy Acquisition (EUR 2,509,335 thousand, see Notes 2.h and 6).
- Polkomtel Acquisition (EUR 683,887 thousand, see Notes 2.h and 6).
- Hivory Acquisition (EUR 4,114,163 thousand, see Notes 2.h and 6).
- Infratower Acquisition (EUR 153,800 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

During 2022 and 2021, the Group had not entered into additional relevant framework agreements with customers, other than those included in the Notes 6 and 8.

Intangible assets abroad

At 31 December 2022 and 2021, the Group had the following net book value of intangible assets located in the following countries:

		Thousands of Euros
	31 December 2022	**31 December 2021 restated**
Italy	3,858,399	4,037,791
Netherlands	1,238,748	1,290,985
France	7,312,641	7,604,454
United Kindom	6,316,416	2,907,072
Portugal	1,405,208	1,483,899
Switzerland	1,421,456	1,419,045
Ireland	853,925	882,971
Austria	992,372	1,030,221
Poland	2,069,512	2,178,881
Others	1,095,149	1,191,818
TOTAL	**26,563,826**	**24,027,137**

Fully depreciated assets

At 31 December 2022, fully depreciated intangible assets amounted to EUR 132,835 thousand (EUR 44,442 thousand at 31 December 2021).

Purchase commitments at year-end

At 31 December 2022, the Group held purchase agreements for intangible assets, amounting to EUR 9,372 thousand (EUR 1,223 thousand at 31 December 2021).

Impairment

As indicated in Notes 3.b and 3.c, at the end of each reporting period goodwill is assessed for impairment based on a calculation of the recoverable value of their respective Cash-Generating Unit (hereinafter, "CGU") as their value in use or their market value (price of similar, recent transactions in the market), if the latter is higher.

Prior to preparing revenue and expense projections, those projections made as part of the impairment tests for the prior year were reviewed to assess possible variances. In comparison with 2021 impairment tests, 2022 impairment results shown no significant variances.

The recoverable value was calculated as follows:

- The period over which the related investment is expected to generate cash flows was determined. Projections covers a period higher than five years of cash flows after the year end, due to the duration of the existing service contracts with customers. In this regard, the projections consider a projected period (33 years in average) until the tenancy ratio reaches normal mature market standards and, at that time, the residual value is determined.

- The respective revenue and expense projections were made using the following general criteria and assumptions:

    - For revenue, trends were forecast assuming a different increase for each CGU of the consumer price index (CPI) in each country as well as the conditions agreed with the MNOs (floors, caps and escalators where applicable) in which the assets are used or the business operates as well as increases activity through collocation of new MNOs until a standard tenancy of mature markets is achieved.

    - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business. as well as expected cost reductions from the efficiency programs launched by the Group.

    - In addition, the Group considered the impact of infrastructure maintenance and expansion to be carried out, using the best estimates available based on the Group’s experience and taking into account the projected performance of the activity. Current market guidance given in relation to the ratio of maintenance and expansion capex to revenues amounts to c.3% and c.10%, respectively.

    - Taxes have been also considered in the projections on a country-by-country basis.

The cash flow projections based on the revenue and expense projection made as set forth above were discounted at the rate resulting from adding, to the long-term cost of money, the risk premium assigned by the market to each country where the activity takes place and the risk premium assigned by the market to each business (over the long term in both cases). The potential impact of the risks arising from climate change described in Note 22 have been properly considered on the projections of the impairment tests, with no significant impacts.

Projections for the first years are generally based on the 2022 year end, the 2023 budget and on the most recent medium-term projection (2024-2025).

Finally, in relation to the CGU's located in the United Kingdom, the potential increase in the risk and uncertainty inherent to Brexit was taken into account in the evaluation of the impairment losses, since a prudent estimate was made of cash flow to ensure that the models would not have to be adjusted significantly as a result of Brexit. In this regard, the budgets and forecasts from prior periods used to determine the recoverable amounts were reviewed in order to ensure that they continued to reflect current economic conditions.

The most significant assumptions used in determining the recoverable value of the main CGU's in 2022 and 2021 with the most relevant intangible assets and goodwill were as follows:

- The discount rate is initially calculated using the weighted average cost of capital (WACC) determined applying the Capital Asset Pricing Model. In this regard, the WACC determined in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.5%, 6.5%, 6.5%, 6.9%, 5.5%, 5.9%, 5.5%, 4.9%, 5.5%, 5.5%, 5.7%, 5.7%, 4.9%, 5.9%, 6.1%, 6.1%, 5.9%, 5.5%, 5.7%, 5.9%, 5.8%, 7.4%, 7.4%, 5.5%, 5.7% and 6.1%, respectively (WACC in 2021 for Tradia Telecom, On Tower, Metrocall, Towerco, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK and On Tower IE was 5.6%, 5.3%, 5.3%, 5.5%, 5.5%, 4.8%, 5.2%, 4.8%, 4.2%, 4.8%, 4.8%, 4.6%, 4.6%, 4.2%, 4.8%, 5.6%, 5.6%, 5.2%, 4.5%, 4.5% and 4.8%, respectively). Subsequently, as per IFRS and ESMA requirements, the discount rate to be applied in the impairment test is evaluated to reflect the impact of IFRS 16 on the composition of the carrying amount of the CGUs and how leased assets are financed by the Group. In this regard, the discount rate applied in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.2%, 5.9%, 6.5%, 6.4%, 5.3%, 5.9%, 5.4%, 4.1%, 5.3%, 5.3%, 4.7%, 5.1%, 4.3%, 5.9%, 5.7%, 5.8%, 5.6%, 5.1%, 5.3%, 5.6%, 5.7%, 7.2%, 6.7%, 5.3%, 5.4% and 6.1%, respectively.

- The compound annual growth rate for all CGUs was between 1% and 5% per annum in 2022 and 3.5% in 2021.

- The 'terminal g', considered for all CGUs in 2022 was between 1% and 2% and in 2021 was 2.5% for all CGUs apart from Tradia Telecom which represented 1.0% due to the broadcasting component.

As indicated above, there have been no significant variations in the discount rate considered between 2022 and 2021.

The impairment tests carried out demonstrate that the unit to which the recognised goodwill or intangible assets in telecom infrastructures are allocated is deemed capable of recovering the net value recognised at 31 December 2022 and 2021. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests performed both on the goodwill the recoverable amount obtained (determined based on the recoverable value as indicated previously) exceeds the carrying value of the goodwill and assigned assets to such an extent that even if the hypothesis used were changed significantly there would be no significant risk of impairment. In accordance with the sensitivity analysis performed, any changes in the discount rates of +50 basis points; in terminal growth rate "g" of -50 basis points; and in activity of -500 basis points could be made without recognising any impairment to goodwill recognised by the Group at 31 December 2022 and 2021. Thus, the recoverable amount obtained exceeds the carrying amount of the assets and, additionally, the sensitivity analyses conducted on the projections evidence clearly a high tolerance (between 10% and 20%) to changes in the key assumptions used.

Other disclosures

At 31 December 2022 and 2021, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

10. Investments in associates

The changes in this heading in the consolidated balance sheet are as follows:

	Thousands of Euros	
	2022	2021
At 1 January	**3,265**	**3,431**
Profit of the year	(4,239)	(3,222)
Changes in perimeter	30,134	—
Others	4,072	3,056
At 31 December	**33,232**	**3,265**

The shareholdings in associates accounted for using the equity method are detailed as follows:

	Thousands of Euros	
	Value of the shareholding	
	31 December 2022	31 December 2021
Torre Collserola, S.A.	1,960	1,958
Nearby Sensors	241	280
Nearby Computing	119	249
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	778	778
Digital Infrastructure Vehicle I SCSp (DIV)	30,134	—
Total	**33,232**	**3,265**

Digital Infrastructure Vehicle I SCSp (“DIV”)

As part of the T-Mobile Infra Acquisition (see Note 6 of 2021 Consolidated Financial Statements), Cellnex, together with DTAG, as fund’s initial limited partners, signed a commitment letter, pursuant to which Cellnex committed to invest EUR 200 million in DIV. In this regard, during 2022, DIV drew approximately EUR 32 million, which Cellnex additionally paid with available cash. Such funds were used mainly to finance the acquisition by DIV of small fiber companies in the Netherlands. Thus, these new subsequent investments made by DIV, as per IFRS 10:B94 “Equity Method as One-line Consolidation”, have been evaluated separately and have been consolidated within the Cellnex Group through the equity method as of 31 December 2022.

Additionally, during this year new partners have become part of DIV's shareholders and, in accordance with the Limited Partnership Agreement, the founding partners, Cellnex and DTAG have recovered part of the initial investment and, in turn, have received a financial compensation. In this regard, note that the part corresponding to the reimbursement of contributions of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup), amounting to EUR 52 million, has been recorded as an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in Cellnex Netherlands subgroup (see Note 14.f). The financial compensation, amounting to EUR 4 million, has been recognized in the Financial Income heading of the accompanying consolidated income statement. As a result, Cellnex's initial investment in DIV has been diluted by 12.71%, from 33.33% to 20.62% and, consequently, at 31 December 2022, Cellnex's stake in the Cellnex Netherlands subgroup has decreased by 5%, from 75% to 70% (see Notes 2.h and 14.f. of the accompanying consolidated financial statements). Finally, as of 2022 year-end the Cellnex’s remaining investment commitment in DIV amounts to EUR 83 million.

Impairment

The Group carried out an impairment analysis to determine the recoverability of the investments in associates. To carry out these analyses, the Group considered future cash flow projections in a manner similar to that impairment in Note 9, and no impairment was found for the 2022 financial year.

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2022 and 2021 is as follows:

	Thousands of Euros			
	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	54,404	—	3,764	2,622
Fair value hedges	—	25,290	—	—
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	95,727	—	26,352	—
Hedges of a net investment in a foreign operation	11,392	—	—	9,210
Derivatives not designated as hedges	—	—	77	—
Derivative financial instruments	**161,523**	**25,290**	**30,193**	**11,832**
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	150,131	—	30,116	2,622
Fair value hedges	—	25,290	—	—
Hedges of a net investment in a foreign operation	11,392	—	—	9,210
Non-current	**161,523**	**25,290**	**30,116**	**11,832**
Current	**—**	**—**	**77**	**—**

The Group has used interest rate swaps and interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

The detail of the derivative financial instruments at 31 December 2022 and 2021, by type of instrument, showing their notional or contractual values, expiry dates and fair values, is as follows:

	Thousands of Euros							
	31 December 2022							
	Notional amount	2023	2024	2025	2026	2027	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	136,235	8,914	12,779	12,989	12,866	6,497	927	54,404
Fair value hedges	1,000,000	(6,961)	(11,265)	(8,084)	1,336	—	—	(25,290)
Interest rate and/or cross currency swaps:								
Cash Flow Hedges	504,817	9,310	8,708	8,221	7,889	7,559	55,581	95,727
Hedges of a net investment in a foreign operation	450,000	(4,853)	(4,605)	(4,313)	(4,089)	29,548	—	11,392
Total	**2,091,052**	**6,410**	**5,617**	**8,813**	**18,002**	**43,604**	**56,508**	**136,233**

Thousands of Euros

31 December 2021

	Notional amount	2022	2023	2024	2025	2026	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	131,097	(1,617)	(774)	262	858	1,445	890	1,142
Interest rate and/or cross currency swaps:								
Cash Flow Hedges	504,817	7,790	7,596	7,318	6,963	6,670	(15,281)	26,352
Hedges of a net investment in a foreign operation	450,000	(5,494)	(5,368)	(5,261)	(5,094)	(4,970)	16,531	(9,210)
Total	**1,085,914**	**679**	**1,454**	**2,319**	**2,727**	**3,145**	**2,140**	**18,284**

Interest rate swaps

The bond issued in April 2017 for EUR 80 million and maturing in April 2026 was hedged with floating-to-fixed IRS, converting the floating rate of the bond into a fixed rate (See Note 15). The notional amount and the maturity of the IRS match those of the underlying bond. As a result of the contracted IRS the final interest rate on the EUR 80 million bond is 2.945%.

Additionally, during 2020, Nexloop arranged a floating-to-fix IRS for an increasing nominal value up to EUR 448 million. This transaction was structured to hedge the EUR 600 million 8-year capex facility to partially finance the deployment of the fibre network by Nexloop (see Notes 2.h and 7 of the 2020 consolidated financial statements).

On April 2022, the Group entered into an interest rate swap agreement for EUR 500,000 thousand, partially transforming the latest EUR 1,000 million bond issuance from fix-to-floating rate (see Note 15). In this regard, this interest rate swap has been treated as a fair-value hedge. This hedge is referred to 6M EURIBOR and the reference rate is 0.935% Finally, on October 2022 the reference to 6M EURIBOR was changed to 1M EURIBOR trough new interests rate swaps.

Cross currency interest rate swaps

During 2020, Cellnex Telecom, S.A. arranged a CCS for EUR 450 million and an equivalent sterling value of GBP 382 million which was designated together with the bond issue of EUR 450 million described in Note 15 of the 2020 Consolidated Financial Statements as a natural hedge of the net investment made in United Kingdom Group's subsidiaries.

During the first half of 2021, Cellnex Finance entered into a cross-currency swap agreement by virtue of which Cellnex lent the USD 600 million from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505 million at a coupon of 2.5% (see Note 15).

During 2021, Cellnex designated the cash maintained in zlotys (PLN) amounting to PLN 6,787 million, together with the arranged forward rate agreements in zlotys for an amount of PLN 5,618 million and an equivalent euro value of EUR 1,250 million to hedge the disbursement envisaged in relation to the investment commitment acquired in October 2020 in relation to the Iliad Poland Acquisition (see Note 6) which became effective in the first quarter of 2021, and the Polkomtel Acquisition, which became effective in the third quarter of 2021 (see Note 6). It should be noted that available cash in PLN, together with the forward rate agreements, were classified as a hedge since the requirements for such classification were met given, inter alia, that the aforementioned investments commitment were considered to constitute a highly probable transactions. Consequently, in relation with Iliad Poland Acquisition and Polkomtel Acquisition, exchange differences EUR-PLN amounting to EUR 14,719 thousand and EUR (1,654) thousand have been recognised in the total acquisition price of the Iliad Poland Acquisition and Polkomtel Acquisition, respectively (see Notes 6 and 14.c.iii).

During the first quarter of 2022, the Group designated the cash maintained in zlotys (PLN) amounting to PLN 615 million to hedge the disbursement envisaged in relation to the investment commitment acquired in March 2022 in relation to the 10% stake of On Tower Poland acquisition (see Note 2.h). Consequently, exchange differences EUR-PLN amounting to EUR 5,835 thousand were recognised in the total acquisition price of the minority stake.

Finally, without being a derivative financial instrument contracted, the Group applied net investment hedge certain debts maintained in currency other than euro to hedge currency risk in a net investment in a foreign operation as described in Note 15.

As of 31 December 2022 and 2021, the estimated sensitivity in the value of interest rate swaps to a 1% change (increase or decrease) in the interest rate is as follows:

				Thousands of Euros
		2022		2021
	1% change	-1% change	1% change	-1% change
Interest rate swaps:				
Cash Flow Hedges	72,151	34,779	21,557	(20,952)
Fair Value Hedges	(40,214)	(10,262)	—	—

As of 31 December 2022 and 2021, the estimated sensitivity in the value of interest rate and/or cross currency swaps to a 10% change (increase or decrease) in the exchange rate is as follows:

				Thousands of Euros
		2022		2021
	10% change	-10% change	10% change	-10% change
Interest rate and/or cross currency swaps:				
Cash Flow Hedges	153,989	58,538	93,551	(50,392)
Hedges of a net investment in a foreign operation	(28,980)	51,830	(57,967)	39,421

Derivatives not designated as hedges

In September 2021, Cellnex Telecom, S.A. entered into a Reverse Repurchase Agreement, for a notional amount of EUR 500 million with a financial institution. According to the terms of the agreement, the contracted financial instrument fulfill all the requirements established in IFRS 9 IG.B.6 to be recognised and measured as a single combined instrument and consequently be accounted for as a single transaction to an interest rate swap, but it cannot be qualified as hedge. The financial instrument has been cancelled in 2022 at maturity date.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2022 and 2021 is as follows:

						Thousands of Euros
			31 December 2022			31 December 2021 restated
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	—	814,865	814,865	—	837,913	837,913
Allowances for doubtful debts (impairments)	—	(24,003)	(24,003)	—	(20,021)	(20,021)
Trade receivables	**—**	**790,862**	**790,862**	**—**	**817,892**	**817,892**
Current tax assets	—	290,798	290,798	—	280,734	280,734
Receivables with other related parties (Note 24.d)	—	57	57	—	—	—
Other receivables	75,259	80,948	156,207	50,830	64,452	115,282
Trade and other receivables	**75,259**	**1,162,665**	**1,237,924**	**50,830**	**1,163,078**	**1,213,908**

Trade and other receivables are shown at amortised cost, which does not differ significantly from their nominal value.

Trade receivables

"Trade receivables" includes outstanding amounts from customers. At 31 December 2022 and 2021, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 31 December 2022 and 2021, amounted to EUR 17,056 thousand and EUR 13,007 thousand, respectively.

At 2022 year-end, the amount utilized under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 38.6 million (no balance drawn as at 2021 year-end). In this regard, the Group derecognises the receivables sold on a non-recourse basis as it considers that it has substantially transferred the risks and rewards inherent to their ownership to banks. As at 31 December 2022 the limit under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 223 million (EUR 202.5 million as at 2021 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2022 and 2021 were as follows:

	Thousands of Euros	
	2022	2021
At 1 January	**20,021**	**19,424**
Disposals	(2,206)	(3,615)
Change in scope	53	1,024
Net changes	6,135	3,188
At 31 December	**24,003**	**20,021**

Disposals in this period relate to previous balances that were fully provided for, and which the Group decided to completely derecognise, without this having any impact on the accompanying consolidated income statement.

Net changes relate to changes in the provision recognised under "Changes in provisions" in the accompanying consolidated income statement with regard to the previous year.

Current tax assets

The breakdown of "Current tax assets" is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021
Corporate income tax	26,905	31,437
VAT receivable	243,521	243,932
Other taxes	20,372	5,365
Current tax assets	**290,798**	**280,734**

At 31 December 2022, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France, Poland and Portugal (see Note 8) for an amount of EUR 221 million. At 31 December 2021, this line mainly included VAT receivable in France (see Note 8) for an amount of EUR 124 million, as well as the VAT receivable amounting to EUR 34 million corresponding to the payment in advance in consideration for the cancellation of certain outstanding lease payments.

During 2022 the Group reached a non-recourse agreement regarding a receivable balance relating to VAT, amounting to 445 million euros in relation to the Hutchison United Kingdom Acquisition (see Note 6). At 31 December 2022 the Group derecognised the VAT receivable sold on a non-recourse basis, based on this agreement, as it substantially transferred all the risks and rewards inherent to its ownership to a financial institution. At the date the accompanying consolidated financial statements were issued for approval, the VAT receivable indicated above had already been collected.

Other receivables

At 31 December 2022 and 2021 "Other receivables" comprises:

- The PROFITS (coordination) mechanism by which the Group plays the role of coordinator for certain aid programs under the National Plan for Scientific Research, Development and Technological Innovation (PROFIT) granted by the Spanish Ministry for Industry, Tourism and Trade and applies for this aid together with other companies. The Group includes in current and non-current accounts receivable amounts that were previously assigned to third parties, received by the Group under the guise of PROFIT grants and refundable loans. On the other hand, the full amount of PROFIT grants received by the Group (including part of the amount assigned to third parties) is recognised under "Other non-current borrowings" and "Other current borrowings" (see Note 15).

- Other loans with service purchasers that are not strictly considered customers and with other trade debtors not included under other accounts. Advances to creditors, debtors and employees are also recognised under this heading.

There are no significant differences between the carrying amount and the fair value of the financial assets.

13. Cash, cash equivalents and financial investments

a) Cash and cash equivalents

The breakdown of "Cash and cash equivalents" is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021
Cash on hand and at banks	709,853	2,726,713
Term deposits at credit institutions	328,326	1,199,865
Total	**1,038,179**	**3,926,578**

b) Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2022 and 2021 is as follows:

						Thousands of Euros
	31 December 2022			31 December 2021		
	Non-current	Current	Total	Non-current	Current	Total
Other financial assets	93,242	—	**93,242**	—	—	—
Advances to customers	24,326	3,663	**27,989**	26,406	3,151	**29,557**
Current and non-current financial investments	**117,568**	**3,663**	**121,231**	**26,406**	**3,151**	**29,557**

Other financial assets

As detailed in Note 19.a, in relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. In this regard, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 93.2 million as of 31 December 2022, which were registered in the heading "Non-current financial investments" of the accompanying consolidated balance sheet. On 5 November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. To date, the General Court of the European Union has still not ruled on such appeal. In accordance with Note 19.a, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Company considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

Advances to customers

The changes in “advances to customers” during 2022 and 2021 were as follows:

	Thousands of Euros		
	2022		
	Non-current	Current	Total
At 1 January	**26,406**	**3,151**	**29,557**
Additions	277	—	277
Charge to the consolidated income statement	—	(3,442)	(3,442)
Transfer	(3,442)	3,442	—
Others	1,085	512	1,597
At 31 December	**24,326**	**3,663**	**27,989**

	Thousands of Euros		
	2021		
	Non-current	Current	Total
At 1 January	**28,042**	**2,067**	**30,109**
Additions	874	—	874
Charge to the consolidated income statement	—	(3,269)	(3,269)
Transfer	(3,269)	3,269	—
Others	759	1,084	1,843
At 31 December	**26,406**	**3,151**	**29,557**

Current and non-current advances to customers relate to the accounting treatment adopted by the Group in reference to the telecom infrastructures acquired, which are to be subsequently dismantled. These purchases are considered advances to customers and are recognised under these headings (see Note 3.d).

The balances of the financial assets are reflected at their face value, there being no significant differences concerning their fair value.

Additions

Corresponds to the pluri-annual commercial costs assumed by the Group in order to obtain the service provision services agreements with the mobile telephone operators, through the purchase of the telecom infrastructures from these operators, the dismantling of which has been agreed to along with the related cost.

Charge to the consolidated income statement

During 2022 and 2021, in line with the terms of the services agreements entered into with the operators, the corresponding amount of the total paid for the purchase of telecommunications infrastructure, treated as prepayment for the subsequent service agreements, was taken to the accompanying consolidated income statement. At 31 December 2022 and 2021 this amount was recorded as a reduction to revenues amounting to EUR 3,442 thousand and EUR 3,269 thousand, respectively.

Transfers

The transfers from the 2022 and 2021 financial years are due to the classification under “Current financial investments” of the part that is expected to be charged during the next financial year to the consolidated income statement.

14. Net equity

a) Share capital and treasury shares

Share capital

At 31 December 2022 and 2021, the share capital of Cellnex Telecom amounted to EUR 176,619 and 169,832 thousand, represented by 706,475,375 and 679,327,724 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, respectively, fully subscribed and paid.

Changes in 2022

In the context of the Hutchison United Kingdom Acquisition (see Note 6), on 28 April 2022, the general shareholders' meeting of Cellnex (the "General Shareholder's Meeting") approved (delegating its execution on the Board of Directors) a share capital increase by means of an in-kind contribution for the payment of the portion of the consideration settled in Shares, which was a renewal of its initial approval for such capital increase made on 29 March 2021. Consequently, on 10 November 2022, Cellnex issued 27,147,651 new shares at a subscription price (nominal value plus share premium) of 49.8121 for each new share. The shares have been admitted to listing on the Spanish Stock Exchanges, with actual trading beginning on 11 November 2022.

Thus, the share capital of Cellnex is of 31 December 2022 is 176,618,843.75 euros, divided into 706,475,375 shares, each with a face value of 0.25 euros, all belonging to the same class and series.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

On 10 November 2022, the public deed for the Capital Increase, was duly registered.

Changes in 2021

March 2021 Capital Increase

On 30 March 2021, the Parent Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 29 March 2021, approved a capital increase (hereinafter, the "Capital Increase") through cash contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

- The Capital Increase was carried out through the issuance and sale of 192,619,055 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 36.33 per each new share. Thus, the Capital Increase amounted to approximately EUR 7,000 million, which has been fully subscribed.

- Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 31 March 2021 and whose transactions were registered in Iberclear up to 6 April 2021 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (48 rights were required to subscribe 19 new shares). The preferencial subscription period ended on 15 April 2021.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

The funds from the capital increase were used to support the acquisition of Cellnex's projects pipeline.

On 23 April 2021, the public deed for the Capital Increase, was duly registered.

On 27 April 2021, the 192,619,055 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Significant shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission, the shareholders who hold significant shareholdings in the share capital of the Parent Company, both directly and indirectly, greater than 3% of the share capital at 31 December 2022 and 2021, are as follows:

% ownership

Company	31 December 2022	31 December 2021
Edizione, S.r.l. (1)	8.53 %	8.53%
The Children's Investment Master Fund (2)	7.09%	5.00%
GIC Private Limited (3)	7.03 %	7.03%
JP Morgan Chase	5.38%	—
Blackrock, Inc.	5.05%	5.21%
Canada Pension Plan Investment Board	4.97%	5.00%
CK HUTCHISON HOLDINGS LIMITED	4.83 %	—
Fundación Bancaria Caixa D' Estalvis i Pensions de Barcelona	4.77 %	4.77%
Norges Bank	3.00%	3.00%
FMR, LLC. (4)	—	3.22%
Wellington Management Group LLP (5)	—	4.28%
Capital Research and Management Company (6)	—	3.88%
	50.65 %	**49.92 %**

(1) Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls ConnecT Due S.r.l.

(2) The Children´s Investments Master Fund is managed by the TCI Fund Management Limited by means of certain investment agreements. TCI Fund Management Limited is controlled by Christopher Anthony Hohn. The transactions were executed across a number of venues, including regulated markets, MFT, and OTC. TCI's stake (c.7.1%) consists of shares (c.1.6% share capital) and derivatives (c.5.5% share capital)

(3) GIC Private Limited holds directly 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides direction and management to GIC Infra Holdings Private Limited, which in turn holds 100% of the share capital of Lisson Grove Investment Private Limited.

(4) At the end of June 2022, FMR, LLC. decreased its position under 3% of the voting rights.

(5) Wellington Management Company LLP is a direct controlled undertaking of Wellington Investment Advisors Holdings LLP, which, in turn, is a direct controlled undertaking of Wellington Group Holdings LLP, which in turn, is a direct controlled undertaking of Wellington Management Group LLP.

(6) The Capital Group Companies, Inc. ("CGC") is the Parent Company of Capital Research and Management Company ("CRMC") and Capital Bank & Trust Company ("CB&T"). CRMC is a U.S.-based investment management company that serves as investment manager to the American Funds family of mutual funds, other pooled investment vehicles, as well as individual and institutional clients.

At 31 December 2022 and 2021, Edizione was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 8.53% stake in its share capital in both dates.

In addition, as partial consideration for the Hutchison United Kingdom Acquisition, Hutchison held at closing of the transaction an interest of approximately 4.8% in Cellnex's share capital. See Note 6 of the accompanying consolidated financial statements.

As of 31 December 2022 and 2021, none of the significant shareholders, whether individually or together, controls the Parent Company.

Treasury shares

On 31 May 2018 the ordinary general shareholder's meeting of Cellnex resolved to delegate in favour of the Parent Company's Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital of the Parent Company.

On 19 May 2021, Cellnex announced a treasury shares purchase programme up to a limit of EUR 24.7 million and with a maximum of 520,000 shares representing 0.076% of the share capital of the Group. This purchase programme will be used for delivery to employees according to the employee remuneration payable in shares. On 28 October 2021, the above mentioned purchase program was expanded up to a limit of EUR 44.7 million and with a maximum of 820,000 shares representing 0.12% of the share capital of the Group. In this regard, on 21 November 2021, Cellnex communicated the termination of the purchase programme, having reached the maximum number of shares to be acquired.

During the second half of 2021, Cellnex Board of Directors approved the Cellnex' s Treasury Share Policy, which is available on the Corporate Website. Thus, during 2022, Cellnex carried out discretional purchases of treasury shares for an amount of EUR 302,207 thousand (57,755 thousand during 2021). These purchases have been carried out under the delegation from the general shareholders meeting to the Board of Directors of May 2018 and fulfilling the principles established in the treasury shares policy. The use of the treasury shares acquired under discretional purchases will depend on the agreements reached by the Corporate Governance bodies.

In addition, as of 31 December 2022 and 2021, 291,258 and 123,969 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. Moreover, in the context of Hutchison United Kingdom Acquisition (see Note 6), Cellnex transferred 6,964,144 treasury shares plus 27,147,651 new Shares issued as described in section a) of this Note. Thus, the total shares delivered to Hutchison was 34,111,795 Cellnex shares.

At 31 December 2022, the Parent Company has registered a loss of EUR 52,391 thousand (a profit of EUR 634 thousand at the end of 2021), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the consolidated balance sheet.

The number of treasury shares as at 31 December 2022 and 2021 amounts to 1,119,007 and 1,202,351 shares, respectively and represents 0.158% of the share capital of Cellnex Telecom, S.A. (0.177% as at 31 December 2021).

The movement in the portfolio of treasury shares during 2022 and 2021 has been as follows:

2022

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2022	**1,202**	**50.570**	**60,802**
Purchases	7,328	41.240	302,207
Sales / Others	(7,411)	42.550	(315,390)
At 31 December 2022	**1,119**	**42.541**	**47,619**

2021

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2021	**200**	**40.326**	**8,078**
Purchases	1,126	51.292	57,755
Sales / Others	(124)	40.586	(5,031)
At 31 December 2021	**1,202**	**50.569**	**60,802**

b) Share premium

As at 31 December 2022 and 2021 the share premium of Cellnex Telecom increased by EUR 942 million and EUR 6,811 million, respectively, to EUR 16 billion and EUR 15 billion, respectively. This increase during 2022 and 2021 was due to the capital increases described in Note 14.a.

During 2022, a cash pay out to shareholders of EUR 36,635 thousand (32,216 thousand at 31 December 2021) was declared from the share premium account (See Note 14.d).

c) Reserves

The breakdown of this account is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021 restated
Legal reserve	19,000	19,000
Reserves from retained earnings and other reserves	49,662	48,460
Reserves of consolidated companies	(1,115,831)	(271,958)
Hedge reserves	56,748	(2,142)
Foreign exchange differences	(143,178)	73,213
Reserves	**(1,133,599)**	**(133,427)**

I) Legal reserve

In accordance with the consolidated text of the Spanish Limited Liability Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed to shareholders unless the Parent Company is liquidated.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Apart from the purpose mentioned above, the legal reserve may be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At 31 December 2022 and 2021, because of the capital increases carried out during 2022 and 2021, the legal reserve had not reached the legally established minimum.

II) Reserves from retained earnings and other reserves

This line corresponds to the voluntary reserves of the Parent Company of the Group. These reserves are freely available.

III) Reserves of consolidated companies

This line includes the convertible bond reserve, which amounts to EUR 230,147 thousand and EUR 230,692 thousand as of 31 December 2022 and 2021.

Convertible bonds are compounded instruments that have been split into its two components: a debt component corresponding to the present value of the coupons and principal discounted at the interest rate of a non-convertible bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares.

The decrease in “Reserves of consolidated companies” during 2022 is due to the impact recognised in equity due to: i) the distribution of 2021 losses for an amount of EUR 363 million, ii) the negative impact amounting to EUR 368 million in relation with the transaction with non-controlling interests of On Tower France in relation with the 30% of the share capital acquired from Iliad (see Note 2), iii) the negative impact amounting to EUR 1 million in relation with the transaction with non-controlling interests of On Tower Poland in relation with the 10% of the share capital acquired from Play (see Note 2), iv) the net negative impact on reserves amounting to EUR 50 million in relation to the reimbursement received from DIV (see Notes 2.h, 10 and 19.c) net of the update of the contingent commitment to purchase shares of Cellnex Netherlands in the context of the T-Mobile Infra Acquisition as a result of the change in the ownerships subject to the contingent commitment to purchase. In this regard, as of 31 December 2022, the value of the contingent commitment amounted to EUR 364 million (EUR 296 million as of 2021 year-end). See Note 19 c), and v) employee benefit payable in shares (see Note 19).

At 31 December 2022 and 2021, there are no significant non-distributable reserves from both the Parent Company and the subsidiaries, except from the Legal reserve described above.

V) Hedge reserve

This line item includes the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

V) Foreign exchange differences

The detail of this line item at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31 December 2022	**31 December 2021 restated**
Cellnex UK	(8,336)	92,854
Cellnex Telecom (USD)	927	610
Cellnex Switzerland (CHF)	12,792	15,001
Cellnex Denmark (DKK)	158	(192)
Cellnex Sweden (SEK)	(77,458)	(15,067)
Cellnex Poland (PLN)	(71,261)	(19,993)
Total	**(143,178)**	**73,213**

d) Interim dividend and proposed dividends

The determination of the distribution of dividends is carried out based on the individual statutory financial statements of Cellnex Telecom, S.A., and within the framework of the legislation in force in Spain.

On 21 July 2020, the Annual Shareholders’ Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 109 million, to be paid upfront or through instalments during the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

According to the aforementioned Shareholders’ Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2020 was equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); (ii) the shareholder remuneration corresponding to the fiscal year 2021 was equivalent to that of 2020, increased by 10% (to EUR 32.2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 is equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

In 2022, in compliance with the Parent Company´s Shareholders' Remuneration policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders’ Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,820 thousand, which represented EUR 0.01761 for each existing and outstanding share with the right to receive such cash pay-out. In addition, in 2022, the Board of Directors approved the distribution of a dividend charged to the share premium reserve of EUR 24,815 thousand, which represented 0.03518 euros for each existing and outstanding share with the right to receive such cash pay-out.

On 15 December 2022, the Board of Directors approved the following Shareholders' Remuneration Policy corresponding to the fiscal years 2023 and 2024: (i) the shareholder remuneration corresponding to fiscal year 2023 will be equivalent to that of 2022 (EUR 36.6 million) increased by 10% (EUR 40.3 million); (ii) the shareholder remuneration corresponding to fiscal year 2024 will be equivalent to that of 2023 increased by 10% (EUR 44.3 million).

The payment of the dividends will be made on the specific dates to be determined in each case and will be duly announced.

Notwithstanding the above, the Parent Company’s ability to distribute dividends depends on a number of circumstances and factors including, but not limited to, net profit attributable to the Parent Company, any limitations included in financing agreements and Group’s growth strategy. As a result of such or other circumstances and factors, the Parent Company may modify the Shareholders’ Remuneration Policy or may not pay dividends in accordance with the Shareholders’ Remuneration Policy at any given time. In any case, the Parent Company will duly announce any future amendment to the Shareholders’ Remuneration Policy.

Thus, the Directors of Cellnex Telecom, S.A. will submit for approval of the Annual General Shareholders' Meeting the following proposal for the distribution of the results of the year ended 31 December 2022:

	Thousands of Euros
Basis of distribution Profit and (Loss)	(52,005)
Distribution:	
Reserves from retained earnings	(52,005)
Total	(52,005)

e) Earnings per share

The table below shows the basic and diluted earnings per share calculated by dividing the net profit for the year attributable to the shareholders of Cellnex Telecom, S.A. by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group.

		Thousands of Euros
	31 December 2022	**31 December 2021 restated**
Profit/(loss) attributable to the Parent Company	(297,058)	(362,539)
Weighted average number of shares outstanding (Note 14.a)	672,772,636	610,542,810
Basic EPS attributable to the Parent Company (euros per share)	(0.44)	(0.59)
Diluted EPS attributable to the Parent Company (euros per share)	(0.29)	(0.43)

f) Non-controlling interests

The balance of this heading in the Group’s equity includes the interest of non-controlling shareholders in the fully consolidated companies. Additionally, the balance of “Profit attributable to non-controlling interests” in the consolidated statement of comprehensive income represents the share of non-controlling shareholders in the profit for the year.

The detail of the non-controlling interests at 31 December 2022 and 2021 is as follows:

					Thousands of Euros
Non-controlling interests	**Country**	**%(*) owned by Cellnex as of 31/12/2022**	**%(*) owned by Cellnex as of 31/12/2021**	**31 December 2022**	**31 December 2021 restated**
Cellnex Switzerland	Switzerland	72%	72%	226,180	215,939
Swiss Towers	Switzerland	72%	72%	8,150	(12,927)
Swiss Infra	Switzerland	72%	72%	42,218	60,001
Grid Tracer	Switzerland	40%	40%	600	616
Adesal Telecom	Spain	60%	60%	2,506	2,514
OnTower France	France	100%	70%	(1,288)	583,148
Nexloop (1)	France	51%	51%	21,063	12,958
Metrocall	Spain	60%	60%	27,643	28,039
Cellnex Netherlands (2)	Netherlands	70%	75%	236,120	199,724
Towerlink Netherlands (2)	Netherlands	70%	75%	14,042	11,595
Breedlink (2)	Netherlands	70%	75%	(383)	(307)
Shere Masten (2)	Netherlands	70%	75%	(2,795)	(1,167)
Alticom (2)	Netherlands	70%	75%	(1,475)	47
On Tower Netherlands subgroup (2)	Netherlands	70%	75%	13,864	10,972
Cignal Infrastructure Netherlands (2)	Netherlands	70%	75%	(4,814)	(1,965)
On Tower Poland (3)	Poland	70%	60%	384,012	524,312
Towerlink Poland (4)	Poland	99.99%	99.99%	147	153
Cellnex France Infrastructure	France	51%	—	903	—
Total				**966,693**	**1,633,652**

(*) Corresponds to the stake owned by Cellnex in each subsidiaries, directly or indirectly.

(1) The agreement between Cellnex and Bouygues Telecom (see note 2.h of the 2020 Consolidated Financial Statements) includes certain exit agreements and provides Bouygues Telecom with call options over Nexloop’s shares held by Cellnex France Groupe, upon the expiry of a given period of time (that is, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes its execution challenging, or in the event that a triggering event occurs (including the breach by Cellnex of the agreements between the shareholders). The shareholders’ agreement also sets out Cellnex France’s right, but not the obligation, to purchase this non-controlling interest subject to certain events, and, if exercised, Bouygues Telecom will have the obligation to sell its Nexloop’s shares, subject to certain conditions and at a price to be calculated pursuant to said agreement.

(2) As detailed in Note 10, Cellnex, DIV and a Dutch foundation entered into an agreement upon closing, which set forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement. This agreement is very similar to the put option agreement of Cellnex Switzerland with DTCP executed in 2019 (see 2019 Consolidated Financial Statements). Thus, as a consequence of the terms set forth in paragraph 23 of IAS 32, the Group maintains a liability (see Note 19.c) corresponding to the contingent commitment to purchase the 29.88% (25.10% as of 31 December 2021) of Cellnex Netherlands’ shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2022 under “Non-controlling interests".

(3) In relation to the Iliad Poland SHA, as amended, pursuant to its terms, the parties thereto shall not transfer the stake they respectively hold in On Tower Poland for a five-year period following the Iliad Poland Completion Date except for certain permitted transfers and other transfers subject to certain conditions. Moreover, the Iliad Poland SHA sets forth the conditions for Iliad Purple’s right to sell all (and not less than all) of the share capital and voting rights of On Tower Poland to Cellnex Poland during a period starting on the first business day following the second anniversary of the Iliad Poland Completion Date and ending on the fourth anniversary of the Iliad Poland Completion Date (excluded) subject to certain conditions; in both cases at a price to be calculated pursuant to said agreement (the price of this acquisition will undoubtedly expected to be inflationary, given the performance of such assets). According to the shareholders agreement terms, as of 31 December 2022, Cellnex Poland has the right, but not the obligation, to purchase these interests and therefore, no liability has been recorded in the accompanying consolidated balance sheet as of 31 December 2022. This situation will be revaluated in subsequent reporting periods.

[4] Upon completion of the Polkomtel Acquisition, Polkomtel, Cellnex Poland and the Group entered into a buyback agreement ("Polkomtel Buyback Agreement") by virtue of which Polkomtel (or its nominee) is granted the right to require Cellnex Poland or the Group to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA) to Polkomtel (or its nominee), in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex Parent (that includes Cellnex and any legal successor to Cellnex, inclusive of any person with which it is merged or amalgamated; and such other person as is from time to time the ultimate holding company of the Cellnex Group) or gains control over Cellnex Parent, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%. The Polkomtel Buyback Agreement shall terminate if (a) there is a change of control of Polkomtel or Cyfrowy or (b) the Polkomtel MSA is terminated by Polkomtel upon execution of a master services agreement with another provider with substantially the same scope as the Polkomtel MSA.

The changes in this heading were as follows:

	Thousands of Euros	
Non-controlling interests	**2022**	**2021**
At 1 January	**1,633,652**	**914,504**
Profit/(loss) for the period	(15,878)	(23,645)
Dividends	—	—
Changes in the scope of consolidation	(672,844)	733,934
Exchange differences	3,676	8,859
Hedges	—	—
Capital increase from minorities	15,929	—
Others	2,158	—
At 31 December	**966,693**	**1,633,652**

"Changes in the scope of consolidation" for 2022 amounting to EUR 672,844 thousand, mainly relates to the impact of:

I) Acquisition of an additional stake in On Tower France

As detailed in Note 2.h-II, in the first quarter of 2022, Cellnex France Groupe entered into an agreement with Iliad to acquire 30% of the share capital of On Tower France, after which Cellnex now indirectly holds a 100% shareholding in On Tower France. Following the aforementioned, a decrease amounting to EUR 583 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower France, the transaction has led to the recognition of a negative impact of EUR 368 million under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower Poland

As detailed in Note 2.h-II, in the first quarter of 2022, Cellnex Poland entered into an agreement with Iliad Purple to acquire 10% of the share capital of On Tower Poland, after which Cellnex now indirectly holds a 70% shareholding in On Tower Poland. Following the aforementioned, a decrease amounting to EUR 131 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower Poland, the transaction has led to the recognition of a negative impact of EUR 1 million under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Dilution of the stake in Cellnex Netherlands subgroup

During 2022, new partners have become part of DIV's shareholders and, in accordance with the Limited Partnership Agreement, the founding partners, Cellnex and DTAG have recovered part of the initial investment and, in turn, have received a financial compensation (see Note 10). In this regard, Cellnex's initial investment in DIV has been diluted by 12.71%, from 33.33% to 20.62% and, consequently, Cellnex's stake in the Cellnex Netherlands subgroup has decreased by 5%, from 75% to 70% (see Note 2.h). As a result of the aforementioned, an increase amounting to EUR 41 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in Cellnex Netherlands subgroup, the transaction has led to the recognition of a positive impact of EUR 11 million under “Reserves of consolidated companies” in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

As regards the main non-controlling interest, the summarised financial information in relation to the assets, liabilities, operating results and cashflow relating to the corresponding company/subgroup incorporated in the consolidation process is as follows:

31 December 2022

						Thousands of Euros
	Cellnex Switzerland	Swiss Towers	Swiss Infra	Nexloop	On Tower Poland	Cellnex Netherlands
Non-current assets	722,827	1,202,214	269,076	739,888	1,626,660	914,741
Current assets	28,090	4,922	22,519	51,183	90,588	(56,554)
Total assets	**750,917**	**1,207,136**	**291,595**	**791,071**	**1,717,248**	**858,187**
Non-current liabilities	432	774,010	157,220	420,208	335,256	27,495
Current liabilities	29,660	78,982	61,364	300,096	91,025	4,344
Total liabilities	**30,092**	**852,992**	**218,584**	**720,304**	**426,281**	**31,839**
Net assets	**720,825**	**354,144**	**73,011**	**70,767**	**1,290,967**	**826,348**
Income	4,793	79,397	81,360	23,417	137,630	238
Expenses	(6,127)	(10,484)	(9,408)	(3,448)	(15,247)	(6,115)
Gross operating profit	**(1,334)**	**68,913**	**71,952**	**19,969**	**122,383**	**(5,877)**
Profit attributable to the shareholders	**(1,983)**	**83,925**	**30,331**	**(18,262)**	**(1,662)**	**(4,826)**
Operating activities	(625)	116,475	48,845	16,362	98,505	(8,711)
Investment activities	5	(3,050)	(22,521)	(288,261)	(155,642)	(381)
Financing activities	9,759	(104,769)	(26,373)	229,359	64,574	9,091
Cash flows	**9,139**	**8,656**	**(49)**	**(42,540)**	**7,437**	**(1)**

31 December 2021 restated

Thousands of Euros

	Cellnex Switzerland	Swiss Towers	Swiss Infra	On Tower France	Nexloop	On Tower Poland [1]	Cellnex Netherlands
Non-current assets	722,917	1,174,512	234,395	935,165	384,844	1,582,623	914,404
Current assets	14,811	31,557	27,337	113,078	94,499	43,700	(52,523)
Total assets	**737,728**	**1,206,069**	**261,732**	**1,048,243**	**479,343**	**1,626,323**	**861,881**
Non-current liabilities	429	796,683	169,455	371,985	252,072	253,165	27,681
Current liabilities	14,623	109,535	(4,235)	216,570	203,537	50,145	3,212
Total liabilities	**15,052**	**906,218**	**165,220**	**588,555**	**455,609**	**303,310**	**30,893**
Net assets	**722,676**	**299,851**	**96,512**	**459,688**	**23,734**	**1,323,013**	**830,988**
Income	3,219	71,282	70,264	185,553	11,067	97,981	233
Expenses	(4,389)	(8,727)	(9,488)	(23,263)	(2,384)	(34,786)	(9,624)
Gross operating profit	**(1,170)**	**62,555**	**60,776**	**162,290**	**8,683**	**63,195**	**(9,391)**
Profit attributable to the shareholders	**(1,436)**	**5,695**	**19,252**	**33,583**	**(3,370)**	**(14,736)**	**(8,200)**
Operating activities	(3,730)	43,095	55,652	105,159	(18,177)	34,312	(7,961)
Investment activities	(8)	(145,630)	(80,238)	(221,908)	(196,145)	(45,128)	—
Financing activities	11,281	111,595	(12,845)	127,160	256,815	46,153	34,855
Cash flows	**7,543**	**9,060**	**(37,431)**	**10,411**	**42,493**	**35,337**	**26,894**

[1] Company which was incorporated in March 2021 (see Note 2.h); hence, only nine months of the aggregates of its income and cash flows have been included in the consolidated statement of profit or loss and the consolidated statement of cash flows for the year, respectively.

g) Profit/(loss) for the year

The contribution of each company in the scope of consolidation to consolidated profit/(loss) is as follows:

	Thousands of Euros	
	2022	**2021 restated**
Cellnex Telecom, S.A.	(201,725)	(191,226)
Cellnex Telecom España, S.L.U.	(3,476)	(3,122)
Retevisión-I, S.A.U.	81,948	40,558
Tradia Telecom, S.A.U.	19,366	6,709
On Tower Telecom Infraestructuras, S.A.U.	19,737	4,117
Towerco, S.p.A.	(11)	6,654
Cellnex Italia, S.p.A.	(27,013)	112,341
Cellnex Netherlands, Group	(4,192)	(2,705)
Cellnex France, S.A.S.	(31,511)	(13,628)
Cellnex UK subgroup (formerly Shere Group subgroup)	(47,366)	(27,801)
Cellnex Switzerland AG	(1,432)	(1,264)
Swiss Towers AG	12,905	(4,960)
Cellnex France Groupe, S.A.S.	(43,109)	26,313
Xarxa Oberta de Comunicació i Tecnología de Catalunya, S.A.	4,507	3,237
Swiss Infra Services AG	(6,715)	(9,263)
Cignal subgroup	(845)	2,072
On Tower Netherlands subgroup	871	2,082
On Tower France	(67,534)	(21,943)
OMTEL, Estruturas de Comunicaçoes	17,999	2,874
On Tower Portugal	5,001	3,652
CLNX Portugal	(24,239)	(28,057)
Nexloop France, S.A.S.	(6,072)	(1,719)
On Tower UK subgroup	88,970	(92,959)
Finland subgroup	(1,401)	(2,963)
Cellnex Finance Company, S.A.	67,163	(14,306)
Metrocall, S.A.	(594)	(769)
Cellnex Austria Subgroup	(18,517)	(22,020)
Cellnex Denmark Subgroup	(4,692)	(8,547)
Cellnex Sweden Subgroup	2,239	(2,352)
Cellnex Poland Subgroup	(14,274)	(34,463)
Cellnex Ireland Subgroup	(5,192)	(15,259)
Cignal Infrastructure NL	4,054	(4,191)
Towerlink France	(18,570)	(18,998)
CK Hutchison Italia, S.p.A	1,511	(27,336)
Hivory	(81,113)	(21,747)
Spanish companies accounted using equity method	95	(18)
Others	(13,831)	(1,532)
Net profit attributable to the Parent Company	**(297,058)**	**(362,539)**

15. Borrowings

Overview

The breakdown of borrowings at 31 December 2022 and 2021 is as follows:

Thousands of Euros

	31 December 2022			31 December 2021		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	13,939,425	105,985	14,045,410	12,865,039	700,651	13,565,690
Loans and credit facilities	3,803,414	34,764	3,838,178	2,045,779	18,572	2,064,351
Other financial liabilities	4,497	2,603	7,100	3,242	772	4,014
Borrowings	**17,747,336**	**143,352**	**17,890,688**	**14,914,060**	**719,995**	**15,634,055**

During the year ended at 31 December 2022, the Group increased its borrowings from bond issues, loans and credit facilities (which do not include any debt held by Group companies registered using the equity method of consolidation, "Derivative Financial Instruments" or "Other financial liabilities") by EUR 2,253,547 thousand to EUR 17,883,588 thousand.

The net increase in "Bond issues and other loans" was mainly due to the bond issuance of EUR 1,000,000 thousand that was carried out during the first half of 2022. This was partially compensated by the maturity of the first bond issued by the Group of EUR 600,000 thousand, as detailed in section "Bond issues and other loans" below.

The net increase in "Loans and credit facilities" is mainly due:

- In relation with CK Hutchison Holdings Transactions (Note 6) on 13 November 2020 the Group agreed a EUR 10 billion financing consisting of (i) a EUR 7,500,000 thousand bridge loan facility; (ii) a EUR 1,250,000 thousand term loan with a 3 year maturity; and (iii) a EUR 1,250,000 thousand term loan with a 5 year maturity, during the year ended at 31 December 2021, the Group amended and restated the facilities agreement and cancelled the (i) 7,500,000 thousand bridge loan facility. On January 2022 the EUR 1,250,000 thousand term loan facility with a 3 year maturity was cancelled. As a result of Hutchison United Kingdom Acquisition (Note 6) on 8 November 2022, the Group drew down the EUR 1,250,000 thousand term loan with a 5 year maturity. Such facility was still outstanding as of 31 December 2022.

- On 21 April 2022 the Group signed a EUR 500,000 thousand term loan facility with a 5 year bullet maturity that has been fully drawn.

Additionally, during 2022, the following financing agreement has been signed or modified: i) On 21 January 2022 Cellnex Finance amended and increased a EUR 1,500,000 thousand multicurrency revolving credit facility to EUR 2,500,000 thousand with maturity in 2027 and the possibility of a two-year extension, ii) the Group also amended undrawn credit facilities totalling an amount of EUR 404,500 thousand, extending its maturities till 2025 and adapting EUR 304,500 thousand of them to the LIBOR discontinuation, iii) on 27 October 2022 Cellnex France Infrastructures signed a EUR 135,000 thousand Senior Facility Agreement, consisting in a EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites and a EUR 15,000 thousand revolving credit facility with a six year and 9 months bullet maturity to finance or reimburse VAT amounts related to Cellnex France Infrastructures' project cost. As of 31 December 2022, only 57,000 thousands had been drawn of these financing agreements.

As part of the commitment to sustainability, Cellnex has designed this Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process. Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework is aligned with the best practices as described by the International Capital Market Association's ("ICMA") Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Market Association's ("LMA") Sustainability-Linked Loan Principles 2021 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments. As described below in the accompanying Note 15, Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

Borrowings by fixed/variable rate

As of 31 December 2022 and 2021, the Group's fixed rate notional debt amounted to EUR 13,890,563 thousand and EUR 13,855,768 thousand, representing 77% of its Gross Financial Debt excluding lease liabilities (EUR 3,091,895 thousand and EUR 2,905,762 thousand, respectively), whereas the Group's variable rate notional debt amounted to EUR 4,158,549 thousand and 1,990,470 thousand, representing 23% of its Gross Financial Debt excluding lease liabilities. As of 31 December 2022 and 2021, the estimated sensitivity in the Group's financial costs to a 1% change (increase or decrease) in the interest rate, both fixed and variable, is as follows. The amount of the Group's financial costs from fixed gross financial debt excluding lease liabilities would remain unchanged. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would increase by EUR 41,585 thousand in the event of a 1% interest rate increase and the amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would decrease by EUR 37,572 thousand in the event of a 1% interest rate decrease, as some of the Group's financing contracts include an index floor clause.

Borrowings: Cash flow reconciliation

Pursuant to the amendments to IAS 7, a reconciliation of the cash flows arising from financing activities is set out below, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

31 December 2022

Thousands of Euros

	1/1/2022	Cash flows	Changes in the scope of consolidation	Exchange rate	Other (1)	31/12/2022
Bond issues	13,565,690	382,525	—	52,659	44,536	14,045,410
Loans and credit facilities and other financial liabilities(1)	2,068,365	1,761,154	—	(9,556)	25,315	3,845,278
Borrowings	**15,634,055**	**2,143,679**	**—**	**43,103**	**69,851**	**17,890,688**

(1) It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

31 December 2021

Thousands of Euros

	1/1/2021	Cash flows	Changes in the scope of consolidation (1)	Exchange rate	Other (2)	31/12/2021
Bond issues	7,534,957	5,869,731	—	44,191	116,811	**13,565,690**
Loans and credit facilities and other financial liabilities(1)	1,857,814	(111,543)	250,000	75,645	(3,551)	**2,068,365**
Borrowings	**9,392,771**	**5,758,188**	**250,000**	**119,836**	**113,260**	**15,634,055**

(1) It corresponds to the debt assumed on the T-Mobile Infra Acquisition (see Note 6).

(2) It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

As of 31 December 2022 and 2021, the Group's loans and credit facilities were arranged under market conditions and therefore, their fair value does not differ significantly from their carrying amount. In the case of bond issues, which are traded in active markets, their fair value amounts to EUR 12,067 million and EUR 14,446 million respectively (based on the market prices at the reporting date).

In accordance with the foregoing and with regard to the financial policy approved by the Board of Directors, the Group prioritizes securing sources of financing at Cellnex Finance level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy.

As of 31 December 2022 and 2021, the breakdown, by maturity, type of debt and by currency of the Group's borrowings (excluding debt with companies accounted for using the equity method of consolidation) is as follows:

Borrowings by maturity

The maturities of the Group's borrowings based on the repayment schedule as of 31 December 2022 and 2021 are shown in the table below:

31 December 2022

								Thousands of Euros
		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,215,194	135,400	752,431	602,167	2,462,029	1,698,520	8,575,650	**14,226,197**
Arrangement expenses	—	(29,415)	(28,507)	(27,962)	(22,257)	(17,464)	(55,182)	**(180,787)**
Loans and credit facilities (*)	7,178,743	41,625	1,257,220	1,344,467	254,974	512,666	448,261	**3,859,213**
Arrangement expenses	—	(6,861)	(3,988)	(1,611)	(8,575)	—	—	**(21,035)**
Other financial liabilities	2,986	2,603	1,836	434	322	333	1,572	**7,100**
Total	**21,396,923**	**143,352**	**1,978,992**	**1,917,495**	**2,686,493**	**2,194,055**	**8,970,301**	**17,890,688**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

31 December 2021

								Thousands of Euros
		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	13,766,317	725,708	2,394	752,431	597,410	1,478,359	10,200,295	**13,756,597**
Arrangement expenses	—	(25,057)	(25,080)	(24,049)	(23,386)	(21,080)	(72,255)	**(190,907)**
Loans and credit facilities (*)	6,814,615	23,803	119,526	1,292,805	12,500	292,820	349,083	**2,090,537**
Arrangement expenses	—	(5,231)	(6,509)	(6,733)	(2,943)	(1,590)	(3,180)	**(26,186)**
Other financial liabilities	—	772	1,116	929	522	467	208	**4,014**
Total	**20,580,932**	**719,995**	**91,447**	**2,015,383**	**584,103**	**1,748,976**	**10,474,151**	**15,634,055**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

Borrowings by type of debt

						Thousands of Euros
	Notional as of 31 December 2022 (*)			Notional as of 31 December 2021 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,215,194	14,215,194	—	13,766,317	13,766,317	—
Loans and credit facilities	7,178,743	3,833,917	3,344,826	6,814,615	2,079,919	4,734,696
Total	**21,393,937**	**18,049,111**	**3,344,826**	**20,580,932**	**15,846,236**	**4,734,696**

(*) Includes the notional value of each borrowing type, and are not the gross or net value of the heading. See "Borrowings by maturity".

As of 31 December 2022, the total limit of loans and credit facilities available was EUR 7,178,743 thousand (EUR 6,814,615 thousand as of 31 December 2021), of which EUR 3,885,213 thousand in credit facilities and EUR 3,293,530 thousand in loans (EUR 2,740,059 thousand in credit facilities and EUR 4,074,556 thousand in loans as of 31 December 2021).

Furthermore, of the EUR 7,178,743 thousand of loans and credit facilities available (EUR 6,814,615 thousand as of 31 December 2021), EUR 4,110,625 thousand (EUR 2,079,919 thousand as of 31 December 2021) can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD).

As of 31 December 2022 the total amount drawn down of the loans and credit facilities was EUR 3,833,917 thousand (EUR 2,079,919 thousand drawn down as of 31 December 2021).

Borrowings by currency

	Thousands of Euros	
	31 December 2022	**31 December 2021**
Euro	15,769,952	13,486,192
GBP	744,275	825,994
CHF	1,005,212	992,733
USD	573,071	539,675
Borrowings	**18,092,510**	**15,844,594**

(*) The amounts shown in the preceding table relate to the cash flows set forth in the contracts, which differ from the carrying amount of the borrowings due to the effect of applying IFRS criteria, especially IFRS9.

As described in Note 4.a-I, the foreign exchange risk on the net investment of operations of the Group companies denominated in non-Euro currencies is managed by means of borrowings denominated in the corresponding foreign currency or by means of cross currency swaps (see Note 11).

As of 31 December 2022 and 2021, the Group maintained bonds and borrowings in CHF, which act as a natural hedge of the net investment in the Group's Swiss subsidiaries. The Group issued a bond in CHF on March 2021 for an amount of CHF 150,000 thousand (with a Euro value of EUR 152,331 thousand as of 31 December 2022), which add up to the two CHF bonds issued by the Group in 2020 (CHF 100,000 thousand (EUR 101,554 thousand) and CHF 185,000 thousand (EUR 187,874 thousand). The maturity of these bonds are in 2026, 2025 and 2027, respectively. Furthermore, the Group has also drawn down through its subsidiary Swiss Towers additional borrowings in CHF amounting to CHF 548,000 thousand with a Euro value of EUR 556,515 thousand (CHF 585,000 thousand with a Euro value of EUR 566,256 thousand as of 31 December 2021).These non-derivative financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries.

As of 31 December 2022 and 2021, the Group maintains a Cross Currency Swap (“CCS”) with strong financial counterparties for EUR 450 million and an equivalent sterling value of GBP 382 million which has been designated together with the bond issue of EUR 450 million executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group’s subsidiaries. In addition, the Group also maintained through its subsidiary Cellnex UK a GBP 600,000 thousand term loan facility with a Euro value of EUR 676,490 thousand (GBP 600,000 thousand with a Euro value of Euro 714,048 thousand as of 31 December 2021). These non-derivative financial instruments are assigned as net investment hedges against the net assets of subsidiaries in the United Kingdom.

Additionally, the Group also maintains a Cross Currency Swap ("CCS") for the bond issue of the USD 600 million which enabled the Group to obtain approximately EUR 505 million.

Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021
Bond issues	14,045,410	13,565,690
Promissory notes and commercial paper	—	—
Bond issues and other loans	**14,045,410**	**13,565,690**

I) EMTN Programme and the Guaranteed EMTN Programme

From 2015 to May 2020, the Group established and subsequently renewed a Euro Medium Term Note Programme (the “EMTN Programme”) through the Parent Company. This EMTN Programme was registered on the Irish Stock Exchange Plc, trading as Euronext Dublin, allowing for the issue of bonds up to an aggregate amount of EUR 10,000 million. After the establishment of the Guaranteed EMTN Programme by Cellnex Finance (as defined below), the Group has ceased to renew the EMTN Programme with the Parent Company.

Since December 2020, Cellnex Finance is the leading financing entity of the Group. Thus, a Guaranteed Euro Medium Term Note Programme (the “Guaranteed EMTN Programme”) was set up in Cellnex Finance, guaranteed by the Parent Company, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of EUR 10,000 million. The Guaranteed EMTN Programme has been renewed in July 2022 for a period of 12 months with a maximum aggregate amount of EUR 15,000 million and its structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022.

Since March 2016 Cellnex has been part of the list of companies whose corporate bonds are eligible for the Corporate Sector Purchase Programme (CSPP) by European Central Bank (ECB).

Cellnex has issued the bonds described in the table below, all of them addressed to qualified investors:

31 December 2022

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2022 (Thousands of Euros)
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	187,874
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	101,553
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	152,330
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25% (1)	1,000,000
Total							**10,507,257**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

Bond issuances during 2022

On 30 March 2022, Cellnex completed the pricing of a EUR-denominated bond issuance for an amount of EUR 1,000 million (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors under its Euro Medium Term Note Program (EMTN Program) and guaranteed by Cellnex. The bond is maturing in April 2026, has a coupon of 2.25% and was issued at a price of 98.932% of its nominal value. In addition, the Group entered into an interest rate swap agreement for EUR 500,000 thousand in order to partially transform the issuance from fix-to-floating rate (see Note 11).

The bond issuances denominated in euro are listed on the Irish Stock Exchange (ISE), Plc. (ISE) trading as Euronext Dublin, and the bond issuances denominated in Swiss francs are listed on the Swiss Stock Exchange (SIX).

The net proceeds from the issuance of the above bonds are being used for general corporate purposes, including but not limited to, in certain cases, the refinancing of existing indebtedness.

In this regard, during the year ended 31 December 2022, the first bond issued in 2015 by the Group of EUR 600,000 thousand has matured and was fully repaid.

31 December 2021

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2021 (Thousands of Euros)
EMTN Programme	27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	179,073
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	96,796
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	145,194
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Total							**10,086,563**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

Bond issuances during 2021

On 10 February 2021, the Group completed the pricing of a triple-tranche EUR-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard & Poor's) aimed at qualified investors for an aggregate amount of EUR 2,500,000 thousand, including a bond for EUR 500,000 thousand maturing in November 2026 and with a coupon of 0.75%; a bond for EUR 750,000 thousand maturing in January 2029 and with a coupon of 1.25%; and a bond for EUR 1,250,000 thousand maturing in February 2033 and with a coupon of 2.00% (the "Triple-tranche Bond"). In addition, on 10 March 2021 the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 150,000 thousand (EUR 135,514 thousand as of 10 March 2021), maturing in March 2026 and with a coupon of 0.935% (the "CHF Bond"). Additionally, on 25 May 2021, Cellnex completed the pricing of a EUR-denominated bond issuance for an amount of EUR 1,000 million (with ratings of BBB-by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The bond will mature in June 2028 and with a coupon of 1.50%. Furthermore, on 6 September 2021, the Group successfully completed a double-tranche EUR-denominated bond issuance for an aggregate amount of EUR 1,850 million (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The transaction includes a bond for EUR 1,000 million maturing in September 2027 at a coupon of 1%; and a bond for EUR 850 million maturing in September 2032, at a coupon of 2%.

The bond issuances denominated in euro are listed on the Irish Stock Exchange (ISE) and the bond issuances denominated in Swiss francs are listed on the Swiss Stock Exchange (SIX).

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 17,475 thousand as of 31 December 2022 (EUR 123,262 thousand as of 31 December 2021), which the Group defers over the life of the bonds and are taken to the consolidated income statement following a financial criteria. In this regard, an amount of EUR 180,787 thousand and EUR 190,907 thousand was deducted from bond issues in the consolidated balance sheet as of 31 December 2022 and 31 December 2021, respectively. The arrangement expenses and advisor's fees accrued in the consolidated income statement for the period ended 31 December 2022 in relation to the bond issues amounted to EUR 27,595 thousand (EUR 20,756 thousand as of 31 December 2021).

II) Rule 144A / Regulation S Bonds (United States) - USD Bonds

In the second quarter of 2021, Cellnex Finance completed and settled a senior unsecured US Dollar-denominated bond issuance, guaranteed by the Parent Company, for a nominal amount of USD 600 million (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The bond was issued at a price of 98.724% of its nominal value in US dollars, with a maturity date in July 2041 and a coupon of 3.875% in US dollars.

Simultaneously, Cellnex Finance entered into several Cross-currency Swaps by virtue of which Cellnex lent the USD 600 million from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505 million at a coupon of 2.5%.

Cellnex Finance carried out its inaugural issuance in the U.S. dollar market to take advantage of the ample liquidity and long-term maturities (20 years) of such market, as well as to diversify its investor base.

The bonds are listed on the Vienna MTF of the Vienna Stock Exchange since 7 July 2021.

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2022 (Thousands of Euros)
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875%	562,535
Total						**562,535**

III) Convertible Bonds

The Group has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

31 December 2022

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2022 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1,50%	570,945
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1,50%	188,931
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0,50%	851,510
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0,75%	1,436,105
Total						**3,047,491**

31 December 2021

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2021 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	566,223
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	186,943
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0.50 %	837,490
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75%	1,418,057
Total						**3,008,713**

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 3,047 million (EUR 3,009 million as of 31 December 2021), corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading “Reserves from retained earnings and other reserves”.

The Convertible Bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

As of 31 December 2022, an amount of EUR 4,600 thousand of the convertible bond with maturity date 2026 was converted into shares. According to these conversion notices, the Group has delivered 156,086 shares to the bondholders.

Clauses regarding changes of control

The terms and conditions of the bonds issued or to be issued under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and of the Convertible Bonds include a change of control put clause (at the option of bondholders), which could result in their respective early repayment and/or its conversion into shares (in case of the Convertible Bonds only).

For the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and, the USD Bonds, the bondholders' put option can only be triggered if a change of control event occurs and there is a rating downgrade caused by the change of control event (as defined in the terms and conditions of the EMTN Programme, the Guaranteed EMTN Programme and the USD Bonds). For the Convertible Bonds, the put option can be triggered if a change of control occurs or if a tender offer triggering event occurs (as defined in the terms and conditions of the Convertible Bonds).

Under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and the Convertible Bonds, a “change of control event” is defined as the acquisition of more than 50% of the voting rights in respect of Cellnex or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Bonds obligations and restrictions

As at 31 December 2022 and 2021, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex’s unsecured and unsubordinated borrowings.

Finally, at the date of authorization for issue of these consolidated financial statements, the clauses or obligations included in the bonds terms and conditions had been fulfilled.

IV) ECP Programme

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the “ECP Programme”) with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme had a limit of EUR 500 million or its equivalent in GBP, USD and CHF. During 2021, the Group ceased to renew the ECP Programme with the Parent Company as it was established by Cellnex Finance in the fourth quarter of 2021 (the “Guaranteed ECP Programme”), following the same steps than the Guaranteed EMTN Programme. The Guaranteed ECP Programme was renewed in July 2022 for a period of 12 months with a maximum aggregate amount of EUR 750 million or its equivalent in GBP, USD and CHF. As of 31 December 2022, the Guaranteed ECP Programme had not been used.

Loans and credit facilities

As of 31 December 2022, the total limit of loans and credit facilities available was EUR 7,178,743 thousand (EUR 6,814,615 thousand as of 31 December 2021), of which EUR 3,885,212 thousand in credit facilities and EUR 3,293,530 thousand in loans (EUR 2,740,058 thousand and EUR 4,074,556 thousand respectively as of 31 December 2021).

On 13 November 2020, the Group signed a EUR 10 billion financing agreement consisting of (i) a EUR 7,500,000 thousand bridge loan facility with a maturity of up to 3 years; (ii) a EUR 1,250,000 thousand term loan facility with a 3 year bullet maturity; and (iii) a EUR 1,250,000 thousand term loan facility with a 5 year bullet maturity. During the year ended on 31 December 2021, the Group amended and restated the facilities agreement and cancelled the 7,500,000 thousand bridge loan facility. On 21 January 2022 the (ii) EUR 1,250,000 thousand term loan facility was cancelled. On 8 November, the Group draw down the

EUR 1,250,000 thousand term loan with a 5 year maturity. As of 31 December 2022, the EUR 1,250,000 thousand term loan facility had been drawn.

On 21 January 2022 Cellnex Finance amended and increased a EUR 1,500,000 thousand multicurrency revolving credit facility to EUR 2,500,000 thousand with maturity in 2027 and the possibility of a two-year extension. Additionally, on 21 April 2022 the Group signed a EUR 500,000 thousand term loan facility with a 5 year bullet maturity. The Group also amended a EUR 404,500 thousand undrawn credit facility, extending its maturities till 2025 and adapting EUR 304,500 thousand of them to the LIBOR discontinuation. Such changes did not have a significant impact on the overall cost of the facilities. These facilities were structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022. As of 31 December 2022, only EUR 557,000 thousand had been drawn.

On 27 October 2022 Cellnex France Infrastructures signed a EUR 135,000 thousand Senior Facility Agreement. The financing consists of a EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites, and a EUR 15,000 thousand revolving credit facility with a six year and 9 months bullet maturity to finance or reimburse VAT amounts related to Cellnex France Infrastructures's project cost. As of 31 December 2022, no drawdowns had been made.

Furthermore, the Group also maintained through its subsidiaries a total amount of drawn debt of EUR 1,515,498 thousand, which included mainly a syndicated facility agreement in CHF amounting to CHF 548,000 thousand in Swiss Towers (CHF 582,000 thousand in 2021), a GBP 600,000 thousand term loan facility entered by Cellnex UK in 2019, and a EUR 280,200 thousand term loan facility entered by Cellnex Netherlands in 2021

Additionally, on 29 May 2020 Nexloop signed a EUR 620,000 thousand financing with a pool of banks, consisting of a EUR 600,000 thousand term loan facility with an 8-year bullet maturity, to partially finance the deployment of the fiber network by Nexloop, and a EUR 20,000 thousand revolving credit facility with a 7-year-and-10-months bullet maturity to finance or reimburse VAT amounts related to Nexloop's project costs. As of 31 December 2022, the total amount drawdown of the facilities were EUR 310,767 thousand and EUR 19,999 thousand (EUR 199,267 thousand and EUR 19,999 thousand in 2021), respectively.

Clauses regarding changes of control

For the loans and credit facilities entered into by Cellnex and/or Cellnex Finance, the change of control trigger is at the Cellnex and Cellnex Finance level. For the syndicated facilities agreement entered into by Swiss Towers, the change of control trigger is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra (as defined below). For the GBP Facilities, the change of control trigger is measured with respect to Cellnex UK, Cellnex Finance as well as at the Cellnex level. For the Nexloop Facilities, the change of control trigger is measured with respect to Nexloop. For the 5-year facility agreement of the T-Mobile Infra Acquisition, the change of control trigger is measured with respect to Cellnex Netherlands and Cignal Infrastructure Netherlands (formerly T-Mobile Infra). For the Senior Facility Agreement of Cellnex France Infrastructures the change of control trigger is measured with respect to Cellnex France Infrastructures. At the Cellnex level, a “change of control event” is generally triggered when a third party, alone or together with others, acquires more than 50% of shares with voting rights, or obtains the right to appoint or dismiss the majority of the members of the board of directors of the relevant company. At the subsidiaries level, a “change of control event” is generally triggered when such subsidiary ceases to be 100% owned or majority owned by the relevant Cellnex group entity.

Loans and credit facilities obligations and restrictions on use of available funds

As at 31 December 2022 most of Cellnex's outstanding loans and credit facilities do not impose restrictions on the use of available funds. However, certain of the Group's outstanding loans and credit facilities, including the Nexloop Senior Facility and the Cellnex France Infrastructures Senior Facility, impose restrictions on the use of drawn amounts, as these can only be used to finance the payment of Project costs.

Security interests and other covenants and undertakings

As of 31 December 2022 and 2021, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank "pari passu" with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities or the Cellnex France Infrastructures Facility, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop or Cellnex France Infrastructures Facility accordingly, and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein) or Cellnex France Infrastructures Facility, accordingly.

In addition, while most of the Group's loans and credit facilities are subject to cross-default provisions and generally do not require Cellnex nor its subsidiaries to comply with any financial ratio, certain of them are subject to certain financial covenants and various restrictions, including but not limited to, (i) requiring Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC, (ii) requiring shares to be pledged and provided as collateral if certain financial ratios are not satisfied, and (iii) imposing restrictions on additional indebtedness and on the Group's ability to create or permit to subsist certain security interests. The aforementioned financial conditions are mainly associated with European Investment Bank ("EIB") and Instituto de Crédito Oficial ("ICO") loans. Additionally, prepayment obligations under certain of the Group's loans and credit facilities, including the Nexloop Senior Facility, may be triggered as a result of the availability of certain proceeds and cash flows and breaches of certain covenants and undertakings. The financing contracts of the Group do not contain any limitations on the distribution and payment of dividends, other than the Nexloop and Cellnex France Infrastructures Senior Facilities and the syndicated facilities agreement entered into by Cellnex Netherlands and Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop, Cellnex France Infrastructures, Cellnex Netherlands, Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions.

In this regard, at the date of authorization for issue of these consolidated financial statements, the clauses or obligations included in the foregoing financing agreements had been fulfilled. For the Swiss Tower financing a pledge over Swiss Infra Service S.A has been exercised.

Sustainable Finance

As part of the commitment to sustainability, Cellnex has designed a Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process.

Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework is aligned with the best practices as described by the International Capital Market Association's ("ICMA") Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Market Association's ("LMA") Sustainability-Linked Loan Principles 2021 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments.

Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

Environmental KPIs:

- KPI #1 - Environmental: Percentage reduction of Cellnex's GHG emissions:
    - KPI #1a: Absolute Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions: i) Sustainability Performance Target 2025: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020, and ii) Sustainability Performance Target 2030: 70% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2030 vs 2020.
    - KPI 1#b: Absolute Scope 3 GHG emissions from purchased goods and services and capital goods. Sustainability Performance Target: 21% Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.
- KPI #2 - Environmental: Increase annual sourcing of renewable electricity. Sustainability Performance Target: Increase annual sourcing of renewable electricity to 100% by 2025.

Social KPIs:

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group. Sustainability Performance Target: Increase to 30% the percentage of women in directors and senior management/managers roles in Cellnex Group by 2025.

The selection of these KPIs has been driven by the extensive research carried out by Cellnex in 2020 to determine the ESG priorities of the telecommunication sector and the company's own. Further details about the ESG Financing Framework can be found at the Group's website.

As of 31 December 2022, the Group structured EUR 3.4 billion facilities linked to the Sustainability Framework for 5 years with two of the indicators included in the Framework:

- KPI #1a: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020 and 70% in 2030 vs 2020. and

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group to 30% by 2025.

- The Group achievement or failure of the established KPIs will carry out a step down or step up of c.2.5Bps of the applicable interest rate respectively. In no case, a debt default.

Other financial liabilities

"Other financial liabilities" relates mainly to certain grants awarded (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.) under the Ministry for Industry, Tourism and Trade's PROFIT programme. According to the technical-financial terms of the grant resolutions, the repayable advances bear no interest.

Corporate rating

At 31 December 2022, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 17 January 2023 and a long-term "BB+" with positive outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 11 November 2022.

16. Leases

The Group leases many assets, including sites, offices, satellites, vehicles and concessions. Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the consolidated balance sheet

As of 31 December 2022 and 2021, the amounts recognised in the consolidated balance sheet related to lease agreements are:

Right of use

		Thousands of euros
		Net book value
	31 December 2022	**31 December 2021 restated**
Right of use		
Sites	3,354,878	3,195,266
Offices	31,335	31,654
Satellites	47,473	115,086
Vehicles	964	1,062
Concessions	3,060	3,119
Total	**3,437,710**	**3,346,187**

The additions of rights of use during 2022 amounted to EUR 693,663 thousand (EUR 1,624,960 thousand in 2021), of which EUR 234,897 thousand (EUR 357,717 thousand in 2021) related to reassessments of existing lease contracts at the year end, and EUR 29,308 thousand corresponded to changes in the scope of consolidation during 2022 (EUR 966,908 thousand during 2021) (see Notes 2.h and 6).

Lease liabilities

		Thousands of euros
	31 December 2022	**31 December 2021 restated**
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	746,654	598,716
One to five years	2,431,267	2,464,514
More than five years	993,785	1,255,894
Total undiscounted lease liabilities at 31 December	**4,171,706**	**4,319,124**
Lease liabilities included in the statement of financial position		
Current	583,594	503,741
Non-Current	2,501,896	2,402,021
Total	**3,085,490**	**2,905,762**

During 2022, there have been no significant variations in the sensitivity detailed in Note 16 of the 2021 Consolidated Financial Statements.

Amounts recognised in the consolidated income statement

As of 31 December 2022 and 2021, the amounts recognised in the consolidated income statement related to lease agreements are:

	Thousands of euros	
	2022	**2021 restated**
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(599,624)	(461,607)
Offices	(5,145)	(5,250)
Satellites	(11,323)	(12,222)
Vehicles	(1,261)	(1,537)
Concessions	(977)	(59)
Total	**(618,330)**	**(480,675)**
Financial costs		
Interest expense on lease liabilities	**(327,405)**	**(234,088)**
Other operating expenses		
Expense related to contracts with low value asset	(3)	—
Expense related to variable lease payments	(2,020)	(2,354)
Total	**(2,023)**	**(2,354)**

During 2022 and 2021, the Group has not recognised in the consolidated income statement, income from subleasing right-of-use assets, nor gains or losses arising from sale and leaseback transactions by a significant amount.

Amounts recognised in the statement of cash flows

The total amount of cash outflows in relation to lease agreements during the year ended on 31 December 2022 amounts to EUR 924,451 thousand (EUR 664,238 thousand in 2021), of which EUR 132,708 thousand (EUR 70,640 thousand in 2021) relates to cash advances to landlords, EUR 327,405 thousand (EUR 216,644 thousand in 2021) relates to interest payments on lease liabilities and EUR 464,338 thousand (EUR 376,954 thousand in 2021) relates to payments of lease instalments in the ordinary course of business.

Lease agreements. Cellnex Group as lessee

i) Real estate leases

All of the amounts recognised in the balance sheet correspond to lease agreements in which Cellnex Group acts as lessee. Cellnex Group manages and operates almost all of the sites where it locates its telecommunications infrastructure using lease agreements. In addition to these sites, the Group has lease agreements related mainly to offices, car parks, vehicles and satellites. As of 31 December 2022 and 2021 there are no significant restrictions or covenants imposed by leases.

Payments associated with short-term lease agreements are recognised on a straight line basis as an expense in the consolidated profit and loss account. A short-term lease is an agreement with a lease term equal to or less than 12 months.

Likewise, payments associated with low-value lease agreements are recognised on a straight-line basis as an expense in the consolidated income statement. A low-value contract is considered one whose underlying asset has a new value of less than EUR 5 thousand.

Extension options

Regarding the lease term considered for each contract, in relation to the leases of land and buildings in which the Group locates its infrastructures, the term considered for the leases depends mainly on whether the lease contract contains or not unilateral termination clauses and / or renewal (or similar legal rights deriving from the legislation of the countries in which it operates) that grant the Group the right to terminate early or to extend the contracts, as well as the term of the contracts with customers associated with the leases and whether these contracts allow the early termination of the lease or not. The most common types of contracts and the main criteria for determining their term are detailed in Note 2.b.

The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. It reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Discount rates

The Group has generally applied the interest rate implicit in the lease contracts. In relation to the transition process, contracts prior to 2012 have been valued using an estimated incremental borrowing rate, since the Directors have considered that the determination of the implicit rate in these contracts involved considerably greater difficulty due, among other reasons, to their age. The portfolios of contracts acquired from 2012 onwards have been valued using implicit rates.

The interest rate implicit in the lease is defined by IFRS 16 as the rate of interest that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor. The interest rate implicit in the lease has been obtained with the assistance of external valuation experts, through a methodology designed for this purpose, in line with the above definition and based on the following components: fair value of the leased asset at lease commencement and end date and annual rent payments. The initial direct costs of the lessor are deemed immaterial considering the nature of the assets leased. The fair value of the leased asset has been measured using a market approach, according to which the leased asset (land or/and buildings) is valued based on observable market prices of similar assets to which adjustments related to surface area, location, size and other relevant factors are made.

The incremental borrowing rate (IBR) is defined by IFRS 16 as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR has been obtained through a methodology designed for this purpose, in line with the definition above and based on the following components: local reference rate, credit spread adjustment and lease specific adjustment. The credit spread adjustment is based on the Group’s creditworthiness and the debt issuance costs. No lease specific adjustment has been applied, as the nature of the leases is essentially the same.

Other information

The Group’s signed contract does not include any significant restrictions or covenants imposed by leases.

ii) Other leases

Cellnex leases offices, vehicles and satellites with terms of 6 to 10 years, 3 to 5 years and 3 years, respectively.

The Group also leases IT and other equipment with contract terms of one to three years. These leases are either short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

iii) Sale-and-leaseback

During 2022 and 2021, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 31 December 2022 and 2021 is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021 restated
Trade payables	561,305	505,036
Current tax liabilities	214,804	277,239
Other payables to related parties (Note 24.d)	138	2,634
Other payables	696,422	610,461
Trade and other payables	**1,472,669**	**1,395,370**

There is no significant difference between the fair value and the carrying amount of these liabilities.

At 31 December 2022 and 2021, “Trade payables” included mainly the amounts payable for trade purchases made by the Group and their related costs.

“Current tax liabilities” includes all balances payable by the Group to the tax authorities, as detailed in Note 18.c.

Lastly, “Other payables” is formed mainly of deferred revenues and payables to asset suppliers.

Information on average supplier payment period

The information required by the additional third decree of Law 15/2010 of 5 July (modified by the second final decree of Law 31/2014) prepared in accordance with the resolution issued by the Spanish Accounting and Auditing Institute (AAI) of 29 January 2016 in relation to the information to be disclosed in the annual consolidated report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2022	2021
Total payments in the year	227,031	317,706
Total payments outstanding	13,499	31,257
Average payment period to suppliers (days)	20 days	18 days
Ratio of transactions paid (days)	19 days	19 days
Ratio of transactions outstanding (days)	22 days	12 days

In accordance with the AAI resolution, only the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account, and only with regard to the Group companies situated in Spain and fully consolidated.

For the sole purpose of the disclosure of information required by this resolution, the term ‘suppliers’ relates to the trade payables for debts with suppliers of goods or services included in the heading ‘Trade and other payables’ in the short term liabilities of the consolidated balance sheet. Moreover, only amounts relating to those Spanish entities included in the consolidated entity are considered for these purposes.

Average payment period to suppliers is understood to mean the period lapsed from the delivery of goods or services by the supplier to the actual payment of the transaction.

The monetary volume and number of invoices paid within the established legal term is detailed below:

	Thousands of Euros
	2022
Monetary volume	209,535
Percentage of total payments made	92%
Number of invoices	84,720
Percentage of total invoices	96%

18. Income tax and tax situation

a) Tax information

Cellnex Telecom, S.A. became the Parent Company of a new consolidated tax group for the purposes of Corporation tax in Spain in the 2015 financial year.

Cellnex files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 75%-owned and with tax residence in Spain. The Group companies resident in Italy file a consolidated Italian corporation tax return. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies apply Group Relief claims and surrenders as appropriate. Cellnex France Groupe files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 95%-owned. The Irish companies apply Group Relief claims and surrenders as appropriate. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns except Towerlink, Infratower and Hivory. The Group companies resident in Denmark file consolidated corporation tax returns from 2021, as do the Group companies resident in Austria. In Sweden, the Group companies shall apply the group contribution regime from 2022. The remaining companies included in the consolidation scope file individual corporation tax returns.

Tax inspections and litigations

At 31 December 2022, in general, the Group companies' returns for all applicable taxes which are not statute-barred at that date are open to inspection in each of the jurisdictions in which they are based. In this respect, Cellnex considers that no significant losses will arise with respect to the accompanying consolidated financial statements as a result of the different interpretations which may be afforded to prevailing tax law in relation to the years open to inspection.

Regarding the on-going tax inspections and litigations as of 31 December 2022, the Group is involved in the following processes:

- In July 2018 general inspection proceedings were initiated in relation to consolidated corporate income tax for 2015 and 2016 and VAT for the periods April to December 2015 (individual) and 2016 (group entities). In June 2020 agreed tax reassessments were issued in relation to corporate income tax for the years 2015 to 2018. For 2015 and 2016, the reassessments are definitive. For 2017 and 2018, the proposals are provisional, given that the inspection proceedings were limited to basically verifying the correct application of the reduction in income from the assignment of certain intangible assets. The total resulting amount in respect of tax payable amounted to EUR 3,072 thousand. The Directors of Cellnex have estimated that the criteria applied by the tax authorities do not have a material impact on the years open to audit. Also, in June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items. The allegations put forward by Cellnex were not accepted and in December 2020 final assessments were communicated. In January 2021 Cellnex appealed the final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities. In all cases, the inspection authorities considered that the Group's approach was reasonable and they expressly stated that no penalties were applied.

- In October 2020, the Italian Tax Authorities requested a copy of Transfer Pricing documentation relating to fiscal year 2016. Following this request, in May and June 2021, the Italian Tax Authorities requested additional documentation and, in July 2022, a further meeting with the tax inspectors took place. The Group is expecting to receive the final assessment from the Tax Authorities, although no material impact is expected.

- In December 2021, the Dutch Tax Authorities issued initial tax assessments in relation to the amount of real estate transfer tax ("RETT") paid in respect of the 2016 acquisitions of Protelindo Netherlands B.V. and Shere Group Limited. Cellnex shall engage with the Dutch Tax Authorities to appeal the assessment and no material impact is expected. During 2022, the Dutch Tax Authorities raised assessments relating to historic (2012) RETT transactions affecting Towerlink Netherlands B.V. and Shere Masten B.V. Cellnex has entered into litigation with the Dutch Tax Authorities regarding such assessments, but with no material impact expected to arise.

- In December 2022, the Portuguese Tax Authorities communicated to CLNX Portugal, SA the commencement of a general tax audit in relation to corporate income tax and VAT for the year 2020. No material impact is expected.

b) Corporation tax expense

The standard corporation tax rate in the main countries in which Cellnex conducts its operations is as follows:

	2022	2021
Spain	25%	25%
Italy (1)	28.57%	28.82%
Netherlands (2)	25.8%	25%
United Kingdom (3)	19%	19%
France (4)	25%	28%/31%
Switzerland (5)	18.1%	18.23%
Ireland (6)	12.5%/25%	12.5%/25%
Portugal (7)	21%	21%
Finland	20%	20%
Austria (8)	25%	25%
Denmark	22%	22%
Sweden	20.6%	20.6%
Poland	19%	19%

(1) The standard income tax rate was 28.57% in Italy, which is made up of the IRES (Imposta sul Reddito delle Societa) at a rate of 24% and the IRAP (regional business tax in Rome) at a rate of 4.57%.

(2) On 21 December 2021, the Senate approved the 2022 Tax Plan package approving the increase of the Dutch standard CIT rate to 25.8% (2021: 25%). The lower CIT rate for 2022 of 15% remains unchanged for taxable income up to EUR 395 thousand (EUR 245 thousand in 2021) and the standard rate of 25.8% applies to taxable income exceeding the referred thresholds.

(3) The UK CIT rate is currently 19%, and is set to remain at that rate until April 2023. The Finance Bill 2021 was published in March 2021, in which the UK CIT rate is set to increase to 25%. The Finance Bill 2021 received Royal Assent in June 2021 and is considered as “substantively enacted” for tax accounting purposes. The 19% rate will continue to apply to companies with profits of less than £50,000, with marginal relief for profits of up to £250,000.

(4) The French Parliament in December 2021 approved the Finance Bill for 2022, which does not affect the already enacted decrease of the French CIT rate from 33.3% to 25% by 2022. In this regard, for financial years beginning on or after 1 January 2022, a 25% CIT rate applies for all entities.

(5) The standard income tax rate is 18.10% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes.

(6) It is foreseen that the Irish government approves an increase in the corporate tax rate to 15% during 2023, which is likely to be applicable from 1 January 2024.

(7) Companies with their head office in mainland Portugal are subject to Corporate Income Tax (“IRC”) at a base rate of 21%, plus, as applicable, (i) up to a maximum of 1.5% of taxable income through a municipal tax (“Derrama Municipal”), and (ii) a state surcharge (“Derrama Estadual”) levied at the rates of 3% on taxable income between EUR 1.5 million and EUR 7.5 million, 5% on taxable income between EUR 7.5 million and EUR 35 million and 9.0% on taxable income in excess of EUR 35 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than EUR 35 million.

(8) On 14 February 2022, the Austrian government published the Eco-Social Tax Reform Act 2022 in the Official Gazzette, which incorporates a gradual reduction of the current CIT rate from 25% to 24% in 2023 and subsequently to 23% in 2024.

The Reverse Merger Transaction

As at the end of December 2020, the following merger transactions were completed: (a) incorporation of Commscon, IGS and FP into Galata S.p.A (becoming Cellnex Italia S.p.A), and (b) reverse merger of Cellnex Italia S.r.l. into Cellnex Italia S.p.A (The "Reverse Merger Transaction"), with Cellnex Italia S.p.A being the surviving entity. The merger difference was determined at the effective accounting date (backdated to 1 January 2020) as the excess of (i) the cost of the investments in Galata, Commscon, FP and IGS, and (ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A’s individual financial statements, which are prepared under Italian generally accepted accounting standards (GAAS).

With regards to the goodwill generated by the Reverse Merger Transaction, Cellnex Italia S.p.A opted to step up the tax basis of the goodwill, as provided for by Article 15 of Legislative Decree no. 185/2008, which amounted to EUR 490 million at the end of 2020. Thus, EUR 78 million of substitute tax was paid in 2021, with the payment of the substitute tax allowing for the tax deduction of the amortisation over five (5) years, starting from 1 January 2022.

In the 2021 consolidated financial statements, the merger difference reverses the deferred tax liability previously booked on the temporary difference between tax and book value of the intangible assets in the purchase price allocation, which amounted to EUR 102 million as of the merger date, and which has been released through the consolidated income statement (in accordance with IAS 12). The merger difference in excess of the intangible assets book value represents a new deductible temporary difference between accounting and tax books of EUR 126 million. Thus, in accordance with IAS 12, a deferred tax asset amounting to EUR 36 million was recognized as it is probable that future taxable profits will be available against which the deductible temporary difference will be utilized.

On 1 April 2022, the merger of CK Hutchison Networks Italia S.p.A. and Towerlink Italia S.r.l. into Cellnex Italia S.p.A was completed, with Cellnex Italia S.p.A. being the surviving entity. Furthermore, on 1 July 2022, the merger of Towerco S.p.A. and Iaso Gruppo Immobiliare S.r.l. into Cellnex Italia S.p.A was completed (collectively the "Big Merger II Transaction"). The merger difference was determined at the effective accounting date (backdated to 1 January 2022) as the excess of (i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A's individual financial statements, which are prepared under Italian generally accepted accounting standards ("GAAS"). With regards to the goodwill generated by the Big Merger II Transaction, Cellnex Italia S.p.A will opt to step-up the tax basis of the goodwill, for which payment of the substitute tax ("imposta sostitutiva") is required in order to generate the corresponding tax deduction of the amortisation, with payments for three years in 2024, 2025 and 2026.

The reconciliation of the theoretical tax and the tax expense recorded in the consolidated income statement for the year is as follows:

	Thousands of Euros	
	2022	**2021 restated**
Consolidated profit/(loss) before tax	(502,882)	(540,308)
Theoretical tax (1)	99,840	100,535
Impact on tax expense from (permanent differences):		
Non-deductible expenses	23,399	(11,358)
Other deductions	5,529	10,728
Income tax (expense)/credit for the year	**128,768**	**99,905**
Tax loss carryforwards	5,639	10,952
Changes in tax rates	4,385	(101,546)
Other tax effects	51,154	144,813
Other tax effects	**61,178**	**54,219**
Income tax (expense)/credit	**189,946**	**154,124**

(1) The theoretical tax charge is a blended rate calculated by applying the individual corporation tax rate in each country to the profit before tax of each individual Group company.

"Non-deductible expenses" in 2022 and 2021 include items that, in accordance with the tax legislation of the respective consolidated companies, are not taxable or deductible.

"Changes in tax rate" in 2022 included the impact of updating the tax rate in certain subsidiaries, which has resulted in a positive impact of EUR 4 million (negative impact of EUR 102 million in 2021), in the accompanying consolidated income statement. "Other tax effects", in 2022 include, among others, the reversion of tax provisions associated with Business Combinations of approximately EUR 92 million, as the risks became remote, expired or the amounts were settled (see Note 19.c).

The main components of the income tax expense for the year (for fully consolidated companies) are:

	Thousands of Euros	
	2022	**2021 restated**
Current tax	(24,358)	(120,725)
Deferred tax	124,700	266,759
Tax from prior years / other	89,604	8,090
Income tax expense	**189,946**	**154,124**

"Deferred tax" in 2022 and 2021 mainly relates to the impact of the deferred tax liabilities associated with the business combinations detailed below (Note 18.d). "Tax from prior years / other" include mainly the reversion of tax provisions previously indicated.

Tax withholdings and payments on account totalled EUR 75,565 thousand (EUR 66,637 thousand in 2021).

c) Current tax liabilities

The breakdown of "Current tax liabilities" is as follows:

	Thousands of Euros	
	31 December 2022	**31 December 2021**
VAT payable	151,207	181,786
Corporate income tax	47,367	79,295
Social security payable	6,444	5,201
Personal income tax withholdings	3,861	3,532
Other taxes	5,925	7,425
Current tax liabilities	**214,804**	**277,239**

d) Deferred taxes

The balance of the recognised deferred assets and liabilities, as well as their movement during the financial year, was as follows:

	Thousands of Euros			
		2022		**2021 restated**
	Deferred tax asset	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
At 1 January	**673,024**	**(3,826,048)**	**460,817**	**(1,782,548)**
Debits/(credits) in income statement	(34,594)	154,908	135,645	236,378
Debits/(credits) due to incorporation into scope and business combinations	(262)	(794,167)	51,147	(2,120,707)
Debits/(credits) to equity	(7,027)	(25,868)	9,435	(5,634)
Transfers	12,212	(2)	(3,256)	899
Changes in tax rates	(11,170)	15,555	16,438	(116,796)
Exchange differences and others	3,479	31,306	2,798	(37,640)
At 31 December	**635,662**	**(4,444,316)**	**673,024**	**(3,826,048)**

Deferred tax assets

The breakdown of the deferred tax assets is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021 restated
Deferred tax assets:		
Business combinations	49,024	88,610
Provision for third-party liabilities	68,201	61,165
Limit on depreciation and amortisation of fixed assets	8,622	17,110
Employee benefit obligations	10,391	8,832
Other provisions	61,581	103,384
Timing differences in revenue and expense recognition	69,254	4,696
Asset revaluation	182,108	216,160
Tax credits recognised:		
Tax loss carry forwards	84,806	79,272
Limit on deductibility of financial expenses	101,675	93,795
Total	**635,662**	**673,024**

Business combinations

It refers to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (Note 6).

Provision for third-party liabilities

The Group has yet to fully utilise the tax credit recognised in 2019 for the collective redundancy procedure, which at year-end 2019 was only partially paid.

Limit on depreciation and amortisation of fixed assets

Spanish Act 16/2012, limiting the deductibility of the depreciation and amortisation expenses, was approved on 27 December 2012. In general, only 70% of the amortisation and depreciation for accounting purposes on property, plant and equipment, intangible assets and investment property for tax periods beginning in 2013 and 2014, which would have been tax deductible, will be deducted from the tax base. The amortisation and depreciation for accounting purposes that was not tax deductible is deducted on a straight-line basis over a 10-year period or over the useful life of the asset from the first tax period that begins in 2015.

This heading also includes the limit on the amortisation of the asset revaluation given that it is amortised for tax purposes, from the first tax period beginning on or after 1 January 2015, over the tax periods in the remaining useful lives of the revalued asset, under the same terms and conditions related to renewals and extensions.

Other provisions

The deferred tax asset included in “Other Provisions” relates to other temporary differences. The main concept thereof refers to the deferred tax asset registered as a consequence of the tax credits to be applied in future years generated in Spain.

Timing differences in revenue and expense recognition

Tangible assets may be depreciated for UK tax purposes according to specific rules (“Capital Allowances”). Temporary differences arise upon the application of Capital Allowances, given the differences between the book values and tax values of such tangible assets.

Asset revaluation

Deferred tax assets include unused tax credits and the temporary differences recognised at year-end.

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent Company's Directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

In addition, this heading include the deferred tax assets that Hutchison Austria and Hutchison Denmark had in their books when they became part of the Group in the year ended 31 December 2020, as the "Business Combinations" heading includes only the tax effect associated with the revalued assets and liabilities, and not that relating to the assets and liabilities held by the acquired company in its separate books.

Tax losses carry forwards

As at 31 December 2022 and 2021 the Group had tax losses generated by the Spanish entities available for carry forward against future profits amounting to EUR 203.4 million (EUR 209.8 million at 2021 year-end).

As at 31 December 2022 and 2021 the Group had tax losses from UK companies available for carry forward against future profits, as detailed below:

- Non-trade loan relationship deficit of EUR 10.9 million (EUR 11.3 million at 2021 year-end) which related to GBP 9.4 million (GBP 9.7 million at 2021 year-end), which is available to offset future non-trade income and capital gains of the company that incurred the loss, and

- Trading losses of EUR 12.9 million (EUR 7.4 million at 2021 year-end) which related to GBP 11.2million (GBP 6.4 million at 2021 year-end) which is available to offset against future trading profits generated by the same company that incurred the loss.

With regards to other territories where the Group has presence, as at 31 December 2022, tax losses from French, Irish, Austrian, Portuguese, Finnish, Swiss and Polish companies available for carry forward against future profits, amounted to EUR 137 million, EUR 12.8 million, EUR 10 million, EUR 16.6 million, EUR 26.6 million, EUR 10.5 million and EUR 1.4 million. As at 31 December 2021, tax losses from French, Irish, Austrian, Portuguese, Finnish, Swiss, Polish and Dutch companies available for carry forward against future profits, amounted to EUR 86 million, EUR 12.8 million, EUR 8.9 million, EUR 14 million (restated), EUR 24.1 million, EUR 10.5 million and EUR 0.9 million. Thus, as at 31 December 2022, the total amount of tax losses available for carry forward against future profits in these territories amounted to EUR 434.8 million (EUR 383.68 million at at 2021 year-end).

The potential deferred tax asset arising on the losses carried forward in the Group companies detailed above has not been recognised yet in the accompanying consolidated balance sheet, except for the tax losses in Spain and France recognised at 31 December 2022 amounting to EUR 51 million and EUR 34 million, respectively (EUR 43 million and EUR 36.3 million, respectively at 2021 year-end) as they will be recovered in less than 10 years on the basis of the estimated future tax base determined using the approved business plans and budgets. Although the consolidated statement of profit or loss reflects accounting losses for 2022 and 2021 (which, in turn, include the impact of adjustments that affect only the accounting profit or loss, such as the depreciation and amortisation charge associated with fair value adjustments stemming from business combinations), the subsidiaries or tax groups that have tax loss carryforwards -Spain and France- are expected to generate taxable profits from 2024 (Spain) and 2022 (France) onwards, and the tax loss carryforwards are expected to be recovered in full by 2030 (Spain) and 2024 (France). Nonetheless, mention must be made of the fact that there is no time limit for the offset of the tax loss carryforwards and, accordingly, they can be transferred to future periods indefinitely.

In the case of France, an additional matter that strengthens the recoverability of the tax loss carryforwards in future years is the incorporation of Hivory into the consolidated tax group from 2022 onwards and, therefore, increasing the amount of tax loss carryforwards deducted by all the companies included in the tax group. The tax loss carryforwards generated prior to the creation of the consolidated tax group can only be deducted against the profits of the entity carrying forward such tax losses.

In the case of Spain, the incorporation of Cellnex Finance Company, S.A. and its grant of loans to the foreign subsidiaries is a factor that offsets the application of the limits on the deductibility of finance costs on the basis of EBITDA and, accordingly, will also contribute to the ability to generate taxable profits.

Thus, as at 31 December 2022, the deferred tax asset arising on the losses carried forward in the group companies, recognised in the accompanying consolidated balance sheet, amounted to EUR 84.8 million (EUR 79.3 million at 2021 year-end).

Limit on deductibility of financial expenses

The Spanish CIT legislation limits the deductibility of the net financial expenses, for the periods beginning on 1 January 2012. This act establishes that the net financial expenses will be deductible from the tax base with the limit of the 30% of the operating profit of the year. The net financial expenses that have not been deducted may be deducted in the following tax periods.

In this sense, with the activity of Cellnex Finance Company, S.A from 2020, the finance costs will foreseeably be deducted in full by 2028.

Deferred tax liabilities

The breakdown of the deferred tax liabilities is as follows:

	Thousands of Euros	
	31 December 2022	31 December 2021 restated
Deferred tax liabilities:		
Business combinations [1]	(4,346,630)	(3,785,880)
Accelerated depreciation and amortisation	(21,939)	(5,729)
Amortization and other temporary differences	(75,747)	(34,439)
Total	**(4,444,316)**	**(3,826,048)**

[1] Tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (Note 6).

Business combinations

The detail of the deferred tax liabilities recorded at 31 December 2022 and 2021 relating to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in the main business combinations and/or changes in the scope of consolidation, is as follows:

Acquisitions	Incorporation	31 December 2022	31 December 2021 restated
Towerco	2014	—	19,079
Cellnex Italia	2015	576,966	—
Cellnex Netherlands subgroup	2016	65,784	56,375
Shere Group subgroup	2016	21,110	23,856
Swiss Towers	2017	53,615	54,607
Swiss Infra Services	2020	146,751	148,310
Iliad 7	2020	350,540	371,160
On Tower UK	2020	997,865	497,890
OMTEL, Estruturas de Comunicaçoes	2020	114,617	121,544
On Tower Portugal	2020	68,209	72,123
On Tower Ireland	2020	53,134	56,086
On Tower Denmark	2020	66,531	70,223
On Tower Austria	2020	169,471	194,441
Cignal Infrastructure Netherlands	2021	145,320	148,369
CK Hutchison Italy	2021	—	589,290
Towerlink Poland	2021	172,468	185,109
Hivory, SAS	2021	990,508	1,043,494
On Tower Sweden	2021	82,550	94,522
Cignal Infrastructure UK	2022	224,722	—
Others		46,469	39,402
Total		**4,346,630**	**3,785,880**

Accelerated depreciation and amortisation

On 3 December 2010, Act 13/2010 was approved, which allowed for the accelerated depreciation of new items of property, plant and equipment and investment property used in business activities, and made available to the taxpayer in tax periods beginning in 2011, 2012, 2013, 2014 and 2015. This measure gave rise to a temporary difference between depreciation for accounting and for tax purposes.

Expected schedule for reversal of the deferred tax assets and liabilities

In most cases, the use of the Group's deferred tax assets and liabilities is conditional upon the future performance of the business activities carried out by its various subsidiaries, the tax regulations of the different countries in which they operate, and the strategic decisions to which they may be subject.

Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the consolidated balance sheet at 31 December 2022 and 2021 will be used as follows:

			Thousands of Euros
			31 December 2022
	Less than one year	More than one year	**Total**
Deferred tax assets	9,060	626,602	**635,662**
Deferred tax liabilities	35,851	4,408,465	**4,444,316**

			Thousands of Euros
			31 December 2021 restated
	Less than one year	More than one year	**Total**
Deferred tax assets	15,482	657,542	**673,024**
Deferred tax liabilities	3,914	3,822,134	**3,826,048**

The deferred tax assets indicated above were recognised in the attached consolidated balance sheet as the Parent's Directors consider that, based on their best estimated of the tax group's future earnings it is probable that these assets will be recovered.

19. Employee benefit obligations and provisions and other liabilities

a) Contingent liabilities

At 31 December 2022, the Group has guarantees with third parties amounting to EUR 123,258 thousand (EUR 93,548 thousand at the end of 2021). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

On 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Group filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. On 27 July 2022, the appeal was dismissed and a new appeal has been filed against such decision. Based on the opinion of its legal advisers, the provision recorded in this regard at 31 December 2022, amounted to EUR 18.7 million in "current provisions and other liabilities" of the consolidated balance sheet (EUR 18.7 million at the end of 2021 in "non-current provisions and other liabilities").

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for having abused its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centres of Cellnex Telecom, S.A. for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, the Group filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passes a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that the Group did not break any competition rules. On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and was awaiting the return of the file to the CNMC for the recalculation of the sanction. Cellnex Telecom, S.A., filed a nullity incident, which was dismissed on 19 July 2018. On 10 October 2018, Cellnex Telecom, S.A., filed an appeal with the Constitutional Court against the ruling. On 13 February 2019 the Constitutional Court dismissed Cellnex Telecom, S.A.'s appeal. Following the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., has filed an appeal against such decision. The original guarantee was provided on 4 February 2020. With regard to these proceedings, at 31 December 2022, the provision recognised based on the opinion of their legal advisers, amounted to EUR 13.7 million in “non-current provisions and other liabilities” of the consolidated balance sheet (EUR 13.7 million at the end of 2021).

Moreover, and because of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spin-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Cellnex Telecom, S.A. will be responsible for paying these fines. At 31 December 2022, Cellnex Telecom, S.A. has provided three guarantees amounting to EUR 32.5 million (EUR 32.5 million at the end of 2021) to cover the disputed rulings with the CNMC explained above.

In relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. The ruling ordered Spain to recover the amount of the aid received. Retevisión-I, S.A.U. lodged an appeal on October 2013 against such decision which was dismissed on 26 November 2015. On 5 February 2017, a further appeal was filed. On 20 December 2017, the Court of Justice of the European Union (CJEU) issued a judgment by which it annulled the decisions of 19 June 2013 and 26 November 2015 aforementioned. After such annulment, the European Comission reopened its investigation and issues a new decision on 10 June 2021, concluding that the aid system was against the European Union’s legislation and, therefore, the aid had to be recovered. Based on this, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 93.2 million as of 31 December 2022 (see Note 13.b). On 5 November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. To date, the General Court of the European Union has still not ruled on such appeal. In the event that, in any of the aforementioned proceedings, there is a court ruling requesting the recovery of the amounts claimed, or any part thereof, by the respective Administration or Public Organism, following our advisors’ criteria, the Supreme Court’s requirements would undoubtfully be met in order to achieve the success of the legal claims that would be lodged by the respective company of the Cellnex Group based on the infringement of the elementary principles of unjust enrichment prohibition and contractor’s indemnity. Consequently, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Company considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

On 1 October 2014, the European Commission passed a ruling declaring that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received government aid in the amount of EUR 56.4 million to finance the digitalisation and expansion of the terrestrial television networks in remote areas of Castilla-La Mancha during the digital transformation process and that such state aid was not compatible with European legislation. The decision ordered Spain (through the regional government of Castilla-La Mancha) to recover the aid prior to 2 February 2015. On 29 October 2015, the Government of Castilla la Mancha began an aid recovery procedure amounting to EUR 719 thousand and this has been opposed, and on 4 July 2016 it was declared that this had lapsed ex oficio. Regardless of the above, on 15 December

2016 the General Court of the European Union passed a sentence that declined the appeals presented against it. An appeal was filed against that judgment on 23 February 2017. On 26 April 2018, the Court of Justice of the European Union issued a judgment rejecting the appeals filed by Cellnex Telecom, S.A. and Telecom Castilla La Mancha, S.A. Likewise, on 20 September 2018, a judgment was handed down dismissing the appeal filed by the Kingdom of Spain. On 26 November 2018, the government of Castilla–La Mancha restarted the aid recovery proceeding for an amount of EUR 719 thousand. During the first half of 2019, Cellnex paid the aforementioned amount to the government of Castilla-La Mancha. On 7 February 2019, the government of Castilla-La Mancha ruled in favour of the aid recovery. The Group filed an appeal against the resolution of the government of Castile-La Mancha, which was dismissed by the High Court of Castilla-La Mancha (Tribunal Superior de Justicia de Castilla La-Mancha) on 21 June 2021. Such resolution was declared firm on 4 October 2021.

b) Current and non-current employee benefit obligations

The detail of “Employee benefit obligations” at 31 December 2022 and 2021 is as follows:

	Thousands of Euros					
	31 December 2022			31 December 2021		
	Non-current	Current	Total	Non-current	Current	Total
Defined benefit obligations	2,060	486	**2,546**	3,724	—	**3,724**
Employee benefit obligations	49,667	62,365	**112,032**	66,729	70,634	**137,363**
Employee benefit obligations	**51,727**	**62,851**	**114,578**	**70,453**	**70,634**	**141,087**

I) Current and non-current defined benefit obligations

The pension commitments and obligations are covered using insurance policies/separate entities, with the amounts not included in the balance sheet. Nevertheless, this heading includes the hedges (relevant obligations and assets) for which there is a continued legal obligation or implied obligation to meet the agreed benefits.

Together with the above obligations, the liability side of the accompanying balance sheet includes EUR 2,060 thousand (EUR 3,724 thousand in 2021) under “Non-current provisions” and EUR 486 thousand (EUR 0 thousand in 2021) under “Current provisions”, relating to the measurement of the main employee commitments arising from certain non-current obligations related to employees’ length of service with the Group. The amounts recognised in 2022 and 2021 for these obligations as a decrease in staff costs were EUR 2,444 thousand and EUR 3,504 thousand and, as a finance cost, were EUR 4 thousand and EUR 5 thousand, respectively.

In relation to the Group’s defined benefit obligations with employees, the reconciliation of the opening and ending balances of the actuarial value of these obligations is as follows:

	Thousands of Euros	
	2022	2021
At 1 January	**3,724**	**6,163**
Current service cost	1,274	1,060
Interest cost	4	5
Actuarial losses/(gains)	(2,444)	(3,504)
Benefits paid	(12)	—
At 31 December	**2,546**	**3,724**

The reconciliation of opening and ending balances of the actuarial fair value of the assets tied to these obligations is as follows:

	Thousands of Euros	
	2022	2021
At 1 January	**2,829**	**1,237**
Sponsor contributions	(1,166)	1,736
Benefits paid	(12)	(144)
At 31 December	**1,651**	**2,829**

The actuarial assumptions (demographic and financial) used constitute the best estimates on the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2022	2021
Annual discount rate	3.50 %	0.19%-0.25%
Salary increase rate	5.53 %	0.77%-2.00%

II) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2019-2021)

In November 2018 the Board of Directors approved the 2019-2021 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 57 employees).

The amount to be received by the beneficiaries were determined by the degree of fulfilment of the share price increase, calculated using the initial starting price of the period and the average price in the three months prior to November 2021, weighted by the volume ("vwap").

The achievement of the objectives established in the 2019-2021 LTIP will be assessed by the Nominations, Remuneration and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2021 by the Annual General Shareholders' Meeting.

For the LTIP 2019 – 2021 all Senior Management and Deputy CEO must receive a 50% of their LTIP remuneration in Cellnex shares and for the CEO the amount is 30% of their LTIP remuneration in shares. The outstanding 50% or 70%, as applicable, may be paid in options. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee. The share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As at 31 December 2022, the cost of the 2019-2021 LTIP was EUR 11 million, which has been paid during the first half of 2022.

Rolling Long-term Incentive Plan (2020-2022)

In December 2019, the Board of Directors approved the 2020-2022 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 105 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2019 (initial starting price of the period) and the average price in the three months prior to 31 December 2022 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2020-2022 LTIP will be assessed by the Nominations, Remuneration and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2022 by the Annual General Shareholders' Meeting.

For the 2020–2022 LTIP, the CEO must receive a minimum amount of 30% of his LTIP remuneration in Shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a minimum amount of 40% of their LTIP remuneration in Shares and the outstanding 60% may be paid in options. Other beneficiaries must receive 70% of their LTIP remuneration in Shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2020-2022 LTIP is approximately EUR 11.7 million. The objectives set for this plan have not been met and therefore no pay-out will be made to management.

Rolling Long-term Incentive Plan (2021-2023)

In December 2020, the Board of Directors approved the 2021-2023 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 180 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2020 (initial starting price of the period) and the average price in the three months prior to 31 December 2023 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2021-2023 LTIP will be assessed by the Nominations, Remuneration and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2023 by the Annual General Shareholders' Meeting.

For the 2021–2023 LTIP, the CEO must receive a 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. The rest of Management must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 15.5 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 10.3 million in reserves of the accompanying consolidated balance sheet as at 31 December 2022 (EUR 4.9 million in reserves as at 31 December 2021). The impact on the accompanying consolidated income statement for 2022 amounted to EUR 5.4 million (EUR 4.9 million in 2021).

Rolling Long-term Incentive Plan (2022-2024)

In December 2021, the Board of Directors approved the 2022-2024 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Deputy CEO, the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain RLFCF per share (considering the perimeter signed as of the end of 2021 and in 2024 the perimeter will have to be adjusted in order to estimate the like-for-like RLFCF per share provided that the Company targets to execute further inorganic growth). Cellnex´s RLFCF per Share is calculated by dividing RLFCF of the period / Cellnex´s number of outstanding shares, with approximately 708 million shares considered (assuming approximately 27 million new shares issued and paid to CK Hutchison Holdings Limited).
- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.
- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").
- With a weighting of 20%, ESG metrics: i) 8% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 12% is based on three parameters: a) the employee engagement at FY21 constant perimeter (based on the pulse survey), b) the reduction of the gender pay gap by 5% at FY21 constant perimeter, and c) achieving an specific percentage of foreign Directors at the Headquarters.

Additionally, under very exceptional performance of absolute Total Shareholder Return and relative position between top 2 companies of the peer group, a booster will be applied to the pay-out capped at a maximum of 5.0x (ranking first with respect the companies of the peer group, and being the share price approximately 115€/share). The achievement of the objectives established in the 2022-2024 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the period end on 31 December 2024, by the Annual General Shareholders' Meeting.

For all the beneficiaries of the 2022—2024 LTIP, 40% of this remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares depending on the job levelling of each employee. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 31 December 2022, the estimated cost of the 2022-2024 LTIP amounts to approximately EUR 11 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 1.4 million and EUR 2.2 million in the long-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2022. The impact on the accompanying consolidated income statement for 2022 amounted to EUR 3.6 million.

Reorganisation Plan (2018 – 2019)

During the first quarter of 2018, the Group reached an agreement with the workers' representatives of Retevisión-I, S.A.U. and Tradia Telecom, S.A.U. regarding a collective redundancy procedure to conclude up to 175 employment contracts in 2018 and 2019 ("The Reorganisation Plan"), as detailed below.

On 27 February 2018, these group companies reached an agreement with the workers' legal representatives consisting of income plans for employees of 57 years of age or older as of 31 December 2017 and, on the other hand, lump-sum indemnity payments as a result of the voluntary termination of employment contracts for other employees not included in the annuity plan. The period during which employees could voluntarily participate in the annuity plan ended on 31 May 2018, whereas the period for claiming the lump-sum termination benefits started on 7 January 2019 and ended on 31 January 2019.

The provision for the workforce agreement was cashed out in 2018, 2019 and first months of 2020. Accordingly, efficiencies should crystalize from 2020 onwards.

This plan fits into the reorganisation process relating to the broadcasting business that is being undertaken by the Group's subsidiary companies. Under this plan, the Group is seeking to adapt its structure to the new business models, which have been widely modernised in recent years with the introduction of equipment, which can be maintained remotely, without the necessity to physically travel to the sites where the equipment is installed.

At 31 December 2018, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 55 million. As of 31 December 2020, the Reorganisation Plan was finalized.

The balance payable at 31 December 2022 associated with this collective redundancy procedure carried out by the Group represents expected payments related to this process, amounting to EUR 10.5 million and EUR 0.2 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 9.9 million and EUR 0.2 million recorded in the long and short term, respectively, at 31 December 2021).

Reorganisation Plan (2022)

In December 2021 an agreement was reached with the workers' representatives of Retevisión-I, S.A.U., Tradia Telecom, S.A.U. and On Tower Telecom Infrastructuras, S.A.U. in relation to a collective redundancy procedure to terminate up to 208 employment contracts in the period from 2022 to 2025 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees of 57 or more years of age who, during the period from 2022 to 31 March 2025 are 57 years of age or older and have a length of service of 7 years and, on the other hand, lump-sum termination benefits as a result of the voluntary termination of their employment contracts for the rest of the employees not included in the pre-retirement plan. The voluntary participation period will begin on 17 January and end on 31 May 2022.

The workforce agreement will be executed in the period from 2022 to 2025. As a result, the opex efficiencies should start to be seen from 2025.

This plan is part of the evolution of the business model (with ever greater emphasis on Telecommunications Infrastructure Services as opposed to broadcasting which was the core business until a few years ago) and technological changes (associated with the development of LTE, mobile broadband and the development of internal management systems that improve efficiency). Therefore, in the last few years work has continued on renewing equipment and automating the network supervision processes, enabling a more centralised management geared towards scheduled actions as a result of preventive maintenance.

At 31 December 2021, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 81 million. During 2022, following execution of part of this agreement, contracts ended for 80 employees for a cost of EUR 23.7 million (no contracts ended during 2021).

The balance payable at 31 December 2022 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 33.4 million and EUR 17.7 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 53 million and EUR 28 million recorded in the long and short term, respectively, at 31 December 2021).

c) Provisions and other liabilities

The detail of “Provisions and other liabilities” at 31 December 2022 and 2021 is as follows:

In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. At 31 December 2022, the provisions for other responsibilities amounted to EUR 533,727 thousand (EUR 668,298 thousand at 2021 year-end). Regarding the Business Combinations executed in 2021, certain risks associated with the business acquired have been assessed by the Group with the assistance of independent third party experts. Following this analysis and in accordance with IFRS 3.22-23, no provisions have been registered in 2022 (see Note 6) (EUR 180 million in 2021 regarding the risks assessed in Business Combinations executed in that period). During the same period, the Group has reversed provisions associated with Business Combinations of approximately EUR 97 million (EUR 149 million in 2021) as the risks became remote, expired or the amounts were settled. The most part of these provisions has been executed against income tax (see Note 18.b). The expectations of the Group are that the provisions recognised will either be settled or will expire within the coming years, based on the statute of limitation for the corresponding provision, in accordance with the tax legislation of each country, which is: EUR 239 million between 1 and 2 years, EUR 80 million between 2 and 3 years and EUR 215 million in more than 3 years.

The heading also includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures. (See Note 3.o.). As at 31 December 2022, the provision for asset retirement obligation, amounted to EUR 479,437 thousand (EUR 489,519 thousand at 2021 year-end, restated). As a result of the movement of the year a positive impact amounting to EUR 108 million has been recognized in “Depreciation, amortisation and results from disposals of fixed assets” caption of the accompanying consolidated income stament of the year 2022.

Moreover, the heading includes the possible sanctions levied by the National Competition Committee (Note 19.a), which have been recorded in the consolidated balance sheet as of 31 December 2022 and 2021 for an amount of EUR 32,473 thousand and EUR 32,473 thousand, respectively, as the cash flow outflow has been estimated as probable. During 2022, the provision recorded in this regard at 2021 year-end, amounting to EUR 18.7 million was reclassified to "current provisions and other liabilities” of the consolidated balance sheet, based on the opinion of its legal advisers.

Furthermore, during 2021, in relation to the T-Mobile Infra Acquisition (see Note 6), Cellnex, DIV and a Dutch foundation entered into an agreement, which sets forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement (the "T-Mobile Infra Put Option"). If the T-Mobile Infra Put Option is exercised, the purchase price for the shares would be their fair value calculated according to certain formulae included in the T-Mobile Infra Put Option agreement, over a maximum period of 5 years. The T-Mobile Infra Put Option could be exercised over a maximum period of five years, and Cellnex may choose to pay the purchase price in case of an exercise either in cash or with Cellnex shares. The method used for the measurement of the T-Mobile Infra Put Option is based on the best estimate, at the measurement date, of the present value of the amount that must be paid when the put option is exercised (pursuant to "IAS 32 - Financial Instruments"). The estimate of the aforementioned amount could vary depending on the evolution of parameters related to market value, determined according to the option contract entered into by the parties, of the aforementioned non-controlling interest, but does not include other variable elements. The liability recognised for the aforementioned agreement was measured by calculating discounted cash flows on the basis of the percentage of ownership. Also, the measurement includes the related financial effect. Thus, at 31 December 2022 and 31 December 2021 the aforementioned liability was recognised at its fair value. At subsequent reporting dates, this amount could be increased on the basis of its fair value; there is no maximum amount for this value, since it depends on the market value of the ownership interest. The price of this acquisition is therefore uncertain and will undoubtedly be expected to be inflationary, given the favourable performance of such assets (see Note 14.f.). Thus, as at 31 December 2022, based on the best estimation of the T-Mobile Infra Put Option and taking into account all the available information, the Group has recognised a provision of EUR 364 million (EUR 296 million at 2021 year-end) for this item in “provisions and other liabilities long-term" of the accompanying consolidated balance sheet.

In addition, this item also mainly includes deferred income in certain subsidiaries in which, at the closing date, there was invoicing collected in advance, in accordance with the corresponding contractual conditions with customers, as well as amounts claimed from Group companies in ongoing litigation at the year end. The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against by the aforementioned companies. At 31 December 2022, this heading amounted to EUR 120,612 thousand (EUR 143,204 thousand at 2021 year-end).

Finally, in the context of the Omtel Acquisition (see Notes 2.h and 6), this amount includes the remaining balance of the total acquisition price, amounting to EUR 570 million, which will be paid, on the earlier of 31 December 2027 or upon the occurrence of certain events of default. The amount of the aforementioned deferred payment is updated to its present value, at an annual market discount rate of 2.65%, at each period end. Therefore, as of 31 December 2022, the present value of the deferred payment amounted to EUR 502,740 thousand (EUR 489,288 thousand at 2021 year-end). Thus, the impact on “financial costs” of the accompanying consolidated income statement for 2022 amounted to EUR 13,452 thousand (EUR 13,452 thousand in 2021).

The expectations of the Group are that the provisions and other liabilities detailed above, other than "provisions for other responsibilities", will either be settled or will expire within the coming years beyond to 2025.

20. Revenue and expenses

a) Operating income

The detail of operating income by item for the 2022 and 2021 financial years is as follows:

	Thousands of Euros	
	2022	2021
Services	3,251,155	2,441,669
Other operating income	247,467	94,399
Advances to customers (Note 13.b)	(3,442)	(3,269)
Operating income	**3,495,180**	**2,532,799**

"Services" includes revenues from the three different customer focused units: Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services. “Other operating income” includes mainly income from re-charging costs related to activities for renting tower infrastructures for site rentals to third parties (pass-through). “Advances to customers” includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures.

Contracted revenue

The contracted revenue “Backlog” represents management’s estimate of the amount of contracted revenues, either through Master Service Agreements (“MSA”) or through Master Lease Agreements (“MLA”) of the Group's structures, that the Group expect will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date. It also incorporates fixed escalators but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the accompanying consolidated financial statements, contracts for services have renewable terms including, in some cases, “all or nothing” clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.

The total amount, by line of business, of the Group’s revenue expected from the service agreements (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) entered into by the Group and that were in force at 31 December 2022 and 2021 are as follows:

	Thousands of Euros			
	2022			
Contracted revenue	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	181,258	222,610	86,871	490,740
Italy	—	673,677	—	673,677
Netherlands	—	131,439	—	131,439
France	—	689,002	—	689,002
United Kingdom	—	459,609	—	459,609
Switzerland	—	143,381	—	143,381
Ireland	—	56,825	—	56,825
Portugal	—	126,857	—	126,857
Austria	—	75,869	—	75,869
Denmark	—	33,477	—	33,477
Sweden	—	57,300	—	57,300
Poland	—	353,264	—	353,264
Less than one year	**181,258**	**3,023,311**	**86,871**	**3,291,441**
Spain	232,897	790,231	202,043	1,225,170
Italy	—	3,021,295	—	3,021,295
Netherlands	—	435,762	—	435,762
France	—	2,875,541	—	2,875,541
United Kingdom	—	1,613,410	—	1,613,410
Switzerland	—	514,116	—	514,116
Ireland	—	207,777	—	207,777
Portugal	—	498,730	—	498,730
Austria	—	303,477	—	303,477
Denmark	—	133,908	—	133,908
Sweden	—	219,434	—	219,434
Poland	—	1,389,473	—	1,389,473
Between one and five years	**232,897**	**12,003,154**	**202,043**	**12,438,093**
Spain	20,002	2,464,515	93,100	2,577,617
Italy	—	11,717,958	—	11,717,958
Netherlands	—	1,339,287	—	1,339,287
France	—	25,474,707	—	25,474,707
United Kingdom	—	9,244,353	—	9,244,353
Switzerland	—	4,269,164	—	4,269,164
Ireland	—	983,645	—	983,645
Portugal	—	2,455,970	—	2,455,970
Austria	—	1,744,993	—	1,744,993
Denmark	—	756,041	—	756,041
Sweden	—	1,242,406	—	1,242,406
Poland	—	14,004,166	—	14,004,166
More than five years	**20,002**	**75,697,205**	**93,100**	**75,810,307**
Domestic	**434,157**	**3,477,356**	**382,014**	**4,293,527**
International	**—**	**87,246,314**	**—**	**87,246,314**
Total	**434,157**	**90,723,671**	**382,014**	**91,539,841**

(*) At 31 December 2022, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December, 2022 would increase to EUR 110 billion approximately, on a run rate basis.

				Thousands of Euros
				2021
Contracted revenue	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	172,063	197,861	70,088	440,011
Italy	—	630,573	—	630,573
Netherlands	—	123,023	—	123,023
France	—	639,854	—	639,854
United Kingdom	—	203,854	—	203,854
Switzerland	—	132,447	—	132,447
Ireland	—	54,869	—	54,869
Portugal	—	111,363	—	111,363
Austria	—	73,904	—	73,904
Denmark	—	29,609	—	29,609
Sweden	—	54,341	—	54,341
Poland	—	329,921	—	329,921
Less than one year	172,063	2,581,619	70,088	2,823,769
Spain	337,290	665,109	104,742	1,107,141
Italy	—	2,983,148	—	2,983,148
Netherlands	—	424,191	—	424,191
France	—	2,561,606	—	2,561,606
United Kingdom	—	600,884	—	600,884
Switzerland	—	488,635	—	488,635
Ireland	—	203,962	—	203,962
Portugal	—	426,316	—	426,316
Austria	—	295,615	—	295,615
Denmark	—	118,434	—	118,434
Sweden	—	210,958	—	210,958
Poland	—	1,305,209	—	1,305,209
Between one and five years	**337,290**	**10,284,070**	**104,742**	**10,726,102**
Spain	23,791	1,654,519	52,640	1,730,950
Italy	—	10,883,093	—	10,883,093
Netherlands	—	1,308,240	—	1,308,240
France	—	23,766,422	—	23,766,422
United Kingdom	—	604,991	—	604,991
Switzerland	—	4,081,067	—	4,081,067
Ireland	—	1,028,367	—	1,028,367
Portugal	—	2,345,314	—	2,345,314
Austria	—	1,773,692	—	1,773,692
Denmark	—	698,791	—	698,791
Sweden	—	1,223,055	—	1,223,055
Poland	—	13,476,788	—	13,476,788
More than five years	**23,791**	**62,844,339**	**52,640**	**62,920,770**
Domestic	**533,144**	**2,517,489**	**227,470**	**3,278,102**
International	**—**	**73,192,539**	**—**	**73,192,539**
Total	**533,144**	**75,710,028**	**227,470**	**76,470,641**

(*) At 31 December 2021, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December,2021 would increase to EUR 110 billion approximately, on a run rate basis.

b) Staff costs

The detail of staff costs by item is as follows:

	Thousands of Euros	
	2022	2021
Wages and salaries	(208,180)	(164,621)
Social Security contributions	(40,554)	(33,769)
Retirement fund and other contingencies and commitments	(4,021)	(86,413)
Other employee benefit costs	(17,628)	(15,554)
Staff costs	**(270,383)**	**(300,357)**

The heading "Retirement fund and other contingencies and commitments" of 2021 include the impact on the accompanying consolidated income statement in relation to the 2021 Reorganisation Plan (see Note 19.b), amounted EUR 81 million.

The average number of employees at the Cellnex Group, its subsidiaries and associates in 2022 and 2021, broken down by job category and gender, is as follows:

	2022			2021		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management [1]	7	2	**9**	8	1	**9**
Middle management	318	98	**416**	301	80	**381**
Other employees	1,711	792	**2,503**	1,642	730	**2,372**
Average number of employees	**2,037**	**892**	**2,929**	**1,952**	**811**	**2,763**

The number of employees at the Cellnex Group at the end of the 2022 and 2021 financial years, broken down by job category and gender, was as follows:

	2022			2021		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management[1]	6	2	**8**	6	1	**7**
Middle management	336	105	**441**	310	91	**401**
Other employees	1,746	822	**2,568**	1,699	769	**2,468**
Number of employees at year-end	**2,089**	**929**	**3,018**	**2,016**	**861**	**2,877**

At 31 December 2022, the Board of Directors of the Parent Company is formed of 11 members, 5 of which are male, and 6 are female. At 31 December 2021, the Board of Directors of the Parent Company was formed of 11 members, 6 of which were male, and 5 were female.

c) Other operating expenses

The detail of other operating expenses by item for the 2022 and 2021 financial years is as follows:

	Thousands of Euros	
	2022	2021
Repairs and maintenance	(91,969)	(79,708)
Utilities	(283,085)	(159,080)
Other operating costs	(283,464)	(246,616)
Other operating expenses	**(658,518)**	**(485,404)**

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[1] The Chief Executive Officer is not included in the category of Senior Management disclosed. The breakdown of the Senior Management including the Chief Executive Officer is disclosed in Annex 6 of the Consolidated Management Report (GRI 405-1 Diversity of governance bodies and employees).

The detail of lease expense by class included in "Other operating costs" for the 2022 and 2021 financial years is as follows

	Thousands of Euros	
	2022	2021 restated
Leases of low-value assets	(3)	—
Variable lease payments	(2,020)	(2,354)
Lease expense	**(2,023)**	**(2,354)**

At 31 December 2022 and 2021, the Group did not recognise gains or losses arising from sale and leaseback transactions by a significant amount.

d) Non-recurring and non-cash expenses

As of 31 December 2022 and 2021, the items "Staff costs" and "Other operating expenses" above, contains (i) certain expenses that are non-recurring, or (ii) certain expenses that do not represent a cash flow, as detailed below:

i. Covid donations, which relate to a financial contribution by Cellnex to different institutions in the context of the Coronavirus Pandemic (non-recurring item), amounted to EUR 1,832 thousand (EUR 3,880 thousand at 2021 year-end).

ii. Redundancy provision, which mainly includes the impact in 2022 and 2021 year-end derived from the reorganisation plans detailed in Note 19.b of these consolidated financial statements (non-recurring item), amounted to EUR 3,367 thousand (EUR 80,870 thousand at 2021 year-end).

iii. LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.b of these consolidated financial statements, non-cash item), amounted to EUR 16,649 thousand (EUR 10,724 thousand at 2021 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 418 thousand (EUR 1,731 thousand at 2021 year-end).

iv. Costs and taxes related to acquisitions, which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 53,717 thousand (EUR 75,735 thousand at 2021 year-end).

e) Depreciation, amortisation and results from disposals of fixed assets

The detail of "Depreciation, amortisation and results from disposals of fixed assets" in the consolidated income statement for the 2022 and 2021 financial years is as follows:

	Thousands of Euros	
	2022	2021 restated
Property, plant and equipment (Note 8)	(702,490)	(483,359)
Right-of-use assets (Note 16)	(618,330)	(480,675)
Intangible assets (Note 9)	(1,037,527)	(712,289)
Others	37,653	—
Total	**(2,320,694)**	**(1,676,323)**

The "Others" line mainly includes the impact derived from changes to the contractual obligation to dismantle and decommission the mobile telecom infrastructures, that arise from a revision in the timing or amount of the estimated decommissioning costs or from a change in the current market-based discount rate, in accordance with IFRIC 1 (see Note 19.c) net of the result of the disposal of fixed assets (see Notes 7, 8 and 9).

f) Net interest expense

The detail of net interest expense by item for the 2022 and 2021 financial years is as follows:

	Thousands of Euros	
	2022	**2021**
Finance income and interest from third parties	21,715	4,339
Changes in fair value of financial instruments	(77)	77
Exchange gains/(losses)	881	—
Total interest income	**22,519**	**4,416**

	Thousands of Euros	
	2022	**2021 restated**
Interest expense on lease liabilities (Note 16)	(327,405)	(234,088)
Finance costs and interest arising from third parties	(57,008)	(33,009)
Bond interest expense	(235,857)	(183,378)
Arrangement expenses and convertible bond accretion	(86,739)	(93,748)
Exchange gains/(losses)	—	(907)
Interest cost relating to provisions	(22,027)	(27,698)
Derivative financial instruments	(668)	(11,344)
Other finance costs	(21,774)	(25,507)
Total interest expense	**(751,478)**	**(609,679)**

21. Contingencies, commitments and obligations

a) Contingencies

As at 31 December 2022, the contingent liabilities of the Cellnex group are those detailed in Note 19.a of these consolidated financial statements.

b) Commitments and obligations

i) Agreements with Bouygues Telecom for the deployment of new build-to-suit programs in France

In the first quarter of 2022, the Group and Bouygues Telecom entered into agreements in order to contractualize, among other things, a new Build-to-Suit programs in France with a view to neutralize capital expenditure and adjusted EBITDA expected impacts from the remedies required by the French CA in connection with the Hivory Acquisition, on a run rate basis. In particular, the Group contracted with Bouygues Telecom a Build-to-Suit program of up to 1,350 sites in rural areas of France, to be deployed by 2029 with an estimated capital expenditure of up to approximately EUR 310 million. The transaction is structured in a way similar to the Bouygues Telecom Strategic Agreement (see Note 8) and definitive agreements in relation thereto have been entered into October 2022. Secondly, Cellnex France and Bouygues Telecom extended an existing Build-to-Suit program in very dense areas of France of up to 1,500 additional sites to be deployed by 2031 with an estimated capital expenditure of up to approximately EUR 490 million. Lastly, the Group increased the scope of its existing program with Bouygues Telecom involving strategic sites with data processing capabilities by adding up to 2 additional mobile switching centres, transferred in December 2022 with an estimated capital expenditure of up to approximately EUR 85 million.

ii) Agreements between Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures to dispose approximately 3,200 urban sites in France

As described in Note 7, in the first quarter of 2022, the Group entered into several transactions with the aim to fulfil the disposals required by the French CA as a condition for the approval of the Hivory Acquisition (see Note 4 of the 2021 Consolidated Financial Statements).

Firstly, Cellnex France and Phoenix France Infrastructures (in the presence of Bouygues Telecom) entered into a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 600 million, net of taxes. The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. At the end of April 2023, the sale of a first package of 150 sites to Phoenix France Infrastructures will be carried out for a price of approximately EUR 34 million, net of taxes.

In addition, Hivory, Cellnex France and Phoenix Tower France II (a company of the Phoenix Tower International group) entered into a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France. The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 235 million, net of taxes.

iii) Other purchase commitments

As at 31 December 2022, the purchase commitments for tangible and intangible assets are those detailed in Notes 8 and 9 of the accompanying consolidated financial statements.

22. Environmental information

Group’s key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the Parent Company’s stakeholders. References to countries in this section correspond to the operations of the Group in the relevant geography.

In this sense, in 2021, the Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy. Both policies outline Cellnex's commitment to the application of best practices in the countries in which the Group operates and based on international benchmark standards. It is the Group’s policy to pay maximum attention to environmental protection and conservation, and it seeks to adopt the necessary measures to minimize the environmental impact of the infrastructure and the telecommunications networks that it manages and ensure the maximum degree of integration into the surrounding area.

Within Cellnex's Environmental, Social and Governance Policy (ESG), three basic principles are established whose application is transversal in all lines of action and commitments, where one of the principles is the Environment and Climate Change: the protection and preservation of the environment, preserving the surroundings and its biodiversity, in which the Group's activities are carried out, through the use of renewable energies, mitigating and adapting to climate change, and contributing to sustainable development through the efficient use of resources.

Additionally, within the environmental management system already implemented and certified, Cellnex periodically updates the identification and evaluation of its environmental aspects, risks and opportunities related to the Group’s activity and the derived environmental impacts, as well as the significance criteria. The most significant impacts are extracted from these evaluations, to which end a monitoring system is established and actions are planned to mitigate them.

The Group has worked to assess the risks and opportunities derived from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities are included in the Environment and Climate Change functional unit in order to form part of the company's general risk management. Thus, the potential impact of a risk and the probability of its occurrence are evaluated, considering the substantial impacts, based on the following areas: i) Economic: (in the income statement and / or investments), ii) operational (level of processes' interruption and of the effect on third parties) and iii) reputation (media impact and possible liability action), and where the assessment of the impact varies from low, medium, important and critical. After the impact assessment, the likelihood of the risk occurring must be assessed.

Additionally, the Group has carried out a climate scenario analysis, as recommended by the TCFD, which allows the Group to understand and define the level of resilience against different future states related to climate change. Based on these scenarios, Cellnex has defined a series of time horizons, which are determined by the probabilities and the reaction time by Cellnex (short, medium and long term). The results obtained from the analysis allow Cellnex to anticipate possible impacts and inform and influence its strategy and commercial objectives, thus further increasing its resilience and having the necessary tools to face possible future climate risks.

As a result of the climate-related risk assessments performed, some climate risks have been identified in relation with potential future regulation, reputation, acute physical (floods, storms, fires), among others. Furthermore, in 2022 Cellnex developed a Climate Change Adaptation Plan, through a vulnerability analysis of the infrastructures to climate change. The main objective of the Cellnex Climate Change Adaptation Plan is to prevent or reduce present and future damage from climate change. Two periods were analysed under a RCP 8.5 scenario: 2011-2040 and 2041-2070. The variables analysed were: temperature, precipitation, wind, storm surge, sea level rise, flooding, fires and landslides. The climatic variable that primarily affects all assets at both horizons is temperature. Owing to the nature of Cellnex’s business, the most important material environmental aspect is energy. In this context, the Group monitors its energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society. From an economic point of view, in the majority of contracts with the MNO and costumers, the energy costs are passed through to them since the Group only manage the necessary infrastructure and access to energy, and transparently pass energy costs on to customers. The Group incurred environmental expenses on civil engineering projects, equipment and environmental permit projects. The acquisition cost of these activities at year-end 2022 amounted to EUR 14,902 thousand (EUR 14,768 thousand in 2021), with accumulated depreciation and amortisation of EUR 9,390 thousand (EUR 8,567 thousand in 2021).

Expenses incurred to protect and improve the environment recognised directly in the income statement amounted to EUR 708 thousand (EUR 471 thousand in 2021) and related mainly to expenses arising from consultancy services and external waste management.

The Group considers that in the context of its operations it complies with applicable environmental protection laws and the Company has procedures designed to encourage and ensure such compliance. For the years ended December 31, 2022 and 2021, the Group did not account for any provision to address potential environmental risks since it considered that there were no significant contingencies associated with potential lawsuits, indemnities or other items, as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

Finally, potential contingencies, indemnities and other environmental risks which the Group could incur are sufficiently covered by its third-party environmental liability insurance, in accordance with current legislation, of EUR 20 million.

Further information on the environmental performance of the Group is disclosed in chapter 5 of the accompanying Consolidated Management Report.

23. Segment reporting

The Group's business segment information included in this note is presented in accordance with the disclosure requirements set forth in IFRS 8, Operating Segments. This information is structured, firstly following a geographic distribution and secondly, by business segment.

Cellnex has recently expanded its business in Europe and its strategic objectives include the continuation of this growth initiative through the acquisition of assets and businesses, along with other growth opportunities both in the countries in which it is currently present and others. In this regard, as the Group continues to acquire sites in existing markets and is continuing to expand into new ones, the Group Management manages the results obtained by geographical location.

In addition, the business segments described below were established based on the organisational structure of the Cellnex Group prevailing as at 31 December 2022 and have been used by Group management to analyse the financial performance of the different operating segments.

The Group has organised its business into three different customer focused units, supported by an operations division and central corporate functions. Income from the provision of services relates mainly to:

- Telecom Infrastructure Services: this is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs, other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, housing of different clients of broadcasters and Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

  The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

  Additionally the consolidated income statement for the period includes income from re-charging costs related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting Infrastructure: this is the Group's second largest segment by turnover. Corresponding to broadcasting services in Spain, where it is the only operator offering nationwide coverage of the digital terrestrial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services in Spain, the Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

Methodology and bases for Segment Reporting

The segmental reporting below is based on monthly reports drawn up by Group management and is generated by the same information system used to obtain all the accounting data at Group level.

Operating income of the corresponding segment corresponds to the ordinary revenues directly attributable to each segment and do not include interest income or dividends.

The majority of assets employed and underlying costs are derived from a shared network common to all operating business units. An allocation of such assets and costs to the business areas is not performed as part of the normal financial information reporting process used by the Group's Management for decision-making, and Management is of the opinion that additional segmental reporting would not provide meaningful information for decision making.

The Management Committees are the maximum decision making authority. These committees evaluate the Group's performance based on the operating profit of each company, which are not the same as the above business areas.

The assets and liabilities of each segment at 31 December 2022 and 2021 are as follows:

	Thousands of Euros										
	31 December 2022										
	Spain (1)	**Italy**	**France**	**UK**	**Switzerland**	**Portugal**	**Austria**	**Poland**	**Netherlands**	**Other countries**	**Total**
Intangible assets	277,901	3,858,399	7,312,641	6,316,416	1,421,456	1,405,208	992,372	2,069,512	1,238,748	1,949,074	**26,841,727**
Right-of-use assets	332,137	712,430	999,791	508,860	254,591	117,631	90,366	220,258	83,959	117,687	**3,437,710**
Tangible fixed assets	885,692	1,605,244	4,571,681	858,018	227,934	515,896	225,546	1,233,886	147,598	422,844	**10,694,339**
Other non-current assets	486,589	68,370	109,166	63,167	4,549	45,719	123,352	40,399	31,202	50,731	**1,023,244**
Total non-current assets	**1,982,319**	**6,244,443**	**12,993,279**	**7,746,461**	**1,908,530**	**2,084,454**	**1,431,636**	**3,564,055**	**1,501,507**	**2,540,336**	**41,997,020**
Total current assets	**1,113,946**	**194,257**	**269,663**	**136,605**	**42,150**	**66,752**	**17,843**	**216,492**	**36,466**	**115,128**	**2,209,302**
Non-current assets held for sale	**—**	**—**	**51,427**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**51,427**
TOTAL ASSETS	**3,096,265**	**6,438,700**	**13,262,942**	**7,883,066**	**1,950,680**	**2,151,206**	**1,449,479**	**3,780,547**	**1,537,973**	**2,655,464**	**44,257,749**
Borrowings and bond issues	15,916,522	—	322,195	674,177	555,778	—	—	—	278,638	26	**17,747,336**
Lease liabilities	238,768	392,015	950,415	221,670	232,232	80,615	77,489	178,909	50,966	78,817	**2,501,896**
Other non-current liabilities	990,329	717,085	1,530,108	1,458,980	280,738	254,536	247,045	314,387	336,576	405,945	**6,535,729**
Total non-current liabilities	**17,145,619**	**1,109,100**	**2,802,718**	**2,354,827**	**1,068,748**	**335,151**	**324,534**	**493,296**	**666,180**	**484,788**	**26,784,961**
Borrowings and bond issues	132,196	—	—	8,614	2,696	70	(236)	—	158	(146)	**143,352**
Lease liabilities	58,390	131,020	169,644	50,792	20,119	13,995	19,764	66,617	25,680	27,573	**583,594**
Other current liabilities	(7,317,905)	694,420	4,543,103	1,657,163	179,126	658,289	197,869	402,064	(52,455)	574,556	**1,536,230**
Total current liabilities	**(7,127,319)**	**825,440**	**4,712,747**	**1,716,569**	**201,941**	**672,354**	**217,397**	**468,681**	**(26,617)**	**601,983**	**2,263,176**
Liabilities associated with non-current assets held for sale	**—**	**—**	**21,814**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,814**
TOTAL LIABILITIES	**10,018,300**	**1,934,540**	**7,515,465**	**4,071,396**	**1,270,689**	**1,007,505**	**541,931**	**961,977**	**639,563**	**1,086,771**	**29,069,951**

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

										Thousands of Euros
										31 December 2021 restated
	Spain (1)	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Other countries	Total
Intangible assets	253,403	4,037,791	7,604,454	2,907,072	1,419,044	1,483,899	1,030,221	2,178,881	3,365,774	**24,280,539**
Right-of-use assets	348,263	747,469	930,041	431,655	245,372	77,731	101,628	254,326	209,702	**3,346,187**
Tangible fixed assets	850,711	1,502,542	3,320,048	324,705	209,462	256,454	207,763	1,151,151	531,707	**8,354,543**
Other non-current assets	282,873	73,897	91,918	70,625	5,213	20,327	139,670	44,637	54,481	**783,641**
Total non-current assets	**1,735,250**	**6,361,699**	**11,946,461**	**3,734,057**	**1,879,091**	**1,838,411**	**1,479,282**	**3,628,995**	**4,161,664**	**36,764,910**
Total current assets	**3,705,049**	**172,327**	**578,406**	**201,406**	**67,204**	**114,333**	**19,212**	**124,259**	**113,837**	**5,096,033**
TOTAL ASSETS	**5,440,299**	**6,534,026**	**12,524,867**	**3,935,463**	**1,946,295**	**1,952,744**	**1,498,494**	**3,753,254**	**4,275,501**	**41,860,943**
Borrowings and bond issues	13,154,150	—	208,920	708,527	564,473	—	—	—	277,990	**14,914,060**
Lease liabilities	269,496	479,693	803,306	122,734	221,814	54,877	89,195	200,526	160,380	**2,402,021**
Other non-current liabilities	890,113	727,056	1,578,757	840,440	323,860	281,783	268,555	336,754	780,257	**6,027,575**
Total non-current liabilities	**14,313,759**	**1,206,749**	**2,590,983**	**1,671,701**	**1,110,147**	**336,660**	**357,750**	**537,280**	**1,218,627**	**23,343,656**
Borrowings and bond issues	717,402	—	—	1,789	1,565	70	(236)	(128)	(467)	**719,995**
Lease liabilities	42,758	98,827	186,701	23,639	17,003	14,589	16,635	63,660	39,929	**503,741**
Other current liabilities	(5,992,356)	667,510	4,755,611	393,525	175,061	506,441	198,281	255,760	506,240	**1,466,073**
Total current liabilities	**(5,232,196)**	**766,337**	**4,942,312**	**418,953**	**193,629**	**521,100**	**214,680**	**319,292**	**545,702**	**2,689,809**
TOTAL LIABILITIES	**9,081,563**	**1,973,086**	**7,533,295**	**2,090,654**	**1,303,776**	**857,760**	**572,430**	**856,572**	**1,764,329**	**26,033,465**

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

Segmental reporting is set out below:

										Thousands of Euros
										2022
	Spain (1)	Italy	France	Switzerland	UK	Portugal	Poland	Netherlands	Other countries	Total (*)
Operating income	565,951	735,022	749,440	157,520	386,203	129,008	412,578	130,108	229,350	**3,495,180**
Operating expenses	(261,754)	(208,554)	(102,324)	(19,997)	(132,163)	(17,633)	(114,791)	(36,395)	(50,558)	**(944,169)**
Depreciation and amortization	(184,963)	(451,219)	(716,695)	(91,833)	(272,456)	(95,711)	(270,328)	(55,455)	(182,034)	**(2,320,694)**
Net Interest	(146,477)	(114,142)	(233,532)	(35,466)	(78,043)	(21,732)	(46,141)	(12,514)	(40,912)	**(728,959)**
Profit of companies accounted for using the equity method	96	—	—	—	—	—	—	(4,335)	—	**(4,239)**
Income tax	13,966	13,253	47,515	(6,193)	132,625	1,580	3,155	(31,696)	15,741	**189,946**
Consolidated net profit	**(13,181)**	**(25,640)**	**(255,596)**	**4,031**	**36,166**	**(4,488)**	**(15,527)**	**(10,287)**	**(28,413)**	**(312,935)**
Attributable non-controlling interest	(170)	—	(7,191)	(689)	—	—	(1,144)	(6,684)	—	**(15,878)**
Net profit attributable to the Parent Company	**(13,011)**	**(25,640)**	**(248,405)**	**4,720**	**36,166**	**(4,488)**	**(14,383)**	**(3,603)**	**(28,413)**	**(297,057)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2022. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the consolidated financial statements.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

								Thousands of Euros
								2021 restated
	Spain [1]	**Italy**	**France**	**Switzerland**	**UK**	**Portugal**	**Other countries**	**Total (*)**
Operating income	530,304	512,454	413,334	146,141	311,814	103,254	515,498	**2,532,799**
Operating expenses	(324,739)	(139,305)	(57,803)	(18,462)	(91,683)	(15,953)	(140,353)	**(788,298)**
Depreciation and amortization	(177,586)	(293,062)	(371,639)	(120,548)	(210,304)	(95,161)	(408,024)	**(1,676,324)**
Net Interest	(235,768)	(80,691)	(121,908)	(31,919)	(37,241)	(20,120)	(77,616)	**(605,263)**
Profit of companies accounted for using the equity method	(19)	—	—	—	—	—	(3,203)	**(3,222)**
Income tax	53,237	92,334	79,635	4,002	(93,348)	2,663	15,601	**154,124**
Consolidated net profit	**(154,571)**	**91,730**	**(58,381)**	**(20,786)**	**(120,762)**	**(25,317)**	**(98,097)**	**(386,184)**
Attributable non-controlling interest	(347)	—	(11,056)	(5,689)	—	—	(6,553)	(23,645)
Net profit attributable to the Parent Company	**(154,224)**	**91,730**	**(47,325)**	**(15,097)**	**(120,762)**	**(25,317)**	**(91,544)**	**(362,539)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2021. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the consolidated financial statements of 2021 financial year.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

The Group has two customers that exceeds 10% of its total revenue. The total income from these customers for the year ended on 31 December 2022 amounted to EUR 1,246,507 thousand. During 2021 financial year, the Group had two customers that exceeded 10% of its revenue and the amount ascended to EUR 931,193 thousand.

The information by business segment is set out below:

				Thousands of Euros
				2022
	Broadcasting infrastructure	**Telecom Infrastructure Services**	**Network Services and others**	**Total**
Services (Gross)	223,497	2,915,604	112,054	**3,251,155**
Other income	—	247,467	—	**247,467**
Advances to customers	—	(3,442)	—	**(3,442)**
Operating income	**223,497**	**3,159,629**	**112,054**	**3,495,180**

				Thousands of Euros
				2021
	Broadcasting infrastructure	**Telecom Infrastructure Services**	**Network Services and others**	**Total**
Services (Gross)	218,290	2,120,659	102,720	**2,441,669**
Other income	—	94,399	—	**94,399**
Advances to customers	—	(3,269)	—	**(3,269)**
Operating income	**218,290**	**2,211,789**	**102,720**	**2,532,799**

There have been no significant transactions between segments during 2022 and 2021.

24. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's directors as at 31 December 2022 and 2021 was as follows:

i. The members of the Board of Directors received EUR 2,069 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 1,706 thousand in 2021).

ii. For performing senior management duties, the CEO:

    a. received EUR 1,300 thousand, corresponding to fixed remuneration (EUR 1,300 thousand in 2021).

    b. accrued EUR 1,576 thousand corresponding to annual variable remuneration, estimated assuming 121% of accomplishment (EUR 1,275 thousand in 2021).

    c. as detailed in Note 19.b, the objectives set for the 2020-2022 LTIP have not been met and therefore no pay-out will be made. As at 31 December 2021, was accrued EUR 1,920 thousand for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidated in December 2021.

    Note: The accounting provisions for all the LTIPs in progress, for the year ended on 31 December 2022 amounted to EUR 3,033 thousand (EUR 2,546 thousand in 2021). See Note 19.b.

iii. In addition, the Chief Executive Officer of Cellnex Telecom, S.A. received, as other benefits, contributions made to cover pensions and other remuneration in kind in the amount of EUR 325 thousand and EUR 33,6 thousand, respectively (EUR 325 thousand and EUR 32 thousand in 2021).

iv. The CEO's severance package, accrued and payable in 2023, will be calculated according to the parameters that were duly approved at the General Shareholders' Meeting on 28 April 2022.

Cellnex defines Senior Management as executives that perform management duties and report directly to the Chief Executive Officer. Fixed and variable remuneration for the year ended on 31 December 2022 for members of Senior Management amounted to EUR 5,822 thousand (EUR 5,323 thousand in 2021). As detailed in Note 19.b, the objectives set for the 2020-2022 LTIP have not been met and therefore no pay-out will be made. As at 31 December 2021, was accrued EUR 4,165 thousand for the achievement of the multi-annual objectives established in all the "Long Term Incentive Plan" that consolidated in December 2021, estimated assuming 100% of accomplishment. Note: The accounting provisions for all the LTIPs in progress, for the year ended on 31 December 2022 amounted to EUR 4,811 thousand (EUR 4,447 thousand in 2021).

In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of EUR 500 thousand and EUR 190 thousand, respectively (EUR 423 thousand and EUR 190 thousand in 2021).

The Parent Company has taken out executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the Senior Management of the Cellnex Telecom group at a cost amounting to EUR 926 thousand at 31 December 2022 (EUR 967 thousand in 2021).

b) Other disclosures on Directors

In accordance with the article 229 of the Spanish Limited Liability Companies Law, the directors have reported that neither they nor any persons related to them are involved in any situations that may lead to a direct or indirect permanent conflict with the Parent Company's interests that could not be managed, if occurs, with the appropriate measures.

c) Associates companies

As of 31 December 2022 and 2021 the Group does not hold balances for significant amounts with associates companies.

For its part, during 2022 and 2021, no significant transactions have been undertaken with associates companies.

d) Other related parties

Other related parties, include shareholders (and their subsidiaries) of Cellnex Telecom, S.A. that exercise significant influence over it, those with a right to appoint a director and those with a stake above 3% (see Note 14.a).

ConnecT Due is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Atlantia. As a result, as of the date of the accompanying consolidated financial statements, Edizione, together with its group of companies, is considered a related party to the Group.

In addition to the dividends paid to shareholders, the breakdown of the balances held and transactions performed with significant shareholders is as follows:

I) Services rendered and received

The Group, through its wholly-owned subsidiary TowerCo, entered into an agreement with Autoestrade pell'Italia SpA ("ASPI"), at that moment, subsidiary of Atlantia by virtue of which the Group can colocate certain assets to provide Telecom Infrastructure Services in Italian motorways that are under the concession of Atlantia until 2038. Pursuant to the terms of this agreement, the consideration for such location amounts to an annual fee of EUR 4 million. On 5 May 2022, Atlantia sold the subsidiary ASPI to a consortium that includes the public bank Cassa Depositi e Prestiti ("CDP") and the investment funds Blackstone and Macquarie. However, in accordance with the disclosures required by IFRS, the transactions carried out with ASPI until the date of the aforementioned control change in 2022 amounted to EUR 1.0 million (EUR 2.9 million as of 31 December 2021).

In addition to the aforementioned, during 2022 and 2021 no significant transactions with related parties have been undertaken.

The Group carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

II) Others

As of 31 December 2022 and 2021, the Group does not hold balances for significant amounts with related parties.

25. Other disclosures

The remuneration of the auditors for 2022 and 2021 is as follows:

Thousands of Euros

	2022				2021			
	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services
Deloitte, S.L.	1,489	223	**1,712**	**91**	1,283	340	**1,623**	**71**
Rest of Deloitte	1,932	47	**1,979**	**138**	1,705	19	**1,724**	**3,066**
Total	**3,421**	**270**	**3,691**	**229**	**2,988**	**359**	**3,347**	**3,137**

(*) Includes the limited review of the consolidated interim financial statements of the Group as of 30 June 2022 and 2021.

26. Post balance sheet events

i) Resignation tendered by Mr. Tobias Martinez Gimeno, as director of Cellnex and, therefore, as its Chief Executive Officer (CEO)

The Parent Company communicated the resignation tendered by Mr. Tobias Martinez Gimeno, by letter dated 10 January 2023, as director of Cellnex and, therefore, as its Chief Executive Officer (CEO), with effect from 3 June 2023.

The Board has acknowledged the CEO's resignation and has put the necessary mechanisms in place for his succession. The choice of the final effective date will allow him to attend the Ordinary General Shareholders Meeting to examine the accounts for the 2022 financial year, initially scheduled for 1 June 2023.

ii) Cellnex entered into a EUR 700 million term loan facility agreement to refinance its debt

On 27 February 2023, Cellnex Finance, as borrower, and Cellnex, as guarantor, entered into a EUR 700,000 thousand term loan facility agreement to refinance by means of a subsequent intra-Group financing between Cellnex Finance, as lender, and Cellnex UK, as borrower, the existing GBP 600,000 thousand term loan facility agreement entered into by Cellnex UK, as borrower, and Cellnex, as guarantor, on 5 November 2019 (as amended and restated on 9 December 2020 and on 23 December 2021). The new financing maintains an attractive interest expense while extending the average life of the Group’s debt.

iii) The Group cancelled a Cross Currency Swap (“CCS”) amounting to EUR 450 million

In February 2023, the Group cancelled a Cross Currency Swap (“CCS”) for EUR 450 million and an equivalent sterling value of GBP 382 million which were designated together with the bond issue of EUR 450 million executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group’s subsidiaries.

27. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.

Barcelona, 28 February 2023

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,555,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	488,455	70%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,906,811	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	6,472,965	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	821,355	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	619,544	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	178,636	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Ukkoverkot Oy	Gräsäntörmä 2, 02200 Espoo, Finland	25,766	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,206,942	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	1,000,060	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	633,002	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,035	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	499,000	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	2,542,405	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	350,005	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	113,410	21%	Cellnex Telecom, S.A.	See Note 6 of 2021 annual consolidated statements	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor

Indirect ownership interest:

Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,625	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,571	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	—
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
MBA Datacenters, S.L.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	18,018	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Nextcell, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	3,800	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Retower, S.R.L	Via Ruggero Fauro n. 4 CAP 00197 Roma	1,731	100%	Cellnex Italia, S.p.A.	Full Consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Towerlink Netherlands, B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Shere Masten B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V (1)	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,600	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV (1)	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	396,500	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,168,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	260,000	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	31,110	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,354,549	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,442,906	100%	Cellnex France Groupe, S.A.S. / Hivory II, SAS	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex France Infrastructures, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,020	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
London Connectivity Partnership Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,773,662	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	207,031	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower UK 2, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	11,247	100%	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	178	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex UK In-Building Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,758	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cignal Infrastructure UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	841,494	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	72%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	830,684	72%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	51,411	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	564,233	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	527,009	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	205,496	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	50	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Hivory Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	71,386	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cellcom Ireland Limited (In liquidation process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,079	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,667	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Rock Solid Transmission Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	3,574	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited (1)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	2,563	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Edzcom Oy	Gräsäntörmä 2, 02200 Espoo, Finland	4,500	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	932,883	100%	Cellnex AustriaGmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	437,170	100%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,528,613	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	919,615	70%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cignal Infrastructure Poland sp. z.o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	5,269	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Remer Sp. z o.o.	ul. Komitetu Obrony Robotników 45D, 02-146 Warsaw	10,701	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	726,445	100%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h. to the 2022 consolidated financial statements with which it should be read.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2021

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,555,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	488,455	75%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1,886,728	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,524,391	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	821,355	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	598,358	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	178,636	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Ukkoverkot Oy	Gräsäntörmä 2, 02200 Espoo, Finland	25,696	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,153,384	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	1,000,060	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	633,002	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,035	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	499,000	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	2,414,138	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	350,005	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	136,390	33%	Cellnex Telecom, S.A.	See Note 6	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Indirect ownership interest:							
Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.LU.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Gestora del Espectro, S.L. (1)	c/ Juan Esplandiú, 11-13 28007 Madrid	3	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,597	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,421	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	—
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
Towerco, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	94,600	100%	Cellnex Italia S.p.A	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
CK Hutchinson Networks Italia, S.p.A.	Largo Metropolitana 5, 20017 RHO (Milan)	3,398,459	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Iaso Group Immobiliaire, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	1,165	100%	Cellnex Italia, S.p.A.	Full consolidation	Building equipment contractors industry	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Towerlink Netherlands, B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	75%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Shere Masten B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	75%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	75%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	75%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V (1)	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	75%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	600	75%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV (1)	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	141,020	75%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	908,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	20	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	15,555	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,403,599	70%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,695,075	100%	Cellnex France Groupe, S.A.S. / Hivory II, SAS	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Hivory II, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,586,937	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
London Connectivity Partnership Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,467,702	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	207,031	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower UK 2, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	11,247	100%	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	178	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	100%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	830,684	90%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	51,411	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	587,733	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	418,063	10%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	215,246	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	50	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Cellcom Ireland Limited (In liquidation process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	11,575	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,079	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,667	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited (1)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	2,563	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Edzcom Oy	Gräsäntörmä 2, 02200 Espoo, Finland	4,500	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	933,220	100%	Cellnex Austria Gmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	436,959	100%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,528,613	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	802,614	60%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Sapastre sp. z o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	2,179	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	804,679	100%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h. to the 2022 consolidated financial statements with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest		Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
		Cost	%								
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	15,919	11,220	4,815	4	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,635	471	1,879	736	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	863	917	399	(284)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	1,290	22.63 %	3,847	3,856	1,871	(380)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

This appendix forms an integral part of Note 2.h. to the consolidated financial statements for 2022 with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2021

Company	Registered office	Ownership interest		Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
		Cost	%								
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	15,718	11,026	4,108	2	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,764	512	1,963	452	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	1,111	616	381	281	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	1,290	22.63 %	1,823	740	403	(358)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

This appendix forms an integral part of Note 2.h. to the consolidated financial statements for 2022 with which it should be read.